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Infosys Subsidiary Financials Report 2022-23

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Content

Infosys BPM Limited

Independent Auditor's Report

To the members of Infosys BPM Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Infosys BPM Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind-AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March, 31 2023, and its profit, 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 standalone financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the standalone 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 standalone financial statements under the provisions of the Act and the Rules made thereunder, 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 standalone financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report, including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our Auditor's Report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our 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 Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone 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 Ind-AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The Balance Sheet, the Statement of Profit and Loss, including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   f. With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

   g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer to Note 2.22 of the standalone financial statements.

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, refer to Note 2.15 of the standalone financial statements. The Company did not have any long-term derivative contracts.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 2.4 to the Standalone Financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

   v. As stated in Note 2.11 to the standalone financial statements

   (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act as applicable.

   (b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.

   (c) The Board of Directors of the Company have proposed final dividend for the year, which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.

   vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software, which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Gurvinder Singh
Partner
Membership No. 110128

UDIN: 23110128BGRDEF7140

Place: Bengaluru
Date: April 11, 2023

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Infosys BPM Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of Infosys BPM Limited (the "Company") as of March 31, 2023 in conjunction with our audit of the standalone Ind-AS financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls with reference to standalone financial statement, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of internal financial controls with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls statements issued by the ICAI.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm Registration Numbe: 117366W/W-100018)

Gurvinder Singh
Partner
Membership No. 110128

UDIN: 23110128BGRDEF7140

Place: Bengaluru

Date: April 11, 2023

Annexure 'B' to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Infosys BPM Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's property, plant and equipment, right-of-use of assets and intangible assets:

   (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.

   (B) The Company does not have intangible assets. Hence, reporting under clause 3(i)(a)(B) of the Order is not applicable.

   (b) The Company has a program of physical verification of property, plant and equipment and right-of-use assets so to cover all the verifiable assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment and right on use assets were due for verification during the year and were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

   (c) Based on our examination of the property tax receipts and lease agreement for land on which the building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee), disclosed in the financial statements included under property, plant and equipment are held in the name of the Company as at the Balance Sheet date.

   (d) The Company has not revalued any of its property, plant and equipment (including Right-of-Use assets) during the year.

   (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The Company does not have any inventory and hence reporting under clause3(ii)(a) of the order is not applicable.

   (b) The Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause3(ii)(b) of the order is not applicable.

iii. The Company has made investments in, companies, and granted unsecured loans to other parties, during the year, in respect of which:

   (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee or provided security to any other entity during the year, and hence reporting under paragraph 3(iii)(a) of the order is not applicable.

   (b) In our opinion, the investments made and the terms and conditions of the grant of loans during the year are, prima facie, not prejudicial to the Company's interest.

   (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally regular as per stipulation.

   (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the Balance Sheet date.

   (e) No loan granted by the Company, which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

   (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

   The Company has not made investments in Firms and Limited Liability Partnerships during the year. Further the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any other parties.

iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

v. The Company has not accepted any deposit or amounts, which are deemed to be deposits. Hence, reporting under clause 3(v) of the order is not applicable.

vi. The maintenance of cost records has not been specified by the Central Government under sub Section (1) of Section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the order is not applicable to the Company.

vii. In respect of statutory dues:

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Nature of the statute	Nature of dues	Amount in Crores	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	15	AY 2011-12, AY 2016-17 and AY 2017-18	Commissioner (Appeals)
The Income Tax Act, 1961	Income Tax	–*	AY 2008-09 to AY 2010-11, AY 2012-13, AY 2013-14, AY 2015-16, AY 2016-17	Assessing Officer
Finance Act, 1994	Service Tax	101	FY 2004-05 to FY 2011-12, FY 2014-15 to FY 2017-18	Customs Excise and Service Tax Appellate Tribunal
The Rajasthan Sales Tax Act, 1994	Value Added Tax	–*	FY 2017 -18	Joint Commissioner (Appeals)
Goods and Service Tax Act, 2017	Goods and Service Tax	1	FY 2017-18 and FY 2018-19	Joint Commissioner (Appeals)
Total		117		

* Less than INR 1 crore

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) The Company has not taken any loans or other borrowings from any lender. Hence, reporting under clause 3(ix)(a) of the Order is not applicable.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under paragraph 3(x)(b) of the order is not applicable.

xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-Section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year (and up to the date of this report) while determining the nature, timing and extent of our audit procedures.

xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. (a) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act or special account in compliance with the provision of sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

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

Gurvinder Singh
Partner
(Membership No.110128)

UDIN: 23110128BGRDEF7140

Place: Bengaluru

Date: April 11, 2023

Balance Sheet

(In ₹ crore)

Particulars	Note No.	Years ended March 31, 2023	2022
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	307	275
Right of use assets	2.2	540	433
Capital work-in-progress	2.3	12	4
Goodwill		19	19
Financial assets			
Investments	2.4	1,396	1,752
Loans	2.5	2	2
Other financial assets	2.6	44	41
Deferred tax assets (net)	2.16	89	72
Income tax assets (net)	2.16	159	137
Other non-current assets	2.9	47	62
Total non-current assets		2,615	2,797
Current assets			
Financial assets			
Investments	2.4	1,916	660
Trade receivables	2.7	1,056	1,042
Cash and cash equivalents	2.8	303	1,497
Loans	2.5	26	18
Other financial assets	2.6	463	325
Income tax assets (net)	2.16	6	54
Other current assets	2.9	246	236
Total current assets		4,016	3,832
Total assets		6,631	6,629
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.11	34	34
Other equity		4,404	4,784
Total equity		4,438	4,818
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	2.2	536	417
Other financial liabilities	2.12	2	1
Other non-current liabilities	2.14	1	1
Total non-current liabilities		539	419
Current liabilities			
Financial liabilities			
Lease liabilities	2.2	101	84

Particulars	Note No.	Years ended March 31,	
		2023	2022
Trade payables	2.13		
Total outstanding dues of micro enterprises and small enterprises		3	–
Total outstanding dues of creditors other than micro enterprises and small enterprises		77	64
Other financial liabilities	2.12	977	823
Other current liabilities	2.14	331	331
Provisions	2.15	22	16
Income tax liabilities (net)	2.16	143	74
Total current liabilities		1,654	1,392
Total equity and liabilities		6,631	6,629

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

As per our report of even date attached

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

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

Gurvinder Singh
Partner
Membership No.: 110128

Martha King
Chairperson and Director

Anantharaman Radhakrishnan
Managing Director and Chief Executive Officer

Bengaluru
April 11, 2023

Vasudeva Maipady
Chief Financial Officer

Sudhir Gaonkar
Company Secretary

Statement of Profit and Loss

(in ₹ crore, except equity share and per equity share data)

Particulars	Note No.	Years ended March 31, 2023	2022
Revenue from operations	2.17	7,529	6,684
Other income, net	2.18	189	292
Total Income		7,718	6,976
Expenses			
Employee benefit expenses	2.19	5,020	4,441
Cost of technical sub-contractors and professional charges	2.19	664	593
Travel expenses		100	18
Depreciation and amortization expense	2.1 & 2.2	220	186
Finance cost	2.2	32	29
Other expenses	2.19	559	474
Total expenses		6,595	5,741
Profit before tax		1,123	1,235
Tax expense:			
Current tax	2.16	293	252
Deferred tax	2.16	(16)	23
		277	275
Profit for the period		846	960
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	2.20	(1)	(12)
		(1)	(12)
Items that will be reclassified subsequently to profit or loss			
Fair value changes on investments, net of tax	2.4	(19)	(10)
		(19)	(10)
Total other comprehensive income/(loss), net of tax		(20)	(22)
Total comprehensive income for the period		826	938
Earnings per equity share			
Equity shares of par value ₹ 10,000/- each			
Basic and Diluted (₹)		250,170.00	283,726.18
Weighted average equity shares used in computing earnings per equity share			
Basic and Diluted		33,828	33,828

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

As per our report of even date attached

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

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

Gurvinder Singh
Partner
Membership No.: 110128

Martha King
Chairperson and Director

Anantharaman Radhakrishnan
Managing Director and Chief Executive Officer

Bengaluru
April 11, 2023

Vasudeva Maipady
Chief Financial Officer

Sudhir Gaonkar
Company Secretary

Statement of Changes in Equity

(In ₹ crore)

Particulars	Equity share capital	Other equity – Reserves & Surplus – Capital reserve: Capital reserve	Other equity – Reserves & Surplus – Capital reserve: Other reserves[2]	Other equity – Reserves & Surplus – Securities premium[2]	Other equity – Reserves & Surplus – General reserve	Other equity – Reserves & Surplus – Special economic zone re-investment reserve[1][2]	Other equity – Reserves & Surplus – Retained earnings[2]	Other equity – Other comprehensive income[2]	Total equity attributable to equity holders of the company
Balance as at April 1, 2021	34	1	–	25	1,000	241	3,758	(29)	5,030
Changes in equity for the year ended March 31, 2022									
Profit for the period	–	–	–	–	–	–	960	–	960
Fair value changes on investments, net of tax (Refer to Note 2.4)	–	–	–	–	–	–	–	(10)	(10)
Remeasurement of the net defined benefit liability/asset, net of tax	–	–	–	–	–	–	–	(12)	(12)
Total comprehensive income for the period	–	–	–	–	–	–	960	(22)	938
Transfer to Special Economic Zone Re-investment Reserve	–	–	–	–	–	261	(261)	–	–
Transfer from Special Economic Zone Re-investment Reserve on utilization	–	–	–	–	–	(88)	88	–	–
Dividends (Refer to Note 2.11)	–	–	–	–	–	–	(1,150)	–	(1,150)
Balance as at March 31, 2022	34	1	–	25	1,000	414	3,395	(51)	4,818
Balance as at April 1, 2022	34	1	–	25	1,000	414	3,395	(51)	4,818
Impact on account of adoption of Ind AS 37	–	–	–	–	–	–	(1)	–	(1)
	34	1	–	25	1,000	414	3,394	(51)	4,817
Changes in equity for the year ended March 31, 2023									
Profit for the period	–	–	–	–	–	–	846	–	846
Fair value changes on investments, net of tax (Refer to Note 2.4)	–	–	–	–	–	–	–	(19)	(19)
Remeasurement of the net defined benefit liability/asset, net of tax	–	–	–	–	–	–	–	(1)	(1)
Total comprehensive income for the period	–	–	–	–	–	–	846	(20)	826
Transfer to Special Economic Zone Re-investment Reserve	–	–	–	–	–	13	(13)	–	–
Transfer from Special Economic Zone Re-investment Reserve on utilization	–	–	–	–	–	(67)	67	–	–
Reserves recorded upon business transfer under common control (Refer to Note 2.11)	–	–	(18)	–	–	–	–	–	(18)
Dividends (Refer to Note 2.11)	–	–	–	–	–	–	(1,187)	–	(1,187)
Balance as at March 31, 2023	34	1	(18)	25	1,000	360	3,107	(71)	4,438

(1) The Special Economic Zone Re-investment Reserve has been created out of the profit of eligible SEZ units in terms of the provisions of Sec 10AA(1)(ii) of Income Tax Act,1961. The reserve should be utilized by the Company for acquiring new plant and machinery for the purpose of its business in the terms of the Sec 10AA(2)of the Income Tax Act, 1961.

(2) A description of the purposes of each reserve within equity have been disclosed in Note 2.11.

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

As per our report of even date attached

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

for Deloitte Haskins & Sells LLP
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Bengaluru
April 11, 2023

Vasudeva Maipady
Chief Financial Officer

Sudhir Gaonkar
Company Secretary

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 ₹ crore)

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
Cash flows from operating activities:			
Profit for the period		846	960
Adjustments to reconcile net profit to net cash generated from operating activities:			
Depreciation and amortization expense	2.1 & 2.2	220	186
Finance cost	2.2	32	29
Income tax expense	2.16	277	275
Profit on sale of property, plant and equipment		(1)	(1)
Interest and dividend income		(50)	(200)
Income on other financial assets		(122)	(70)
Exchange differences on translation of assets and liabilities, net		(18)	(8)
Allowance for credit loss on financial assets		17	5
Other adjustments		16	14
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(124)	(63)
Loans, other financial assets and other assets		(65)	77
Trade payables		16	2
Other financial liabilities, other liabilities and provisions		168	(151)
Cash generated from operations		1,212	1,055
Income taxes paid, net of refunds	2.16	(163)	(292)
Net cash generated from operating activities		1,049	763
Cash flows from investing activities:			
Expenditure on property, plant and equipment		(178)	(152)
Deposits placed with corporation		(3)	(10)
Interest received on bank deposits and others		139	168
Investment in subsidiary	2.4	(1)	(72)
Payment towards business transfer for entities under common control	2.11	(19)	–
Payment to acquire financial assets			
Non-convertible debentures		(247)	(150)
Government Securities		(198)	(791)
Certificates of deposit		(1,439)	(287)
Government bonds		(13)	–
Liquid mutual fund units and fixed maturity plan securities		(4,885)	(4,192)
Commercial Paper		(518)	–
Proceeds on sale of financial assets			
Non-convertible debentures		75	256

Particulars	Note No.	Year ended March 31,	
		2023	2022
Government Securities		350	–
Certificates of deposit		950	–
Government bonds		8	–
Liquid mutual fund units and fixed maturity plan securities		4,831	4,115
Commercial Paper		200	–
Dividend received from subsidiary		–	102
Net cash used in investing activities		(948)	(1,013)
Cash flows from financing activities:			
Payment of lease liabilities	2.2	(109)	(101)
Payment of dividends		(1,187)	(1,150)
Net cash used in financing activities		(1,296)	(1,251)
Effect of exchange differences on translation of foreign currency cash and cash equivalents		1	(2)
Net decrease in cash and cash equivalents		(1,195)	(1,501)
Cash and cash equivalents at the beginning of the period	2.8	1,497	3,000
Cash and cash equivalents at the end of the period	2.8	303	1,497
Supplementary information:			
Restricted cash balance	2.8	–	–

As per our report of even date attached

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

for Deloitte Haskins & Sells LLP
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Bengaluru
April 11, 2023

Vasudeva Maipady
Chief Financial Officer

Sudhir Gaonkar
Company Secretary

Notes to the Standalone Financial Statements

1. Overview

1.1 Company overview

Infosys BPM Limited ("Infosys BPM" or "the Company") (formerly known as Infosys BPO Limited) was incorporated on April 3, 2002 to provide business process management services to organizations that outsource their business processes. Infosys BPM is a wholly-owned subsidiary of Infosys Limited. The Company helps clients improve their competitive positioning by managing their business processes in addition to providing increased value.

The Company is a public limited company incorporated and domiciled in India and has its registered office at Bengaluru, Karnataka, India. The name of the Company was changed from Infosys BPO Limited to Infosys BPM Limited with effect from December 18, 2017.

The standalone financial statements are approved by the Company's Board of Directors on April 11, 2023.

1.2 Basis of preparation of financial statements

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

Accounting policies have been applied consistently to all periods presented in these standalone 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.

As the year-end figures are taken from the source and rounded to the nearest digits, the figures reported for the previous quarters might not always add up to the year-end figures reported in this standalone financial statements.

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 standalone 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 standalone 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.

Contracts with customers includes subcontractor services or third-party vendor equipment or software in certain integrated services arrangements. In these types of arrangements, revenue from sales of third-party vendor products or services 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 good 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.

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.

b. Income taxes

The Company's major tax jurisdiction is India even though the Company also files tax returns in other overseas jurisdiction. 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 and Note No. 2.22.

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

c. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. Also Refer to Note No. 2.1.

1.5 Recent accounting pronouncements

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

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

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

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

2.1 Property, plant and equipment

Accounting Policy

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Building[(1)]	22-25 years
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 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. The useful 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.

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 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 or depreciation) had no impairment loss been recognized for the asset in prior years.

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2023:

(In ₹ crore)

Particulars	Buildings [(1)]	Leasehold improvements	Plant and machinery	Office equipment	Computer equipment	Furniture and fixtures	Total
Gross carrying value as at April 1, 2022	155	144	66	113	496	70	1,044
Additions	7	37	5	6	101	6	162
Additions through Business transfer (Refer to Note 2.11)	–	–	–	–	2	–	2
Deletions*	–	(11)	(2)	(24)	(90)	(44)	(171)
Gross carrying value as at March 31, 2023	162	170	69	95	509	32	1,037
Accumulated depreciation as at April 1, 2022	84	127	62	106	324	66	769
Depreciation	6	10	2	3	109	2	132
Accumulated depreciation on deletions*	–	(11)	(2)	(24)	(90)	(44)	(171)
Accumulated depreciation as at March 31, 2023	90	126	62	85	343	24	730
Carrying value as at March 31, 2023	72	44	7	10	166	8	307
Carrying value as at April 1, 2022	71	17	4	7	172	4	275

*During the year ended March 31, 2023, certain assets, which were old and not in use having gross book value of ₹138 crore (net book value: Nil) respectively, were retired.

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

(In ₹ crore)

Particulars	Buildings [(1)]	Leasehold improvements	Plant and machinery	Office Equipment	Computer equipment	Furniture and fixtures	Total
Gross carrying value as at April 1, 2021	155	141	64	114	412	69	955
Additions	–	3	2	2	136	1	144
Deletions*	–	–	–	(3)	(52)	–	(55)
Gross carrying value as at March 31, 2022	155	144	66	113	496	70	1,044
Accumulated depreciation as at April 1, 2021	79	119	58	105	296	64	721
Depreciation	5	8	4	4	80	2	103
Accumulated depreciation on deletions*	–	–	–	(3)	(52)	–	(55)
Accumulated depreciation as at March 31, 2022	84	127	62	106	324	66	769
Carrying value as at March 31, 2022	71	17	4	7	172	4	275
Carrying value as at April 1, 2021	76	22	6	9	116	5	234

*During the year ended March 31, 2022, certain assets, which were old and not in use having gross book value of ₹22 crore (net book value: Nil) respectively, were retired.

[(1)] Includes certain assets provided on cancellable operating lease to holding company.

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

2.2 Leases

Accounting Policy

The Company as a lessee

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

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

As a lessee, the Company 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 Infosys BPM'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 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 March 31, 2023 are as follows:

(In ₹ crore)

Particulars	Category of ROU asset		Total
	Land	Buildings	
Balance as of April 1, 2022	10	423	433
Additions[1]	–	195	195
Deletions	–	–	–
Depreciation	–	(88)	(88)
Translation difference	–	–	–
Balance as of March 31, 2023	10	530	540

[1] Net of adjustments on account of modifications

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

(In ₹ crore)

Particulars	Category of ROU asset		Total
	Land	Buildings	
Balance as of April 1, 2021	10	469	479
Additions[1]	–	44	44
Deletions	–	(7)	(7)
Depreciation	–	(83)	(83)
Balance as of March 31, 2022	10	423	433

[1] Net of adjustments on account of modifications

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

The break-up of current and non-current lease liabilities as at March 31, 2023 and March 31, 2022 are as follows:

(In ₹ crore)

Particulars	As at March 31,	
	2023	2022
Non-current lease liabilities	536	417
Current lease liabilities	101	84
Total	637	501

The movement in lease liabilities during the years ended March 31, 2023 and March 31, 2022 are as follows:

(In ₹ crore)

Particulars	As at March 31,	
	2023	2022
Balance at the beginning	501	548
Additions[(1)]	195	44
Deletions	–	(8)
Finance cost accrued during the year	32	29
Payment of lease liabilities	(109)	(101)
Translation difference	18	(11)
Balance at the end	637	501

[(1)] Net of adjustments on account of modifications

Rental expense recorded for short-term leases was ₹30 and ₹25 crore for the years ended March 31, 2023 and March 31, 2022.

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

(In ₹ crore)

Particulars	As at March 31,	
	2023	2022
Less than one year	225	103
One to five years	682	325
More than five years	280	182
Total	1,187	610

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 Capital work-in-progress

(In ₹ crore)

Particulars	As at March 31,	
	2023	2022
Capital work-in-progress	12	4
Total Capital work-in-progress	12	4

Capital work-in-progress ageing schedule for the year ended March 31, 2023:

(In ₹ crore)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	12	–	–	–	12
TotalCapital work-in-progress	12	–	–	–	12

Capital work-in-progress ageing schedule for the year ended March 31, 2022:

(In ₹ crore)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	4	–	–	–	4
Total Capital work-in-progress	4	–	–	–	4

During the year ended March 31,2023 and March 31, 2022, in capital-work-in progress there are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

2.4 Investments

(In ₹ crore)

Particulars	As at March 31,	
	2023	2022
Non-current investments		
Equity instruments of subsidiaries	693	692
Government bonds	14	–
Non-convertible debentures	222	259
Government Securities	467	801
Total non-current investments	1,396	1,752
Current investments		
Liquid mutual fund units	199	128
Government bonds	–	8
Certificates of deposit	809	289
Non-convertible debentures	279	81
Government Securities	308	154
Commercial Paper	321	–
Total current investments	1,916	660
Total carrying value	3,312	2,412

(in ₹ crore, except as otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current investments		
Unquoted		
Investments carried at cost		
Investments in equity instruments of subsidiaries		
Infosys (Czech Republic) Limited s.r.o., 18,75,000 (18,75,000) equity shares of CZK 10 each, full paid	3	3
Infosys Poland Sp z.o.o, 5,000 (5,000) equity shares of PLN 500 each, fully paid	59	59
Infosys McCamish Systems LLC	289	289
Portland Group Pty Limited, 1,74,50,000 (1,74,50,000) equity shares, fully paid	211	211
Infosys BPO Americas LLC	130	130
Infosys BPM UK Limited, 1,00,000 (NIL) equity shares of GBP 1 each, fully paid	1	–
	693	692
Quoted		
Investments carried at amortized cost		
Government bonds	14	–
	14	–
Investments carried at fair value through other comprehensive income		
Non-convertible debentures	222	259
Government securities	467	801
	689	1,060
Total Non-current investments	1,396	1,752
Current investments		
Unquoted		
Investments carried at fair value through profit or loss		
Liquid mutual fund units	199	128
	199	128
Investments carried at fair value through other comprehensive income		
Certificates of deposit	809	289
Commercial Paper	321	–
	1,130	289
Quoted		
Investments carried at amortized cost		
Government bonds	–	8
	–	8
Investments carried at fair value through other comprehensive income		
Non-convertible debentures	279	81
Government securities	308	154
	587	235
Total current investments	1,916	660
Total investments	3,312	2,412
Aggregate amount of quoted investments	1,290	1,303
Market value of quoted investments (including interest accrued thereon) - Non current	705	1,060
Market value of quoted investments (including interest accrued thereon) - Current	587	243
Aggregate amount of unquoted investments	2,022	1,109

Particulars	As at March 31,	
	2023	2022
Investment carried at cost	693	692
Investment carried at amortized cost	14	8
Investment carried at fair value through other comprehensive income	2,406	1,584
Investment carried at fair value through profit or loss	199	128

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

Details of amounts recorded in Other Comprehensive income for:

(In ₹ crore)

	Years ended March 31,					
	2023			2022		
	Gross	Tax	Net	Gross	Tax	Net
Net Gain/(loss) on						
Non-convertible debentures	(8)	–	(8)	(7)	1	(6)
Government Securities	(12)	–	(12)	(4)	–	(4)
Certificates of deposit	1	–	1	–	–	–
Commercial Paper	–	–	–	–	–	–
Total	(19)	–	(19)	(11)	1	(10)

Method of fair valuation:

(In ₹ crore)

Class of investment	Method	Fair Value as at March 31,	
		2023	2022
Non-convertible debentures	Quoted price and market observable inputs	501	340
Liquid mutual fund units	Quoted price	199	128
Government Securities	Quoted price and market observable inputs	775	955
Certificates of deposit	Market observable inputs	809	289
Commercial Paper	Market observable inputs	321	–

Certain quoted investments are classified as Level 2 in the absence of active market for such investments.

2.5 Loans

(In ₹ crore)

Particulars	As at March 31,	
	2023	2022
Non-current		
Unsecured, considered doubtful		
Loans to employees	–	–
Less: Allowance for doubtful loans to employees	–	–
	–	–
Unsecured, considered good		
Loans to employees	2	2
Total non-current loans	2	2
Current		
Unsecured, considered good		
Loans to employees	26	18
Total current loans	26	18
Total loans	28	20

2.6 Other financial assets

(In ₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Non- current		
Security deposits [1]	3	3
Rental deposits [1]	41	38
Total non-current other financial assets	44	41
Current		
Security deposits [1]	–	–
Rental deposits [1]	–	–
Restricted deposits[1]**	171	156
Unbilled revenues[1] [3]*	235	133
Interest accrued but not due [1]	16	26
Foreign currency forward contracts [2]	6	8
Others [1] [4]	35	2
Total current other financial assets	463	325
Total other financial assets	507	366
[1] Financial assets carried at amortized cost	501	358
[2] Financial assets carried at fair value through Profit or Loss	6	8
[3] Includes dues from holding company, subsidiaries and other group companies	1	7
[4] Includes dues from holding company, subsidiaries and other group companies	35	2

*Classified as financial asset as right to consideration is unconditional and is due only after a passage of time.

**Restricted deposits represent deposit with financial institutions to settle employee-related obligations as and when they arise during the normal course of business.

2.7 Trade receivables

(In ₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Trade Receivable considered good - Unsecured[2]	1,071	1,056
Less: Allowance for expected credit loss	15	14
Trade Receivable considered good - Unsecured	1,056	1,042
Trade Receivable - credit impaired - Unsecured	6	5
Less: Allowance for credit impairment	6	5
Trade Receivable - credit impaired - Unsecured	–	–
Total trade receivables[1]	1,056	1,042
[1] Includes dues from companies where directors are interested		
[2] Includes dues from holding company, subsidiaries and other group companies	198	206

The details regarding the ageing of Trade receivables as at March 31, 2023 are as follows:

(In ₹ crore)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - considered good	935	132	–	4	–	–	1,071
Undisputed Trade receivables - credit impaired	–	–	–	–	1	–	1
Disputed Trade Receivables - considered good	–	–	–	–	–	–	–
Disputed Trade receivables - credit impaired	–	–	–	–	–	5	5
Less: Allowance for credit loss							21
Total trade receivables	935	132	–	4	1	5	1,056

The details regarding the ageing of Trade receivables as at March 31, 2022 are as follows:

(In ₹ crore)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - considered good	890	158	2	–	1	–	1,051
Undisputed Trade receivables - credit impaired	–	–	–	–	–	–	–
Disputed Trade Receivables - considered good	–	–	–	–	–	–	–
Disputed Trade receivables - credit impaired	–	–	–	–	–	5	5
Less: Allowance for credit loss							14
Total trade receivables	890	158	2	–	1	5	1,042

2.8 Cash and cash equivalents

(In ₹ crore)

Particulars	As at March 31,	
	2023	2022
Balances with banks		
In current and deposit accounts	303	1,272
Cash on hand	–	–
Others		
Deposits with financial institution	–	225
Total Cash and cash equivalents	303	1,497
Balances with banks in unpaid dividend accounts	–	–
Deposits with more than 12 months maturity	–	365

Cash and cash equivalents as at March 31, 2023 and March 31, 2022 include restricted bank balances of less than ₹1 crore each. This represents restricted bank balance, in trust account, in accordance with collection agency licensing requirements.

The deposits maintained by the Company with banks and financial institutions 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 ₹ crore)

Particulars	As at March 31, 2023	2022
Non-current		
Capital advances	–	1
Others		
Prepaid expenses	–	–
Defined benefit assets	6	4
Deferred contract cost [2]	24	39
Withholding taxes and others [3]	17	18
Total non-current other assets	47	62
Current		
Advances other than capital advance		
Payment to vendors for supply of goods and services	4	2
Others		
Prepaid expenses	62	65
Deferred contract cost [2]	18	18
Withholding taxes and others [3]	122	110
Unbilled revenues[1]	40	41
Others	–	–
Total current other assets	246	236
Total other assets	293	298

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

(2) 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.

(3) Withholding taxes and others primarily consists of input tax credits and Cenvat recoverable from Government of India.

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

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.

(v) Investment in subsidiaries

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

b. Derivative financial instruments

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

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

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

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated as 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 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 twelve 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 financial instruments by category table below for the disclosure on carrying value and fair value on 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 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 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 Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates.

The amount of Expected Credit Losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in Statement of Profit and Loss.

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2023 are as follows:

(In ₹ crore)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer to Note 2.8)	303	–	–	–	–	303	303
Investments (Refer to Note 2.4)							
Non-convertible debentures[1]	–	–	–	–	501	501	501
Government bonds[2]	14	–	–	–	–	14	14
Liquid mutual fund units	–	–	199	–	–	199	199
Certificates of deposit	–	–	–	–	809	809	809
Government Securities	–	–	–	–	775	775	775
Commercial Paper	–	–	–	–	321	321	321
Trade receivables (Refer to Note 2.7)	1,056	–	–	–	–	1,056	1,056
Loans (Refer to Note 2.5)	28	–	–	–	–	28	28
Other financial assets (Refer to Note 2.6)[3][4]	501	–	6	–	–	507	507
Total	1,902	–	205	–	2,406	4,513	4,513
Liabilities:							
Lease liabilities (Refer to Note 2.2)	637	–	–	–	–	637	637
Trade payables (Refer to Note 2.13)	80	–	–	–	–	80	80
Other financial liabilities (Refer to Note 2.12)	814	–	4	–	–	818	818
Total	1,531	–	4	–	–	1,535	1,535

(1) The carrying value of debentures approximates fair value as the instruments are at prevailing market rates

(2) On account of fair value changes, including interest accrued

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

(4) Excludes interest accrued on government bonds carried at amortized cost of less than ₹1 crore

The carrying value and fair value of financial instruments by categories as at March 31, 2022 are as follows:

(In ₹ crore)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer to Note 2.8)	1,497	–	–	–	–	1,497	1,497
Investments (Refer to Note 2.4)							
Non-convertible debentures[1]	–	–	–	–	340	340	340
Government bonds[2]	8	–	–	–	–	8	8
Liquid mutual fund units	–	–	128	–	–	128	128
Certificates of deposit	–	–	–	–	289	289	289
Government Securities	–	–	–	–	955	955	955
Trade receivables (Refer to Note 2.7)	1,042	–	–	–	–	1,042	1,042
Loans (Refer to Note 2.5)	20	–	–	–	–	20	20
Other financial assets (Refer to Note 2.6)[3][4]	358	–	8	–	–	366	366
Total	2,925	–	136	–	1,584	4,645	4,645
Liabilities:							
Lease liabilities (Refer to Note 2.2)	501	–	–	–	–	501	501
Trade payables (Refer to Note 2.13)	64	–	–	–	–	64	64
Other financial liabilities (Refer to Note 2.12)	675	–	4	–	–	679	679
Total	1,240	–	4	–	–	1,244	1,244

[1] The carrying value of debentures approximates fair value as the instruments are at prevailing market rates.

[2] On account of fair value changes including interest accrued

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

[4] Excludes interest accrued on government bonds carried at amortized cost of less than ₹ 1 crore

For trade receivables, trade payables, other assets and payables maturing within one year from the Balance Sheet date, the carrying amounts approximate the 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 fair value hierarchy of assets and liabilities measured at fair value as at March 31, 2023 is as follows:

(In ₹ crore)

Particulars	As at March 31, 2023	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units (Refer to Note 2.4)	199	199	–	–
Investment in non-convertible debentures (Refer to Note 2.4)	501	428	73	–
Investments in government securities (Refer to Note 2.4)	775	692	83	–
Investment in certificates of deposit (Refer to Note 2.4)	809	–	809	–
Investment in commercial paper (Refer to Note 2.4)	321	–	321	–
Derivative financial instruments - Fair value gain on outstanding foreign currency forward contracts (Refer to Note 2.6)	6	–	6	–
Liabilities				
Derivative financial instruments - Fair value loss on outstanding foreign currency forward contracts (Refer to Note 2.12)	4	–	4	–

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

(In ₹ crore)

Particulars	As at March 31, 2022	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units (Refer to Note 2.4)	128	128	–	–
Investment in non-convertible debentures (Refer to Note 2.4)[(1)]	340	265	75	–
Investments in government securities (Refer to Note 2.4)	955	868	87	–
Investment in certificates of deposit (Refer to Note 2.4)	289	–	289	–
Derivative financial instruments - Fair value gain on outstanding foreign currency forward contracts (Refer to Note 2.6)	8	–	8	–
Liabilities				
Derivative financial instruments - Fair value loss on outstanding foreign exchange forward contracts (Refer to Note 2.12)	4	–	4	–

(1) During the year ended March 31, 2022, the non-convertible debentures of ₹75 crore were transferred from Level 1 to Level 2, since they were valued based on Observable market inputs other than quoted prices.

Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. 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.

The gross carrying amount of a financial asset is written off (either partially or in full) when there is no realistic prospect of recovery.

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 rupee 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 rupee appreciates/ depreciates against these currencies.

The foreign currency risk from financial assets and liabilities as at March 31, 2023 is as follows:

(In ₹ crore)

Particulars	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Net Financial Assets	1,107	202	87	28	77	1,501
Net Financial Liabilities	(524)	(110)	(36)	(16)	(363)	(1,049)
Total	583	92	51	12	(286)	452

The foreign currency risk from financial assets and liabilities as at March 31, 2022 is as follows:

(In ₹ crore)

Particulars	U.S. dollars	Euro	UnitedKingdom Pound Sterling	Australian dollars	Other currencies	Total
Net Financial Assets	946	195	37	21	36	1,235
Net Financial Liabilities	(407)	(92)	(36)	(17)	(205)	(757)
Total	539	103	1	4	(169)	478

Sensitivity analysis between Indian Rupees and USD

Particulars	Years ended March 31,	
	2023	2022
Impact on the Company's incremental Operating Margins	0.34%	0.32%

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 period and the current reporting period.

Derivative financial instruments

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 counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on inputs that are directly or indirectly observable in the marketplace.

The details in respect of outstanding foreign exchange forward contracts are as follows:

Particulars	As at			
	March 31, 2023		March 31, 2022	
	In million	In ₹ crore	In million	In ₹ crore
Forward contracts				
In U.S. dollars	135	1,113	113	855
In Euro	11	98	11	93
In Czech koruna	364	134	296	102
Total forwards		1,345		1,050

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

(In ₹ crore)

Particulars	As at March 31,	
	2023	2022
Not later than one month	947	330
Later than one month and not later than three months	398	240
Later than three months and not later than one year	–	480
	1,345	1,050

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

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

(In ₹ crore)

Particulars	As at			
	March 31, 2023		March 31, 2022	
	Derivative financial asset	Derivative financial liability	Derivative financial asset	Derivative financial liability
Gross amount of recognized financial asset/liability	8	(6)	8	(4)
Amount set off	(2)	2	–	–
Net amount presented in the Balance Sheet	6	(4)	8	(4)

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 ₹1056 crore and ₹1042 crore as March 31, 2023 and March 31, 2022, respectively and unbilled revenue amounting to ₹275 crore and ₹174 crore as at March 31, 2023 and March 31, 2022, respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers primarily located in the United States.

Credit risk is managed 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. As per Ind-AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. 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 March 31,	
	2023	2022
Revenue from top customer	13%	16%
Revenue from top ten customers	44%	49%

Credit risk exposure

The allowance for lifetime Expected Credit Loss on customer balances is ₹ 3 crore and ₹ 2 for the year ended March 31, 2023 and March 31, 2022, respectively.

(In ₹ crore)

Particulars	Year ended March 31,	
	2023	2022
Balance at the beginning	14	12
Provisions recognized / (reversed)	7	2
Write-offs	(1)	(1)
Translation differences	1	1
Balance at the end	21	14

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. Investment primarily include investment in liquid mutual fund units, fixed maturity plan securities, certificates of deposit, commercial papers, quoted bonds issued by the government and quasi government organizations, non-convertible debentures issued by government aided institutions.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has no outstanding borrowing. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As at March 31, 2023, the Company had a working capital of ₹ 2,362 crore, including cash and cash equivalents of ₹ 303 crore and current investments of ₹ 1916 crore. As at March 31, 2022, the Company had a working capital of ₹ 2,440 crore, including cash and cash equivalents of ₹ 1,497 crore and current investments of ₹ 660 crore.

As at March 31, 2023 and March 31, 2022, the outstanding compensated absences were ₹ 161 crore and ₹ 145 crore, respectively, which have been substantially funded. Accordingly, no liquidity risk perceived.

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

(In ₹ crore)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	80	–	–	–	80
Other financial liabilities (Refer note 2.12)	818	–	–	–	818

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2022:

(In ₹ crore)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	64	–	–	–	64
Other financial liabilities (Refer note 2.12)	679	–	–	–	679

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.

Special Economic Zone Re-investment reserve

The Special Economic Zone Re-investment reserve has been created out of the profit of the eligible SEZ unit in terms of the provisions of Sec 10AA(1)(ii) of Income Tax Act, 1961. The reserve should be utilized by the Company for acquiring new plant and machinery for the purpose of its business in terms of the provisions of the Sec 10AA (2) of the Income Tax Act, 1961.

Other components of equity

Other components of equity consist of remeasurement of net defined benefit liability / asset, equity instruments fair valued through other comprehensive income, changes on fair valuation of investments and changes in fair value of derivatives designated as cash flow hedges, net of taxes.

Business transfer reserve

Business combinations between entities under common control is accounted for at carrying value of the assets and liabilities in the financial statements.

On January 09, 2023, the Board of Directors of the Company authorized to execute a Business Transfer Agreement and related documents with its holding company, Infosys Limited, to transfer the German IBPM business of Infosys Limited to the Company for a consideration based on an independent valuation.

Subsequently on February 22, 2023, the Company entered into a business transfer agreement to acquire the German IBPM business of Infosys Limited with effective date as February 01, 2023 for a consideration of ₹19 crore resulting in recognition of a business transfer reserve of ₹18 crore.

The details of the assets and liabilities taken over upon business transfer are as follows:

(In ₹ crore)

Assets/Liabilities	Total
Property, plant and equipment	2
Other Financial liabilities (Employee obligations)	(1)
Net assets/(liabilities)	1
Less: Consideration paid in cash	19
Business transfer reserve	(18)

Equity share capital

(in ₹ crore, except as otherwise stated)

Particulars	As at March 31,	
	2023	2022
Authorized		
Equity shares, ₹ 10,000/- par value		
1,23,375 (1,23,375) equity shares	123	123
Issued, Subscribed and Paid-Up		
Equity shares, ₹ 10,000/- par value		
33,828 (33,828) equity shares fully paid up	34	34
	34	34

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10,000/-. Each holder of equity shares is entitled to one vote per share.

The Board of Directors, in their meeting held on January 8, 2020, considered and approved the scheme of consolidation of authorized, issued, subscribed and paid-up equity shares by increasing the par value of the equity shares from ₹ 10/- each to ₹10,000/- each such that every 1,000 equity shares with par value of ₹ 10/- each held by a member are consolidated and re-designated into 1 equity share with par value of ₹ 10,000/-

The scheme was approved by shareholders in Annual General Meeting held on July 09, 2020. The National Company Law Tribunal, Bangalore Bench, vide its order dated December 08, 2021, approved the consolidation of the authorized, issued, subscribed and paid-up equity share capital of the Company. The Company has approved January 03, 2022 as the effective date for consolidation of share capital. On consolidation, the Issued, subscribed, and paid-up equity shares became 33,828 shares with par value of ₹10,000/- each.

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

Name of the shareholder	As at March 31,			
	2023		2022	
	Number of shares	% held	Number of shares	% held
Infosys Limited (the holding company)	33,828	100.00	33,828	100.00

The details of shares held by promoters at the end of the year March 31, 2023 are as follows:

Promoter name	No. of shares	% of total shares	% Change during the year
Infosys Limited, the holding company	33,828	100.00	–

The details of shares held by promoters at the end of the year March 31, 2022 are as follows:

Promoter name	No. of shares	% of total shares	% Change during the year
Infosys Limited, the holding company	33,828	100.00	–

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2023 and March 31, 2022 are as follows:

(in ₹ crore, except equity share data)

Particulars	As at March 31,			
	2023		2022	
	Number of shares	Amount	Number of shares	Amount
Number of shares at the beginning of the period	33,828	34	3,38,27,751	34
Add: Shares issued during the period	–	–	–	–
Less: Consolidation of par value from ₹10/- to ₹10,000/-	–	–	(33,793,923)	–
Number of shares at the end of the period	33,828	34	33,828	34

Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

The Company declares and pays dividends in Indian rupees. Companies are required to pay/distribute dividend after deducting applicable withholding income taxes.

The amount of per share ₹ 10,000/- par value (₹ 10/- par value) dividend recognized as distribution to equity shareholders is as follows:

(in ₹)

Particulars	Years ended March 31,	
	2023	2022
Interim Dividend for fiscal 2023	146,000	–
Final Dividend for fiscal 2022	205,000	–
Interim Dividend for fiscal 2022	–	165
Final Dividend for fiscal 2021	–	175

During the year ended March 31, 2023 on account of the final dividend for fiscal 2022 and interim dividend for fiscal 2023, the Company has incurred a net cash outflow of ₹1,187 crore.

The Board of Directors, in their meeting on April 11, 2023, recommended a final dividend of ₹234,000 /- per equity share for the financial year ended March 31, 2023. This payment is subject to the approval of shareholders in the ensuing Annual General Meeting (AGM) of the Company and if approved, would result in a cash outflow of approximately ₹792 crore.

2.12 Other financial liabilities

(In ₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Others		
Compensated absences	2	1
Total non-current other financial liabilities	2	1
Current		
Others		
Accrued compensation to employees[1]	362	398
Accrued expenses[1][4]	280	239
Retention monies[1]	2	–
Compensated absences	159	144
Capital creditors[1]	10	22
Other payables[1][3]	160	16
Foreign currency forward contracts[2]	4	4
Total current other financial liabilities	977	823
Total other financial liabilities	979	824
[1] Financial liability carried at amortized cost	814	675
[2] Financial liability carried at fair value through profit or loss	4	4
[3] Includes dues to holding, subsidiaries and other group companies	14	6
[4] Includes dues to holding, subsidiaries and other group companies	–	–

2.13 Trade payables

(In ₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Outstanding dues of micro enterprises and small enterprises	3	–
Outstanding dues of creditors other than micro enterprises and small enterprises	77	64
Total Trade payables[1]	80	64
[1] Includes dues to holding, subsidiaries and other group companies	27	22

There is no interest due or outstanding on the dues to Micro, Small and Medium Enterprises. During the year ended March 31, 2023 and March 31, 2022, an amount of ₹1 crore (including interest) and ₹3 crore (including interest) was paid beyond the appointed day as defined in the Micro, Small and Medium Enterprises Development Act 2006.

The details regarding the ageing of Trade payables as at March 31, 2023 are as follows:

(In ₹ crore)

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	3	–	–	–	–	3
Others	70	7	–	–	–	77
Disputed Dues- MSME	–	–	–	–	–	–
Disputed Dues- Others	–	–	–	–	–	–
Total trade payables	73	7	–	–	–	80

The details regarding the ageing of Trade payables as at March 31, 2022 are as follows:

(In ₹ crore)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	–	–	–	–	–	–
Others	51	13	–	–	–	64
Disputed Dues- MSME	–	–	–	–	–	–
Disputed Dues- Others	–	–	–	–	–	–
Total trade payables	51	13	–	–	–	64

2.14 Other liabilities

(In ₹ crore)

Particulars	As at March 31,	
	2023	2022
Non-current		
Others		
Accrued defined benefit plan liability	1	1
Total non-current other liabilities	1	1
Current		
Unearned revenue	222	213
Client deposits	1	1
Others		
Withholding taxes and others	108	117
Accrued defined benefit plan liability	–	–
Total current other liabilities	331	331
Total other liabilities	332	332

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

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

(In ₹ crore)

Particulars	As at March 31,	
	2023	2022
Current		
Others		
Post-sales client support and others	22	16
Total Provisions	22	16

Provision for post-sales client support and others are expected to be utilized over a period of six months to one year

Provision for post-sales client support and others

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

(In ₹ crore)

Particulars	As at March 31,	
	2023	2022
Balance at the beginning	16	25
Provision recognized	36	20
Provision utilized	(29)	(30)
Exchange difference	(1)	1
Balance at the end	22	16

2.16 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. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future.

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. Tax benefits of deductions earned on exercise of employee share options in excess of compensation charged to income are credited to equity.

Income tax expense in the Statement of Profit and Loss comprises:

(In ₹ crore)

Particulars	Years ended March 31,	
	2023	2022
Current taxes	293	252
Deferred taxes	(16)	23
Income tax expense	277	275

Income tax expense for the year ended March 31, 2023 and March 31, 2022 includes reversal (net of additional provisions) of ₹3 crore and ₹23 crore respectively, pertaining to earlier periods. These reversals pertain to prior periods on account of adjudication of certain disputed matters in favor of the Company and upon filing of return across various jurisdictions.

Deferred income tax for the year ended March 31, 2023 and March 31, 2022 substantially relates to origination and reversal of temporary differences.

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(In ₹ crore)

Particulars	Years ended March 31,	
	2023	2022
Profit before income taxes	1,123	1,235
Enacted tax rates in India	25.17%	34.94%
Computed expected tax expense	283	432
Tax effect due to non-taxable income for Indian tax purposes	–	(100)
Overseas taxes	17	14
Tax provision (reversals)	(3)	(23)
Effect of exempt non-operating income	–	(36)
Effect of non-deductible expenses	(4)	(1)
Impact of change in tax rate	–	9
Others	(16)	(20)
Income tax expense	277	275

The applicable Indian corporate statutory tax rates for fiscal 2023 and 2022 is 25.17% and 34.944% respectively. New Income tax regime as per The Taxation Laws (Amendment) Act, 2019 is opted by the Company from Financial Year 2022-23 onwards.

The provision for taxation includes tax liabilities in India on the Company's global income as reduced by exempt incomes and any tax liabilities arising overseas on income sourced from those countries as per Indian Income Tax Act, 1961.

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

(In ₹ crore)

Particulars	As at March 31,	
	2023	2022
Income tax assets	165	191
Current Income tax liabilities	(143)	(74)
Net income tax assets at the end	22	117

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

(In ₹ crore)

Particulars	Year ended March 31,	
	2023	2022
Net income tax asset/ (liability) at the beginning	117	65
Translation differences	34	7
Income tax paid, net of refunds	163	292
Income tax expense	(293)	(252)
Income tax on other comprehensive income	1	5
Net income tax asset at the end	22	117

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

(In ₹ crore)

Particulars	Carrying Value as on April 01,2022	Changes through Profit & Loss	Changes through OCI	Translation difference	Carrying Value as on March 31,2023
Deferred income tax assets					
Property, plant and equipment	21	2	–	–	23
Lease liabilities	18	7	–	–	25
Compensated absences	37	2	–	–	39
Trade receivables	4	2	–	–	6
Derivative Financial Instruments	(1)	1	–	–	–
Others	(7)	3	–	–	(4)
Total deferred tax assets and liabilities	72	17	–	–	89

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

Particulars	Carrying Value as on April 01,2021	Changes through Profit & Loss	Changes through OCI	Translation difference	Carrying Value as on March 31,2022
Deferred income tax assets					
Property, plant and equipment	33	(12)	–	–	21
Lease liabilities	17	1	–	–	18
Compensated absences	33	4	–	–	37
Trade receivables	5	(1)	–	–	4
Derivative Financial Instruments	(3)	2	–	–	(1)
Others	10	(17)	–	–	(7)
Total deferred tax assets and liabilities	95	(23)	–	–	72

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

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.

The credits relating to temporary differences during the year ended March 31, 2023 and March 31, 2022 are primarily on account of property, plant and equipment, compensated absences, lease liability and others partially offset by reversal of credits pertaining to derivative financial instruments.

2.17 Revenue from operations

Accounting Policy

The Company derives revenues primarily from business process management services. Arrangements with customers for business process management services are either on a fixed-timeframe, unit of work or on a time-and-material basis.

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

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

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

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

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

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

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

The 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 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.

Revenue from operations for the year ended March 31, 2023 and March 31, 2022 is as follows:

(In ₹ crore)

Particulars	Years ended March 31,	
	2023	2022
Income from business process management services	7,529	6,684
	7,529	6,684

Disaggregate revenue information

The disaggregated revenues from contracts with customers for the year ended March 31, 2023 and March 31, 2022 by offerings are as follows. The Company believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

(In ₹ crore)

Particulars	Years ended March 31,	
	2023	2022
Revenue by offerings		
Digital	1,982	1,156
Core	5,547	5,528
Total	7,529	6,684

Digital Services

Digital Services comprise of service and solution offerings of Infosys BPM that enable our clients to digitally transform their business processes. These include offerings that enhance customer experience through innovative operating models (business platforms), provide business insights that drive improved business outcomes (effectiveness), automate and help accelerate efficiency and productivity and services that assure compliance (such as Sox, GDPR). These solutions leverage AI-based analytics, web-based automation, digital interactive solutions, robotic process automation and platform-based technologies.

Core Services

Infosys BPM is the business process management subsidiary of Infosys, providing end-to-end business processing services for its clients across the globe. Core service offerings are in the areas of Industry-specific services (ex: Mortgage, Claim processing etc) and Enterprise Services (ex: Finance and accounting, HR, Supply services etc.)

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, 2023 and March 31, 2022, the Company recognized revenue of ₹ 182 crore and ₹ 221 crore arising from opening unearned revenue as of April 1, 2022 and April 1, 2021 respectively.

During the year ended March 31, 2023 and March 31, 2022, ₹ 44 crore and ₹ 26 crore of unbilled revenue pertaining to fixed-price development contracts as of April 1, 2022 and April 1, 2021 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 2023, other than those meeting the exclusion criteria mentioned above is INR 2,199.1 crore. Out of this, the Group expects to recognize revenue of around 50.7% 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

2.18.1 Other Income

Other income is comprised primarily of interest income, dividend income and exchange gain/loss on investments and forward and options contracts and on translation of foreign currency assets and liabilities. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

2.18.2 Foreign Currency

a. Functional currency

The functional currency of the Company is the Indian rupee. These standalone financial statements are presented in Indian rupees (rounded off to crore; one crore equals ten million).

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 and reported within exchange gains/(losses) on translation of assets and liabilities, net. 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. The related revenue and expense are recognized using the same exchange rate.

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 Comprehensive Income, net of taxes includes translation differences on non-monetary financial assets measured at fair value at the reporting date, such as equities classified as financial instruments and measured at fair value through other comprehensive income (FVOCI).

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

(In ₹ crore)

Particulars	Years ended March 31,	
	2023	2022
Interest income on financial assets carried at amortized cost		
Government bonds	1	–
Deposit with banks and others	48	88
Interest income on financial assets carried at fair value through other comprehensive income		
Non-convertible debentures	27	30
Certificates of deposit	31	1
Government Securities	43	32
Commercial Paper	4	–
Income on investments carried at fair value through profit or loss		
Gains on liquid mutual funds units	16	6
Profit/(loss) on sale of property, plant and equipment	1	1
Rental income from holding company	3	3
Dividend received from subsidiary	–	102
Interest income on Income tax refund	2	11
Exchange gains/(losses) on foreign currency forward contracts	(42)	(9)
Exchange gains/(losses) on translation of other assets and liabilities	53	24
Miscellaneous income, net	2	3
	189	292

2.19 Expenses

(In ₹ crore)

Particulars	Years ended March 31, 2023	2022
Employee benefit expenses		
Salaries including bonus	4,832	4,273
Contribution to provident and other funds	134	116
Staff welfare	54	52
	5,020	4,441
Cost of technical sub-contractors and Professional charges		
Cost of technical sub-contractors	518	486
Legal and professional	66	50
Recruitment and training	80	57
	664	593
Other expenses		
Consumables	12	13
Brand building and advertisement	3	3
Short-term leases	30	25
Marketing expenses	24	7
Rates and taxes	9	4
Contribution towards Corporate Social Responsibility	18	16
Communication expenses	109	98
Power and fuel	25	19
Repairs and maintenance	128	98
Bank charges and commission	4	4
Postage and courier	3	4
Impairment loss recognized/(reversed) under expected credit loss model	9	2
Professional membership and seminar participation fees	1	2
Provision for doubtful loans and advances	8	3
Provision for post sales client support and others	–	–
Cost of software packages	157	161
Insurance	12	12
Auditor's remuneration		
Statutory audit fees	1	1
Tax matters	–	–
Reimbursement of expenses	–	–
Others	6	2
	559	474

2.20 Employee benefits

Accounting Policy

2.20.1 Gratuity

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary at each Balance Sheet date using the projected unit credit method. The Company fully contributes all ascertained liabilities to the Infosys BPM Limited Employees' Gratuity Fund Trust (the Trust). Trustees administer contributions made to the Trusts and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by Indian Law.

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/asset are recognized in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments is recognized in net profits in the Statement of Profit and Loss.

The Company provides for Minimum mandated retirement benefit scheme under Republic Act 7641 (R.A. 7641) covering eligible employees in Philippines. The R.A. 7641 scheme is a final salary Defined Benefit Plan that provides for a lump sum payment made on retirement. During the year ended March 31, 2023 and March 31, 2022, the Company recognized net defined liability of ₹ 1 crore and ₹ 1 crore respectively (Refer to Note 2.14).

2.20.2 Superannuation

Certain employees of the Company are participants in a defined contribution plan. The Company has no further obligations to the superannuation plan beyond the monthly contribution to the Infosys BPM Limited Employees' Superannuation Fund Trust, the corpus of which is invested with the Life Insurance Corporation of India.

2.20.3 Pension

Certain employees of the Company are participants in a defined contribution plan. The Company has no further obligations to the pension plan beyond the monthly contributions.

2.20.4 Provident fund

Eligible employees of the Company are participants in defined contribution plan. The Company has no further obligations under the provident fund plan beyond its monthly contributions.

2.20.5 Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

The Code on Social Security,2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

(a) Gratuity

The funded status of the gratuity plan and the amounts recognized in the Company's financial statements as of March 31, 2023 and March 31, 2022 are as follows:

(In ₹ crore)

Particulars	As at March 31, 2023	2022
Change in benefit obligations		
Benefit obligations at the beginning	150	129
Service cost	17	15
Interest expense	9	7
Transfer of obligation	(5)	(2)
Remeasurements - Actuarial losses	3	18
Benefits paid	(20)	(17)
Benefit obligations at the end	154	150
Change in plan assets		
Fair value of plan assets at the beginning	154	134
Interest income	9	8
Transfer of employees	(5)	(4)
Remeasurements - Return on plan assets excluding amounts included in interest income	2	2
Contributions	20	31
Benefits paid	(20)	(17)
Fair value of plan assets at the end	160	154
Funded status	6	4
Prepaid gratuity asset	6	4

The amount for the year ended March 31, 2023 and March 31, 2022 recognized in the Statement of Profit and Loss under employee benefit expenses are as follows:

(In ₹ crore)

Particulars	Years ended March 31, 2023	2022
Service cost	17	15
Net interest on the net defined benefit liability/(asset)	-	(1)
Net gratuity cost	17	14

The amount for the year ended March 31, 2023 and March 31, 2022 recognized in the Statement of Other Comprehensive Income are as follows:

(In ₹ crore)

Particulars	Years ended March 31, 2023	2022
Remeasurements of the net defined benefit liability/ (asset)		
Actuarial losses	3	18
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	(2)	(2)
	1	16

(In ₹ crore)

Particulars	Years ended March 31, 2023	2022
(Gain)/loss from change in demographic assumptions	–	–
(Gain)/loss from change in financial assumptions	(2)	(1)
(Gain)/loss from change in experience assumptions	6	20
	4	19

The weighted-average assumptions used to determine benefit obligations as of March 31, 2023 and March 31, 2022 are as follows:

Particulars	As at March 31, 2023	2022
Discount rate	7.1%	6.5%
Weighted average rate of increase in compensation levels	7.5%	7.5%

The weighted-average assumptions used to determine net periodic benefit cost for the years ended March 31, 2023 and March 31, 2022 are as follows:

Particulars	Years ended March 31, 2023	2022
Discount rate	6.5%	6.1%
Weighted average rate of increase in compensation levels	7.5%	7.5%
Weighted average duration of defined benefit obligation	5.9 years	5.9 years

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India.

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

Sensitivity of significant assumptions used for valuation of defined benefit obligations

(In ₹ crore)

Impact of percentage point increase/decrease in	As at March 31, 2023	2022
Discount rate	4	4
Weighted average rate of increase in compensation level	3	3

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant.

Gratuity is applicable only to employees drawing a salary in Indian rupees and there are no other foreign defined benefit gratuity plans.

The Company contributes all ascertained liabilities towards gratuity to the Infosys BPM Limited Employees' Gratuity Fund Trust. Trustees administer contributions made to the trust. As of March 31, 2023 and March 31, 2022, the plan assets have been primarily invested in insurer managed funds.

Actual return on assets for the year ended March 31, 2023 and March 31, 2022 were ₹ 11 crore and ₹ 10 crore respectively.

The Company expects to contribute ₹24 crore to the gratuity trusts during the fiscal 2024.

Maturity profile of defined benefit obligation:

(In ₹ crore)

Within 1 year	50
1-2 year	42
2-3 year	34
3-4 year	30
4-5 year	29
5-10 years	76

(b) Superannuation

The Company contributed ₹ 11 crore to the Superannuation Trust for the year ended March 31, 2023 (₹ 9 crore for the year ended March 31, 2022).

(c) Provident fund

The Company contributed ₹ 110 crore towards Provident Fund for the year ended March 31, 2023 (₹ 90 crore for the year ended March 31, 2022).

(d) Pension Fund

The Company contributed ₹ 13 crore to pension funds for the year ended March 31, 2023 (₹ 13 crore for the year ended March 31, 2022).

2.21 Reconciliation of basic and diluted shares used in computing earnings per share

Accounting Policy

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, reverse share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

(In ₹ crore)

Particulars	As at March 31,	
	2023	2022
Basic earnings per equity share - weighted average number of equity shares outstanding	33,828	33,828
Effect of dilutive common equivalent shares	–	–
Diluted earnings per equity share - weighted average number of equity shares and common equivalent shares outstanding	33,828	33,828

2.22 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 ₹ crore)

Particulars	As at March 31,	
	2023	2022
Contingent liabilities :		
Claims against the Company, not acknowledged as debts[(1)]	266	265
[Amount paid to statutory authorities ₹ 111 crore (₹ 84 crore)]		
Commitments :		
Estimated amount of contacts remaining to be executed on capital contracts and not provided for(net of advances and deposits)[(2)]	53	87

(1) As at March 31, 2023 and March 31, 2022, claims against the Company not acknowledged as debts in respect of income tax matters amounted to ₹38 crore and ₹46 crore, respectively.

The claims against the Company majorly represent demands arising on completion of assessment proceedings under the Income Tax Act, 1961. These claims are on account of multiple issues of disallowances such as disallowance of expenditure towards software being held as capital in nature, disallowance under section 80G, disallowance on account of denial of certain foreign tax credit among others.

The Company is contesting the demand and the management including its tax advisors believes that its position will likely be upheld in the appellate process. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

Amount paid to statutory authorities against the tax claims amounted to ₹111 crore and ₹84 crore as at March 31, 2023 and March 31, 2022, respectively.

(2) Capital contracts primarily comprises of commitments for infrastructure, facilities and computer equipment.

Legal Proceedings

The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management reasonably expects that these legal actions, when ultimately concluded and determined, will not have a material and adverse effect on the Company's results of operations or financial condition.

2.23 Related party transactions

List of related parties:

Name of related parties	Country	Holding as at March 31,	
		2023	2022
Holding Company			
Infosys Limited	India	Holding Company	Holding Company
Subsidiaries			
Infosys (Czech Republic) Limited s.r.o.[1]	Czech Republic	100%	100%
Infosys Poland Sp z.o.o[1]	Poland	100%	100%
Infosys BPO Americas LLC.[1]	U.S.	100%	100%
Infosys McCamish Systems LLC [1]	U.S.	100%	100%
Portland Group Pty Ltd[1]	Australia	100%	100%
Infosys BPM UK Limited[1]	U.K.	100%	–

Fellow subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)[2]	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)[2]	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)[2]	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)[2]	China
Infosys Nova Holdings LLC. (Infosys Nova)[2]	U.S.
EdgeVerve Systems Limited (EdgeVerve)[2]	India
Infosys Austria GmbH[2]	Austria
Skava Systems Private Limited (Skava Systems)[2][26]	India
Infosys Chile SpA[2]	Chile
Infosys Arabia Limited[3][26]	Saudi Arabia
Infosys Consulting Ltda.[2]	Brazil
Infosys Luxembourg S.a.r.l[2]	Luxembourg
Infosys Americas Inc. (Infosys Americas)[2][26]	U.S.
Infosys Public Services, Inc. USA (Infosys Public Services)[2]	U.S.
Infosys Canada Public Services Inc[19][35]	Canada
Infosys Consulting Holding AG (Infosys Lodestone)[2]	Switzerland
Infosys Management Consulting Pty Limited[4]	Australia
Infosys Consulting AG[4]	Switzerland
Infosys Consulting GmbH[4]	Germany
Infosys Consulting S.R.L.[2]	Romania
Infosys Consulting SAS[4]	France
Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.)[4][34]	Czech Republic
Infosys Consulting (Shanghai) Co., Ltd.[4][30]	China
Infy Consulting Company Ltd[4]	U.K.
Infy Consulting B.V.[4]	The Netherlands
Infosys Consulting S.R.L.[44]	Argentina
Infosys Consulting (Belgium) NV[4]	Belgium

Fellow subsidiaries	Country
Panaya Inc. (Panaya)[2]	U.S.
Panaya Ltd.[6]	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH)[53]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[2][26]	U.K.
Brilliant Basics Limited[7][26]	U.K.
Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)[2]	Singapore
Infosys Middle East FZ LLC[8]	Dubai
Fluido Oy[8]	Finland
Fluido Sweden AB (Extero)[11]	Sweden
Fluido Norway A/S[11]	Norway
Fluido Denmark A/S[11]	Denmark
Fluido Slovakia s.r.o[11]	Slovakia
Infosys Compaz Pte. Ltd[9]	Singapore
Infosys South Africa (Pty) Ltd[8]	South Africa
WongDoody Holding Company Inc. (WongDoody)[2][36]	U.S.
WDW Communications, Inc[10][37]	U.S.
WongDoody, Inc[10][38]	U.S.
HIPUS Co., Ltd[9]	Japan
Stater N.V.[9]	The Netherlands
Stater Nederland B.V.[12]	The Netherlands
Stater XXL B.V.[12]	The Netherlands
HypoCasso B.V.[12]	The Netherlands
Stater Participations B.V.[12]	The Netherlands
Stater Belgium N.V./S.A.[13]	Belgium
Stater Gmbh[12][28]	Germany
Outbox systems Inc. dba Simplus (US)[15]	U.S.
Simplus North America Inc.[16][27]	Canada
Simplus ANZ Pty Ltd.[16]	Australia
Simplus Australia Pty Ltd[17]	Australia
Sqware Peg Digital Pty Ltd[18][31]	Australia
Simplus Philippines, Inc.[16]	Philippines
Simplus Europe, Ltd.[16][29]	U.K.
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)[11]	U.K.
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[20]	Ireland
Infosys Limited Bulgaria EOOD[2]	Bulgaria
Kaleidoscope Animations, Inc.[15]	U.S.
Kaleidoscope Prototyping LLC[22]	U.S.
GuideVision s.r.o.[14]	Czech Republic
GuideVision Deutschland GmbH[21]	Germany
GuideVision Suomi Oy[21]	Finland
GuideVision Magyarország Kft[21]	Hungary
GuideVision Polska Sp. z.o.o[21]	Poland
GuideVision UK Ltd[21][26]	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[15]	U.S.
Beringer Capital Digital Group Inc[15][41]	U.S.

Fellow subsidiaries	Country
Mediotype LLC[23][41]	U.S.
Beringer Commerce Holdings LLC[23][41]	U.S.
SureSource LLC[24][39]	U.S.
Blue Acorn LLC[24][39]	U.S.
Simply Commerce LLC[24][39]	U.S.
iCiDIGITAL LLC[25][40]	U.S.
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[2]	Turkey
Infosys Germany Holding Gmbh[2]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[2]	Germany
Infosys Green Forum[2][32]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[33]	Malaysia
Infosys Business Solutions LLC[2][42]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[43]	Germany
oddity GmbH [45]	Germany
oddity (Shanghai) Co., Ltd. [46]	China
oddity Limited (Taipei) [46]	Taiwan
oddity space GmbH [45]	Germany
oddity jungle GmbH [45]	Germany
oddity code GmbH [45]	Germany
oddity code d.o.o [47]	Serbia
oddity waves GmbH [45]	Germany
oddity group services GmbH [45]	Germany
Infosys Public Services Canada Inc. [19][5]	Canda
BASE life science AG [49]	Switzerland
BASE life science GmbH [49]	Germany
BASE life science A/S [48]	Denmark
BASE life science S.A.S [49]	France
BASE life science Ltd. [49]	U.K.
BASE life science S.r.l. [49]	Itlay
Innovisor Inc.[49]	U.S.
BASE life science Inc.[49]	U.S.
BASE life science S.L.[49][50]	Spain
Panaya Germany GmbH [6][51]	Germany
Infosys Norway [8][52]	Norway

(1) Wholly-owned subsidiary of Infosys BPM Limited
(2) Wholly-owned subsidiary of Infosys Limited
(3) Majority-owned and controlled subsidiary of Infosys Limited
(4) Wholly-owned subsidiary of Infosys Consulting Holding AG
(5) Incorporated on July 8, 2022
(6) Wholly-owned subsidiary of Panaya Inc.
(7) Wholly-owned subsidiary of Brilliant Basics Holding Limited.
(8) Wholly-owned subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)
(9) Majority-owned and controlled subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)
(10) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody)
(11) Wholly-owned subsidiary of Fluido Oy
(12) Wholly-owned subsidiary of Stater N.V
(13) Majority-owned and controlled subsidiary of Stater Participations B.V.
(14) Wholly-owned subsidiary of Infy Consulting Company Limited

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

[16] Wholly-owned subsidiary of Outbox Systems Inc.

[17] Wholly-owned subsidiary of Simplus ANZ Pty Ltd

[18] Wholly-owned subsidiary of Simplus Australia Pty Ltd

[19] Wholly-owned subsidiary of Infosys Public Services, Inc.

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

[21] Wholly-owned subsidiary of GuideVision s.r.o.

[22] Wholly-owned subsidiary of Kaleidoscope Animations, Inc.

[23] Wholly-owned subsidiary of Blue Acorn iCi Inc

[24] Wholly-owned subsidiary of Beringer Commerce Holdings LLC

[25] Wholly-owned subsidiary of Beringer Capital Digital Group Inc.

[26] Under liquidation

[27] Liquidated effective April 27,2021

[28] Incorporated on August 4, 2021

[29] Liquidated effective July 20, 2021

[30] Liquidated effective September 1, 2021

[31] Liquidated effective September 2, 2021

[32] Incorporated on August 31, 2021

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

[34] Liquidated effective December 16, 2021

[35] Liquidated effective November 23, 2021

[36] Wholly-owned subsidiary of Infosys Limited, merged with WongDoody Inc, effective December 31, 2021

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

[38] Wholly-owned subsidiary of Infosys Limited, effective December 31, 2021

[39] Merged with Beringer Commerce Holdings LLC, effective January 1, 2022

[40] Merged with Beringer Capital Digital Group Inc, effective January 1, 2022

[41] Merged with Blue Acorn iCi Inc, effective January 1, 2022

[42] Incorporated on February 20, 2022

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

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

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

[46] Wholly-owned subsidiary of oddity GmbH

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

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

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

[50] Incorporated on September 6, 2022

[51] Incorporated effective December 15, 2022

[52] Incorporated effective February 7, 2023.

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

List of other related parties

Name of Trust	Country	Nature of relationship
Infosys BPM Limited Employees' Superannuation Fund Trust (formerly Infosys BPO Limited Employees Superannuation Fund Trust)	India	Post-employment benefit plan of Infosys BPM (Formerly known as Infosys BPO)
Infosys BPM Limited Employees' Gratuity Fund Trust (formerly Infosys BPO Limited Employees' Gratuity Fund Trust)	India	Post-employment benefit plan of Infosys BPM (Formerly known as Infosys BPO)
Infosys Foundation[1]	India	Trust jointly controlled by KMPs of Infosys Limited

[1] Effective January 1, 2022, Infosys Foundation a trust jointly controlled by the KMP's of Infosys Limited

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

(In ₹ crore)

Particulars	As at March 31,	
	2023	2022
Capital transactions:		
Equity		
Infosys BPO Americas	–	72
Infosys BPM UK Limited	1	–
	1	–
Trade receivables		
Infosys Limited	165	183
Infosys McCamish Systems LLC	3	3
Infosys Automotive and Mobility GmbH & Co. KG	19	5
Infosys BPO Americas LLC	–	12
EdgeVerve	–	1
Infosys Public Services	1	1
Infosys Turkey Bilgi Teknolojileri Limited Sirketi	1	–
Portland Group Pty Ltd	1	1
Infosys Luxembourg S.a.r.l	1	–
Infosys Compaz PTE Ltd	2	–
Infosys China	1	–
Stater Nederland B.V.	–	–
Infosys Mexico	–	–
Infosys Poland Sp. Z.o.o	–	–
Infosys (Czech Republic) Limited s.r.o.	–	–
Infosys Austria GMBH	1	–
Infosys Consulting S.R.L. (Romania)	–	–
Infosys Sweden	–	–
Infosys Consulting S.R.L. (Argentina)	–	–
Infosys Consulting Ltda	1	–
Infosys Singapore Pte. Ltd	1	–
Infosys Middle East FZ LLC	–	–
Infy Consulting Company Limited	1	–
	198	206
Other financial assets		
Infosys Limited	32	2
Infosys McCamish Systems LLC	–	–

Particulars	As at March 31, 2023	As at March 31, 2022
Infosys BPO Americas LLC	1	–
EdgeVerve	2	–
Infosys Poland Sp. Z.o.o	–	–
Infosys (Czech Republic) Limited s.r.o.	–	–
Infosys China	–	–
Infosys Consulting S.R.L. (Romania)	–	–
	35	2
Unbilled revenue		
Infosys Limited	–	6
Infy Consulting Company Limited	1	1
Infosys Automotive and Mobility GmbH & Co. KG	–	–
Infosys Austria GMBH	–	–
Infosys Consulting S.R.L. (Romania)	–	–
Infosys Sweden	–	–
	1	7
Trade payables		
Infosys Limited	12	9
Infosys McCamish Systems LLC	10	9
Infosys Poland Sp. Z.o.o	2	1
Portland Group Pty Ltd	1	1
Infosys China	–	1
Infosys Mexico	–	1
Infosys Consulting Ltda	2	–
EdgeVerve	–	–
Infosys (Czech Republic) Limited s.r.o.	–	–
	27	22
Other financial liabilities		
Infosys Limited	11	5
Infosys McCamish Systems LLC	1	1
EdgeVerve	–	–
Infosys BPO Americas LLC	–	–
Infosys Poland Sp. Z.o.o	1	–
	14	6
Accured Expense		
Infosys Limited	–	–
Infosys BPO Americas	–	–
	–	–

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

(In ₹ crore)

Particulars	Years ended March 31, 2023	Years ended March 31, 2022
Capital transactions:		
Equity		
Infosys BPO Americas LLC	–	72
Infosys BPM UK Limited	1	–
	1	72
Revenue transactions:		
Purchase of services		
Infosys Limited	113	95
Infosys McCamish Systems LLC	132	101
Infosys Poland Sp. Z.o.o	19	22
Portland Group Pty Ltd	7	13
EdgeVerve	(1)	3
Infosys (Czech Republic) Limited s.r.o.	1	2
Infosys China	6	4
Infosys Consulting Ltda	10	1
Infosys Mexico	1	1
	288	242
Purchase of shared services including facilities and personnel		
Infosys Limited	86	51
Infosys McCamish Systems LLC	4	3
Infosys BPO Americas LLC	–	–
Infosys Poland Sp. Z.o.o	–	–
Stater N.V.	4	–
	94	54
Sale of services		
Infosys Limited	2,101	2,001
Infosys McCamish Systems LLC	34	32
Infosys Public Services	20	12
Infosys BPO Americas LLC	3	15
Portland Group Pty Ltd	6	3
EdgeVerve	6	5
Infosys Poland Sp. Z.o.o	2	3
Stater Nederland B.V.	1	2
Infosys Automotive and Mobility GmbH & Co. KG	35	5
Infosys China	2	1
Infy Consulting Company Limited	3	1
Infosys Luxembourg S.a.r.l	1	1
Infosys Compaz PTE Ltd	4	1
HIPUS Co., Ltd	–	–
Infosys Mexico	–	–
Infosys (Czech Republic) Limited s.r.o.	1	–
Infosys Turkey Bilgi Teknolojileri Limited Sirketi	3	–

Particulars	Years ended March 31,	
	2023	2022
Infosys Austria GMBH	2	–
Infosys Consulting S.R.L. (Romania)	–	–
Infosys Sweden	1	–
Infosys Consulting S.R.L. (Argentina)	–	–
Infosys Consulting Ltda	1	–
Infosys Singapore Pte. Ltd	1	–
Infosys Middle East FZ LLC	1	–
	2,228	2,082
Sale of shared services including facilities and personnel		
Infosys Limited	36	3
Infosys BPO Americas LLC	–	–
	36	3
Dividend received		
Portland Group Pty Ltd	–	102
	–	102
Dividend paid		
Infosys Limited	1,187	1,150
	1,187	1,150
Other Transaction		
Infosys Foundation	17	1
	17	1

The Company's material related party transactions during the year ended March 31, 2023 and March 31, 2022 and outstanding balances as at March 31, 2023 and March 31, 2022 are with its holding Company, subsidiaries and fellow subsidiaries with whom the Company generally enters into transactions which are at arm's length and in the ordinary course of business.

List of key management personnel

Name of the related party	Designation
Anantharaman Radhakrishnan	Managing Director and Chief Executive Officer
Ravikumar Singisetti[(1)]	Chairman and Director
Inderpreet Sawhney	Director
Martha King	Director
Prem Pereira[(2)]	Chief Financial Officer
Vasudeva Maipady[(3)]	Chief Financial Officer
Bindu Raghavan[(4)]	Company Secretary
Sudhir Gaonkar[(5)]	Company Secretary
Gopal Devanahalli[(6)]	Independent Director
Michael Nelson Gibbs[(6)]	Independent Director

(1) Resigned as Chairman & Director effective October 11, 2022.

(2) Resigned as Chief Financial Officer effective April 14, 2022.

(3) Appointed as Chief Financial Officer effective April 15, 2022.

(4) Resigned as Company Secretary effective September 30, 2022.

(5) Appointed as Company Secretary effective October 01, 2022.

(6) Resigned as independent director effective August 16, 2022.

Transaction with key management personnel

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

(In ₹ crore)

Particulars	Years ended March 31,	
	2023	2022
Salaries and other employee benefits to whole-time directors and executive officers[1]	7	7
Commission and other benefits to non-executive/independent directors	–	–
Total	7	7

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

2.24 Segment reporting

The Company presents this standalone financial statements along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.

2.25 Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education and healthcare and rural development projects. A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

(In ₹ crore)

S.No	Particula	As at March 31,	
		2023	2022
i)	Amount required to be spent by the company during the year	18	16
ii)	Amount of expenditure incurred	18	16
iii)	Shortfall at the end of the year	–	–
iv)	Total of previous years shortfall	–	–
v)	Reason for shortfall	Not applicable	Not applicable
vi)	Nature of CSR activities	Promoting healthcare including preventive healthcare, Eradicating hunger, poverty and sanitation programs, promoting education, enhancing vocational skills, Rural development.	
vii)	Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard[1]	17	1
viii)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	–	–

[1] Effective January 1, 2022, Infosys Foundation a trust jointly controlled by the KMP of Infosys Limited is a related party. For the year ending March 31, 2023, the Company has made contributions to Infosys foundation to fulfil its corporate social responsibilities. Infosys Foundation supports programs in the areas of education, rural development, healthcare, arts and culture, and destitute care.

2.26 Analytical ratios

The analytical ratios for the year ended March 31, 2023 and March 31, 2022 are as follows:

Particulars	Numerator	Denominator	Years ended March 31,		% of Variance
			2023	2022	
Current Ratio	Current assets	Current liability	2.4	2.8	(14.3%)
Debt – Equity Ratio	Total Debt[1]	Shareholder's Equity	0.1	0.1	0.0%
Debt Service Coverage Ratio	Earnings available for debt service[2]	Debt Service[3]	10.4	11.8	(11.9%)
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	18.3%	19.5%	(6.2%)
Trade receivables turnover ratio	Net Credit Revenue	Average Accounts Receivable	7.2	6.8	5.9%
Trade payables turnover ratio	Net Credit Purchase of services/consumables	Average Trade Payables	17.9	16.9	5.9%
Net capital turnover ratio	Net Sales	Working Capital	3.2	2.7	18.5%
Net profit ratio	Net Profit	Net Sales	11.2%	14.4%	(22.2%)
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed[4]	22.8%	23.8%	(4.2%)
Return on Investment					
Unquoted	Income from investments	Time weighted average investments	6.1%	3.8%	60.5%
Quoted	Income from investments	Time weighted average investments	4.0%	4.7%	(14.9%)

(1) Debt represents lease liabilities

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

(3) Lease payments for the current year

(4) Tangible net worth + Deferred tax liabilities + Lease liabilities

During the year ended March 31, 2023, there is a variance of more than 25% compared to previous year in Unquoted Return on Investment (ROI) due to change in investment mix.

2.27 Relationship with struck off companies

During the year ended March 31, 2023, there are no transactions and balance outstanding at March 31, 2023 is Nil with struck off companies.

The below table provides details regarding relationship with struck off companies for the year ended 31st March 2022 :

(In ₹ crore)

Name of Struck off Company	Nature of transactions with Struck off Company	Balance Outstanding as at March 31, 2022	Transactions during the year March'2022	Relationship with Struck off company
Mysodet Private Limited	Payables	–	–	Vendor
Evineon Technologies Private Limited	Payables	–	–*	Vendor

*Less than ₹ 1 crore

2.28 Function-wise classification of statement of profit and loss

(In ₹ crore)

Particulars	Note No.	Years ended March 31,	
		2023	2022
Revenue from operations	2.17	7,529	6,684
Cost of sales		5,800	5,137
Gross Profit		1,729	1,547
Operating expenses			
Selling and marketing expenses		266	204
General and administration expenses		497	371
Total operating expenses		763	575
Operating profit		966	972
Other income	2.18	189	292
Finance cost	2.2	(32)	(29)
Profit before tax		1,123	1,235
Tax expense:			
Current tax	2.16	293	252
Deferred tax	2.16	(16)	23
Profit for the year		846	960
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	2.20	(1)	(12)
		(1)	(12)
Items that will be reclassified to profit or loss			
Fair value changes on investments, net of tax	2.4	(19)	(10)
		(19)	(10)
Total other comprehensive income, net of tax		(20)	(22)
Total comprehensive income for the year		826	938

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

Martha King
Chairperson and Director

Anantharaman Radhakrishnan
Managing Director and Chief Executive Officer

Bengaluru
April 11, 2023

Vasudeva Maipady
Chief Financial Officer

Sudhir Gaonkar
Company Secretary

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Infosys McCamish Systems LLC

Independent Auditor's Report

To the Board of Directors of Infosys McCamish Systems LLC.

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying Special Purpose Financial Statements of Infosys McCamish Systems LLC ("the Company"), which comprise the Balance Sheet as at December 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Special Purpose Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Financial Statements give a true and fair view in conformity with the basis of preparation referred to in Note 1.2 of the Special Purpose Financial Statements, of the state of affairs of the Company as at December 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these Special Purpose Financial Statements that give a true and fair view of the financial position, financial performance, including Other Comprehensive Income, Changes in Equity and Cash Flows of the Company in accordance with the basis described in Note 1.2 of the Special Purpose Financial Statements. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

Basis of Accounting

We draw attention to Note 1.2 to the Special Purpose Financial Statements, which describes the basis of accounting. As a result, the Special Purpose Financial Statements may not be suitable for another purpose.

Restriction on Use and distribution

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

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

Gurvinder Singh
Partner
Membership Number: 110128

UDIN: 23110128BGRDEA8882

Date: March 30, 2023

Place: Bengaluru

Balance Sheet

(In US$)

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

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

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No.: 117366W/ W-100018

Gurvinder Singh
Partner
Membership No.: 110128

Bengaluru

March 30, 2023

for and on behalf of Infosys McCamish Systems, LLC

Rich Magner
Chief Executive Officer

Kapil Jain
Director

Thothathri V.
Director

Statement of Profit and Loss

(In US$)

Particulars	Note No.	Year ended December 31, 2022	Year ended December 31, 2021
Revenue from operations	2.16	458,723,130	371,851,155
Other income, net	2.17	2,880,436	792,689
Total Income		461,603,566	372,643,844
Expenses			
Employee benefit expenses	2.18	35,131,300	37,009,886
Cost of technical sub-contractors and professional charges	2.18	97,349,150	60,560,018
Travel expenses		91,416	35,586
Cost of software packages		258,700,865	217,259,099
Finance Cost	2.2	2,248,757	1,166,358
Depreciation and amortization expense	2.1,2.2,2.3	13,379,802	6,553,058
Other expenses	2.18	12,266,351	14,564,137
Total Expenses		419,167,641	337,148,142
Profit before tax		42,435,925	35,495,702
Tax expense:			
Current tax	2.15	12,410,175	10,042,523
Deferred tax	2.15	(4,233,003)	(217,596)
		8,177,172	9,824,927
Profit for the year		34,258,753	25,670,775
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss		–	–
Items that will be reclassified subsequently to profit or loss		–	–
Total other comprehensive income/(loss), net of tax		–	–
Total comprehensive income for the year		34,258,753	25,670,775

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

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No.: 117366W/ W-100018

Gurvinder Singh
Partner
Membership No.: 110128

Bengaluru

March 30, 2023

for and on behalf of Infosys McCamish Systems, LLC

Rich Magner
Chief Executive Officer

Kapil Jain
Director

Thothathri V.
Director

Statement of Changes in Equity

(In US$)

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

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

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No.: 117366W/ W-100018

Gurvinder Singh
Partner
Membership No.: 110128

Bengaluru

March 30, 2023

for and on behalf of Infosys McCamish Systems, LLC

Rich Magner
Chief Executive Officer

Kapil Jain
Director

Thothathri V.
Director

Statement of Cash Flows

(In US$)

Particulars	Note. No.	Year ended December 31, 2022	Year ended December 31, 2021
Cash flow from operating activities:			
Profit for the year		34,258,753	25,670,775
Adjustments to reconcile net profit to net cash provided by operating activities:			
Income tax expense	2.15	8,177,172	9,824,927
Depreciation and amortization	2.1, 2.2, 2.3	13,379,802	6,553,058
Allowance for credit losses on financial assets		351,676	2,530,050
Loss on sale of plant and equipment		–	5,302
Exchange difference on translation of assets and liabilities		556,296	88,348
Finance cost		2,248,757	1,166,358
Interest income on loans		(1,909,827)	(53,142)
Other adjustment		6,579,006	–
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(40,440,409)	(94,627,133)
Loans and other financial assets and other assets		(34,460,425)	(42,788,982)
Trade payables		(9,353,210)	16,572,467
Other financial liabilities, other liabilities, and provisions		69,941,898	86,233,817
Cash generated by operations		49,329,489	11,175,845
Income taxes paid		(12,735,253)	(10,766,291)
Net cash generated by operating activities		36,594,236	409,554
Cash flow from investing activities:			
Expenditure on property, plant and equipment, including intangible assets, net of sale proceeds, including changes in retention money and capital creditors		(828,572)	(3,086,669)
Loan to related parties		(24,500,000)	(18,500,000)
Payment under financing arrangements		–	(3,000,000)
Receipt of rental towards financing arrangements		4,577,956	1,981,587
Net cash used in investing activities		(20,750,616)	(22,605,082)
Cash flow from financing activities:			
Receipt under financing arrangements		–	6,890,061
Repayment of rentals towards financing arrangements		(15,211,290)	(3,158,582)
Repayment of lease liabilities		(6,810,006)	(3,785,234)
Net cash generated / (used) in financing activities		(22,021,296)	(53,755)
Net (decrease) / increase in cash and cash equivalents		(6,177,676)	(22,249,283)
Cash and cash equivalents at the beginning		47,328,637	69,577,920
Cash and cash equivalents at the end		41,150,961	47,328,637
Supplementary information:			
Restricted cash balance		6,135	6,664

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

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No.: 117366W/ W-100018

Gurvinder Singh
Partner
Membership No.: 110128

Bengaluru

March 30, 2023

for and on behalf of Infosys McCamish Systems, LLC

Rich Magner
Chief Executive Officer

Kapil Jain
Director

Thothathri V.
Director

Notes to the Financial Statements

1. Overview

1.1 Company overview

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

The Company was formed in December 1994 as a limited liability company under the provisions of the Georgia Limited Liability Company Act, limited by member's interest. The Company was acquired by Infosys BPM Limited (formerly Infosys BPO Limited), a subsidiary of Infosys Limited, on December 4, 2009.

The financial statements are approved by the Company's Board of Directors on March 30, 2023.

1.2 Basis of preparation of financial statements

These Special Purpose Financial Statements are prepared for inclusion in the Annual Report of the Holding Company Infosys BPM Limited and Ultimate Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013.

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

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

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

1.3 Use of estimates and judgements

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

1.4 Critical accounting estimates

a. Revenue recognition

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

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

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

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract. Also, refer note no. 2.16.

b. Income taxes

The Company's tax jurisdiction is United States of America. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions. Also refer to Note no. 2.15.

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

c. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. Also, refer to Note no. 2.1.

2.1 Property, plant and equipment

Accounting Policy

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

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

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

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

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

Impairment

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

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

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

(In US$)

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

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

(In US$)

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

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

2.2 Leases

Accounting Policy

The Company as a lessee

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

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

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

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

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

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

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

The Company as a lessor

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

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

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

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

(In US$)

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

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

(In US$)

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

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

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

(In US$)

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

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

(In US$)

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

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

(In US$)

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

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

(In US$)

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

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

(In US$)

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

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

2.3 Other intangible assets

Accounting Policy

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors, including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically, including at each financial year end.

Impairment

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

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

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

(In US$)

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

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

(In US$)

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

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

2.4 Loans

(In US$)

Particulars	As at December 31,	
	2022	2021
Non-current		
Unsecured, considered doubtful		
Loans to employees	3,192	11,046
Less: Allowance for doubtful loans to employees	(3,192)	(11,046)
	–	–
Unsecured, considered good		
Loans to related parties	29,356,274	18,553,142
	29,356,274	18,553,142
Total non-current loans	29,356,274	18,553,142
Current		
Unsecured, considered good		
Loans to employees	9,835	11,470
Unsecured, considered good		
Loans to related parties	15,515,690	–
	15,515,690	–
Total current loans	15,525,525	11,470
Total loans	44,881,799	18,564,612

2.5 Other financial assets

(In US$)

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

[1] Financial assets carried at amortized cost

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

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

2.6 Trade receivables

(In US$)

Particulars	As at December 31, 2022	As at December 31, 2021
Current		
Trade Receivable considered good - Unsecured[1]	100,480,031	61,079,960
Less: Allowance for expected credit loss	(917,838)	(1,747,139)
Trade Receivable considered good - Unsecured	99,562,193	59,332,821
Trade Receivable - credit impaired - Unsecured	2,340,467	2,340,467
Less: Allowance for credit impairment	(2,340,467)	(2,340,467)
Trade Receivable - credit impaired - Unsecured	–	–
Total trade receivables	99,562,193	59,332,821

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

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

(In US$)

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

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

(In US$)

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

2.7 Cash and cash equivalents

(In US$)

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

Cash and cash equivalents as at December 31, 2022 and December 31, 2021 include restricted bank balance of USD 6,135 and USD 6,664 respectively. This represents restricted bank balance, in trust account, in accordance with collection agency licensing requirements.

2.8 Other assets

(In US$)

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

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

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

2.9 Financial instruments

Accounting Policy

2.9.1 Initial recognition

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

2.9.2 Subsequent measurement

(i) Financial assets carried at amortized cost

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

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

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

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

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

(iv) Financial liabilities

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

2.9.3 Derecognition of financial instruments

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

2.9.4 Fair value of financial instruments

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

2.9.5 Impairment

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

Financial instruments by category

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

(In US$)

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

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

Financial risk management

Financial risk factors

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

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to US $ 99,562,193 and US $ 59,332,821 as at December 31, 2022 and December 31, 2021 respectively. Trade receivables are typically unsecured. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind-AS 109, the Company uses ECL model to assess the impairment loss or gain. The Company uses a provision matrix to compute the ECL allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors, such as credit default swap quotes, credit ratings from international credit rating agencies and the Company's historical experience for customers.

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

(In %)

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

Credit risk exposure

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

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

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents. The Company has no outstanding borrowings as at December 31, 2022. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

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

2.10 Equity

As at December 31, 2022, the Company had one member, Infosys BPM Limited (the "Member"). The Member owns 100% of the interests of the Company. Upon liquidation, dissolution or winding-up of the Company, the Member is entitled to receive 100% of the available net assets of the Company. No contribution was made during the year ended December 31, 2022.

2.11 Other financial liabilities

(In US$)

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

(1) Financial liability carried at amortized cost

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

2.12 Trade payables

(In US$)

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

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

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

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

(In US$)

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

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

(In US$)

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

2.13 Other liabilities

(In US$)

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

2.14 Provisions

Accounting Policy

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

a. Post sales client support

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

b. Onerous contracts

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

The provision for post sales client support and others as at December 31, 2022 and December 31, 2021 is as follows:

(In US$)

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

Provision for post-sales client support and others

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

(In US$)

Particulars	As at December 31,	
	2022	2021
Balance at the beginning	373,659	821,233
Provision recognized/(reversed)	36,781	(383,763)
Provision utilized	(255,524)	(63,811)
Balance at the end	154,916	373,659

2.15 Income taxes

Accounting Policy

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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

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

Income tax expense in the Statement of Profit and Loss comprises:

(In US$)

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

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(In US$)

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

The applicable US federal tax rates for 2022 and 2021 is 21% and 21% respectively.

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

(In US$)

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

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

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. Management considers the scheduled reversals of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes that it is more likely than not the Company will realize the benefit of any deductible differences at December 31, 2022.

2.16 Revenue from operations

Accounting Policy

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

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

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

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

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

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

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

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

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

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

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

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

Disaggregate revenue information

The disaggregated revenues from contracts with customers for years ended December 31, 2022 and December 31, 2021 by offerings are as follows. The Company believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

(In US$)

Particulars	Years ended December 31,	
	2022	2021
Revenue by offerings		
Core services	68,518,669	66,391,494
Sale of third-party software and services	390,204,461	305,459,661
Total	458,723,130	371,851,155

Trade receivables and Contract Balances

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

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

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

Invoicing in excess of earnings are classified as unearned revenue.

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

2.17 Other Income, Net

Accounting Policy

2.17.1 Other Income

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

2.17.2 Foreign Currency

a. Functional currency

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

b. Transactions and translations

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

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

Other income for the years ended December 31, 2022 and December 31, 2021 is as follows:

(In US$)

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

2.18 Expenses

(In US$)

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

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

(In US$)

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

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

2.20 Related party transactions

List of related parties:

Name of subsidiaries	Country	Holding as at December 31,	
		2022	2021
Ultimate Holding			
Infosys Limited	India	Ultimate Holding Company	Ultimate Holding Company
Holding			
Infosys BPM Limited	India	Holding company	Holding company
Fellow subsidiaries			
Infosys BPO Americas LLC[(1)]	U.S.		
Infosys Automotive and Mobility GmbH & Co. KG[(2)]	Germany		
Outbox systems Inc. dba Simplus (US)[(3)]	U.S.		
Blue Acorn iCi, Inc[(3)]	U.S.		
Infosys (Czech Republic) Limited s.r.o.[(1)]	Czech Republic		
GuideVision, s.r.o.[(4)]	Czech Republic		
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)[(2)]	Mexico		
Infosys Singapore Pte. Ltd	Singapore		
Infosys Technologies (China) Co. Limited[(2)]	China		

(1) Wholly-owned subsidiary of Infosys BPM

(2) Wholly-owned subsidiary of Infosys Limited

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

(4) Wholly-owned subsidiary of Infosys Consulting Company Limited

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

(In US$)

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

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

(In US$)

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

List of key management personnel

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

Transaction with key management personnel

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

(In US$)

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

2.21 Compensated absences

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

2.22 Segment reporting

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

2.23 Analytical ratios

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

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

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

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

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

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

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

for and on behalf of Infosys McCamish Systems, LLC

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

Bengaluru

March 30, 2023

EdgeVerve Systems Limited

Independent Auditor's Report

To the members of edgeverve systems limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of EDGEVERVE SYSTEMS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit, 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 financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. 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 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 financial statements under the provisions of the Act and the Rules made thereunder, 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 financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements 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 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 during the course of our 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 Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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 Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors 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 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 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 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- 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 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that :
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
   e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us :
      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 2.20 to the financial statements.
      ii. The Company has made provision, as required under the applicable law or accounting standards for material foreseeable losses. Refer Note 2.14 to the financial statements. The Company does not have any long-term derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in Note 2.10.1 to the financial statements

(a) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.

(b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Gurvinder Singh
Partner
(Membership No.110128)
UDIN: 23110128BGRDED8922

Place: Bengaluru
Date: April 12, 2023

Annexure "A" To The Independent Auditor's Report

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of EDGEVERVE SYSTEMS LIMITED of even date)

Report on the Internal Financial Controls with reference to Financials Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financials statements of EDGEVERVE SYSTEMS LIMITED ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls with reference to financials statements based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financials statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Gurvinder Singh
Partner
(Membership No.110128)
UDIN: 23110128BGRDED8922

Place: Bengaluru
Date: April 12, 2023

Annexure 'B' To The Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Edgeverve Systems Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that :

i. In respect of the Company's property, plant and equipment and intangible assets :

   (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

   (B) The Company has maintained proper records showing full particulars of intangible assets.

   (b) The Company has a program of physical verification of property, plant and equipment so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

   (c) The Company does not have any immovable properties and hence reporting under clause (i)(c) of the Order is not applicable.

   (d) The Company has not revalued any of its property, plant and equipment and intangible assests during the year.

   (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The Company does not have any inventory and hence reporting under Clause (ii)(a) of the Order is not applicable.

   (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.

iii. The Company has made investments in, and granted unsecured loans to other parties, during the year, in respect of which :

   (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under paragraph (iii)(a) of the Order is not applicable.

   (b) In our opinion, the investments made and the terms and conditions of the grant of loans during the year are, prima facie, not prejudicial to the Company's interest.

   (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.

   (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

   (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

   (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.
   The Company has not made investments in Firms and Limited Liability Partnerships during the year. Further the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any other parties.

iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees, and securities provided, as applicable.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

vi. The maintenance of cost records has not been specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence reporting under clause (vi) of the Order is not applicable to the Company.

vii. In respect of statutory dues :

   (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
   There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

   (b) Details of Statutory dues referred to in sub-clause (a) which have not been deposited as on March 31, 2023 on account of dispute are given below :

Nature of the statute	Nature of dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (In ₹ Lakh)
The Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	AY# 2016-17	8
The Income Tax Act, 1961	Income Tax	Commissioner (Appeals)	AY# 2018-19 and AY# 2019-20	4,711
The Income Tax Act, 1961	Equalisation Levy	Assessing Officer	AY# 2021-22	-*
Central Excise Act, 1944	Excise Duty	Customs Excise and Service Tax Appellate Tribunal	FY# 2016-17 and FY# 2017-18	4,054
Maharashtra Value added Tax	VAT/CST	Joint Commissioner (Appeals)	FY# 2016-17 and FY# 2017-18	24
Total				8,797

* Less than ₹1 lakh

\# AY=Assessment Year; FY= Financial Year.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of the Order is not applicable.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The Company did not have any subsidiary or associate or Joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.

(f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable.

xi. (a) To the best of our knowledge, no fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report) while determining the nature, timing and extent of our audit procedures.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. In our opinion, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under Clause (xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined under Core Investment Companies (Reserve Bank) Directions) and accordingly reporting under Clause (xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. The company has fully spent the required amount toward Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer of a Fund specified in Schedule VII of the Companies Act or special account in compliance with the provision of sub section (6) of section 135 of the said Act. Accordingly reporting under clause (xx) of the Order in not applicable for the year.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Gurvinder Singh
Partner
(Membership No.110128)
UDIN: 23110128BGRDED8922

Place: Bengaluru
Date: April 12, 2023

Balance Sheet

(In ₹ lakh)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	2.1	6,446	5,062
Capital work-in-progress	2.1a	180	161
Other intangible assets	2.2	107	–
Financial assets			
Loans	2.4	1	8
Other financial assets	2.5	3,939	1
Deferred tax assets (net)	2.15	872	588
Income tax assets	2.15	22,773	19,239
Other non-current assets	2.8	7,773	4,136
Total non-current assets		42,091	29,195
Current assets			
Financial assets			
Investments	2.3	40,533	38,131
Trade receivables	2.6	19,479	13,199
Cash and cash equivalents	2.7	60,322	22,712
Loans	2.4	255	278
Other financial assets	2.5	38,726	39,114
Other current assets	2.8	23,344	12,859
Total current assets		1,82,659	1,26,293
Total assets		2,24,750	1,55,488
Equity and liabilities			
Equity			
Equity share capital	2.10	1,31,184	1,31,184
Other equity		15,493	(50,558)
Total equity		1,46,677	80,626
Liabilities			
Current liabilities			
Financial liabilities			
Trade payables	2.12		
Total outstanding dues of micro enterprises and small enterprises		582	–
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,730	4,148
Other financial liabilities	2.11	38,826	37,068
Other current liabilities	2.13	25,344	23,431
Provisions	2.14	116	142
Income tax liabilities	2.15	10,475	10,073
Total current liabilities		78,073	74,862
Total equity and liabilities		2,24,750	1,55,488

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No : 117366W/ W-100018

for and on behalf of the Board of Directors of EdgeVerve Systems Limited

Gurvinder Singh
Partner

Membership No. 110128

Sanat Rao
Whole-time Director

Sateesh Seetharamiah
Whole-time Director

Bengaluru
April 12, 2023

Rajesh Kini
Chief Financial Officer

Prakash Bharadwaj
Company Secretary

Statement of Profit and Loss

In ₹ lakh, except equity share and per equity share data

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations	2.16	3,44,628	3,00,538
Other income, net	2.17	7,142	4,706
Total income		3,51,770	3,05,244
Expenses			
Employee benefit expenses	2.18	70,775	72,770
Cost of technical sub-contractors		92,111	70,964
Travel expenses	2.18	6,525	2,257
Cost of software packages and others	2.18	21,749	29,378
Consultancy and professional charges		10,710	9,976
Depreciation and amortization expense	2.1	3,109	2,551
Finance cost		–	206
Other expenses	2.18	20,037	14,557
Total expenses		2,25,016	2,02,658
Profit before tax		1,26,754	1,02,586
Tax expense			
Current tax	2.15	34,049	27,394
Deferred tax	2.15	(284)	161
Profit for the year		92,989	75,032
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		612	539
Items that will be reclassified subsequently to profit or loss		–	–
Total other comprehensive income/ (loss), net of tax		612	539
Total comprehensive income for the year		93,601	75,571
Earnings per equity share			
Equity shares of par value of ₹10 each			
Basic and diluted (₹)		7.09	5.72
Weighted average equity shares used in computing earnings per equity share			
Basic and diluted		1,31,18,40,000	1,31,18,40,000

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No : 117366W/ W-100018

for and on behalf of the Board of Directors of EdgeVerve Systems Limited

Gurvinder Singh
Partner

Membership No. 110128

Sanat Rao
Whole-time Director

Sateesh Seetharamiah
Whole-time Director

Bengaluru
April 12, 2023

Rajesh Kini
Chief Financial Officer

Prakash Bharadwaj
Company Secretary

Statement of Change in Equity

(In ₹ lakh)

Particulars	Equity share capital	Other equity				Total
		Reserve and surplus			Other comprehensive income [3]	
		Capital reserve – Business transfer adjustment reserve [1]	Debenture redemption reserve [2]	Retained earnings [3]		
Balances as on April 1, 2021	1,31,184	(3,44,760)	5,628	2,13,084	(81)	5,055
Changes in equity for the period ended March 31, 2022						–
Profit for the period	–	–	–	75,032	–	75,032
Remeasurement of the net defined benefit liability/asset, net of tax effect	–	–	–	–	539	539
Total comprehensive income	1,31,184	(3,44,760)	5,628	2,88,116	458	80,626
Transfer from debenture redemption reserve to retained earnings	–	–	(5,628)	5,628	–	–
Dividends	–	–	–	–	–	–
Balance as of March 31, 2022	1,31,184	(3,44,760)	–	2,93,744	458	80,626
Balance as of April 1, 2022	1,31,184	(3,44,760)	–	2,93,744	458	80,626
Changes in equity for the period ended March 31, 2023						–
Profit for the period	–	–	–	92,989	–	92,989
Remeasurement of the net defined benefit liability/asset, net of tax effect	–	–	–	–	612	612
Total comprehensive income	1,31,184	(3,44,760)	–	3,86,732	1,070	1,74,226
Transfer from debenture redemption reserve to retained earnings	–	–	–	–	–	–
Dividends	–	–	–	(27,549)	–	(27,549)
Balance as of March 31, 2023	1,31,184	(3,44,760)	–	3,59,184	1,070	1,46,677

(1) Transfer of goodwill and intangible assets between entities under common control taken to Business Transfer Adjustment Reserve.

(2) The Company has created Debenture redemption reserve required under Section 71 of Companies Act, 2013, out of the profit of the Company. DRR has been reversed fully during the year ended March 31, 2022.

(3) A description of the purposes of each reserve within equity have been disclosed in Note 2.10.

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No : 117366W/ W-100018

for and on behalf of the Board of Directors of EdgeVerve Systems Limited

Gurvinder Singh
Partner

Membership No. 110128

Sanat Rao
Whole-time Director

Sateesh Seetharamiah
Whole-time Director

Bengaluru
April 12, 2023

Rajesh Kini
Chief Financial Officer

Prakash Bharadwaj
Company Secretary

Statement of Cash Flows

Accounting policy

Cash flows are reported using the indirect method, where by profit for the year is adjusted for the effects of transactions of 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 amount of cash to be cash equivalents.

(In ₹ lakh)

Particulars	Note	Year ended March 31,	
		2023	2022
Cash flows from operating activities			
Profit for the year		92,989	75,032
Adjustments to reconcile net profit to net cash generated by operating activities			
Depreciation and amortization	2.1	3,109	2,551
Income tax expense	2.15	33,765	27,555
Impairment loss recognized on financial assets	2.18	1,765	272
Reversal for post-sales client support and others	2.18	(28)	(40)
Profit on sale of property, plant and equipment	2.17	(13)	(14)
Finance cost		–	206
Interest income	2.17	(3,564)	(3,592)
Gain on sale of investments carried at fair value	2.17	(1,876)	(767)
Exchange difference on translation of assets and liabilities		1,697	21
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(18,682)	(8,035)
Other financial assets and other assets		(5,269)	(2,706)
Trade payables	2.12	(836)	2,247
Other financial liabilities, other liabilities and provisions		3,799	15,669
Cash generated from operations		1,06,856	1,08,398
Income taxes paid, net of refunds		(37,181)	(33,539)
Net cash generated from operating activities		69,674	74,859
Cash flows from investing activities:			
Expenditure on property, plant and equipment		(4,120)	(2,922)
Loans to employees	2.4	30	(31)
Payments to acquire financial assets			
Liquid mutual fund units		(2,70,823)	(1,68,400)
Proceeds on sale of financial assets			
Liquid mutual fund units		2,70,297	1,33,543
Interest received on bank deposits and others		1,797	3,343
Net cash (used in)/ from investing activities		(2,818)	(34,468)
Cash flows from financing activities			
Debentures repaid to holding company		–	(53,600)
Payment of interest on debentures		–	(206)
Payment of dividend to holding company		(27,549)	–
Net cash used in financing activities		(27,549)	(53,806)
Effect of exchange differences on translation of foreign currency cash and cash equivalents		(1,697)	(21)

Particulars	Note	Year ended March 31,	
		2023	2022
Net increase/(decrease) in cash and cash equivalents		37,610	(13,436)
Cash and cash equivalents at the beginning of the year	2.7	22,712	36,148
Cash and cash equivalents at the end of the year	2.7	60,322	22,712
Supplementary information			
Restricted cash balance	2.7	–	–

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

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No : 117366W/ W-100018

for and on behalf of the Board of Directors of EdgeVerve Systems Limited

Gurvinder Singh
Partner

Membership No. 110128

Bengaluru
April 12, 2023

Sanat Rao
Whole-time Director

Sateesh Seetharamiah
Whole-time Director

Rajesh Kini
Chief Financial Officer

Prakash Bharadwaj
Company Secretary

Notes to the Financial Statements

1. Company overview and significant accounting policies

1.1 Company overview

EdgeVerve Systems Limited ("the Company") is a limited company incorporated in India. It is a wholly-owned subsidiary of Infosys Limited. The address of its registered office is Plot No. 44, Electronic City, Hosur Main Road, Bengaluru 560100, Karnataka, India. The Company defines, develops and operates innovative cloud-hosted business platforms and software products as part of the Edge Suite of products or Finacle product which can be deployed either on premises or on cloud environments depending on its products. The Company provides implementation, integration and support services to help its customers realize benefits from software solutions.

With effect from August 01, 2015, 'Finacle' and 'Edge services' business of Infosys Limited was transferred to the Company. The purchase consideration for the transfer was discharged by way of issue and allotment of equity shares and non-convertible unsecured debentures.

The financial statements are approved by the Company's Board of Directors on April 12, 2023.

1.2 Basis of preparation of financial statements

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 and the provisions of the Companies Act, 2013 ("the Act"). 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.

As the year end figures are taken from the source and rounded to the nearest digit, the figures reported for the previous quarters might not always add up to the year figures reported in this statement.

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

1.3 Use of estimates and judgments

The preparation of the standalone financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these 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 standalone financial statements.

1.4 Critical accounting estimates and judgments

a. Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Further, the Company uses significant judgments while determining the transaction price allocated to performance obligations using the expected cost plus margin approach.

Provisions for estimated losses, if any, on incompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date. Refer to Note 2.18.

b. Income Tax

The Company's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions. Refer to Notes 2.15 and 2.20.

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

c. Property, plant and equipment

Property, plant and equipment represents a significant proportion of 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 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. Refer to Note 2.1.

d. Allowance for credit losses on receivables and unbilled revenue

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

1.5 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 year. 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. 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.

1.6 Recent accounting pronouncements

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

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

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

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

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 the acquisition are capitalized until 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 :

Plant and machinery[(1)]	5 years
Computer equipment[(1)]	3-5 years
Furniture and fixtures[(1)]	5 years
Office equipment[(1)]	5 years
Lease hold improvements	Lower of useful life of the asset or lease term

(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 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 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 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 March 31, 2023 are as follows :

(In ₹ lakh)

Particulars	Leasehold Improvements	Plant and machinery	Office equipment	Computer equipment	Furniture and fixtures	Total
Gross carrying value as of April 1, 2022	26	20	249	17,814	185	18,295
Additions	–	3	7	4,393	85	4,489
Deletions	–	(2)	(0)	(3,032)	(19)	(3,053)
Gross carrying value as of March 31, 2023	26	21	256	19,175	252	19,731
Accumulated depreciation as of April 1, 2022	(19)	(17)	(201)	(12,837)	(158)	(13,233)
Depreciation	(5)	(3)	(20)	(2,978)	(100)	(3,105)
Accumulated depreciation on deletions	–	2	0	3,032	19	3,053
Accumulated depreciation as of March 31, 2023	(24)	(18)	(221)	(12,783)	(240)	(13,286)
Carrying value as of March 31, 2023	2	3	35	6,392	13	6,446

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

(In ₹ lakh)

Particulars	Leasehold Improvements	Plant and machinery	Office equipment	Computer equipment	Furniture and fixtures	Total
Gross carrying value as of April 1, 2021	26	20	240	15,398	198	15,882
Additions	–	–	9	2,799	2	2,810
Deletions	–	–	–	(383)	(14)	(398)
Gross carrying value as of March 31, 2022	26	20	249	17,814	185	18,294
Accumulated depreciation as of April 1, 2021	(13)	(15)	(180)	(10,719)	(148)	(11,075)
Depreciation	(5)	(2)	(21)	(2,502)	(21)	(2,551)
Accumulated depreciation on deletions	–	–	–	383	10	394
Accumulated depreciation as of March 31, 2022	(19)	(17)	(201)	(12,837)	(158)	(13,233)
Carrying value as of March 31, 2022	7	3	48	4,976	27	5,062

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

2.1a Capital work-in-progress

(In ₹ lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital work-in-progress	180	161
Total capital work-in-progress	180	161

The capital work-in-progress ageing schedule for the year ended March 31, 2023 is as follows :

(In ₹ lakh)

Particulars	Less than 1 year	1-2 years	2-3 years	>3 years	Total
Projects in progress	180	–	–	–	180
Total	180	–	–	–	180

The capital work-in-progress ageing schedule for the year ended March 31, 2022 was as follows :

(In ₹ lakh)

Particulars	Less than 1 year	1-2 years	2-3 years	>3 years	Total
Projects in progress	161	–	–	–	161
Total	161	–	–	–	161

2.2 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.

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labor, overhead costs that are directly attributable to preparing the asset for its intended use.

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

(In ₹ lakh)

Particulars	Customer-related	Software-related	Trade name-related	Others	Total
Gross carrying value as at April 1, 2022	–	–	–	–	–
Additions through business transfer	–	117	–	–	117
Deletions during the year	–	–	–	–	–
Gross carrying value as at March 31, 2023	–	117	–	–	117
Accumulated amortization as at April 1, 2022	–	–	–	–	–
Amortization expense	–	(10)	–	–	(10)
Accumulated amortization on deletions	–	–	–	–	–
Accumulated amortization as at March 31, 2023	–	(10)	–	–	10
Carrying value as at April 1, 2022	–	–	–	–	–
Carrying value as at March 31, 2023	–	107	–	–	107
Estimated useful life (in years)	–	5-6	–	–	–
Estimated remaining useful life (in years)	–	5	–	–	–

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

(In ₹ lakh)

Particulars	Customer-related	Software-related	Trade name-realted	Others	Total
Gross carrying value as at April 1, 2021	–	–	–	–	–
Additions through business transfer	–	–	–	–	–
Deletions during the year	–	–	–	–	–
Gross carrying value as at March 31, 2022	–	–	–	–	–
Accumulated amortization as at April 1, 2021	–	–	–	–	–
Amortization expense	–	–	–	–	–
Accumulated amortization on deletions	–	–	–	–	–
Accumulated amortization as at March 31, 2022	–	–	–	–	–
Carrying value as at April 1, 2021	–	–	–	–	–
Carrying value as at March 31, 2022	–	–	–	–	–
Estimated useful life (in years)	–	–	–	–	–
Estimated remaining useful life (in years)	–	–	–	–	–

2.3 Investments

(In ₹ lakh)

Particulars	As at March 31	
	2023	2022
Unquoted current investments		
Investments carried at fair value through profit or loss		
Liquid mutual fund units	40,533	38,131
Total investments	40,533	38,131

Method of fair valuation

(In ₹ lakh)

Class of investment	Method	As at March 31,	
		2023	2022
Liquid mutual fund units	Quoted price	40,533	38,131

2.4 Loans

(In ₹ lakh)

Particulars	As at March 31,	
	2023	2022
Non-current		
Loans		
Unsecured, considered good		
Loans to employees	1	8
Total non-current loans	1	8
Current		
Other loans		
Loans to employees	255	278
Total current loans	255	278
Total loans	256	286

2.5 Other financial assets

(In ₹ lakh)

Particulars	As at March 31,	
	2023	2022
Non- current		
Security deposits	1	1
Unbilled revenues	3,938	–
Total non-current other financial assets	3,939	1
Current		
Restricted deposits*	6,043	5,608
Unbilled revenues (1)#	30,023	32,770
Interest accrued but not due	2,350	584
Others (2)	310	152
Total current other financial assets	38,726	39,114
Total other financial assets	42,665	39,115
Financial assets carried at amortized cost	42,665	39,115
(1) Includes dues from fellow subsidiaries (Refer to Note 2.21)	210	22
(2) Includes dues from fellow subsidiaries (Refer to Note 2.21)	3	–

* Restricted deposits represent deposit with financial institutions to settle employee related obligations as and when they arise during the normal course of business.

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

2.6 Trade receivables

(In ₹ lakh)

Particulars	As at March 31,	
	2023	2022
Trade receivable considered good – Unsecured (1)	21,620	14,049
Less: Allowance for expected credit loss	2,141	850
Trade receivable considered good – Unsecured	19,479	13,199
Trade receivable – credit impaired – Unsecured	–	–
Less: Allowance for credit impairment	–	–
Trade receivable – credit impaired – Unsecured	–	–
Total trade receivables	19,479	13,199
(1) Includes dues from Holding company and fellow subsidiaries (Refer to Note 2.21)	528	909

The trade receivables ageing schedule for the years ended as on March 31, 2023 and March 31, 2022 is as follows :

(In ₹ lakh)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		< 6 months	6 months - 1 year	1-2 years	2-3 years	>3 years	
Undisputed trade receivables – considered good	13,094	6,203	961	688	252	422	21,620
	6,030	5,724	1,479	253	195	367	14,048
Undisputed trade receivables – credit impaired	–	–	–	–	–	–	–
	–	–	–	–	–	–	–

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		< 6 months	6 months - 1 year	1-2 years	2-3 years	>3 years	
Disputed trade receivables – considered good	–	–	–	–	–	–	–
	–	–	–	–	–	–	–
Disputed trade receivables – credit impaired	–	–	–	–	–	–	–
	–	–	–	–	–	–	–
Less: Allowance for credit loss							2,141
							850
Total trade receivables	13,094	6,203	961	688	252	422	19,479
	6,030	5,724	1,479	253	195	367	13,199

2.7 Cash and cash equivalents

(In ₹ lakh)

Particulars	As at March 31,	
	2023	2022
Balances with banks		
In current and deposit accounts	60,322	22,712
Total cash and cash equivalents	60,322	22,712
Deposit accounts with more than 12 months maturity	–	–
Balances with banks held as margin money deposits against guarantees	–	–

Cash and cash equivalents as of March 31, 2023 and March 31, 2022 does not include any restricted cash and bank balances.

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

2.8 Other assets

(In ₹ lakh)

Particulars	As at March 31,	
	2023	2022
Noncurrent		
Advances other than capital advances		
Others		
Prepaid expenses	116	198
Cost of fulfilment	4,087	3,278
Prepaid gratuity (Refer to Note 2.19)	812	661
Unbilled revenues [(1)]	2,757	–
Total non-current other assets	7,773	4,136
Current		
Advance other than capital advances		
Payment to vendors for supply of goods / services	225	59
Others		
Unbilled revenues[(1)]	11,450	4,761
Prepaid expenses	3,687	2,689
Withholding taxes and others*	5,663	4,693
Cost of fulfilment	2,319	657
Total current other assets	23,344	12,859
Total other assets	31,117	16,995

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

* Withholding taxes and others primarily consist of input tax credits

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 purchase and sale of financial assets are accounted for at trade date.

2.9.2 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

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. 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 as 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 standalone 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.

2.9.3 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.
Refer to table 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.

2.9.5 Impairment

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECL 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 ECL (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 or Loss.

Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2023 are as follows :

(In ₹ lakh)

Particulars	Note	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
			Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets								
Cash and cash equivalents	2.7	60,322	–	–	–	–	60,322	60,322
Investments – Liquid mutual funds units	2.3	–	–	40,533	–	–	40,533	40,533

Particulars	Note	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
			Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Trade receivables	2.6	19,479	–	–	–	–	19,479	19,479
Loans	2.4	256	–	–	–	–	256	256
Other financial assets [(1)]	2.5	42,665	–	–	–	–	42,665	42,665
Total		1,22,722	–	40,533	–	–	1,63,255	1,63,255
Liabilities								
Trade payables	2.12	3,312	–	–	–	–	3,312	3,312
Other financial liabilities	2.11	38,826	–	–	–	–	38,826	38,826
Total		42,138	–	–	–	–	42,138	42,138

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

The carrying value and fair value of financial instruments by categories as of March 31, 2022 were as follows :

(In ₹ lakh)

Particulars	Note	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
			Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets								
Cash and cash equivalents	2.7	22,712	–	–	–	–	22,712	22,712
Investments – Liquid mutual funds units	2.3	–	–	38,131	–	–	38,131	38,131
Trade receivables	2.6	13,199	–	–	–	–	13,199	13,199
Loans	2.4	286	–	–	–	–	286	286
Other financial assets [(1)]	2.5	39,115	–	–	–	–	39,115	39,115
Total		75,312	–	38,131	–	–	1,13,443	1,13,443
Liabilities								
Trade payables	2.12	4,148	–	–	–	–	4,148	4,148
Other financial liabilities	2.11	37,068	–	–	–	–	37,068	37,068
Total		41,216	–	–	–	–	41,216	41,216

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

Fair value hierarchy

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

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

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

The fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2023 is as follows :

(In ₹ lakh)

Particulars	As on March 31, 2023	Fair value measurement at end of the reporting period / year using		
		Level 1	Level 2	Level 3
Assets				
Investment in liquid mutual fund units (Refer to Note 2.3)	40,533	40,533	–	–
Liabilities				
Derivative financial instruments – loss on outstanding foreign currency forward contracts (Refer to Note 2.11)	–	–	–	–

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

(In ₹ lakh)

Particulars	As on March 31, 2022	Fair value measurement at end of the reporting period / year using		
		Level 1	Level 2	Level 3
Assets				
Investment in liquid mutual fund units (Refer to Note 2.3)	38,131	38,131	–	–
Liabilities				
Derivative financial instruments – loss on outstanding foreign currency forward contracts (Refer to Note 2.11)	–	–	–	–

The foreign currency risk from financial instruments as of March 31, 2023 is as follows :

(In ₹ lakh)

Particulars	US Dollar	Euro	UK Pound Sterling	Australian Dollar	Other currencies	Total
Net financial assets	24,642	3,784	527	423	2,667	32,043
Net financial liabilities	(14,232)	(451)	(76)	(18)	(512)	(15,289)
Total	10,410	3,333	451	405	2,155	16,754

The foreign currency risk from financial instruments as of March 31, 2022 was as follows :

(In ₹ lakh)

Particulars	US Dollar	Euro	UK Pound Sterling	Australian Dollar	Other currencies	Total
Net financial assets	19,846	2,264	375	97	10	22,593
Net financial liabilities	(9,081)	(437)	(63)	(8)	(0)	(9,590)
Total	10,765	1,827	312	89	10	13,002

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 ₹19,749 lakh and ₹13,199 lakh as of March 31, 2023 and March 31, 2022 respectively and unbilled revenue amounting to ₹48,169 lakh and ₹37,532 lakh as of March 31, 2023 and March 31, 2022, respectively. Credit risk has always been managed 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. The Company uses a provision matrix to compute the expected credit losses on the customer balances based on internal and external factors.

(In ₹ lakh)

Particulars	As at March 31,	
	2023	2022
Balance at the beginning	882	597
Provisions recognized	1,782	272
Write-offs	(188)	–
Translation differences	70	12
Balance at the end	2,546	882

Credit risk on cash and cash equivalent is limited as the Company generally invest in deposits with banks and in liquid mutual fund units.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time.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. Accordingly, no liquidity risk is perceived.

As of March 31, 2023, the Company had a working capital of ₹1,04,586 lakh including cash and cash equivalents of ₹60,322 lakh and current investments of ₹51,860. As of March 31, 2022, the Company had a working capital of ₹51,342 lakh including cash and cash equivalents of ₹22,712 lakh and current investments of ₹38,131 lakh.

As of March 31, 2023 and March 31, 2022, the outstanding compensated absences were ₹1,526 lakh and ₹1,766 lakh, respectively, which have been substantially funded. Accordingly no liquidity risk is perceived.

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

(In ₹ lakh)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	3,312	–	–	–	3,312
Other liabilities	37,297	–	–	–	37,297
	40,609	–	–	–	40,609

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

(In ₹ lakh)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	4,148	–	–	–	4,148
Other liabilities excluding	35,302	–	–	–	35,302
	39,450	–	–	–	39,450

2.10 Equity

Share capital

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.

Other components of equity

Other components of equity consist of remeasurement of net defined benefit liability/asset net of taxes

Share capital

(In ₹ lakh, except as otherwise stated)

Particulars	As at March 31,	
	2023	2022
Authorized		
Equity shares, ₹10 par value		
410,00,00,000 (410,00,00,000) equity shares	4,10,000	4,10,000
Issued, subscribed and paid-up		
Equity shares, ₹10 par value	1,31,184	1,31,184
131,18,40,000 (131,18,40,000) equity shares fully paid-up and held by the holding company, Infosys Limited		
	1,31,184	1,31,184

The Company has only one class of shares referred to as equity shares having a par value of ₹10. 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 the distribution of all preferential amount. However, no such preferential amount exists currently.

The details of shareholder holding more than 5% shares as at March 31, 2023 and March 31, 2022 are as follows :

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% held	Number of shares	% held
Infosys Limited, holding company	**131,18,40,000**	**100%**	131,18,40,000	100%

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2023 and March 31, 2022 are as follows :

(In ₹ lakh, except equity share data)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Number of shares at the beginning and end of the year	**131,18,40,000**	**1,31,184**	131,18,40,000	1,31,184

The details of shareholding of promoters as at March 31, 2023 and March 31, 2022 are as follows :

Promoter name	As at March 31, 2023			As at March 31, 2022		
	Number of shares	% held	% change	Number of shares	% held	% Change
Infosys Limited, holding company	**131,18,40,000**	**100**	**0**	131,18,40,000	100	0

2.10.1 Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

The Company declares and pays dividends in Indian rupees. Companies are required to pay/distribute dividend after deducting applicable withholding income taxes.

The amount of per share (₹10 par value) dividend recognized as distribution to equity shareholders is as follows :

(in ₹)

Particulars	As at March 31,	
	2023	2022
Interim dividend for fiscal 2023	**2.10**	–

During the year ended March 31, 2023, on account of the interim dividend for fiscal 2023, the Company has incurred a net cash outflow of ₹27,549 lakh.

The Board of Directors, at its meeting on April 12, 2023, recommended a final dividend of ₹3.05 per equity share for the financial year ended March 31, 2023. This payment is subject to the approval of shareholders in the Annual General Meeting (AGM) of the Company to be held on May 15, 2023 and if approved, would result in a net cash outflow of approximately ₹40,011 lakh.

2.11 Other financial liabilities

(In ₹ lakh)

Particulars	As at March 31,	
	2023	2022
Current		
Accrued compensation to employees	**4,179**	5,125
Capital creditors	**604**	118
Foreign currency forward contracts	**–**	–
Compensated absences	**1,529**	1,766
Accrued expenses (1)	**32,120**	29,679
Other payables (2)	**394**	380
Total current other financial liabilities	**38,826**	37,068

Particulars	As at March 31,	
	2023	2022
Total other financial liabilities	38,826	37,068
Financial liability carried at amortized cost	38,826	37,068
(1) Includes dues to holding company and fellow subsidiaries (Refer to Note 2.21)	11,319	6,453
(2) Includes dues to fellow subsidiaries (Refer to Note 2.21)	4	10

2.12 Trade payables

(In ₹ lakh)

Particulars	As at March 31,	
	2023	2022
Current		
Trade payables [1]	3,312	4,148
Total trade payables	3,312	4,148
(1) Includes dues to holding company/fellow subsidiaries (Refer to Note2.21)	296	75

There is no interest due or outstanding on the dues to Micro, Small and Medium Enterprises (MSME). During the years ended March31, 2023 and March 31, 2022, an amount of ₹174 lakh and nil was paid beyond the appointed day as defined in the Micro, Small and Medium Enterprises Development Act 2006.

The trade payables ageing schedule for the year ended March 31, 2023 is as follows :

(In ₹ lakh)

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		<1 year	1-2 years	2-3 years	>3 years	
MSME	582	–	–	–	–	582
Others	2,802	(72)	–	–	–	2,730
Disputed dues – MSME	–	–	–	–	–	–
Disputed dues - Others	–	–	–	–	–	–
Total trade payables	3,384	(72)	–	–	–	3,312

The trade payables ageing schedule for the year ended March 31, 2022 was as follows :

(In ₹ lakh)

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		<1 year	1-2 years	2-3 years	>3 years	
MSME	–	–	–	–	–	–
Others	1,836	2,312	–	–	–	4,148
Disputed dues - MSME	–	–	–	–	–	–
Disputed dues - Others	–	–	–	–	–	–
Total trade payables	1,836	2,312	–	–	–	4,148

2.13 Other liabilities

(In ₹ lakh)

Particulars	As at March 31,	
	2023	2022
Current		
Unearned revenue	15,896	15,179
Withholding taxes and other taxes	9,448	8,252
Total current other liabilities	25,344	23,431
Total other liabilities	25,344	23,431

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 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.

a. Post-sales client support and others

The Company provides its clients with a fixed-period post-sales support for corrections of errors and support on all its fixed-price, fixed-timeframe contracts. Costs associated with such support services are accrued at the time related revenues are recorded in the Statement of Profit and 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.

Provision for post-sales client support and others

(In ₹ lakh)

Particulars	As at March 31	
	2023	2022
Current		
Others		
Post-sales client support and others	116	142
Total provisions	116	142

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

(In ₹ lakh)

Particulars	As at March 31,	
	2023	2022
Balance at the beginning	142	181
Provisions recognized / (reversal)	8	(39)
Provision utilized	(31)	–
Translation differences	(3)	–
Balance at the end	116	142

Provision for post-sales client support and others are expected to be utilized over a period of six months to one year.

2.15 Income taxes

Accounting policy

Income tax expense comprises current and deferred income tax. Income tax expense is recognized on 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. Income tax for current and prior year 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. Tax benefits of deductions earned on exercise of employee share options in excess of compensation charged to income are credited to securities premium

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

(In ₹ lakh)

Particulars	As at March 31,	
	2023	2022
Current taxes	34,049	27,394
Deferred taxes	(284)	161
Income tax expense	33,765	27,555

The applicable Indian corporate statutory tax rate for the year ended on March 31,2023 is 25.17%. New Income tax regime as per The Taxation Laws (Amendment) Act, 2019 is opted by the Company from financial year 2019-20 onwards.

Income tax expense for the year ended March 31, 2023 and March 31, 2022 includes provision of ₹ 1,540 lakh and provision of ₹ 1,126 lakh (Net of reversal) respectively pertaining to prior periods on adjudication of certain matters in favor of the Company and upon filing of returns.

Deferred income tax income amounting to ₹ 284 Lakh and Deferred income tax expense of ₹ 161 lakh for the year ended March 31, 2023 and March 31, 2022, respectively have been recorded in the Statement of Profit and Loss.

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 ₹ lakh)

Particulars	As at March 31,	
	2023	2022
Profit before income taxes	1,26,754	1,02,586
Enacted tax rates in India	25.17%	25.17%
Computed expected tax expense	31,901	25,819
Overseas taxes, net of foreign tax credit	(69)	173
Prior year taxes	1,540	1,126
Effect of non-deductible expenses	394	332
Others	(1)	105
Income tax expense	33,765	27,555

The applicable Indian statutory tax rates for fiscal 2023 is 25.17% and fiscal 2022 was 25.17%.

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

(In ₹ lakh)

Particulars	As at March 31,	
	2023	2022
Income tax assets	22,773	19,239
Current income tax liabilities	10,475	10,073
Net current income tax assets at the end	12,298	9,166

The gross movement in the current income tax asset for the years ended March 31, 2023 and March 31, 2022 are as follows :

(In ₹ lakh)

Particulars	As at March 31,	
	2023	2022
Net current income tax assets at the beginning	9,166	3,020
Income tax paid	37,181	33,539
Current income tax expense (Refer to Note 2.15)	(34,049)	(27,394)
Net current income tax assets at the end	12,298	9,166

The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows :

(In ₹ lakh)

Particulars	As at March 31,	
	2023	2022
Deferred income tax assets		
Trade receivables	641	222
Compensated absences	385	444
Others	(42)	(1)
Total deferred income tax assets	984	665
Deferred income tax liabilities		
Property, plant and equipment	112	77
Total deferred income tax liabilities	112	77
Deferred income tax assets after set off	872	588
Deferred income tax liabilities after set off	–	–

The gross movement in the deferred income tax account for the years ended March 31, 2023 and March 31, 2022 is as follows :

(In ₹ lakh)

Particulars	As at March 31,	
	2023	2022
Net deferred income tax asset at the beginning	588	749
Credits relating to temporary differences (Refer to Note 2.15)	284	(161)
Temporary differences on other comprehensive income	–	–
Net deferred income tax asset at the end	872	588

In assessing the reliability of deferred income tax assets, the management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, 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.

2.16 Revenue from operations

Accounting policy

The Company derives revenues primarily from business IT services comprising of software development and related services, consulting and package implementation and from the licensing of software products and platforms across our core and digital offerings (“together called as software-related services”).

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

Arrangements with customers for software-related services are either on a fixed-price, fixed-timeframe or on a time-and-material basis.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as contract asset (unbilled revenue). Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Revenues in excess of invoicing are classified as contract asset while invoicing in excess of revenues are classified as contract liability (unearned revenues). Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement.

In arrangements for software development and related services and maintenance services, the Company has applied the guidance in Ind AS 115, *Revenue from contract with customer*, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company uses the expected cost plus margin approach in estimating the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

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 whether the customer obtains a "right to access" is recognized over the access period. Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS). The Company has applied the principles under Ind AS 115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the same have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost plus margin approach. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized ratably over the period in which the services are rendered.

Advances received for services and products are reported as contract liabilities until all conditions for revenue recognition are met.

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.

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.

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

Revenue from operations for the years ended March 31, 2023 and March 31, 2022 are as follows :

(In ₹ lakh)

Particulars	Year ended March 31,	
	2023	2022
Revenue from operations	**3,44,628**	3,00,538
Total revenue from operations	**3,44,628**	3,00,538

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

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

Invoicing in excess of earnings are classified as unearned revenue.

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

During the years ended March 31, 2023 and March 31, 2022, the Company recognized revenue of ₹13,387 lakh and ₹8,400 lakh arising from opening unearned revenue as of April 1, 2022 and April 1, 2021, respectively.

During the years ended March 31, 2023 and March 31, 2022, ₹3,727 lakh and ₹3,100 lakh of unbilled revenue pertaining to other fixed-price and fixed-timeframe contracts as of April 1, 2022 and April 1, 2021, 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, 2023, other than those meeting the exclusion criteria mentioned above is ₹ 82,410 lakh. Out of this, the Group expects to recognize revenue of around 37.8% 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.

2.17 Other income,net

Other income is comprised primarily of interest income, dividend income, gain / loss on investments and exchange gain/loss on forward and options contracts and on translation of foreign currency assets and liabilities. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

Foreign currency – Accounting policy

Functional currency

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees (rounded off to lakh).

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 net profit in the Statement of Profit and Loss and reported within exchange gains/(losses) on translation of assets and liabilities, net. Non-monetary assets and 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 liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. The related revenue and expense are recognized using the same exchange rate.

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

Other income for the years ended March 31, 2023 and March 31, 2022 are as follows :

(In ₹ lakh)

Particulars	Year ended March 31,	
	2023	2022
Interest income received on financial assets – carried at amortized cost		
Deposits with banks and others	3,564	3,592
Profit on sale of fixed assets	13	14
Exchange gain / (loss) on translation of assets and liabilities	1,697	21
Gain / (loss) on investment carried at fair value through profit or loss	1,876	767
Exchange gains/ (losses) on foreign currency forward and options contracts	(17)	310
Miscellaneous income	9	2
Total other income	7,142	4,706

2.18 Expenses

(In ₹ lakh)

Particulars	Year ended March 31,	
	2023	2022
Employee benefit expenses		
Salaries including bonus	66,266	68,206
Contribution to provident and other funds	3,660	3,628
Staff welfare	849	937
	70,775	72,770
Travel expenses		
Overseas travel expenses	5,699	1,971

Particulars	Year ended March 31,	
	2023	2022
Travelling and conveyance	826	286
	6,525	2,257
Cost of software packages and others		
For own use	10,632	8,450
Third party items bought for service delivery to clients	11,117	20,928
	21,749	29,378
Other expenses		
Repairs and maintenance	1,592	1,576
Brand and marketing	6,321	4,362
Communication expenses	816	604
Operating lease payments	2,942	2,887
Rates and taxes	103	125
Commission charge	3,249	2,651
Fuel and power	417	405
Consumables	(7)	33
Provision/(Reversal) for post-sales client support and others	(28)	(40)
Impairment loss recognized on financial assets	1,765	272
Contributions towards Corporate Social Responsibility	1,606	1,300
Auditor's remuneration		
Statutory audit fees	36	35
Others	1,225	346
	20,037	14,557

2.19 Employee benefits

Accounting policy

2.19.1 Gratuity

The Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees.
The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Company fully contributes all ascertained liabilities to the EdgeVerve Systems Limited Employees Gratuity Fund Trust (the Trust). Trustees administer contributions made to the Trust and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by Indian Law.

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income, net of taxes and are not reclassfied to Statement of Profit and Loss in subsequent period. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in Other Comprehensive Income. The effect of any plan amendments are recognized in net profits in the Statement of Profit and Loss.

2.19.2 Superannuation

Certain employees of EdgeVerve are participants in a defined contribution plan. The Company has no further obligations to the superannuation plan beyond its monthly contributions which are periodically contributed to EdgeVerve employee superannuation trust fund, the corpus of which is invested with the Life Insurance Corporation of India.

2.19.3 Provident fund

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. Amounts collected under the provident fund plan are deposited in a government-administered provident fund. The Company has no further obligations under the provident fund plan beyond its monthly contributions.

2.19.4 Compensated absences

The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expenses on non-accumulating compensated absences is recognized in the period in which the absences occur.

The Code on Social Security, 2020 ("the Code") relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective

a. Gratuity

The funded status of the gratuity plans and the amounts recognized in the Company's financial statements as of March 31, 2023 and March 31, 2022 is as follows :

(In ₹ lakh)

Particulars	As at March 31,	
	2023	2022
Change in benefit obligations		
Benefit obligations at the beginning	7,370	7,952
Service cost	660	784
Interest expense	455	448
Transfer of obligation	214	37
Remeasurements - Actuarial (gains)/ losses	(700)	(596)
Benefits paid	(950)	(1,254)
Benefit obligations at the end	7,049	7,370
Change in plan assets		
Fair value of plan assets at the beginning	8,031	8,550
Interest income	496	489
Transfer of assets	167	22
Remeasurements- Return on plan assets excluding amounts included in interest income	–	–
Contributions	–	100
Return on plan assets greater/ (lesser) than discount rate	117	124
Benefits paid	(950)	(1,254)
Fair value of plan assets at the end	7,861	8,031
Funded status	812	661
Prepaid gratuity benefit	812	661

The amounts for the years ended March 31, 2023 and March 31, 2022 recognized in the Statement of Profit and Loss under employee benefit expense are as follows :

(In ₹ lakh)

Particulars	Year ended March 31,	
	2023	2022
Service cost	660	784
Net interest on the net defined benefit liability/asset	(40)	(41)
Net gratuity cost	620	743

The amounts for the years ended March 31, 2023 and March 31, 2022 recognized in Statement of Other Comprehensive Income are as follows :

(In ₹ lakh)

Particulars	Year ended March 31,	
	2023	2022
Remeasurements of the net defined benefit liability/ (asset)		
Actuarial (gains) / losses	(700)	(596)
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	(117)	(124)
	(817)	(720)

(In ₹ lakh)

Particulars	Year ended March 31,	
	2023	2022
(Gain)/loss from change in financial assumptions	(227)	(1,211)
(Gain)/loss from change in experience	(473)	615
	(700)	(596)

The weighted-average assumptions used to determine benefit obligations as at March 31, 2023 and March 31, 2022 are as follows :

Particulars	As at March 31,	
	2023	2022
Discount rate	7.1%	6.5%
Weighted average rate of increase in compensation levels	7.5%	7.5%

The weighted-average assumptions used to determine net periodic benefit cost for the years ended March 31, 2023 and March 31, 2022 are as follows :

Particulars	As at March 31,	
	2023	2022
Discount rate	6.5%	6.1%
Weighted average rate of increase in compensation levels	7.5%	10.0%
Weighted average duration of defined benefit obligation	5.9 years	5.9 years

The sensitivity of significant assumptions used for valuation of defined benefit obligation is as follows :

(In ₹ lakh)

Impact from percentage point increase / decrease in	As at March 31, 2023
Discount rate	369
Weighted average rate of increase in compensation level	328

Sensitivity to significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant. The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is not probable, and changes in some of the assumptions may be correlated.

Gratuity is applicable only to employees drawing a salary in Indian rupees and there are no other foreign defined benefit plans.

The Company contributes all ascertained liabilities towards gratuity to the EdgeVerve Systems Limited Employees' Gratuity Fund Trust. Trustees administer contributions made to the trust. As of March 31, 2023 and March 31, 2022, the plan assets have been primarily invested in insurer managed funds.

Actual return on assets for the years ended March 31, 2023 and March 31, 2022 were ₹496 lakh and ₹489 lakh, respectively.

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

The maturity profile of defined benefit obligation is as follows :

(In ₹ lakh)

Within 1 year	1,056
1-2 years	1,115
2-3 years	1,056
3-4 years	1,083
4-5 years	1,065
5-10 years	5,239

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India.

b. Provident fund

The Company contributed ₹3,027 lakh during the year ended March 31, 2023 (₹2,225 lakh for the year ended March 31, 2022).

c. Superannuation

The Company contributed ₹808 lakh during the year ended March 31, 2023 (₹779 lakh for the year ended March 31, 2022).

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

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 ₹ lakh)

Particulars	As at March 31,	
	2023	2022
Contingent liabilities		
Claims against the Company, not acknowledged as debts [1]	13,721	13,134
Commitments		
Estimated amount of unexecuted capital contracts and not provided for (net of advances and deposits)[2]	1,130	3,102

[1] As at March 31, 2023, claims against the Company not acknowledged as debts in respect of income tax matters amounted to ₹5,753 lakh and in respect of Central Excise and VAT/CST matters amounted to ₹7,969 lakh. The claims against the Company in respect of income tax majorly represent demands arising on completion of assessment proceedings under the Income Tax Act, 1961. These claims are on account of multiple issues of disallowances such as disallowance of expenditure towards software being held as capital in nature, disallowance of depreciation claimed on intangible assets amongst others. The claims against the Company in respect of Central Excise and VAT/CST matters represent demands arising on account of treating Finacle Software as excisable goods under Central Excise Act, 1944 and demand of CST under Rule 53 [6] (b) of CST law.

These matters are pending before various Appellate Authorities and the management including its tax advisors expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Company's financial position and results of operations.

Amount paid to statutory authorities against the above tax claims amounted to ₹30,922 lakh

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

Legal proceedings

The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management reasonably expects that these legal actions, when ultimately concluded and determined, will not have a material and adverse effect on the Company's results of operations or financial condition

2.21 Related party transactions

List of related parties :

Name of the holding company	Country	Holding as at March 31,	
		2023	2022
Infosys Limited	India	*100%*	100%

Name of fellow subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)[1]	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)[1]	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)[1]	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)[1]	China
Infosys Nova Holdings LLC. (Infosys Nova)[1]	US
EdgeVerve Systems Limited (EdgeVerve)[1]	India

Name of fellow subsidiaries	Country
Infosys Austria GmbH(1)	Austria
Skava Systems Private Limited (Skava Systems)(1)(26)	India
Infosys Chile SpA(1)	Chile
Infosys Arabia Limited(2)(26)	Saudi Arabia
Infosys Consulting Ltda.(1)	Brazil
Infosys Luxembourg S.a.r.l(1)	Luxembourg
Infosys Americas Inc. (Infosys Americas)(1)(26)	US
Infosys Public Services, Inc. USA (Infosys Public Services)(1)	US
Infosys Canada Public Services Inc(19)(35)	Canada
Infosys BPM Limited(1)(43)	India
Infosys (Czech Republic) Limited s.r.o.(3)	Czech Republic
Infosys Poland Sp z.o.o(3)	Poland
Infosys McCamish Systems LLC(3)	US
Portland Group Pty Ltd(3)	Australia
Infosys BPO Americas LLC.(3)	US
Infosys Consulting Holding AG (Infosys Lodestone)(1)	Switzerland
Infosys Management Consulting Pty Limited(4)	Australia
Infosys Consulting AG(4)	Switzerland
Infosys Consulting GmbH(4)	Germany
Infosys Consulting S.R.L.(1)	Romania
Infosys Consulting SAS(4)	France
Infosys Consulting s.r.o. v likvidaci (*formerly Infosys Consulting s.r.o.*)(4)(34)	Czech Republic
Infosys Consulting (Shanghai) Co., Ltd.(4)(30)	China
Infy Consulting Company Ltd(4)	UK
Infy Consulting B.V.(4)	The Netherlands
Infosys Consulting S.R.L.(45)	Argentina
Infosys Consulting (Belgium) NV(4)	Belgium
Panaya Inc. (Panaya)(1)	US
Panaya Ltd.(6)	Israel
Infosys Financial Services GmbH. (*formerly Panaya GmbH*)(54)	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)(1)(26)	UK
Brilliant Basics Limited(7)(26)	UK
Infosys Singapore Pte. Ltd. (*formerly Infosys Consulting Pte. Ltd.*)(1)	Singapore
Infosys Middle East FZ LLC(8)	Dubai
Fluido Oy(8)	Finland
Fluido Sweden AB (Extero)(11)	Sweden
Fluido Norway A/S(11)	Norway
Fluido Denmark A/S(11)	Denmark
Fluido Slovakia s.r.o(11)	Slovakia
Infosys Compaz Pte. Ltd(9)	Singapore
Infosys South Africa (Pty) Ltd(8)	South Africa
WongDoody Holding Company Inc. (WongDoody)(1)(36)	US
WDW Communications, Inc(10)(37)	US
WongDoody, Inc(10)(38)	US
HIPUS Co., Ltd(9)	Japan
Stater N.V.(9)	The Netherlands
Stater Nederland B.V.(12)	The Netherlands

Name of fellow subsidiaries	Country
Stater XXL B.V.[12]	The Netherlands
HypoCasso B.V.[12]	The Netherlands
Stater Participations B.V.[12]	The Netherlands
Stater Belgium N.V./S.A.[13]	Belgium
Stater Gmbh[12][28]	Germany
Outbox systems Inc. dba Simplus (US)[15]	US
Simplus North America Inc.[16][27]	Canada
Simplus ANZ Pty Ltd.[16]	Australia
Simplus Australia Pty Ltd[17]	Australia
Sqware Peg Digital Pty Ltd[18][31]	Australia
Simplus Philippines, Inc.[16]	Philippines
Simplus Europe, Ltd.[16][29]	UK
Infosys Fluido UK, Ltd. (*formerly Simplus U.K., Ltd*)[11]	UK
Infosys Fluido Ireland, Ltd.(*formerly Simplus Ireland, Ltd*)[20]	Ireland
Infosys Limited Bulgaria EOOD[1]	Bulgaria
Kaleidoscope Animations, Inc.[15]	US
Kaleidoscope Prototyping LLC[22]	US
GuideVision s.r.o.[14]	Czech Republic
GuideVision Deutschland GmbH[21]	Germany
GuideVision Suomi Oy[21]	Finland
GuideVision Magyarország Kft[21]	Hungary
GuideVision Polska Sp. z.o.o[21]	Poland
GuideVision UK Ltd[21][26]	UK
Blue Acorn iCi Inc (*formerly Beringer Commerce Inc*)[15]	US
Beringer Capital Digital Group Inc[15][41]	US
Mediotype LLC[23][41]	US
Beringer Commerce Holdings LLC[23][41]	US
SureSource LLC[24][39]	US
Blue Acorn LLC[24][39]	US
Simply Commerce LLC[24][39]	US
iCiDIGITAL LLC[25][40]	US
Infosys BPM UK Limited[3]	UK
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[1]	Turkey
Infosys Germany Holding Gmbh[1]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1]	Germany
Infosys Green Forum[1][32]	India
Infosys (Malaysia) SDN. BHD. (*formerly Global Enterprise International (Malaysia) Sdn. Bhd.*)[33]	Malaysia
Infosys Business Solutions LLC[1][42]	Qatar
Infosys Germany GmbH (*formerly Kristall 247. GmbH ("Kristall")*)[44]	Germany
oddity GmbH [46]	Germany
oddity (Shanghai) Co., Ltd. [47]	China
oddity Limited (Taipei) [47]	Taiwan
oddity space GmbH [46]	Germany
oddity jungle GmbH [46]	Germany
oddity code GmbH [46]	Germany
oddity code d.o.o [48]	Serbia
oddity waves GmbH [46]	Germany

Name of fellow subsidiaries	Country
oddity group services GmbH [46]	Germany
Infosys Public Services Canada Inc. [19][5]	Canda
BASE life science AG [50]	Switzerland
BASE life science GmbH [50]	Germany
BASE life science A/S [49]	Denmark
BASE life science S.A.S [50]	France
BASE life science Ltd. [50]	UK
BASE life science S.r.l. [50]	Itlay
Innovisor Inc.[50]	US
BASE life science Inc.[50]	US
BASE life science S.L.[50][51]	Spain
Panaya Germany GmbH [6][52]	Germany
Infosys Norway [8][53]	Norway

(1) Wholly-owned subsidiary of Infosys Limited

(2) Majority-owned and controlled subsidiary of Infosys Limited

(3) Wholly-owned subsidiary of Infosys BPM Limited

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

(5) Incorporated on July 8, 2022

(6) Wholly-owned subsidiary of Panaya Inc.

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

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

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

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

(11) Wholly-owned subsidiary of Fluido Oy

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(26) Under liquidation

(27) Liquidated effective April 27,2021

(28) Incorporated on August 4, 2021

(29) Liquidated effective July 20, 2021

(30) Liquidated effective September 1, 2021

(31) Liquidated effective September 2, 2021

(32) Incorporated on August 31, 2021

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

(34) Liquidated effective December 16, 2021

(35) Liquidated effective November 23, 2021

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

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

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

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

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

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

[42] Incorporated on February 20, 2022

[43] On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

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

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

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

[47] Wholly-owned subsidiary of oddity GmbH.

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

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

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

[51] Incorporated on September 6, 2022

[52] Incorporated effective December 15, 2022

[53] Incorporated effective February 7, 2023.

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

List of other related party

Particulars	Country	Nature of relationship
EdgeVerve Systems Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of EdgeVerve
EdgeVerve Systems Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of EdgeVerve
Infosys Foundation	India	Trust jointly controlled by KMPs of holding company

List of key management personnel

Directors

Mohit Joshi, Director (resigned as on March 11, 2023)

Sanat Rao, Whole-time Director

Inderpreet Sawhney, Director

Martha Geiger King, Director

Dennis Kantilal Gada, Director

Sateesh Seetharamiah, Whole-time Director

Deepak Padaki, Director (resigned as on June 30, 2022)

Executive officers

Rajesh Kini, Chief Financial Officer

Prakash Bharadwaj, Company Secretary

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

(In ₹ lakh)

Particulars	As at March 31,	
	2023	2022
Trade receivables		
Infosys BPM Limited	7	14
Infosys Mexico	57	11
Infosys Ltd	112	595
Infosys Sweden	352	289
	528	909
Other financial assets		
Infosys BPM Limited	3	–
	3	–
Unbilled revenue		
Infosys BPM Limited	–	22
HIPUS Co., Ltd	210	–
	210	22
Trade payables		
Infosys Limited	216	–
Infy Consulting Company Limited	37	32
Infosys BPM Limited	43	43
	296	75
Other current financial liabilities		
Infosys BPM Limited	4	10
	4	10

Particulars	As at March 31,	
	2023	2022
Accrued expenses		
Infosys Public Services	20	18
Infosys BPM Limited	175	–
Infosys Sweden	449	602
Infosys Limited	10,675	6,435
	11,319	7,056

Note: Excludes certain balances due to/from Infosys, which are pertaining to contracts pending novation upon business transfer and held in trust by Infosys.

(In ₹ lakh)

Particulars	As at March 31,	
	2023	2022
Revenue transactions		
Sale of services		
Infosys Limited	2,009	1,548
Infosys Public Services	12	21
Infosys Sweden	1,378	2,936
Infosys Mexico	626	1,048
Infosys BPM Limited	(55)	323
HIPUS Co., Ltd	210	–
	4,180	5,877
Purchase of services		
Infosys Limited	82,256	66,766
Infy Consulting Company Limited	203	199
Infosys BPM Limited	633	536
	83,092	67,501

Particulars	As at March 31,	
	2023	2022
Purchase of shared services including facilities and personnel		
Infosys Limited	2,760	2,820
	2,760	2,820
Dividend paid		
Infosys Limited	27,549	–
	27,549	–
Finance cost		
Infosys Limited	–	206
	–	206
Any other transactions		
Infosys Foundation	1,606	1,300
	1,606	1,300

Note: Excludes certain transactions with Infosys, which are pertaining to contracts pending novation upon business transfer and held in trust by Infosys.

Transaction with key managerial personnel

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

(In ₹ lakh)

Particulars	As at March 31,	
	2023	2022
Salaries and other employee benefits to whole-time directors and executive officers [(1)]	1,545	1,927
Commission and other benefits to non-executive/independent directors	–	–
Total	1,545	1,927

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

2.22 Corporate social responsibility

As per Section 135 of the Companies Act 2013, a Corporate Social Responsibility (CSR) committee was formed by the Company. The proposed areas for CSR activities are eradication of hunger, poverty and malnutrition, promoting education and healthcare and rural development projects. The funds will be allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

(In ₹ lakh)

Sl. No.	Particulars	As at March 31,	
		2023	2022
i)	Amount required to be spent by the Company during the year,	1,596	1300
ii)	Amount of expenditure incurred	1,606	1300
iii)	Shortfall at the end of the year	–	–
iv)	Total of previous years shortfall	–	–
v)	Reason for shortfall	NA	NA
vi)	Nature of CSR activities	Refer note below	Refer note below
vii)	Details of related party transactions, e.g.,contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard[(1)]	1,606	100
viii)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	–	–

Note: Eradication of hunger and malnutrition, promoting education, women empowerment, art and culture, healthcare, destitute care and rehabilitation, disaster relief, COVID-19 relief and rural development projects

(1) Represents contribution to Infosys foundation , a related party, towards CSR expenditure

2.23 Segment reporting

The Company's business activity, falls within a single primary business segment, i.e. providing Products and platforms and related services. Accordingly, disclosures as required under IND AS 108, 'Segment Reporting', has not been separately presented in the financial statements since the information is available directly from the Statement of Profit and Loss.

2.24 Analytical ratios

Particulars	Numerator	Denominator	As at March 31,		Movement (in %)
			2023	2022	
Current ratio*	Current assets	Current liability	2.3	1.7	38.7
Debt – Equity ratio	Total debt (1)	Shareholder's equity	–	–	NA
Debt service coverage ratio(2)	Earnings available for debt service (2)	Debt service	–	1.4	(100.0)
Return on Equity (ROE) (3)	Net profits after taxes	Average shareholder's equity	81.8%	175.1%	(53.3)
Trade receivables turnover ratio	Net credit revenue	Average accounts receivable	21.1	22.4	(5.9)
Trade payables turnover ratio	Net credit purchases	Average trade payables	40.5	42.1	(3.8)
Net capital turnover ratio (4)	Net sales	Working capital	3.3	5.8	(43.6)
Net profit ratio	Net profit	Net sales	27.0%	25.0%	8.1
Return on capital employed (ROCE) (5)	Earning before interest and taxes	Capital employed (6)	86.4%	127.5%	(32.2)
Return on investment	Gain from investments	Weighted average investment	5.2%	3.8%	37.4

(1) Debt represents non-convertible debenture

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

(6) Tangible net worth + Deferred tax liabilities + Lease liabilities

Explanation for change in the ratio by more than 25% as compared to the preceding year.

(*) Increase in current assets has lead to increase in the ratio

(2) Non-convertible debentures repaid fully during previous financial year

(3) Increase in average shareholders equity due to profit for the year

(4) Increase in working capital due to full repayment of non-convertible debenture to Infosys Limited in fiscal 2022

(5) Increase in capital employed due to profit for the year

2.25 Function-wise classification of Statement of Profit and Loss

(In ₹ lakh)

Particulars	Year ended March 31,	
	2023	2022
Revenue from operations	3,44,628	3,00,538
Cost of sales	1,80,813	1,67,795
Gross profit	1,63,815	1,32,742
Operating expenses		
Selling and marketing expenses	21,927	16,800
General and administration expenses	22,275	17,857
Total operating expenses	44,202	34,657
Operating profit	1,19,612	98,086
Other Income, net	7,142	4,706
Profit before interest and tax	1,26,754	1,02,792
Finance cost	–	206

Particulars	Year ended March 31,	
	2023	2022
Profit before tax	1,26,754	1,02,586
Tax expense:		
Current tax	34,049	27,394
Deferred tax	(284)	161
Profit for the year	92,989	75,032
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of the net defined benefit liability/asset	612	539
Total other comprehensive income, net of tax	612	539
Total comprehensive income for the year	93,601	75,571

for and on behalf of the Board of Directors of EdgeVerve Systems Limited

Sanat Rao
Whole-time Director

Sateesh Seetharamiah
Whole-time Director

Bengaluru
April 12, 2023

Rajesh Kini
Chief Financial Officer

Prakash Bharadwaj
Company Secretary

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Infosys Automotive and Mobility GmbH & Co. KG

Independent Auditor's Report

To the Members of Infosys Automotive and Mobility Gmbh and Co.KG

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Infosys Automotive and Mobility Gmbh and Co.KG ("the Company"), which comprise the Balance Sheet as at December 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of preparation referred to in Section 1.2 of the special purpose financial statements, of the state of affairs of the Company as at December 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's Responsibilities for the Special Purpose Financial Statements

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

For SHENOY & KAMATH
Chartered Accountants,
Firm Registration Number. 006673S

(K. S Ranganath Shenoy)
Partner
Membership Number. 200152

UDIN: 23202841BGWMBN5208

Place: Bengaluru

Date: May 25, 2023

Balance Sheet

(In Euro)

Particulars	Note No.	As at December 31, 2022	As at December 31, 2021
ASSETS			
Non-current assets			
Right-of-use Asset	2.1	124,685,612	9,359,818
Financial assets			
Investments	2.2	42,767,659	154,672
Other non-current assets	2.3	–	42,173,211
Total non - current assets		167,453,271	51,687,701
Current assets			
Financial assets			
Trade receivables	2.4	176,813,899	15,058,522
Cash and cash equivalents	2.5	38,255,550	582,748
Other financial assets	2.6	120,977,603	85,403,121
Other current assets	2.3	135,644,584	47,157,653
Total current assets		471,691,636	148,202,044
Total asssets		639,144,907	199,889,745
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.8	1,679,020	1,679,020
Other equity		(49,158,263)	(9,882,123)
Total equity		(47,479,243)	(8,203,103)
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	2.1	114,096,657	10,207,186
Other financial liabilities	2.10	12,628,661	41,467,251
Other non-current liabilities		1,054,788	119,828
Total non - current liabilities		127,780,106	51,794,265
Current liabilities			
Financial liabilities			
Trade payables	2.11	145,093,846	9,997,344
Lease liabilities	2.1	34,373,630	–
Borrowings	2.9	244,410,270	36,479,926
Other financial liabilities	2.10	61,672,732	93,310,156
Other current liabilities	2.12	65,409,377	15,787,157
Provisions		7,884,189	724,000
Total current liabilities		558,844,044	156,298,583
Total equity and liabilities		639,144,908	199,889,745

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

As per our report of even date attached

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

for and on behalf of the Board of Directors of Infosys Automotive and Mobility GmBH and CokG

M. Rathnakar Kamath
Partner
Membership No. 202841

Florian Lorenz
Director

Place: Bengaluru

Date: May 25, 2023

Statement of Profit and Loss

(In Euro)

Particulars	Note No.	Years ended December 31, 2022	2021
Revenue from operations	2.13	300,084,175	51,621,374
Other income, net	2.14	2,275,332	269,043
Total income		302,359,507	51,890,417
Expenses			
Employee benefit expenses	2.15	9,365,113	3,715,296
Cost of technical sub-contractors	2.15	105,384,396	14,057,623
Finance costs	2.16	8,822,236	448,632
Travel expenses	2.15	145,852	29,068
Cost of software packages and others	2.15	191,267,351	39,716,398
Communication expenses		728,395	–
Consultancy and professional charges	2.15	3,931,655	3,239,618
Depreciation and amortization expense	2.1	18,759,003	337,840
Other expenses	2.15	3,231,646	228,063
Total expenses		341,635,647	61,772,540
Profit/(loss) before tax		(39,276,140)	(9,882,123)
Tax expense			
Current tax		–	–
Profit/(loss) for the year		(39,276,140)	(9,882,123)
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/(loss) for the year		(39,276,140)	(9,882,123)

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

As per our report of even date attached

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

for and on behalf of the Board of Directors of Infosys Automotive and Mobility GmBH and CokG

M. Rathnakar Kamath
Partner
Membership No. 202841

Florian Lorenz
Director

Place: Bengaluru

Date: May 25, 2023

Statements of Cash Flows

(In Euro)

Particulars	Note No.	Year ended December 31, 2022	2021
Cash flow from operating activities:			
Profit/(loss) for the year		(39,276,140)	(9,882,123)
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation and amortization	2.1	18,759,003	847,368
Finance cost	2.16	8,822,236	448,632
Changes in assets and liabilities			
Trade receivables		(161,755,377)	(15,058,522)
Other financial assets and other assets		(81,888,202)	(174,733,985)
Trade Payables		135,096,502	9,997,344
Other financial liabilities and other liabilities		(2,758,645)	151,408,392
Cash generated from / (used in) operations		(123,000,622)	(36,972,894)
Income tax paid		–	–
Net cash generated used in operating activities		(123,000,622)	(36,972,894)
Cash flow from investing activities:			
Other payments		(42,612,988)	(154,672)
Net cash generated used in investing activities		(42,612,988)	(154,672)
Cash flow from financing activities:			
Proceeds from issue of share capital		–	1,679,020
Payment of lease liabilities		(32,325,933)	(299,365)
Proceedings from borrowings		207,930,344	36,479,926
Other payments		(6,691,628)	(149,267)
Net cash generated from financing activities		168,912,782	37,710,314
Net increase in cash and cash equivalents		3,299,172	582,748
Cash and cash equivalents at the beginning of the year		582,748	–
Cash and cash equivalents at the end of the year	2.5	3,881,921	582,748

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

As per our report of even date attached

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

M. Rathnakar Kamath
Partner
Membership No. 202841

for and on behalf of the Board of Directors of Infosys Automotive and Mobility GmBH and CokG

Florian Lorenz
Director

Place: Bengaluru

Date: May 25, 2023

Statement of Changes in Equity

(In Euro)

Particulars	Equity Share Capital	Other Equity – Reserves & Surplus – Retained earnings	Total equity attributable to equity holders of the Company
Balance as of January 1, 2021	–	–	–
Changes in equity for the year ended December 31, 2022			
Increase in equity share capital on account of fresh issue	1,679,020	–	1,679,020
Profit/(Loss) for the year	–	(9,882,123)	(9,882,123)
Balance as of December 31, 2021	1,679,020	(9,882,123)	(8,203,103)
Changes in equity for the year ended December 31, 2022			
Increase in equity share capital on account of fresh issue	–	–	–
Profit/ (loss) for the year 2021	–	(39,276,140)	(39,276,140)
Balance as of December 31, 2022	1,679,020	(49,158,263)	(47,479,243)

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

As per our report of even date attached

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

M. Rathnakar Kamath
Partner
Membership No. 202841

Place: Bengaluru

Date: May 25, 2023

for and on behalf of the Board of Directors of Infosys Automotive and Mobility GmBH and CokG

Florian Lorenz
Director

Company Overview and Significant Accounting Policies

Company overview

Infosys Automotive and Mobility GmBH and CokG is a wholly-owned subsidiary of Infosys Limited. The Company renders professional management consulting services, thereby enabling its clients to enhance business performance.

1 Significant accounting policies

1.1 Accounting year

The accounting year of the Company is from January 1 to December 31.

1.2 Basis of preparation of financial statements

These special purpose consolidated financial statements are prepared for inclusion in the Annual Report of the holding Company, Infosys Limited under the requirements of Section 129 (3) of the Companies Act 2013.

These financial statements are prepared in accordance with Indian Accounting Standards (Ind-AS) under the historical cost convention on the accrual basis. The Ind-AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been 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 Presentation currency

The Company's presentation currency is Euro.

1.4 Use of estimates

The preparation of the financial statements in conformity with Ind-AS requires the management to make estimates and assumptions. These estimates 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.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.5 Property, plant and equipment

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 asset is as follows:

Computer equipment[1]	3-5 years

[1] Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets.

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 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.

1.6 Financial instruments

1.6.1 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, which 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.

1.6.2 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.

(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.

1.7 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.

1.8 Impairment

a. Financial assets

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets and unbilled revenuesP 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 the Statement of Profit and Loss.

b. Non-financial assets

(i) Property, plant and equipment

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 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 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 depreciation) had no impairment loss been recognized for the asset in prior years.

1.9 Foreign currency

Functional currency

The functional currency of the Company is the EUR.

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 and reported within exchange gains/(losses) on translation of assets and liabilities. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction. The related revenue and expense are recognized using the same exchange rate.

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

1.10 Income taxes

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.

1.11 Statement of Cash Flows

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.

1.12 Other Income

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

1.13 Borrowing Cost

Borrowing cost are charged to the Statement of Profit and Loss in the period in which they are incurred.

2.1 Leases

Accounting Policy

The Company as a lessee

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

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

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

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate 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 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 for the 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 asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows."

The changes in carrying value of right of use assets for the years ended December 31, 2021 and December 31, 2022:

(In Euro)

Particulars	Category of ROU asset	Total
	Computer Equipment	
Balance as of January 1, 2021	–	–
Additions	10,207,186	10,207,186
Deletion	–	–
Depreciation [1]	(847,368)	(847,368)
Balance as of December 31, 2021	9,359,818	9,359,818
Additions	134,084,796	134,084,796
Deletion	–	–
Depreciation [1]	(18,759,003)	(18,759,003)
Balance as of December 31, 2022	124,685,612	124,685,612

[1] Includes cost to fulfill the contract which are recoverable

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, 2022 is as follows:

(In Euro)

Particulars	As at December 31,	
	2022	2021
Current lease liabilities	34,373,630	–
Non-current lease liabilities	114,096,657	10,207,186
Total	148,470,287	10,207,186

The movement in lease liabilities during the years ended Decemeber 31, 2022 and December 31, 2021 is as follows:

(In Euro)

Particulars	As at December 31, 2022	2021
Balance at the beginning	10,207,186	–
Additions	147,228,527	10,207,186
Finance cost accrued during the period	1,347,797	–
Deletions	–	–
Payment of Lease Liabilities	10,375,304	–
Translation Difference	62,079	–
Balance at the end	148,470,287	10,207,186

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

(In Euro)

Particulars	As at December 31, 2022	2021
Less than one year	37,270,829	–
One to five years	114,749,426	10,207,186
Total	152,020,254	10,207,186

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.

2.2 Investments

(In Euro)

Particulars	As at December 31, 2022	2021
Investment in lease	42,767,659	154,672
Total Investments	42,767,659	154,672

2.3 Other assets

(In Euro)

Particulars	As at December 31, 2022	2021
Non-current		
Others		
Deferred contract cost [(1)]	–	42,173,211
	–	42,173,211
Current		
Others		
Prepaid expenses	34,992,691	11,632,780
VAT receivable	53,978,250	6,308,515
Deferred Contract cost [(1)]	33,492,786	25,367,112
Devices - Dealer type	12,318,213	2,419,876
Other receivables	862,643	1,429,370
Total current other assets	135,644,584	47,157,653
Total other assets	135,644,584	89,330,864

[(1)] Includes technology assets taken over by the Company from a customer as a part of transformation project, which is not considered as distinct goods or services and the control related to the assets is not transferred to the Company in accordance with Ind-AS 115 - Revenue from contract with customers. Accordingly, the same has been considered as a reduction to the total contract value and accounted as Deferred contract cost. Further as at December 31, 2021 the Company has entered into a financing arrangement with a third party for these assets which has been considered as financial liability. (Refer to note 2.10)

2.4 Trade receivables

(In Euro)

Particulars	As at December 31, 2022	2021
Current		
Unsecured		
Considered goods[(1)]	176,813,899	15,058,522
Considered doubtful	1,717,577	25,382
	178,531,476	15,083,904
Less: Allowances for credit losses	1,717,577	25,382
Total trade receivables	176,813,899	15,058,522
[(1)] Includes dues from Holding Company and other fellow subsidiaries (refer note 2.17)	6,780,238	-

Trade receivables ageing schedule.

Years ended December 31, 2022 and December 31, 2021

(In Euro)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	103,155,803	75,375,672	–	–	–	–	178,531,476
	–	15,083,904	–	–	–		15,083,904
Less: Allowance for credit loss							1,717,577
							25,382
Total trade receivables							176,813,899
							15,058,522

2.5 Cash and Cash Equivalents

(In Euro)

Particulars	As at December 31,	
	2022	2021
Balances with banks		
In current accounts	38,255,550	582,748
Total cash and cash equivalents	38,255,550	582,748
Total Cash and cash equivalents	38,255,550	582,748

2.6 Other financial assets

(In Euro)

Particulars	As at December 31,	
	2022	2021
Current		
Unbilled Revenue [1]	112,582,089	69,277,299
Others[1][2]	8,395,514	16,125,822
Total other financial assets	120,977,603	85,403,121
[1] Financial assets carried at amortized cost		
[2] Includes dues from Holding Company and other fellow subsidiaries (refer note 2.17)	7,408,333	15,529,467

2.7 Borrowings

(In Euro)

Particulars	As at December 31,	
	2022	2021
Non-current		
Unsecured loan	244,410,270	36,479,926
Total borrowings	244,410,270	36,479,926

2.8 Other financial liablities

(In Euro)

Particulars	As at December 31,	
	2022	2021
Non-current		
Financial liability under revenue deals	12,628,661	41,467,251
	12,628,661	41,467,251
Current		
Financial liability under revenue deals	30,487,808	29,541,634
Others		
Accrued compensation to employees	2,139,735	2,313,982
Provision for expenses	25,766,754	39,282,348
Other payables [1]	3,278,434	22,172,192
	61,672,732	93,310,156
Total financial liabilities	74,301,393	134,777,408
[1] Includes dues from Holding Company and other fellow subsidiaries (Refer to note 2.17)	3,278,434	22,172,192

2.9 Trade payables

(In Euro)

Particulars	As at December 31,	
	2022	2021
Trade payables [1]	145,093,846	9,997,344
	145,093,846	9,997,344
[1] Includes dues from Holding Company and other fellow subsidiaries (Refer note 2.17)	87,107,449	15,865

Trade payables ageing schedule.

Years ended December 31, 2022 and December 31, 2021

(In Euro)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Others	35,748,670	109,345,176	–	–	–	145,093,846
	9,404,533	592,810.62	–	–	–	9,997,344
Total trade payables	35,748,670	109,345,176	–	–	–	145,093,846
	9,404,533.45	592,810.62	–	–	–	9,997,344

2.10 Other liabilities

(In Euro)

Particulars	As at December 31,	
	2022	2021
Current		
Unearned revenue	7,145,694	6,719,017
Others		
Withholding taxes and other	58,263,683	9,068,139
	65,409,377	15,787,157
	65,409,377	15,787,157

2.11 Revenue from operations

(In Euro)

Particulars	Year ended December 31,	
	2022	2021
Income from software services	263,984,706	51,466,703
Income from products and platform	36,099,469	154,671
Total revenue from operation	300,084,175	51,621,374

2.12 Other income

(In Euro)

Particulars	Year ended December 31,	
	2022	2021
Interest received on financial assets- Carried at amortized cost	782,724	299,365
Finance Income under revenue deals.	48,389	–
Exchange gains/(losses) on translation of other assets and liabilities	1,444,219	(30,323)
Total other income	2,275,332	269,043

2.13 Expenses

(In Euro)

Particulars	Year ended December 31, 2022	Year ended December 31, 2021
Employee benefit expenses		
Salaries, including bonus	8,491,966	3,584,077
Contribution to provident and other funds	221,150	119,827
Long-term employee benefit costs	624,110	–
Share based payments to employees	20,259	–
Staff welfare	7,628	11,392
	9,365,113	3,715,296
Cost of software packages and others		
For own use	1,352,120	52,618
Third party items bought for service delivery to clients	189,915,231	39,663,781
	191,267,351	39,716,398
Other expenses		
Cost of technical subcontractors	105,384,396	14,057,623
Legal and Professional Charges	3,931,655	3,239,618
Communication expenses	728,395	–
Travel expenses	145,852	29,068
Others	3,231,646	228,063
	113,421,944	57,270,771

2.14 Finance costs

(In Euro)

Particulars	Year ended December 31, 2022	Year ended December 31, 2021
Interest expense on loan from fellow subsidiary	6,691,628	149,267
Interest expense on finance deals	2,130,608	299,365
Total finance costs	8,822,236	448,632

2.15 Financial instruments

Financial instruments by category

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

(In Euro)

Particulars	As at December 31,	
	2022	2021
Assets:		
Cash and cash equivalents (Refer to Note 2.5)	38,255,550	582,748
Investments (Refer to Note 2.2)	42,767,659	154,672
Trade receivables (Refer to Note 2.4)	176,813,899	15,058,522
Other financial assets (Refer to Note 2.6)[1]	120,977,603	85,403,121
Total	378,814,711	101,199,062
Liabilities:		
Trade payables (Refer to Note 2.11)	145,093,846	9,997,344
Borrowings (Refer to Note 2.9)	244,410,270	36,479,926
Lease liabilities (Refer to Note 2.1)	114,096,657	10,207,186
Other financial liabilities (Refer to Note 2.11)	74,301,393	134,777,408
Total	577,902,166	191,461,864

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

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

Financial risk management

Financial risk factors

The Company's activities expose it to a credit risk

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 EUR 176,813,899 as at December 31, 2021. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of the customers to which the Company grants credit terms in the normal course of business. The Company uses the expected credit loss model to assess any required allowances; and uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. This matrix takes into account credit reports and other related credit information to the extent available.

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

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time.

The Company's principal sources of liquidity are cash and cash equivalents. The Company has taken loan from its related party to meet its working capital requirements.

As of December 31, 2022 and December 31, 2021, the Company had cash and cash equivalents of EUR 38,255,550 and EUR 582,748 respectively.

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

(In Euro)

Particulars	Less than 1 Year	1-2 Years	2-4 Years	4-7 Years	Total
Trade Payables	145,093,846	–	–	–	145,093,846
Other financial liabilities on an undiscounted basis	306,083,002	12,628,661	–	–	318,711,663

The details regarding the contractual maturities of significant financial liabilities as at December 31, 2021 are as follows:

(In Euro)

Particulars	Less than 1 Year	1-2 Years	2-4 Years	4-7 Years	Total
Trade Payables	9,997,344	–	–	–	9,997,344
Other financial liabilities on an undiscounted basis	129,790,082	41,467,251	–	–	171,257,334

2.16 Related party transactions

List of related parties:

(In Euro)

Name of Holding Companies	Country	Holding as at December 31,	
		2022	2021
Infosys Ltd	India	100%	100%

Name of subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)(1)	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)(1)	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)(1)	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)(1)	China
Infosys Nova Holdings LLC. (Infosys Nova)(1)	U.S.
EdgeVerve Systems Limited (EdgeVerve)(1)	India
Infosys Austria GmbH(1)	Austria
Skava Systems Private Limited (Skava Systems)(1) (27)	India
Kallidus Inc, (Kallidus)(28)	U.S.
Infosys Chile SpA(1)	Chile
Infosys Arabia Limited(2) (27)	Saudi Arabia
Infosys Consulting Ltda.(1)	Brazil
Infosys CIS LLC(15)	Russia
Infosys Luxembourg S.a.r.l(1)	Luxembourg
Infosys Americas Inc. (Infosys Americas)(1)	U.S.
Infosys Public Services, Inc. USA (Infosys Public Services)(1)	U.S.
Infosys Canada Public Services Inc(20) (39)	Canada
Infosys BPM Limited(1) (47)	India
Infosys (Czech Republic) Limited s.r.o.(3)	Czech Republic
Infosys Poland Sp z.o.o(3)	Poland
Infosys McCamish Systems LLC(3)	U.S.
Portland Group Pty Ltd(3)	Australia
Infosys BPO Americas LLC.(3)	U.S.
Infosys Consulting Holding AG (Infosys Lodestone)(1)	Switzerland
Infosys Management Consulting Pty Limited(4)	Australia
Infosys Consulting AG(4)	Switzerland
Infosys Consulting GmbH(4)	Germany
Infosys Consulting S.R.L.(1)	Romania
Infosys Consulting SAS(4)	France
Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.)(4) (38)	Czech Republic
Infosys Consulting (Shanghai) Co., Ltd.(4) (34)	China
Infy Consulting Company Ltd(4)	U.K.
Infy Consulting B.V.(4)	The Netherlands

Name of subsidiaries	Country
Infosys Consulting S.R.L.[2]	Argentina
Infosys Consulting (Belgium) NV[5]	Belgium
Panaya Inc. (Panaya)[1]	U.S.
Panaya Ltd.[6]	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH)[6]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[1] [27]	U.K.
Brilliant Basics Limited[7] [27]	U.K.
Infosys Consulting Pte. Ltd. (Infosys Singapore)[1]	Singapore
Infosys Middle East FZ LLC[8]	Dubai
Fluido Oy[8]	Finland
Fluido Sweden AB (Extero)[11]	Sweden
Fluido Norway A/S[11]	Norway
Fluido Denmark A/S[11]	Denmark
Fluido Slovakia s.r.o[11]	Slovakia
Infosys Compaz Pte. Ltd[9]	Singapore
Infosys South Africa (Pty) Ltd[8]	South Africa
WongDoody Holding Company Inc. (WongDoody)[1] [40]	U.S.
WDW Communications, Inc[10] [41]	U.S.
WongDoody, Inc[10] [42]	U.S.
HIPUS Co., Ltd[9]	Japan
Stater N.V.[9]	The Netherlands
Stater Nederland B.V.[12]	The Netherlands
Stater XXL B.V.[12]	The Netherlands
HypoCasso B.V.[12]	The Netherlands
Stater Participations B.V.[12]	The Netherlands
Stater Belgium N.V./S.A.[13]	Belgium
Stater Gmbh[12] [32]	Germany
Outbox systems Inc. dba Simplus (US)[16]	U.S.
Simplus North America Inc.[17] [31]	Canada
Simplus ANZ Pty Ltd.[17]	Australia
Simplus Australia Pty Ltd[18]	Australia
Sqware Peg Digital Pty Ltd[19] [35]	Australia
Simplus Philippines, Inc.[17]	Philippines
Simplus Europe, Ltd.[17] [33]	U.K.
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)[11]	U.K.
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[21]	Ireland
Infosys Limited Bulgaria EOOD[1]	Bulgaria
Kaleidoscope Animations, Inc.[16]	U.S.
Kaleidoscope Prototyping LLC[23]	U.S.
GuideVision s.r.o.[14]	Czech Republic
GuideVision Deutschland GmbH[22]	Germany
GuideVision Suomi Oy[22]	Finland
GuideVision Magyarország Kft[22]	Hungary
GuideVision Polska SP.Z.O.O[22]	Poland
GuideVision UK Ltd[22]	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[16]	U.S.

Name of subsidiaries	Country
Beringer Capital Digital Group Inc[16] [45]	U.S.
Mediotype LLC[24] [45]	U.S.
Beringer Commerce Holdings LLC[24] [45]	U.S.
SureSource LLC[25] [43]	U.S.
Blue Acorn LLC[25] [43]	U.S.
Simply Commerce LLC[25] [43]	U.S.
iCiDIGITAL LLC[26] [44]	U.S.
Infosys BPM UK Limited[3]	U.K.
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[1]	Turkey
Infosys Green Forum[1] [36]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[37]	Malaysia
Infosys Business Solutions LLC[1] [46]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[48]	Germany
oddity GmbH [49]	Germany
oddity (Shanghai) Co., Ltd. [50]	China
oddity Limited (Taipei) [50]	Taiwan
oddity space GmbH [49]	Germany
oddity jungle GmbH [49]	Germany
oddity code GmbH [49]	Germany
oddity code d.o.o [51]	Serbia
oddity waves GmbH [49]	Germany
oddity group services GmbH [49]	Germany
Infosys Public Services Canada Inc. [20] [52]	Canda
BASE life science AG [54]	Switzerland
BASE life science GmbH [54]	Germany
BASE life science A/S [53]	Denmark
BASE life science S.A.S [54]	France
BASE life science Ltd. [54]	U.K.
BASE life science S.r.l. [54]	Itlay
Innovisor Inc.[54]	U.S.
BASE life science Inc.[54]	U.S.
BASE life science S.L.[54] [55]	Spain
Panaya Germany GmbH [6] [56]	Germany

[1] Wholly-owned subsidiary of Infosys Limited
[2] Majority owned and controlled subsidiary of Infosys Limited
[3] Wholly-owned subsidiary of Infosys BPM Limited
[4] Wholly-owned subsidiary of Infosys Consulting Holding AG
[5] Majority owned and controlled subsidiary of Infosys Consulting Holding AG
[6] Wholly-owned subsidiary of Panaya Inc.
[7] Wholly-owned subsidiary of Brilliant Basics Holding Limited.
[8] Wholly-owned subsidiary of Infosys Consulting Pte. Ltd.
[9] Majority owned and controlled subsidiary of Infosys Consulting Pte. Ltd.
[10] Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody)
[11] Wholly-owned subsidiary of Fluido Oy
[12] Wholly-owned subsidiary of Stater N.V
[13] Majority owned and controlled subsidiary of Stater Participations B.V.
[14] Wholly-owned subsidiary of Infy Consulting Company Limited
[15] Liquidated effective January 28, 2021.
[16] Wholly-owned subsidiary of Infosys Nova Holdings LLC
[17] Wholly-owned subsidiary of Outbox Systems Inc.

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

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

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

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

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

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

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

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

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

(27) Under liquidation

(28) Liquidated effective March 9,2021

(29) Incorporated on March 23, 2021

(31) Liquidated effective April 27,2021

(32) Incorporated on August 4, 2021

(33) Liquidated effective July 20, 2021

(34) Liquidated effective September 1, 2021

(35) Liquidated effective September 2, 2021

(36) Incorporated on August 31, 2021

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

(38) Liquidated effective December 16, 2021

(39) Liquidated effective November 23, 2021

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

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

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

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

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

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

(46) Incorporated on February 20, 2022

(47) On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

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

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

(50) Wholly-owned subsidiary of oddity GmbH

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

(52) Incorporated on July 8, 2022

(53) On September 1, 2022, Infosys Consulting Pte. Ltd. (a Wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

(54) Wholly-owned subsidiary of BASE life science A/S

(55) Incorporated on September 6, 2022

(56) Incorporated effective December 15, 2022

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

(In Euro)

Particulars	As at December 31	
	2022	2021
Trade Receivable		
Infosys Limited	6,780,238	–
	6,780,238	–
Other financial assets		
Infosys Limited	2,888,736	15,529,467
Portland Group Pty Ltd	167,183	–
Infosys Turkey Bilgi Teknolojileri Limited Sirketi	127,225	–
Infosys Austria GMBH (Lodestone Management Consultants GmbH)	160,981	–
Infosys (Czech Republic) Limited s.r.o.	220,517	–
Infosys Technologies (China) Co. Limited (Infosys China)	1,316,176	–

Particulars	As at December 31	
	2022	2021
Infosys Consulting S.R.L.	89,411	–
Infosys Consulting (Belgium) NV	182,341	–
Infosys Consulting Ltda	476,434	–
Infosys Consulting AG	159,664	–
Infy Consulting Company Limited	392,314	–
Infosys Consulting S.R.L.	174,767	–
Infosys Consulting Pte. Ltd	537,767	–
Infosys Luxembourg S.a.r.l	134	–
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)	324,703	–
Infosys Poland Sp. Z.o.o	34,091	–
Infosys Technologies (Sweden) AB. (Infosys Sweden)	147,502	–
Infosys Middle East FZ LLC	7,577	–
Panaya Ltd	810	–
	7,408,333	15,529,467
Trade Payable		
Infosys Consulting GmbH	123,501	15,865
Infosys (Czech Republic) Limited s.r.o.	3,023,153	–
Infosys Technologies (China) Co. Limited (Infosys China)	649,317	–
Infosys Limited	80,835,876	–
Infosys BPM Limited	2,475,601	–
	87,107,449	15,865
Other liabilities (Provision for expenses- Intercompany)		
Infosys (Czech Republic) Ltd	–	399,717
Infosys Technologies China	–	123,675
Infosys BPO Ltd.	–	97,571
	–	620,963
Other financial liabilities		
Infosys Limited	3,278,164	22,171,922
Infosys Consulting GmbH	270	270
	3,278,434	22,172,192
Share capital		
Infosys Limited	–	1,679,020
	–	1,679,020
Borrowings [(1)]	–	
Infosys Consulting GmbH	–	202,137
Infosys Consulting Pte Limited	107,286,089	3,018,651
Infosys Poland sp. z o o	7,165,786	17,081,459
McCamish Systems LLC	26,232,387	16,177,679
Blue Acorn iCi Inc (formerly known as Beringer Commerce Inc)	2,429,479	–
Fluido Oy	3,487,668	–
Fluido Norway A/S	2,668,824	–
GuideVision, s.r.o..	3,277,475	–
Infosys Public Services, Inc. USA (Infosys Public Services)	38,126,011	–
Infosys Consulting Holding AG (Infosys Lodestone)	22,065,452	–
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)	26,819,014	–
WongDoody, Inc	4,852,085	–
	244,410,270	36,479,926

(1) The above loans were given in accordance with the terms and conditions of the loan agreement.

The details of the related parties transactions entered into by the Company for the year ended December 31, 2021

(In Euro)

Particulars	As at December 31	
	2022	2021
Revenue transactions:		
Purchase of Services		
Infosys (Czech Republic) Ltd	2,617,898.24	400,126
Infosys Technologies China	649,317.47	123,802
Infosys Consulting GmbH	90,450.81	13,332
Infosys Limited	99,376,540.81	13,422,693
Infosys BPO Ltd.	2,376,678.61	97,671
	105,110,886	14,057,623
Purchase of shared services		
Infosys Consulting S.R.L	1,014,213	–
Infosys Consulting Pte Ltd	7,847,206	–
	8,861,420	–
Sale of shared services		–
Infosys Technologies (China) Company Limited	2,774,696.24	–
Infosys Austria GmbH	897,979.83	–
Infosys Luxembourg S.à.r.l	15,366.56	–
Infosys Limited, India	68,190,969.68	–
Infosys Turkey Bilgi Teknolojileri Limited lirketi	2,324,824.52	–
Infosys Middle East FZ-LLC	49,977.63	–
Infosys Consulting S.R.L.	32,495.49	–
Lodestone Management Consultants (Belgium) S.A.	659,052.08	–
Infosys Consulting Ltda.	1,429,382.97	–
Infosys Consulting AG	55,152.75	–
Infy Consulting Company Ltd	1,584,945.05	–
Infosys Technologies Mexico	2,246,816.71	–
Portland Group Pty Ltd	784,632.41	–
Panaya Ltd	75,489.52	–
Infosys Poland sp. z o o	1,273,850.11	–
Infosys McCamish Systems LLC.	6,973,548.49	–
Infosys Czech Republic	3,278,818.33	–
Infosys Sweden	451,742.53	–
	93,099,741	–
Interest expense		–
Blue Acorn iCi Inc (formerly known as Beringer Commerce Inc)	83,391	–
Portland Group Pty Ltd	74,689	–
Fluido Oy	87,668	–
Fluido Norway A/S	68,824	–
GuideVision, s.r.o..	77,475	–
Infosys (Czech Republic) Ltd	111,919	–
Infosys Public Services, Inc. USA (Infosys Public Services)	1,669,041	–
Infosys Consulting GmbH	3,553	2,137
Infosys Consulting Holding AG (Infosys Lodestone)	65,452	–

Particulars	As at December 31	
	2022	2021
Infosys Consulting Pte. Ltd	1,767,438	18,651
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)	633,296	–
Infosys Poland Sp. Z.o.o	647,601	81,459
WongDoody, Inc	159,845	–
Infosys McCamish Systems LLC	1,241,436	47,020
	6,691,628	149,267

2.17 Ratios

The ratios for the years ended December 31, 2022 and December 31, 2021 are as follows:

(In Euro)

Particulars	Numerator	Denominator	As at December 31,		Variance
			2022	2021	
Current Ratio	Current assets	Current liabilities	0.8	0.9	(11.0%)
Debt – Equity Ratio	Total Debt (represents lease liabilities) [1]	Shareholder's Equity	(3.13)	(1.24)	151.3%
Debt Service Coverage Ratio	Earnings available for debt service[2]	Debt Service[3]	(0.4)	(30.4)	(98.8%)
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	(141.1%)	(240.9%)	99.9%
Trade receivables turnover ratio	Revenue	Average Trade Receivable	3.1	6.9	(54.4%)
Trade payables turnover ratio	Purchases of services and other expenses	Average Trade Payables	8.1	20.0	(59.4%)
Net capital turnover ratio	Revenue	Working Capital	(3.4)	(6.4)	(46.0%)
Net profit ratio	Net Profit	Revenue	(13.1%)	(19.1%)	6%
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed[4]	(30.2%)	(470.7%)	441%

(1) Debt represents only 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

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Infosys Public Services, Inc.

Independent Auditor's report

To the board of directors of Infosys Public Services, Inc.

Report on the Special Purpose Consolidated Financial Statements

Opinion

We have audited the accompanying special purpose consolidated financial statements of Infosys Public Services, Inc. ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose consolidated financial statements"). The special purpose consolidated financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose consolidated 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 consolidated financial statements, of the state of affairs of the Company as at March 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose consolidated 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 Consolidated 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 consolidated 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 consolidated financial statements.

Management's Responsibilities for the Special Purpose Consolidated Financial Statements

The Company's Board of Directors are responsible for the preparation of these special purpose consolidated 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 consolidated 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 consolidated 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 consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the special purpose consolidated 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 consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose consolidated 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 consolidated 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 consolidated financial statements, which describes the basis of accounting. As a result, the special purpose consolidated financial statements may not be suitable for another purpose.

Restriction on Use and distribution

The report is issued to the Board of Directors of the Company solely for the above purpose and should not be distributed to or used by any other parties.

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

Gurvinder Singh
Partner
Membership Number: 110128

Place: Bengaluru

Date: May 31, 2023

UDIN: 23110128BGRDFF3071

Consolidated Balance Sheet

(In US$)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	2.1	1,052,792	521,574
Right of use assets	2.12	3,253,386	1,661,158
Capital work-in-progress		-	33,152
Financial assets			
Loans	2.2	49,300,000	9,000,000
Other financial assets	2.5	2,079,695	51,583
Deferred tax assets (net)	2.13	2,875,522	2,639,835
Income tax assets (net)	2.13	984,511	542,318
Total non-current assets		59,545,906	14,449,620
Current assets			
Financial assets			
Trade receivables	2.3	44,610,346	28,958,466
Cash and cash equivalents	2.4	17,866,821	67,940,070
Loans	2.2	40,000,000	20,000,000
Other financial assets	2.5	11,533,679	15,243,361
Other current assets	2.6	16,156,841	13,329,217
Total current assets		130,167,687	145,471,114
Total assets		189,713,593	159,920,734
Equity and liabilities			
Equity			
Equity share capital	2.7	17,500,000	17,500,000
Other equity		105,016,688	86,525,404
Total equity		122,516,688	104,025,404
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	2.12	3,134,794	1,560,448
Total non-current liabilities		198,754	1,560,448
Current liabilities			
Financial liabilities			
Trade payables	2.8	13,390,948	17,011,188
Lease Liabilities	2.12	198,753	310,379
Other financial liabilities	2.9	33,366,442	32,011,257
Other liabilities	2.10	14,753,220	3,186,612
Provisions	2.11	1,292,832	1,010,118
Income tax liabilities (net)	2.13	1,059,916	805,328
Total current liabilities		64,062,111	54,334,882
Total equity and liabilities		189,713,593	159,920,734

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

As per our report of even date attached for

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

Gurvinder Singh
Partner
Membership Number: 110128

for and on behalf of the Board of Directors of Infosys Public Services Inc.

Ashiss Kumar Dash
Director

Jasmeet Singh
Director

Bhanu Prasad Narayana
Interim CEO

Place: Bengaluru

Date: May 31, 2023

Consolidated Statement of Profit and Loss

(In US$, except equity share data)

Particulars	Note	Years ended March 31, 2023	2022
Revenue from operations	2.14	226,511,341	182,674,876
Other Income, net	2.15	5,109,442	640,361
Total income		231,620,783	183,315,237
Expenses			
Employee benefit expenses	2.16	58,512,971	28,715,318
Cost of technical subcontractors		130,982,696	110,870,643
Travel expenses		728,152	278,772
Cost of software packages and others	2.16	10,973,555	19,746,380
Communication expenses		798,624	159,840
Consultancy and professional charges		2,189,445	920,724
Depreciation and amortization expense	2.1 and 2.12	443,629	465,298
Finance cost	2.12	32,361	34,662
Other expenses	2.16	1,077,353	245,719
Total expenses		205,738,787	161,437,356
Profit before tax		25,881,996	21,877,881
Tax expense / (benefit) :			
Current tax	2.13	7,623,179	5,851,959
Deferred tax	2.13	(234,761)	298,640
Profit for the period		18,493,578	15,727,282
Other comprehensive income			
Exchange difference on translation of foreign operations		6,277	–
Total comprehensive income for the period		18,499,855	15,727,282
Earnings per equity share			
Earnings per equity share of $0.5 each			
Basic and diluted		0.53	0.45
Weighted average equity shares used in computing earnings per equity share			
Basic and diluted		35,000,000	35,000,000

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

As per our report of even date attached for

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

Gurvinder Singh
Partner
Membership Number: 110128

for and on behalf of the Board of Directors of Infosys Public Services Inc.

Ashiss Kumar Dash
Director

Jasmeet Singh
Director

Bhanu Prasad Narayana
Interim CEO

Place: Bengaluru

Date: May 31, 2023

Consolidated statement of changes in equity

(In US$)

Particulars	Equity share capital	Other Equity –Retained earnings	Other Comprehensive Income	Total equity attributable to equity holders of the company
Balance as at April 1, 2021	17,500,000	70,798,122	–	88,298,122
Changes in equity for the year ended March 31, 2022				
Profit for the period	-	15,727,282	–	15,727,282
Balance as at March 31, 2022	17,500,000	86,525,404	–	104,025,404
Balance as at April 1, 2022	17,500,000	86,525,404	–	104,025,404
Impact on adoption of amendment to IND AS 37*	–	(8571)	–	(8571)
Changes in equity for the year ended March 31, 2023				
Profit for the period	–	18,493,578	6,277	18,499,855
Balance as at March 31, 2023	17,500,000	105,010,411	6,277	122,516,688

*Impact on adoption of amendment to IND AS 37 Provisions, Contingent liabilities and Contingent assets.

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

As per our report of even date attached for

for and on behalf of the Board of Directors of Infosys Public Services Inc.

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

Gurvinder Singh
Partner
Membership Number: 110128

Ashiss Kumar Dash
Director

Jasmeet Singh
Director

Bhanu Prasad Narayana
Interim CEO

Place: Bengaluru

Date: May 31, 2023

Consolidated Statement of Cash Flows

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 US$)

Particulars	Note	Years ended March 31,	
		2023	2022
Cash flow from operating activities:			
Profit for the period		18,493,578	15,727,282
Adjustments to reconcile net profit to net cash provided by operating activities:			
Income tax expense	2.13	7,388,418	6,150,599
Depreciation and amortization	2.1 and 2.12	443,629	465,298
Finance cost	2.12	32,361	34,662
Interest income on loan to fellow subsidiaries	2.18 (c)	(4,929,070)	(216,063)
Provision for post-sales client support	2.16	310,781	(20,177)
Impairment loss recognized / (reversed) under expected credit loss model	2.16	23,382	(272,788)
Exchange difference on translation of assets and liabilities		525,991	(689,411)
Gain on lease modifications	2.12	(132,784)	–
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(8,581,356)	(276,690)
Loans, other financial assets and other assets		(3,839,412)	2,052,076
Trade payables	2.8	(3,620,240)	8,237,927
Other financial liabilities, other liabilities and provisions		12,893,726	3,378,924
Cash generated from operations		19,009,004	34,571,639
Income taxes paid		(7,814,000)	(5,980,732)
Net cash generated from operations		11,195,004	28,590,907
Cash flow from investing activities			
Expenditure on property, plant and equipment		(780,883)	(208,278)
Loan given to fellow subsidiaries	2.18 (c)	(61,800,000)	(20,000,000)
Repayment of loan from fellow subsidiaries	2.18 (c)	1,500,000	2,500,000
Interest received on loan given to fellow subsidiaries	2.18 (c)	528,522	527,101
Net cash used in investing activities		(60,552,361)	(17,181,177)
Cash flow from financing activities			
Payment of lease liabilities		(189,901)	(343,352)
Net cash used in financing activities		(189,901)	(343,352)
Effect of exchange rate on translation of foreign currency cash and cash equivalents		(525,991)	689,411
Net (decrease) / increase in cash and cash equivalents		(49,547,258)	11,066,378
Cash and cash equivalents at the beginning of the period		67,940,070	56,184,281
Cash and cash equivalents at the end of the period		17,866,821	67,940,070

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

As per our report of even date attached for

for and on behalf of the Board of Directors of Infosys Public Services Inc.

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

Gurvinder Singh
Partner
Membership Number: 110128

Ashiss Kumar Dash
Director

Jasmeet Singh
Director

Bhanu Prasad Narayana
Interim CEO

Place: Bengaluru
Date: May 31, 2023

Overview and notes to the consolidated financial statements

1. Overview

1.1 Company overview

Infosys Public Services operations are to provide solutions that span the entire software lifecycle encompassing technical consulting, design, development, re-engineering, maintenance, systems integration, package evaluation and implementation, testing and infrastructure management services.

1.2 Basis of preparation of consolidated financial statements

These special purpose financial statements are prepared for inclusion in the Annual Report of the holding company Infosys Limited under the requirements of Section 129 (3) of the Companies Act 2013.

These financial statements are prepared in accordance with Indian Accounting Standards (Ind-AS) under the historical cost convention on the accrual basis. The Ind-AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendments 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.

During the year, the Company has incorporated new subsidiary 'Infosys Public Services Canada Inc' and same has become operational from January 2023. Accordingly, the current year financials includes financial statement of subsidiary Infosys Public Services Canada Inc. Comparative figures are of Standalone Infosys Public Service Inc.

1.3 Use of estimates and judgements

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

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Examples of such estimates include, computation of percentage of completion which requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts to be expended, impairment losses on financial assets, future obligations under employee benefit plans, income taxes, post-sales customer support and the useful lives of property, plant and equipment.

1.4 Critical accounting estimates

1.4.1 Revenue recognition

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 maintenance 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 maintenance 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 maintenance 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 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.

1.4.2 Income taxes

The Company's major tax jurisdictions is the U.S., though the Company also files tax returns in Canada.

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions (Refer to Note No. 2.13).

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 depends on 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.

1.4.3 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 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).

2. Notes to the financial statements

2.1 Property, plant and equipment

Accounting policy

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by Management. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Computer equipment(1)	3-5 years
Plant and machinery(1)	5 years
Furniture and fixtures(1)	5 years
Office equipment(1)	5 years
Leasehold improvements	Lower of lease term or useful life

(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.

Leasehold improvements are amortized over the lower of the lease term or the useful life of the asset.

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

Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset, and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Impairment

Property, plant and equipment and intangible assets are evaluated for recoverability, whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell or the value-in-use) is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generated unit (CGU) to which the asset belongs. If such assets are considered to be impaired, the impairment to be 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 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 March 31, 2023 were as follows:

(In US$)

Particulars	Office equipment	Plant & machinery	Computer equipment	Furniture & fixtures	Leasehold improvement	Total
Gross carrying value as of April 1,2022	109,385	10,053	936,683	262,275	333,834	1,652,230
Additions	116,403	-	178,338	80,972	438,319	814,032
Deletions	(32,412)	(10,053)	(191,180)	(163,491)	-	(397,136)
Gross carrying value as of March 31,2023	193,376	-	923,841	179,755	772,153	2,069,126
Accumulated depreciation as of April 1,2022	(74,027)	(10,053)	(649,111)	(219,629)	(177,836)	(1,130,656)

Particulars	Office equipment	Plant & machinery	Computer equipment	Furniture & fixtures	Leasehold improvement	Total
Depreciation	(15,837)	-	(174,027)	(18,565)	(74,385)	282,814
Accumulated depreciation on deletions	32,412	10,053	191,180	163,491		397,136
Accumulated depreciation as of March 31,2023	(57,452)	-	(631,958)	(74,703)	(252,221)	1,016,334
Carrying value as of April 1,2022	35,358	–	287,572	42,646	155,998	521,574
Carrying value as of March 31,2023	135,924	–	291,883	105,053	519,932	1,052,792

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

(In US$)

Particulars	Office equipment	Plant & machinery	Computer equipment	Furniture & fixtures	Leasehold improvement	Total
Gross carrying value as of April 1,2021	109,385	10,053	789,676	262,275	333,834	1,505,223
Additions	–	–	175,836	–	–	175,836
Deletions	–	–	(28,829)	–	–	(28,829)
Gross carrying value as of March 31,2022	109,385	10,053	936,683	262,275	333,834	1,652,230
Accumulated Depreciation as of April 1,2021	(59,395)	(10,053)	(587,744)	(202,041)	(108,735)	(967,968)
Depreciation	(14,632)	–	(89,486)	(17,588)	(69,101)	(190,807)
Accumulated depreciation on deletions	–	–	28,119	–	–	28,119
Accumulated depreciation as of March 31,2022	(74,027)	(10,053)	(649,111)	(219,629)	(177,836)	(1,130,656)
Carrying value as of April 1,2021	49,990	–	201,932	60,234	225,099	537,255
Carrying value as of March 31,2022	35,358	–	287,572	42,646	155,998	521,574

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

2.2 Loans

(In US$)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Loan receivables considered good - Unsecured (Refer to Note 2.18 (b))	49,300,000	9,000,000
Total –non-current loans	49,300,000	9,000,000
Current		
Loan receivables considered good – Unsecured (Refer to Note 2.18 (b))	40,000,000	20,000,000
Total current loans	40,000,000	20,000,000
Total loans[1]	89,300,000	29,000,000
[1] Includes loans to fellow subsidiaries (Refer to Note 2.18 (b))	89,300,000	29,000,000

2.3 Trade receivables

(In US$)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Unsecured		
Considered good [1]	44,964,346	29,665,817
Less: Allowances for credit losses	(354,000)	(707,351)
Total trade receivables	44,610,346	28,958,466
[1] Includes dues from holding company (Refer to Note 2.18 (b))	82,571	89,967

Trade Receivable ageing schdeule for the year ended as on 31.03.2023 and 31.03.2022:

(In US$)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – Considered good	30,855,688	14,108,658	–	–	–	–	44,964,346
	19,346,055	9,861,089	6,094	–	452,579	–	29,665,817
Less: Allowance for credit loss	–	–	–	–	–	–	(354,000)
							(707,351)
Total trade receivables							44,610,346
							28,958,466

2.4 Cash and cash equivalents

(In US$)

Particulars	As at March 31,	
	2023	2022
Balances with Bank		
In current accounts	17,866,821	67,940,070
	17,866,821	67,940,070

2.5 Other financial assets

(In US$)

Particulars	As at March 31,	
	2023	2022
Non-current		
Interest accrued on loan[(1) (3)]	2,016,197	51,583
Unbilled revenues [(1)#]	63,498	–
	2,079,695	51,583
Current		
Unbilled revenues [(1)#]	7,772,809	14,453,234
Interest accrued on loan[(1) (3)]	2,530,548	94,614
Others[(1)(2)]	1,230,322	695,513
	11,533,679	15,243,361
Total	13,613,374	15,294,944
[(1)] Financial assets carried at amortized cost	13,613,374	15,294,944
[(2)] Includes dues from holding company and other group companies (Refer to Note 2.18 (b))	1,218,505	643,951
[(3)] Includes interest accrued on loan to fellow subsidiaries (Refer to Note 2.18 (b))	4,546,745	146,197

\# Classified as financial asset as right to consideration is unconditional and is due only after a passage of time.

2.6 Other current assets

(In US$)

Particulars	As at March 31,	
	2023	2022
Current		
Payment to vendors for supply of goods	9,619	2,901
Prepaid expenses[(3)]	5,845,315	2,367,397
Unbilled revenue[(1)]	10,204,754	10,681,733
Withholding taxes[(2)]	4,831	248,629
Others	92,322	28,557
Total other current assets	16,156,841	13,329,217
[(1)] Classified as non-financial asset as the contractual right to consideration depends on completion of contractual milestones		
[(2)] Withholding taxes related to employees		
[(3)] Includes dues from other group companies	78,862	120,135

2.7 Equity

Equity share capital

(In US$, except equity share data)

	As at March 31,	
	2023	2022
Authorized		
Equity shares, US$ 0.5 (US$ 0.5) par value		
40,000,000 (40,000,000) equity shares	20,000,000	20,000,000
Issued, subscribed and paid-up		
Equity shares, US$ 0.5 (US$ 0.5) par value	17,500,000	17,500,000
35,000,000 (35,000,000) equity shares fully paid up		
	17,500,000	17,500,000

The Company has only one class of shares referred to as equity shares having a par value of US$ 0.5. Each holder of equity shares is entitled to one vote per share.

As at March 31, 2023, the company had one member, Infosys Limited (the "member"). 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.

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

(In US$)

Name of the shareholder	As at March 31,			
	2023		2022	
	Number of shares	% held	Number of shares	% held
Infosys Limited, the holding company	35,000,000	100.00	35,000,000	100.00

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

(In US$ - except as stated otherwise)

Particulars	As at March 31,			
	2023		2022	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the period	35,000,000	17,500,000	35,000,000	17,500,000
Add: Shares issued during the period	–	–	–	–
At the end of the period	35,000,000	17,500,000	35,000,000	17,500,000

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.

2.8 Trade payables

(In US$)

Particulars	As at March 31,	
	2023	2022
Trade payables[(1)]	13,390,948	17,011,188
	13,390,948	17,011,188
[(1)] Includes dues to holding company and other group companies (Refer to note 2.18(b))	11,272,507	13,169,931

Trade Payable ageing schdeule for the year ended as on March 31, 2023 and March 31, 2022

(In US$)

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Others	1,578,452	11,812,496	–	–	–	13,390,948
	3,646,782	13,364,406	–	–	–	17,011,188
Total trade payables						13,390,948
						17,011,188

2.9 Other financial liabilities

(In US$)

Particulars	As at March 31,	
	2023	2022
Current		
Others		
Compensated absences	2,616,289	1,755,502
Accrued compensation to employees[(1)]	3,074,308	2,611,557
Accrued expenses[(1)]	25,852,881	26,816,315
Payable to related parties[(1)*]	728,420	554,221
Capital creditor	223,493	105,101

Particulars	As at March 31,	
	2023	2022
Others payables [1]	871,051	168,561
	33,366,442	32,011,257
[1]Financial liability carried at amortized cost	29,383,787	30,150,654
*Includes dues to holding company and other group companies (Refer to Note 2.18(b))	728,420	577,761

2.10 Other liabilities

(In US$)

Particulars	As at March 31,	
	2023	2022
Current		
Unearned revenue	14,343,119	2,177,124
Others		
Withholding taxes payable	410,101	1,009,488
	14,753,220	3,186,612

2.11 Provisions

Accounting policy

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

a. Post sales client support and others

The Company provides its clients with a fixed-period post-sales support on its fixed-price and fixed-timeframe contracts. Costs associated with such support services are accrued at the time related revenues are recorded. 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.

Other liabilities comprise the following:

(In US$)

Particulars	As at March 31,	
	2023	2022
Current		
Others		
Post sales client support and other provisions	1,292,832	1,010,118
Total provisions	1,292,832	1,010,118

The movement in provision for post-sales client support and other provisions is as follows:

(In US$)

Particulars	Years ended March 31,	
	2023	2022
Balance at the beginning	1,010,118	1,154,083
Provision recognized / (reversed)	403,809	130,694
Provision utilized	(121,095)	(274,659)
Balance at the end	1,292,832	1,010,118

Provision for post-sales client support and other provisions are expected to be utilized over a period of one year.

2.12 Leases

Accounting policy

The Company's lease asset classes 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 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 assets) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

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

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

The lease liability is initially measured at amortized cost using the effective interest rate method 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, incremental borrowing rates in the countries of domicile of the 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 asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The changes in the carrying value of ROU assets for the year ended March 31, 2023 are as follows:

(In US$)

Particulars	Buildings
Balance as of April 1, 2022	1,661,158
Additions	2,744,847
Deletions	991,803
Depreciation	160,816
Translation differences	–
Balance as of March 31, 2023	3,253,386

The changes in the carrying value of ROU assets for the year ended March 31, 2022 are as follows:

(In US$)

Particulars	Buildings
Balance as of April 1, 2021	1,935,651
Additions	–
Deletions	–
Depreciation	274,493
Translation differences	–
Balance as of March 31, 2022	1,661,158

The break-up of current and non-current lease liability as at Mar 31, 2023 and March 31, 2022 is as follows:

(In US$)

Particulars	As at March 31,	
	2023	2022
Current lease liability	198,753	310,379
Non-current lease liability	3,134,794	1,560,448
Total	3,333,547	1,870,827

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

(In US$)

Particulars	Years ended March 31,	
	2023	2022
Balance as of April 1, 2022	1,870,827	2,179,517
Additions	2,744,847	–
Deletions	(991,803)	–
Interest accrued during the period	32,361	34,662
Gain on modification	(132,784)	–
Lease payments	(137,437)	(339,811)
Translation differences	(52,464)	(3,541)
Balance as of March 31, 2023	3,333,547	1,870,827

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

(In US$)

Particulars	As at March 31,	
	2023	2022
Less than one year	334,005	340,714
One to five years	1,730,735	1,362,854
More than five years	1,976,403	294,226
Total	4,041,143	1,997,794

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.

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

2.13 Income taxes

Accounting policy

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in the condensed 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.

Deferred income taxes are not provided on the undistributed earnings of the branches where it is expected that the earnings of the branches will not be distributed in the foreseeable future. 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 March 31,	
	2023	2022
Current tax	7,623,179	5,851,959
Deferred tax credit / (expense)	(234,761)	298,640
Income tax expense	7,388,418	6,150,599

Income tax expense for the year ended March 31, 2023 and March 31, 2022 includes reversals (net of provisions) of US$ 300,718 and US$ 506,227, respectively, pertaining to prior years.

Entire deferred income tax for the year ended March 31, 2023 and March 31, 2022 respectively relates to origination and reversal of temporary differences.

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

(In US$)

Particulars	Years ended March 31,	
	2023	2022
Profit before incomes taxes	25,881,996	21,877,881
Enacted tax rate	21%	21%
Computed expected tax expense	5,435,219	4,594,355
State Taxes	1,824,679	1,531,452
Overseas taxes	268,369	293,576
Disallowed Items	166,489	133,878
Tax pertaining to prior year	(300,718)	(506,227)
Impact of rate differential	(10,167)	–
Forex	4,238	–
Others	308	103,565
Income tax expense	7,388,417	6,150,599

The details of income tax assets and income tax liabilities are as follows:

(In US$)

Particulars	Years ended March 31,	
	2023	2022
Income tax assets	984,511	542,318
Current Income tax liabilities	(1,059,916)	(805,328)
Net income tax liabilities	(75,405)	(263,010)

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

(In US$)

Particulars	Years ended March 31,	
	2023	2022
Net income tax liabilities	(263,011)	(391,783)
Income tax paid	7,814,000	5,980,732
Income tax expense	(7,623,179)	(5,851,959)
Forex	(3,216)	–
Net income tax liability at the end	(75,405)	(263,010)

The movement in gross deferred income tax assets for the year ended March 31, 2023 is as follows:

(In US$)

Particulars	Carrying value as on April 1,2022	Changes through profit & Loss	Carrying value as on March 31,2023
Deferred income tax assets			
Property, plant and equipment	184,220	(315,651)	(131,431)
Compensated absences	491,657	242,366	734,023
Accrued compensation	730,679	128,202	858,881
Provision for post-sales customer support	282,834	79,160	361,994
Trade receivables	292,089	(130,854)	161,235
Others	658,356	231,538	889,894
Total deferred income tax assets	2,639,835	234,761	2,874,596

The movement in gross deferred income tax assets for the year ended March 31, 2022 is as follows:

(In US$)

Particulars	Carrying value as on April 1,2021	Changes through profit & loss	Carrying value as on March 31,2022
Deferred income tax assets			
Property, plant and equipment	552,339	(368,120)	184,219
Compensated absences	579,513	(87,856)	491,657
Accrued compensation	402,910	327,769	730,679
Provision for post-sales customer support	334,685	(51,851)	282,834
Trade receivables	386,111	(94,022)	292,089
Others	682,917	(24,561)	658,356
Total deferred income tax assets	2,938,475	(298,641)	2,639,834

The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

(In US$)

Particulars	Years ended March 31,	
	2023	2022
Deferred income tax assets after set off	2,875,522	2,639,835

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities, and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

In assessing the realizability of deferred tax assets, Management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets depends on the generation of future taxable income during the periods in which the temporary differences become deductible. 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 that the Company will realize the benefit of the deductible differences at March 31, 2022. Accordingly, the Management has recorded deferred tax asset in its financial statements.

2.14 Revenue

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. Revenue is recognized upon transfer of control of promised products or services ("performance obligations") to customers for an amount that reflects the consideration the Company has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

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

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

Revenue on time-and-material contracts are recognized as the related services are performed. Fixed-price maintenance 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 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 contract because the services are generally discrete in nature and not repetitive.

Revenue from other fixed-price and 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 term of the contracts, and are recognized in net profit in the period when these estimates change or when the estimates are revised. Revenues and the estimated total costs or efforts are subject to revision as the contract progresses. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

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

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

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

(In US$)

Particulars	Years ended March 31,	
	2023	2022
Revenue from software services	226,511,341	182,674,876
Total	226,511,341	182,674,876

Disaggregate revenue information

The disaggregated revenues from contracts with customers for the year ended March 31, 2023 and March 31, 2022 by geography are as follows:

(In US$)

Particulars	Years ended March 31,	
	2023	2022
Revenues by geography*		
North America	221,158,267	170,168,274
Europe	(169,125)	174,526
Rest of the world	5,522,199	12,332,077
Total	226,511,341	182,674,877

* Geographical revenues is based on the domicile of customer

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 maintenance 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-price 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 depends on the 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.

2.15 Other income

Accounting policy

Other income primarily comprises interest income 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 US Dollar. The functional currency for Infosys Canada Public Services Inc is the Canadian Dollar. These financial statements are presented in US Dollar.

Other income / (expense) consists of the following:

(In US$)

Particulars	Years ended March 31, 2023	2022
Interest income on financial assets carried at amortized cost:		
Deposits with banks and others	610,598	86,546
Loan to fellow subsidiaries	4,929,070	216,063
Exchange gains / (losses) on translation of other assets and liabilities	(564,417)	336,778
Other miscellaneous income net	134,191	974
Total	5,109,442	640,361

2.16 Expenses

(In US$)

Particulars	Years ended March 31, 2023	2022
Employee benefit expenses		
Salaries including bonus	58,117,922	28,323,327
Share based payments to employees	322,759	381,797
Staff welfare	72,291	10,194
	58,512,972	28,715,318
Cost of software packages and others		
For own use	1,606,288	2,802,659
Third-party items bought for service delivery to clients	9,367,267	16,943,721
	10,973,555	19,746,380
Other expenses		
Rates and taxes	188,301	173,689
Branding and marketing expenses	186,842	139,447
Provision / (reversal) for post-sales client support	310,781	(20,177)
Impairment loss under expected credit loss model	23,382	(272,788)
Repair and maintenance	136,122	162,586
Statutory Audit Fees*	53,755	–
Others	178,170	62,962
Total	1,077,353	245,719

* includes 26,875 pertains to FY'22.

2.17 Financial instruments

Accounting policy

2.17.1 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.

2.17.2 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.

2.17.3 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.

2.17.4 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 such a 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 interim condensed Statement of Profit and Loss.

Financial instruments by category

The carrying value and fair value of financial instruments as of March 31, 2023 and March 31, 2022 are as follows:

(In US$)

Particulars	As at March 31,	
	2023	2022
Assets:		
Cash and cash equivalents (Refer to Note 2.4)	17,866,821	67,940,070
Trade receivables (Refer to Note 2.3)	44,610,346	28,958,466
Loans (Refer to Note 2.2)	89,300,000	29,000,000
Other financial assets (Refer to Note 2.5)	13,613,374	15,294,944
Total	165,390,541	141,193,480
Liabilities:		
Trade payables (Refer to Note 2.8)	13,390,948	17,011,188
Lease liabilities (Refer to Note 2.12)	3,333,547	1,870,827
Other financial liabilities (Refer to Note 2.9)	33,366,442	32,011,257
Total	50,090,937	50,893,272

Financial risk management

Financial risk factors

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

Market risk

The Company operates globally, and a major portion of the business is transacted in several currencies. 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 analysis of the foreign currency risk from financial assets and liabilities as at March 31, 2023 is as follows:

(In US$)

Particulars	Canadian Dollar	Other currencies	Total
Net financial assets	12,095,353	2,005	12,097,358
Net financial liabilities	(11,866,170)	(24,694)	(11,890,864)
Net assets / (liabilities)	229,183	(22,689)	206,494

The analysis of the foreign currency risk from financial assets and liabilities as at March 31, 2022 is as follows:

(In US$)

Particulars	Canadian Dollar	Other currencies	Total
Net financial assets	37,986,102	1,037	37,987,139
Net financial liabilities	(13,616,537)	(63,388)	(13,679,925)
Net assets / (liabilities)	24,369,565	(62,351)	24,307,214

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$ 44,610,346 and US$ 28,958,466 as of March 31, 2023 and March 31, 2022, respectively.Unbilled revenue amount to US$ 18,041,062 and US$ 25,134,967 as of March 31, 2023 and March 31, 2022, respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers primarily located in the United States. Credit risk is managed 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. The Company uses the expected credit loss model to assess any required allowances; and uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. This matrix considers credit reports and other related credit information to the extent available.

The details in respect of percentage of revenues generated from top customer and top 10 customers are as follows:

(In %)

Particulars	Years ended March 31,	
	2023	2022
Revenue from top customer	15	12
Revenue from top 10 customers	71	74

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2023 and March 31, 2022 is US$ 23,382 and (US$ 272,788) respectively.

Movement in credit loss allowance:

(In US$)

Particulars	Years ended March 31,	
	2023	2022
Balance at the beginning	1,043,177	1,331,420
Impairment loss recognized / (reversed)	23,382	(272,788)
Write-offs	(471,957)	(38,831)
Translation differences	(18,761)	23,376
Balance at the end	575,841	1,043,177

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. Ratings are monitored periodically and the Company has considered the latest available credit ratings as at the date of approval of these financial statements.

Liquidity risk

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

As of March 31, 2023, the Company had a working capital of US$ 66,105,576, including cash and cash equivalents of US$ 17,866,821. As of March 31, 2022, the Company had a working capital of US$ 91,136,232, including cash and cash equivalents of US$ 67,940,070.

As of March 31, 2023 and March 31, 2022, the compensated absences were US$ 2,616,289 and US$1,755,502, respectively, which have been substantially funded. Further, as of March 31, 2023 and March 31, 2022, the Company had no outstanding bank borrowings. Accordingly, no liquidity risk is perceived.

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

(In US$)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	13,390,948	–	–	–	13,390,948
Other liabilities (Refer to Note 2.9)	30,750,153	–	–	–	30,717,522

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

(In US$)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	17,011,188	–	–	–	17,011,188
Other liabilities (Refer to Note 2.9)	30,255,755	–	–	–	30,255,755

2.18 Related party transactions

(a) List of related parties:

Name of the Company	Country	Holding as at March 31,	
		2023	2022
Holding			
Infosys Limited	India	Holding Company	Holding Company

Name of the Company	Country	Holding as at March 31,	
		2023	2022
Name of subsidiaries			
Infosys Public Services Canada, Inc.	Canada	100%	0%

Fellow subsidiaries

Name of fellow subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)[1]	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)[1]	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)[1]	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)[1]	China
Infosys Nova Holdings LLC. (Infosys Nova)[1]	U.S.
EdgeVerve Systems Limited (EdgeVerve)[1]	India
Infosys Austria GmbH[1]	Austria
Skava Systems Private Limited (Skava Systems)[1][27]	India
Infosys Chile SpA[1]	Chile
Infosys Arabia Limited[2][27]	Saudi Arabia
Infosys Consulting Ltda.[1]	Brazil
Infosys Luxembourg S.a.r.l[1]	Luxembourg
Infosys Americas Inc. (Infosys Americas)[1][27]	U.S.
Infosys BPM Limited[1][47]	India
Infosys (Czech Republic) Limited s.r.o.[3]	Czech Republic
Infosys Poland Sp z.o.o[3]	Poland
Infosys McCamish Systems LLC[3]	U.S.
Portland Group Pty Ltd[3]	Australia
Infosys Public Services Canada Inc. [20]	Canada
Infosys BPO Americas LLC.[3]	U.S.
Infosys Consulting Holding AG (Infosys Lodestone)[1]	Switzerland
Infosys Management Consulting Pty Limited[4]	Australia
Infosys Consulting AG[4]	Switzerland
Infosys Consulting GmbH[4]	Germany
Infosys Consulting S.R.L.[1]	Romania
Infosys Consulting SAS[4]	France
Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.)[4][38]	Czech Republic
Infosys Consulting (Shanghai) Co., Ltd.[4][34]	China
Infy Consulting Company Ltd[4]	U.K.
Infy Consulting B.V.[4]	The Netherlands
Infosys Consulting S.R.L.[57]	Argentina
Infosys Consulting (Belgium) NV[4]	Belgium
Panaya Inc. (Panaya)[1]	U.S.
Panaya Ltd.[6]	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH)[58]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[1][27]	U.K.
Brilliant Basics Limited[7][27]	U.K.
Infosys Singapore Pte. Ltd. (Infosys Singapore) [1]	Singapore
Infosys Middle East FZ LLC[8]	Dubai
Infosys South Africa (Pty) Ltd[8]	South Africa

Name of fellow subsidiaries	Country
Fluido Oy[8]	Finland
Fluido Sweden AB (Extero)[11]	Sweden
Fluido Norway A/S[11]	Norway
Fluido Denmark A/S[11]	Denmark
Fluido Slovakia s.r.o[11]	Slovakia
Infosys Compaz Pte. Ltd[9]	Singapore
WongDoody Holding Company Inc. (WongDoody)[1][40]	U.S.
WDW Communications, Inc[10][41]	U.S.
WongDoody, Inc[10][42]	U.S.
HIPUS Co., Ltd[9]	Japan
Stater N.V.[9]	The Netherlands
Stater Nederland B.V.[12]	The Netherlands
Stater XXL B.V.[12]	The Netherlands
HypoCasso B.V.[12]	The Netherlands
Stater Participations B.V.[12]	The Netherlands
Stater Belgium N.V./S.A.[13]	Belgium
Stater Gmbh[12][32]	Germany
Outbox systems Inc. dba Simplus (US)[16]	U.S.
Simplus North America Inc.[17][31]	Canada
Simplus ANZ Pty Ltd.[17]	Australia
Simplus Australia Pty Ltd[18]	Australia
Sqware Peg Digital Pty Ltd[19][35]	Australia
Simplus Philippines, Inc.[17]	Philippines
Simplus Europe, Ltd.[17][33]	U.K.
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)[11]	U.K.
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[21]	Ireland
Infosys Limited Bulgaria EOOD[1]	Bulgaria
Kaleidoscope Animations, Inc.[16]	U.S.
Kaleidoscope Prototyping LLC[23]	U.S.
GuideVision s.r.o.[14]	Czech Republic
GuideVision Deutschland GmbH[22]	Germany
GuideVision Suomi Oy[22]	Finland
GuideVision Magyarország Kft[22]	Hungary
GuideVision Polska SP.Z.O.O[22]	Poland
GuideVision UK Ltd[22][27]	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[16]	U.S.
Beringer Capital Digital Group Inc[16][45]	U.S.
Mediotype LLC[24][45]	U.S.
Beringer Commerce Holdings LLC[24][45]	U.S.
SureSource LLC[25][43]	U.S.
Blue Acorn LLC[25][43]	U.S.
Simply Commerce LLC[25][43]	U.S.
iCiDIGITAL LLC[26][44]	U.S.
Infosys BPM UK Limited[3]	U.K.
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[1]	Turkey
Infosys Germany Holding Gmbh[1]	Germany

Name of fellow subsidiaries	Country
Infosys Automotive and Mobility GmbH & Co. KG[1]	Germany
Infosys Green Forum[1][36]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[37]	Malaysia
Infosys Business Solutions LLC[1][46]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")[48]	Germany
Oddity GmbH [49]	Germany
Oddity (Shanghai) Co., Ltd. [50]	China
Oddity Limited (Taipei) [50]	Taiwan
Oddity space GmbH [49]	Germany
Oddity jungle GmbH [49]	Germany
Oddity code GmbH [49]	Germany
Oddity code d.o.o [51]	Serbia
Oddity waves GmbH [49]	Germany
Oddity group services GmbH [49]	Germany
Infosys Public Services Canada Inc. [20][52]	Canda
BASE life science AG [54]	Switzerland
BASE life science GmbH [54]	Germany
BASE life science A/S [53]	Denmark
BASE life science S.A.S [54]	France
BASE life science Ltd. [54]	U.K.
BASE life science S.r.l. [54]	Itlay
Innovisor Inc.[54]	U.S.
BASE life science Inc.[54]	U.S.
BASE life science S.L.[54][55]	Spain
Infosys Norway [59]	Norway

[1] Wholly-owned subsidiary of Infosys Limited

[2] Majority owned and controlled subsidiary of Infosys Limited

[3] Wholly-owned subsidiary of Infosys BPM Limited

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

[6] Wholly-owned subsidiary of Panaya Inc.

[7] Wholly-owned subsidiary of Brilliant Basics Holding Limited.

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

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

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

[11]Wholly-owned subsidiary of Fluido Oy

[12]Wholly-owned subsidiary of Stater N.V

[13]Majority owned and controlled subsidiary of Stater Participations B.V.

[14]Wholly-owned subsidiary of Infy Consulting Company Limited

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

[17] Wholly-owned subsidiary of Outbox Systems Inc.

[18] Wholly-owned subsidiary of Simplus ANZ Pty Ltd

[19]Wholly-owned subsidiary of Simplus Australia Pty Ltd

[20]Wholly-owned subsidiary of Infosys Public Services, Inc.

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

[22]Wholly-owned subsidiary of GuideVision s.r.o.

[23] Wholly-owned subsidiary of Kaleidoscope Animations, Inc.

[24]Wholly-owned subsidiary of Blue Acorn iCi Inc

[25]Wholly-owned subsidiary of Beringer Commerce Holdings LLC

[26]Wholly-owned subsidiary of Beringer Capital Digital Group Inc.

[27] Under liquidation

[31] Liquidated effective April 27,2021

[32] Incorporated on August 4, 2021

[33] Liquidated effective July 20, 2021

[34] Liquidated effective September 1, 2021

[35] Liquidated effective September 2, 2021

[36] Incorporated on August 31, 2021

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

[38] Liquidated effective December 16, 2021

[39] Liquidated effective November 23, 2021

[40] Wholly-owned subsidiary of Infosys Limited, merged with WongDoody Inc, effective December 31, 2021

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

[42] Wholly-owned subsidiary of Infosys Limited, effective December 31, 2021

[43] Merged with Beringer Commerce Holdings LLC, effective January 1, 2022

[44] Merged with Beringer Capital Digital Group Inc, effective January 1, 2022

[45] Merged with Blue Acorn iCi Inc, effective January 1, 2022

[46] Incorporated on February 20, 2022

[47] On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

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

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

[50] Wholly-owned subsidiary of oddity GmbH

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

[52] Incorporated on July 8, 2022

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

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

[55] Incorporated on September 6, 2022

[56] Incorporated effective December 15, 2022

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

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

[59] Incorporated effective February 7, 2023.

(b) The details of amounts due to or due from as at March 31, 2023 and March 31, 2022 are as follows:

(In US$)

Particulars	As at March 31,	
	2023	2022
Trade receivables		
Infosys Limited	82,571	89,967
	82,571	89,967
Trade payables		
Infosys Limited	10,927,483	12,553,292
Infosys BPM Limited	161,261	171,623
Edgeverve Systems Limited	–	217
Outbox systems Inc. dba Simplus	178,049	356,436
WDW Communications, Inc.	–	–
WongDoody, Inc.	–	–
Simplus Philippines, Inc.	–	80
Panaya Inc	–	79,654
Infosys Technologies (China) Co. Limited	5,714	8,629
	11,272,507	13,169,931
Other financial assets		
Edgeverve Systems Limited	23,779	23,539
Infosys Limited	1,194,726	620,412
	1,218,505	643,951

Particulars	As at March 31,	
	2023	2022
Other financial liabilities		
Panaya Inc.	–	61,180
Infosys Limited	728,420	516,581
	728,420	577,761
Loans		
Panaya Inc.	7,300,000	7,500,000
Infosys Automotive and Mobility GmbH & Co. KG	40,000,000	20,000,000
Infosys Nova Holdings LLC	1,500,000	1,500,000
Infosys Singapore Pte. Ltd.	40,500,000	–
	89,300,000	29,000,000
Accrued expenses		
Panaya Ltd	78,862	120,135
	78,862	120,135
Accrued Interest on Loan to fellow subsidiaries		
Panaya Inc.	112,675	9,045
Infosys Automotive and Mobility GmbH & Co. KG	2,530,548	94,614
Infosys Nova Holdings LLC	121,169	42,538
Infosys Singapore Pte. Ltd.	1,782,353	–
	4,546,745	146,197

(c) The details of the related party transactions entered into by the Company for the year ended March 31, 2023 and March 31, 2022 are as follows:

(In US$)

Particulars	Years ended March 31,	
	2023	2022
Revenue transactions		
Sale of services		
Infosys Limited	726,280	1,470,615
	726,280	1,470,615
Purchase of services		
Infosys Limited	96,567,662	82,615,448
Infosys BPM Limited	2,438,781	1,649,042
Edgeverve Systems Limited	16,060	29,550
Panaya Inc.	191,003	299,866
Outbox systems Inc. dba Simplus	1,933,396	2,268,613
Infosys Technologies (China) Co. Limited	89,515	84,136
WDW Communications, Inc.	–	84,664
Simplus Philippines, Inc.	–	10,298
WongDoody, Inc.	–	119,132
	101,236,416	87,160,749

(In US$)

Particulars	Years ended March 31,	
	2023	2022
Capital transaction		
Loans given / (refund)		
Infosys Singapore Pte. Ltd.	40,500,000	–

Particulars	Years ended March 31,	
	2023	2022
Panaya Inc.	(1,500,000)	(2,500,000)
Panaya Inc.	1,300,000	–
Infosys Automotive and Mobility GmbH & Co. KG	20,000,000	20,000,000
Infosys Nova Holdings LLC	–	–
	60,300,000	17,500,000
Interest income on loan		
Infosys Singapore Pte. Ltd.	2,056,520	–
Panaya Inc.	357,986	99,264
Infosys Automotive and Mobility GmbH & Co. KG	2,435,934	94,614
Infosys Nova Holdings LLC	78,630	22,185
	4,929,070	216,063

List of key management personnel and directors

Name of the related party	Designation
Bhanu Prasad Narayana	*Interim CEO with effect from 25th October 2022*
Eric Paternoster	*Deceased on 24th October 2022*
Jasmeet Singh	*Director*
Ashiss Kumar Dash	*Director*

Transaction with key management personnel

(In US$)

Particulars	Years ended March 31,	
	2023	2022
Salary and other employee benefits	1,428,201	1,205,520
Total	1,428,201	1,205,520

2.19 Commitments

(In US$)

Particulars	Years ended March 31,	
	2023	2022
Commitments		
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)[(1)]	143,977	35,339
Total	143,977	35,339

[(1)] Capital contracts primarily comprise commitments for infrastructure facilities and computer equipment.

2.20 Segment reporting

The Company is engaged in providing consultancy service in a single geography. 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. Its operations are, therefore, considered to constitute a single segment in the context of Ind AS 108, Segment Reporting.

2.21 Ratios

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

(In US$)

Particulars	Numerator	Denominator	As at march 31, 2023	As at march 31, 2022	Variance
Current ratio	Current assets	Current liabilities	2.0	2.7	(24.1%)
Debt-equity ratio	Total debt (represents lease liabilities) [1]	Shareholder's equity	0.027	0.018	51.3%*
Debt service coverage ratio	Earnings available for debt service[2]	Debt service[3]	138.0	47.8	189%**
Return on equity (ROE)	Net profits after taxes	Average shareholder's equity	16.3%	16.4%	(0.0%)
Trade receivables turnover ratio	Revenue	Average trade treceivable	6.2	6.3	(2.7%)
Trade payables turnover ratio	Purchases of services and other expenses	Average trade payables	9.6	10.3	(6.3%)
Net capital turnover ratio	Revenue	Working capital	3.4	2.0	70.9%#
Net profit ratio	Net profit	Revenue	8.2%	8.6%	(0.4%)
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed[4]	21.1%	21.2%	(0.1%)

(1) Debt represents only 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

* Due to increase in Debt

** Primarily due to increase in profit

\# Primarily due to increase in revenue and decrease in current assets

Infy Consulting Company Limited

Independent Auditor's Report

To the Members of Infy Consulting Company Limited

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Infy Consulting Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of preparation referred to in Section 1.2 of the special purpose financial statements, of the state of affairs of the Company as at March 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's Responsibilities for the Special Purpose Financial Statements

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

UDIN : 23202841BGWLUV4006

For SHENOY & KAMATH
Chartered Accountants,
Firm Registration Number. 006673S

M RATHNAKAR KAMATH
Partner
Membership Number. 202841

Place: Bengaluru

Date: May 20, 2023

Balance Sheet

(In GBP)

Particulars	Note no.	As at March 31, 2023	2022
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	638,661	458,537
Right-to-Use of Asset	2.15	1,771,228	3,194,238
Financial assets			
Investments	2.2	21,668,078	21,668,078
Loans	2.3	2,829	2,829
Other financial assets	2.4	4,204,325	–
Deferred tax assets (net)	2.14	355,797	178,109
Other non-current assets	2.7	–	2,394,795
Income tax assets, net	2.14	365,047	365,047
Total non-current assets		29,005,965	28,261,633
Current assets			
Financial assets			
Trade receivables	2.5	18,245,200	17,273,888
Cash and cash equivalents	2.6	5,712,623	6,135,971
Loans	2.3	81,988	10,968
Other financial assets	2.4	4,908,482	894,471
Other current assets	2.7	17,057,016	13,362,157
Total current assets		46,005,309	37,677,455
Total assets		75,011,274	65,939,088
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.9	14,050,000	14,050,000
Other equity		9,741,281	5,676,038
Total equity		23,791,281	19,726,038
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease Liability	2.15	2,921,104	3,739,063
Other financial liabilities	2.11	60,282	–
Total non-current liabilities		2,981,386	3,739,063
Current liabilities			
Financial liabilities			
Trade payables	2.10	9,212,347	12,219,076
Lease liability	2.15	2,028,138	1,543,793
Other financial liabilities	2.11	21,948,063	16,890,952
Other current liabilities	2.12	12,840,215	10,291,773
Provisions	2.13	184,072	129,669
Income tax liabilities (net)	2.14	2,025,772	1,398,724
Total current liabilities		48,238,607	42,473,987
Total equity and liabilities		75,011,274	65,939,088

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

As per our report of even date attached

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

for and on behalf of the Board of Directors of Infy Consulting Company Limited

M. Rathnakar Kamath
Partner
Membership No. 202841

Andrew Duncan
Director

Bengaluru

May 20, 2023

Statement of Profit and Loss

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

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations	2.16	183,967,110	139,213,302
Other income, net	2.17	348,029	139,411
Total income		184,315,139	139,352,713
Expenses			
Employee benefit expenses	2.18	64,943,140	45,332,437
Cost of technical sub-contractors		97,268,910	76,251,040
Travel expenses		2,038,767	597,858
Cost of software packages and others	2.18	9,102,067	8,062,106
Communication expenses		103,895	49,145
Consultancy and professional charges		1,920,311	1,085,864
Depreciation and amortization expense	2.1	1,709,003	985,691
Finance cost		127,902	280,902
Other expenses	2.18	1,281,540	1,273,073
Total expenses		178,495,535	133,918,116
Profit before tax		5,819,604	5,434,597
Tax expense			
Current tax	2.14	1,932,049	2,312,998
Deferred tax	2.14	(177,688)	9,213
Profit for the Year		4,065,243	3,112,386
Total comprehensive income for the period/year		4,065,243	3,112,386
Earnings per equity share			
Equity shares of par value GBP 1/- each			
Basic and Diluted (GBP)		0.29	0.22
Weighted average equity shares used in computing earnings per equity share			
Basic and Diluted		14,050,000	14,050,000

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

As per our report of even date attached

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

for and on behalf of the Board of Directors of Infy Consulting Company Limited

M. Rathnakar Kamath
Partner
Membership No. 202841

Andrew Duncan
Director

Bengaluru

May 20, 2023

Statement of Changes in Equity

(In GBP)

Particulars	Equity share capital	Other equity Reserves and Surplus Retained earnings	Total equity attributable to equity holders of the Company
Balance as of April 1, 2021	14,050,000	2,563,652	16,613,652
Changes in equity for the year ended March 31, 2022			
Profit for the year	–	3,112,386	3,112,386
Balance as of March 31, 2022	14,050,000	5,676,038	19,726,038
Changes in equity for the year ended March 31, 2023			
Profit for the year	–	4,065,243	4,065,243
Balance as of March 31, 2023	14,050,000	9,741,281	23,791,281

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

As per our report of even date attached

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

for and on behalf of the Board of Directors of Infy Consulting Company Limited

M. Rathnakar Kamath
Partner
Membership No. 202841

Andrew Duncan
Director

Bengaluru

May 20, 2023

Statements of Cash Flows

(In GBP)

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
Cash flows from operating activities			
Profit for the year		4,065,243	3,112,386
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation and amortization expense	2.1	1,709,003	985,691
Income tax expense	2.14	1,754,361	2,322,211
Finance cost		127,902	280,902
Interest and dividend income	2.17	–	(65)
Other adjustments		51,671	91,336
Exchange differences on translation of assets and liabilities		534,729	245,448
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(971,312)	(8,544,522)
Other financial assets and other assets		(9,518,400)	(7,113,752)
Trade payables		(3,006,729)	5,430,532
Other financial liabilities, other liabilities and provisions		11,129,101	11,570,740
Cash generated from operations		5,875,569	8,380,907
Income taxes paid		(1,305,001)	(1,550,600)
Net cash generated by operating activities		4,570,568	6,830,307
Cash flow from investing activities			
Expenditure on property, plant and equipment net of sale proceeds	2.1	(445,099)	(444,652)
Investment in subsidiary		–	–
Payment of contingent consideration pertaining to acquisition		(2,814,049)	(1,817,081)
Loans to employees		(71,020)	9,251
Interest and dividend received on investments		–	65
Net cash used in investing activities		(3,330,168)	(2,252,417)
Cash flow from financing activities			
Increase in share capital		–	–
Payment of lease liabilities	2.15	(1,535,846)	(886,987)
Interest and finance expenses paid		(127,902)	(248,944)
Dividend paid		–	–
Net cash used in financing activities		(1,663,748)	(1,135,931)
Net (decrease)/increase in cash and cash equivalents		(423,348)	3,441,959
Cash and cash equivalents at the beginning of the year		6,135,971	2,694,012
Cash and cash equivalents at the end of the year		5,712,623	6,135,971

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

As per our report of even date attached

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

for and on behalf of the Board of Directors of Infy Consulting Company Limited

M. Rathnakar Kamath
Partner
Membership No. 202841

Andrew Duncan
Director

Bengaluru

May 20, 2023

Significant Accounting Policies

Company overview

Infosys Consulting Company Limited is a wholly-owned subsidiary of Infosys Consulting Holding AG (Infosys Lodestone) (formerly Lodestone Holding AG). The Company renders professional management consulting services, thereby enabling its clients to enhance business performance.

1 Significant accounting policies

1.1 Accounting year

The accounting year of the Company is from April 1 to March 31.

1.2 Basis of preparation of financial statements

These special purpose financial statements are prepared for inclusion in the annual report of the Ultimate Holding Company Infosys Limited under the requirements of Section 129 (3) of the Companies Act 2013. These financial statements are prepared in accordance with Indian Accounting Standards (Ind-AS), under the historical cost convention on the accrual basis. The Ind-AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operate (i.e. the "functional currency"). The functional currency of the Company is Great Britain Pound (GBP) and the financial statements are also presented in GBP Pound. All amounts included in the financial statements are reported in GBP Pound, 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 Presentation currency

The Company's presentation currency is the Great Britain Pound (£)

1.4 Use of estimates

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

Actual results could differ from those estimates. Appropriate changes in estimates are made as 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.

1.5 Revenue recognition

The Company derives revenues primarily from consultancy services.

Effective Jan 1, 2019, the Company adopted Ind-AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as at Jan 1, 2019. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

1.5.1 Time and material

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

1.5.2 Fixed price

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

1.5.3 Unbilled/ unearned

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

1.5.4 Licenses

Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period. Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS). The Company has applied the principles under Ind-AS 115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost-plus margin approach. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized ratably over the period in which the services are rendered.

1.5.5 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.

1.5.6 Provisions for estimated losses

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.

1.5.7 Tax

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

1.6 Provisions

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.

1.7 Post-sales client support and warranties

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

1.8 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.

1.9 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

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

(1) For this class of assets, based on technical evaluation, the management believes that the useful lives as given above best represent the period over which 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.

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 net profit 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. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

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

1.10 Financial instruments

1.10.1 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.

1.10.2 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

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 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 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.

1.11 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.

1.12 Impairment

a. Financial assets

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets, which are not fair valued through profit or loss. Loss allowance for trade receivables 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 profit or loss in Statement of Profit or Loss.

b. Non-financial assets

(i) Property, plant and equipment

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 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 for the 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.

1.13 Employee benefits

Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

1.14 Foreign currency

Functional currency

The functional currency of the Company is the GBP.

Transactions and translations

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

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

1.15 Income taxes

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.

1.16 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.17 Other income

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

1.18 Earnings per share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.

1.19 Leases

Lease under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight-line basis in the Statement of Profit and Loss over the lease term.

The Company as a lessee

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

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

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

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate 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 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 for the 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 asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows."

2.1 Property, plant and equipment

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

(In GBP)

Particulars	Leasehold Improvements	Computer equipment	Total
Gross carrying value as of April 1, 2022	122,869	1,040,112	1,162,981
Additions/Adjustments	–	445,099	445,099
Deletions/Adjustments	–	(290,513)	(290,513)
Gross carrying value as of March 31, 2023	122,869	1,194,698	1,317,567
Accumulated depreciation as of April 1, 2022	122,869	581,575	704,444
Depreciation	–	264,839	264,839
Accumulated depreciation on deletions	–	(290,377)	(290,377)
Accumulated depreciation as of March 31, 2023	122,869	556,037	678,906
Carrying value as of March 31, 2023	–	638,661	638,661
Carrying value as of April 1, 2022	–	458,537	458,537

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

(In GBP)

Particulars	Leasehold Improvements	Computer equipment	Total
Gross carrying value as of April 1, 2021	122,869	596,214	719,083
Additions/Adjustments	–	444,652	444,652
Deletions/Adjustments	–	(754)	(754)
Gross carrying value as of March 31, 2022	122,869	1,040,112	1,162,981
Accumulated depreciation as of April 1, 2021	122,869	472,430	595,299
Depreciation	–	109,889	109,889
Accumulated depreciation on deletions	–	(744)	(744)
Accumulated depreciation as of March 31, 2022	122,869	581,575	704,444
Carrying value as of March 31, 2022	–	458,537	458,537
Carrying value as of January 1, 2021	–	123,784	123,784

2.2 Investments

(In GBP)

Particulars	As at March 31,	
	2023	2022
Non-current investments		
Investment in Subsidiary	21,668,078	21,668,078
	21,668,078	21,668,078

2.3 Loans

(In GBP)

Particulars	As at March 31,	
	2023	2022
Non-current		
Unsecured, considered good		
Other loans		
Loans to employees	2,829	2,829
	2,829	2,829
Current		
Other loans		
Loans and advances to employees	81,988	62,974
Less: Allowance for doubtful Loans to employees	–	(52,006)
	81,988	10,968
Total loans	84,817	13,797

2.4 Other financial assets

(In GBP)

Particulars	As at March 31,	
	2023	2022
Non-current		
Security deposits (1)	–	–
Rental deposits (1)(2)	–	–
Investment on lease	4,204,325	–
	4,204,325	–
Current		
Unbilled revenues (1)(2)	4,392,645	819,590
Others (3)	515,837	74,881
Total	4,908,482	894,471
(1) Financial assets carried at amortized cost	9,112,807	894,471
(2) Includes dues from related party (Refer to Note No.2.19)	63,145	–
(3) Includes dues from related party (Refer to Note No.2.19)	6,120,898	72

2.5 Trade receivables

(In GBP)

Particulars	As at March 31,	
	2023	2022
Current		
Unsecured		
Considered good (1)	18,245,200	17,273,888
Considered doubtful	69,894	79,822
	18,315,094	17,353,710
Less: Allowance for credit loss	69,894	79,822
	18,245,200	17,273,888
(1) Includes dues from related parties (Refer to Note No.2.19)	15,464,055	12,488,056

2.6 Cash and cash equivalents

(In GBP)

Particulars	As at March 31,	
	2023	2022
Balances with banks		
In current accounts	5,712,623	6,135,971
Total Cash and cash equivalents	5,712,623	6,135,971

2.7 Other assets

(In GBP)

Particulars	As at March 31,	
	2023	2022
Non-current		
Others		
Deferred contract cost	–	5,581
Investment in Lease	–	2,389,214
	–	2,394,795
Current		
Advances other than capital advance		
Payment to vendors for supply of goods	–	13,500
Others		
Deferred contract cost	12,178	7,442
Prepaid expenses	1,366,723	639,915
Unbilled Revenue	–	4,217,175
Cost of fulfillment	3,305,486	3,305,486
Joining Bonus	40,346	321,286
Devices – Dealer type lease	99,738	–
Inter Co. Adv.Paid	6,000,000	–
Withholding taxes and others	6,232,545	4,857,353
Total Current other assets	17,057,016	13,362,157

2.8 Financial instruments

Financial instruments by category

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

(In GBP)

Particulars	As at March 31,	
	2023	2022
Assets		
Cash and cash equivalents (Refer to Note No. 2.6)	5,712,623	6,135,971
Trade receivables (Refer to Note No. 2.5)	18,245,200	–
Loans (Refer to Note No.2.3)	84,817	13,797
Other financial assets (Refer to Note No.2.4)	9,112,807	894,471
Total	33,155,447	7,044,239
Liabilities		
Trade payables (Refer to Note No. 2.10)	9,212,347	12,219,076
Lease liabilities (Refer to Note 2.15)	4,949,242	5,282,856
Other financial liabilities (Refer to Note No.2.11)	21,014,505	16,135,390
Total	35,176,094	33,637,322

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

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 primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. 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 GBP 18,245,200 and GBP 17,273,888 as of March 31, 2023 and March 31, 2022, respectively and unbilled revenue amounting to GBP 4,407,479 as of March 31, 2023 and GBP 5,036,765 as of March 31, 2022, respectively. Trade receivables and unbilled revenue are typically unsecured. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. As per 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 and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes, credit ratings from credit rating agencies and the Company's historical experience for customers.

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. Accordingly, no liquidity risk is perceived.

As of March 31, 2023, the Company had a negative working capital of GBP 2,233,298, including cash and cash equivalents of GBP 5,712,623. As of March 31, 2022, the Company had a negative working capital of GBP 4,796,532, including cash and cash equivalents of GBP 6,135,971

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

(In GBP)

Particulars	Less than 1 year	1–2 years	2–4 years	4–7 years	Total
Trade Payables (Refer to Note 2.10)	9,212,347	–	–	–	9,212,347
Contingent consideration (Refer to Note 2.11)	–	–	–	–	–
Accrued expenses (Refer to Note 2.11)	15,939,390	–	–	–	15,939,390
Accrued compensation to employees (Refer to Note 2.11)	4,521,617	–	–	–	4,521,617
Other payables (Refer to Note 2.11)	541,939	–	–	–	541,939

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

(In GBP)

Particulars	Less than 1 year	1–2 years	2–4 years	4–7 years	Total
Trade Payables (Refer to Note 2.10)	12,219,076	–	–	–	12,219,076
Contingent consideration (Refer to Note 2.11)	1,710,211	–	–	–	1,710,211
Accrued expenses (Refer to Note 2.11)	9,429,362	–	–	–	9,429,362
Accrued compensation to employees (Refer to Note 2.11)	4,293,155	–	–	–	4,293,155
Other payables (Refer to Note 2.11)	702,662	–	–	–	702,662

2.9 Equity

Equity share capital

(In GBP, except as otherwise stated)

Particulars	As at March 31,	
	2023	2022
Authorized		
14,050,000 (14,050,000) equity shares of GBP 1/- par value	14,050,000	14,050,000
Issued, subscribed and paid-up		
14,050,000 (14,050,000) equity shares of GBP 1/- par value	14,050,000	14,050,000
	14,050,000	14,050,000

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

(In GBP, except as otherwise stated)

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% held	Number of shares	% held
Infosys Consulting Holding AG (formerly Lodestone Holding AG)	1,40,50,000	100.00	1,40,50,000	100.00
	14,050,000	100.00	14,050,000	100.00

2.10 Trade payables

(In GBP)

Particulars	As at March 31, 2023	2022
Trade payables *	9,212,347	12,219,076
Total trade payables	9,212,347	12,219,076
*Includes dues to related parties (Refer to Note No.2.19)	7,651,515	10,307,754

2.11 Other financial liabilities

(In GBP)

Particulars	As at March 31, 2023	2022
Non-current		
Others	48,723	–
Contingent Consideration (Refer to Note No.2.2)	11,559	–
	60,282	–
Current		
Others		
Accrued compensation to employees	4,521,617	4,293,155
Accrued expenses [(1)]	15,939,390	9,429,362
Contingent Consideration – Current	–	1,710,211
Compensated absences	945,117	755,562
Other payables [(2)]	541,939	702,662
	21,948,063	16,890,952
Total financial liabilities	22,008,345	16,890,952
Financial liability carried at amortized cost	21,014,505	16,135,390
[(1)] Includes dues to related party (Refer to Note No.2.19)	1,354,015	1,005,140
[(2)] Includes dues to related parties (Refer to Note No.2.19)	3,650,654	192,998

2.12 Other liabilities

(In GBP)

Particulars	As at March 31, 2023	2022
Current		
Unearned revenue	4,695,740	4,644,129
Others		
Withholding taxes and others	8,144,475	5,647,644
	12,840,215	10,291,773
Total other liabilities	12,840,215	10,291,773

2.13 Provisions

(In GBP)

Particulars	As at March 31, 2023	2022
Current		
Others		
Post-sales client support and warranties	184,072	129,669
Total provisions	184,072	129,669

Provision for post-sales client support and warranties

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

(In GBP)

Particulars	As at March 31, 2023	2022
Balance at the Beginning	129,669	36,726
Provision recognized / (reversed)	51,671	91,336
Exchange difference	2,732	1,607
Balance at the end	184,072	129,669

Provision for post-sales client support and warranties and other provisions are expected to be utilized over a period of six months to one year.

2.14 Income taxes

Income tax expense in the Statement of Profit and Loss comprises:

(In GBP)

Particulars	Years ended March 31, 2023	2022
Current taxes	1,932,049	2,312,998
Deferred taxes	(177,688)	9,213
Income tax expense	1,754,361	2,322,211

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

(In GBP)

Particulars	Years ended March 31, 2023	2022
Profit before income tax	5,819,604	5,434,597
Enacted tax rates in United Kingdom (%)	19.00%	19.00%
Computed expected tax expense	1,105,725	1,032,573
Expenses not deductible for tax purposes	–	355,100
Tax provisions /(reversals)	495,812	141,770
Overseas tax expenses	18,863	–
Prior period tax expense	(13,015)	791,506
Permanent Difference	232,368	–
Effect of unrecognized deferred tax assets	–	–
Others	(85,391)	1,262
Income tax expense	1,754,362	2,322,211

The applicable United Kingdom statutory tax rate for years ended March 31, 2023 and March 31, 2022 is 19%.

The details of income tax assets and income tax liabilities are as follows:

(In GBP)

Particulars	Years ended March 31, 2023	2022
Income tax assets	365,047	365,047
Current income tax liabilities	2,025,772	1,398,724
Net current income tax assets / (liability) at the end	(1,660,725)	(1,033,677)

The gross movement in the current income tax asset / (liability) is as follows:

(In GBP)

Particulars	Years endedMarch 31, 2023	2022
Net current income tax asset / (liability) at the beginning	(1,033,677)	(271,279)
Income tax paid	1,305,001	1,550,600
Current income tax expense	(1,932,049)	(2,312,998)
Net current income tax asset / (liability) at the end	(1,660,725)	(1,033,677)

The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

(In GBP)

Particulars	Years ended March 31, 2023	2022
Deferred income tax assets		
Property, plant and equipment	51,710	24,218
Accumulated Losses	–	–
Others	304,087	153,891
Total deferred income tax assets	355,797	178,109

2.15 Leases

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

(In GBP)

Particulars	Category of ROU asset Computers	Total
Balance as of April 1, 2022	3,194,238	3,194,238
Additions	1,037,850	1,037,850
Deletion	(974,186)	(974,186)
Translation difference	(42,510)	(42,510)
Depreciation	1,444,164	1,444,164
Balance as of March 31, 2023	1,771,228	1,771,228

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

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

(In GBP)

Particulars	Category of ROU asset Computers	Total
Balance as of April 1, 2021	–	–
Additions	5,809,326	5,809,326
Deletion	(1,773,294)	(1,773,294)
Translation difference	34,008	34,008
Depreciation	875,802	875,802

Balance as of March 31, 2022	3,194,238	3,194,238

The break-up of current and non-current lease liabilities as at March 31, 2023 and March 31,2022 is as follows:

(In GBP)

Particulars	As at March 31,	
	2023	2022
Current lease liabilities	2,028,138	1,543,793
Non-current lease liabilities	2,921,104	3,739,063
Total	4,949,242	5,282,856

The movement in lease liabilities during the years ended March 31, 2023 and March 31, 2022 is as follows:

(In GBP)

Particulars	For the year ended March 31,	
	2023	2022
Balance at the beginning	5,282,856	–
Additions	1,037,850	5,809,326
Finance cost accrued during the period	58,247	31,958
Payment of lease liabilities	(1,535,846)	(886,987)
Translation difference	106,135	328,559
Balance at the end	4,949,242	5,282,856

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

(In GBP)

Particulars	As at March 31,	
	2023	2022
Less than one year	1,640,188	1,367,306
One to five years	2,931,504	3,752,131
More than five years	–	–
Total	4,571,692	5,119,437

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

Rental expense recorded for short-term leases was Nil for the years ended March 31, 2023 and as well as March 31, 2022.

2.16 Revenue from operations

(In GBP)

Particulars	Year ended March 31,	
	2023	2022
Income from consultancy services	183,967,110	139,213,302
	183,967,110	139,213,302

Disaggregate revenue information

The disaggregated revenues from contracts with customers by offerings for the period ended March 31, 2023 are as follows. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

(In GBP)

Particulars	Year ended March 31,	
	2023	2022
Revenue by offerings		
Core	52,955,964	74,859,058
Digital	131,011,146	64,354,244
Total	183,967,110	139,213,302

Digital services

Digital Services comprise of service and solution offerings of the Company that enable our clients to transform their businesses. These include offerings that enhance customer experience, leverage AI-based analytics and big data, engineer digital products and IoT, modernize legacy technology systems, migrate to cloud applications and implement advanced cyber security systems.

Core services

Core Services comprise traditional offerings of the Company that have scaled and industrialized over a number of years. These primarily include application management services, proprietary application development services, independent validation solutions, product engineering and management, infrastructure management services, traditional enterprise application implementation, support and integration services.

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 at March 31, 2023, other than those meeting the exclusion criteria mentioned above, is GBP 23,589,115. Out of this, the Company expects to recognize revenue of around 21% within the next one year and the remaining thereafter. The contracts can generally be terminated by the customers and typically includes an enforceable termination penalty payable by them.

2.17 Other income

(In GBP)

Particulars	Year ended March 31, 2023	2022
Interest received on financial assets carried at amortized cost		
Deposits with banks and others	–	65
Exchange gains / (losses) on translation of other assets and liabilities	–	–
Miscellaneous income, net	348,029	139,346
	348,029	139,411

2.18 Expenses

(In GBP)

Particulars	Year ended March 31, 2023	2022
Employee benefit expenses		
Salaries, including bonus	64,674,681	45,286,277
Staff welfare	268,459	46,160
	64,943,140	45,332,437
Cost of software packages and others		
Third-party items bought for service delivery to clients	8,142,813	7,992,812
Dealer type lease-cost	935,492	68,382
Cost of software package for own use	23,762	912
	9,102,067	8,062,106

(In GBP)

Particulars	Year ended March 31, 2023	2022
Other expenses		
Power and fuel	11,664	11,664
Brand and marketing	381,356	135,965
Rates and taxes	–	186
Insurance	91,124	110,327
Provision/(Reversals) for post-sales client support	51,671	91,336
Printing and stationery	41,159	19,306
Statutory audit fees	40,000	40,000
Computer maintenance	21,543	1,160
Office maintenance	353,808	363,346
Others	289,215	499,783
	1,281,540	1,273,073

2.19 Related party transactions

List of related parties:

Name of the holding Company	Country	Holding as at March 31, 2023	2022
Infosys Consulting Holding AG (Infosys Lodestone) (1)	Switzerland	100.00%	100.00%

Name of the ultimate holding Company	Country
Infosys Limited	India

Name of subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)(1)	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)(1)	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)(1)	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)(1)	China
Infosys Nova Holdings LLC. (Infosys Nova)(1)	U.S.
EdgeVerve Systems Limited (EdgeVerve)(1)	India

Name of subsidiaries	Country
Infosys Austria GmbH[1]	Austria
Skava Systems Private Limited (Skava Systems)[1][26]	India
Infosys Chile SpA[1]	Chile
Infosys Arabia Limited[2][26]	Saudi Arabia
Infosys Consulting Ltda.[1]	Brazil
Infosys Luxembourg S.a.r.l[1]	Luxembourg
Infosys Americas Inc. (Infosys Americas)[1][26]	U.S.
Infosys Public Services, Inc. USA (Infosys Public Services)[1]	U.S.
Infosys Canada Public Services Inc[19][35]	Canada
Infosys BPM Limited[1][43])	India
Infosys (Czech Republic) Limited s.r.o.[3]	Czech Republic
Infosys Poland Sp z.o.o[3]	Poland
Infosys McCamish Systems LLC[3]	U.S.
Portland Group Pty Ltd[3]	Australia
Infosys BPO Americas LLC.[3]	U.S.
Infosys Consulting Holding AG (Infosys Lodestone)[1]	Switzerland
Infosys Management Consulting Pty Limited[4]	Australia
Infosys Consulting AG[4]	Switzerland
Infosys Consulting GmbH[4]	Germany
Infosys Consulting S.R.L.[1]	Romania
Infosys Consulting SAS[4]	France
Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.)[4][34]	Czech Republic
Infosys Consulting (Shanghai) Co., Ltd.[4][30]	China
Infy Consulting B.V.[4]	The Netherlands
Infosys Consulting S.R.L.[45]	Argentina
Infosys Consulting (Belgium) NV[4]	Belgium
Panaya Inc. (Panaya)[1]	U.S.
Panaya Ltd.[6]	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH)[54]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[1][26]	U.K.
Brilliant Basics Limited[7](26)	U.K.
Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)[1]	Singapore
Infosys Middle East FZ LLC[8]	Dubai
Fluido Oy[8]	Finland
Fluido Sweden AB (Extero)[11]	Sweden
Fluido Norway A/S[11]	Norway
Fluido Denmark A/S[11]	Denmark
Fluido Slovakia s.r.o[11]	Slovakia
Infosys Compaz Pte. Ltd[9]	Singapore
Infosys South Africa (Pty) Ltd[8]	South Africa
WongDoody Holding Company Inc. (WongDoody)[1][36]	U.S.
WDW Communications, Inc[10][37]	U.S.
WongDoody, Inc[10][38]	U.S.
HIPUS Co., Ltd[9]	Japan
Stater N.V.[9]	The Netherlands
Stater Nederland B.V.[12]	The Netherlands

Name of subsidiaries	Country
Stater XXL B.V.[12]	The Netherlands
HypoCasso B.V.[12]	The Netherlands
Stater Participations B.V.[12]	The Netherlands
Stater Belgium N.V./S.A.[13]	Belgium
Stater Gmbh[12][28]	Germany
Outbox systems Inc. dba Simplus (US)[15]	U.S.
Simplus North America Inc.[16][27]	Canada
Simplus ANZ Pty Ltd.[16]	Australia
Simplus Australia Pty Ltd[17]	Australia
Sqware Peg Digital Pty Ltd[18][31]	Australia
Simplus Philippines, Inc.[16]	Philippines
Simplus Europe, Ltd.[16][29]	U.K.
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)[11]	U.K.
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[20]	Ireland
Infosys Limited Bulgaria EOOD[1]	Bulgaria
Kaleidoscope Animations, Inc.[15]	U.S.
Kaleidoscope Prototyping LLC[22]	U.S.
GuideVision s.r.o.[14]	Czech Republic
GuideVision Deutschland GmbH[21]	Germany
GuideVision Suomi Oy[21]	Finland
GuideVision Magyarország Kft[21]	Hungary
GuideVision Polska Sp. z.o.o[21]	Poland
GuideVision UK Ltd[21][26]	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[15]	U.S.
Beringer Capital Digital Group Inc[15][41]	U.S.
Mediotype LLC[23][41]	U.S.
Beringer Commerce Holdings LLC[23][41]	U.S.
SureSource LLC[24][39]	U.S.
Blue Acorn LLC[24][39]	U.S.
Simply Commerce LLC[24][39]	U.S.
iCiDIGITAL LLC[25][40]	U.S.
Infosys BPM UK Limited[3]	U.K.
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[1]	Turkey
Infosys Germany Holding Gmbh[1]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1]	Germany
Infosys Green Forum[1][32]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[33]	Malaysia
Infosys Business Solutions LLC[1][42]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[44]	Germany
oddity GmbH [46]	Germany
oddity (Shanghai) Co., Ltd. [47]	China
oddity Limited (Taipei) [47]	Taiwan
oddity space GmbH [46]	Germany
oddity jungle GmbH [46]	Germany
oddity code GmbH [46]	Germany
oddity code d.o.o [48]	Serbia

Name of subsidiaries	Country
oddity waves GmbH [46]	Germany
oddity group services GmbH [46]	Germany
Infosys Public Services Canada Inc. [19][5]	Canda
BASE life science AG [50]	Switzerland
BASE life science GmbH [50]	Germany
BASE life science A/S [49]	Denmark
BASE life science S.A.S [50]	France
BASE life science Ltd. [50]	U.K.
BASE life science S.r.l. [50]	Itlay
Innovisor Inc.[50]	U.S.
BASE life science Inc.[50]	U.S.
BASE life science S.L.[50][51]	Spain
Panaya Germany GmbH [6][52]	Germany
Infosys Norway [8][53]	Norway

(1) Wholly-owned subsidiary of Infosys Limited

(2) Majority-owned and controlled subsidiary of Infosys Limited

(3) Wholly-owned subsidiary of Infosys BPM Limited

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

(5) Incorporated on July 8, 2022

(6) Wholly-owned subsidiary of Panaya Inc.

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

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

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

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

(11) Wholly-owned subsidiary of Fluido Oy

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(26) Under liquidation

(27) Liquidated effective April 27, 2021

(28) Incorporated on August 4, 2021

(29) Liquidated effective July 20, 2021

(30) Liquidated effective September 1, 2021

(31) Liquidated effective September 2, 2021

(32) Incorporated on August 31, 2021

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

(34) Liquidated effective December 16, 2021

(35) Liquidated effective November 23, 2021

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

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

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

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

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

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

(42) Incorporated on February 20, 2022

(43) On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

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

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

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

(47) Wholly-owned subsidiary of oddity GmbH

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

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

(50) Wholly-owned subsidiary of BASE life science A/S

(51) Incorporated on September 6, 2022

(52) Incorporated effective December 15, 2022

(53) Incorporated effective February 7, 2023

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

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

(In GBP)

Particulars	As at March 31,	
	2023	2022
Trade receivables		
EdgeVerve Systems Limited	36,653	32,578
Infosys Consulting S.R.L (Argentina)	–	8,665
Infosys Consulting (Belgium) N.V.	8,419	(237)
Infosys Consulting AG	541,667	313,953
Infosys Consulting GmBH	150,107	69,239
Infosys Consulting SAS	2,463	96,027
Infy Consulting B.V	11,181	104,239
Infosys Consulting S.R.L (Romania)	–	300
Infosys Limited	14,678,486	11,863,292
Infosys Compaz Pte Ltd	(420)	–
Infosys Poland Sp. z o.o.	35,499	–
	15,464,055	12,488,056
Unbilled revenue		
Infosys Consulting S.R.L (Argentina)	674	2,167
Infosys Consulting (Belgium) N.V.	16,857	7,774
Infosys Consulting AG	45,614	10,718
	63,145	20,659
Trade payables		
Infosys Consulting S.R.L (Argentina)	118,655	–
Infosys Consulting (Belgium) N.V.	267,794	456,865
Infosys Consulting AG	2,579,751	5,516,264
Infosys Technologies (China) Co. Limited	3,054	13,859
Infosys (Czech Republic) Limited s.r.o.	20,670	60,408

Particulars	As at March 31,	
	2023	2022
Infosys Consulting GmBH	2,214,804	1,502,908
Infosys Consulting SAS	563,804	772,328
Infy Consulting B.V	740,770	1,696,727
Infosys Limited	1,068,848	288,395
Infosys BPM Limited	73,365	–
	7,651,515	10,307,754
Other Payables		
Infosys Consulting S.R.L (Argentina)	126,171	–
Infosys Consulting AG	(969)	823
Infosys Limited	387,494	191,378
Infosys Automotive and Mobility GmbH & Co. KG	3,137,958	–
	3,650,654	192,998
Other Receivables		
Infosys Consulting S.R.L (Argentina)	1,833	–
Infosys Consulting AG	4,956	–
Infosys Consulting Holding AG	6,000,000	–
Infosys Consulting (Belgium) N.V.	14,100	–
Infosys Consulting Pte Ltd	-	72
Infosys Consulting GmbH	64,969	–
Infosys Limited	35,040	–
	6,120,898	72
Investment in Subsidiary		
GuideVision s.r.o.	21,668,078	21,668,078
	21,668,078	21,668,078
Accrued expenses		
Infosys Limited	1,279,029	946,713
Infosys BPM Limited	74,986	58,427
	1,354,015	1,005,140

(In GBP)

Particulars	Year ended March 31,	
	2023	2022
Revenue transactions		
Purchase of services		
Infosys Consulting (Belgium) N.V.	4,258,577	3,393,823
Infosys Consulting AG	30,159,046	21,231,525
Infosys Limited	5,366,746	3,071,259
Infosys Consulting S.R.L (Argentina)	130,041	360,300
Infosys Technologies (China) Co. Limited	27,055	13,869
Infosys Consulting GmBH	24,768,975	18,735,753
Infosys Consulting SAS	5,944,718	8,402,290
Infy Consulting B.V	7,787,185	6,531,516
Infosys (Czech Republic) Limited s.r.o.	136,669	60,213
Infosys BPM Limited	304,329	58,186
Infosys Compaz Pte Ltd	185	79,302
	78,883,526	61,938,036

Particulars	Year ended March 31,	
	2023	2022
Sale of services		
EdgeVerve Systems Limited	208,425	195,836
Infosys Consulting S.R.L (Argentina)	430	2,167
Infosys Consulting (Belgium) N.V.	82,949	7,774
Infosys Consulting AG	4,937,346	1,382,091
Infosys Consulting GmBH	1,348,254	3,350,586
Infosys Consulting SAS	153,202	1,429,187
Infy Consulting B.V	3,559	1,093,528
Infosys Poland Sp. z o.o.	66,490	28,162
Infosys Technologies (Sweden) AB	-	154,724
Infosys Limited	165,482,224	123,402,660
	172,283,063	131,126,017
Purchase of shared services		
Infosys Automotive and Mobility GmbH & Co. KG	3,483,532	–
Infosys Limited	728,576	481,666
Infosys Consulting AG	91,764	182,785
	4,303,872	664,451
Sale of shared services		
Infosys Consulting S.R.L (Argentina)	900	1,300
Infosys Consulting (Belgium) N.V.	106,775	94,980
Infosys Consulting AG	71,044	2,600
Infosys Consulting GmBH	65,542	1,700
Infosys Consulting SAS	38,439	1,300
Infy Consulting B.V	146,596	117,458
	71,044	2,600
	429,296	219,338

List of key management personnel

Name of the Related Party	Designation
Andrew Duncan	Chief Executive Officer and Managing director

Transaction with key management personnel

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

(In GBP)

Particulars	Year ended March 31,	
	2023	2022
Key management personnel emoluments	818,413	515,934
Total	818,413	515,934

2.20 Segment reporting

The Company is engaged in providing consultancy service in a single geography. 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. Its operations are, therefore, considered to constitute a single segment in the context of Ind-AS 108, Segment Reporting.

2.27 Ratios

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

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance
Current Ratio	Current assets	Current liabilities	1.0	0.9	7.5%
Debt – Equity Ratio	Total Debt (represents lease liabilities) [(1)]	Shareholder's Equity	0.2	0.3	(22.3%)
Debt Service Coverage Ratio	Earnings available for debt service[(2)]	Debt Service[(3)]	3.8	4.9	(22.2%)
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	18.7%	17.1%	9.1%
Trade receivables turnover ratio	Revenue	Average Trade Receivable	10.4	10.7	(3.3%)
Trade payables turnover ratio	Purchases of services and other expenses	Average Trade Payables	10.4	9.2	13.5%
Net capital turnover ratio	Revenue	Working Capital	(82.4)	(29.0)	183.8%
Net profit ratio	Net Profit	Revenue	2.2%	2.2%	(1.2%)
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed[(4)]	20.7%	22.9%	(9.5%)

(1) Debt represents only 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) Decrease in earnings and increase in debt

Trade receivables ageing schedule for the year ended as on March 31, 2023 and March 31,2022

(In GBP)

Particulars	Not Due	Outstanding for following periods from due date of payment: Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	–	1,80,53,732	15,350	1,32,600	(4,051)	47,569	1,82,45,200
	–	1,72,26,020	-	300	47,568	-	1,72,73,888
Total Trade Receivables							1,82,45,200
							1,72,73,888

Trade payables ageing schedule for the year ended as on March 31, 2023 and March 31,2022

(In GBP)

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
Outstanding trade payables	-	92,12,347	-	-	-	92,12,347
		1,22,19,076				1,22,19,076

Infosys Technologies (China) Co. Limited

Auditor's Report

De Shi Bao (Shen) Zi (23) No. P07829

The Board of Directors of Infosys Technologies (China) Co. Limited

Opinion

We have audited the accompanying financial statements of Infosys Technologies (China) Co. Limited (the "Company"), which comprise the Balance Sheet as at December 31, 2022, the Statement of Income, the Statement of Cash Flow, and the Statement of Changes in Owners' equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements of the Company are prepared and present fairly, in all material respects, the Company's financial position as of December 31, 2022, and the Company's results of operation and cash flow for the year ended in accordance with Accounting Standards for Business Enterprises.

Basis for opinion

We conducted our audit in accordance with China Standards on Auditing. 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 code of ethics for Chinese Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the management and those charged with governance for the Financial Statements

The management of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with Accounting Standards for Business Enterprises, and designing, implementing and maintaining internal control that is necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion solely to you. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with China Standards on Auditing 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 China Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

(1) 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.

(2) 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 internal control.

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

(4) Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Deloitte Touche Tohmatsu
Certified Public Accountants LLP

Shanghai, China

Chinese Certified Public Accountant
Gao , Sunchao

Chinese Certified Public Accountant
Zheng, Alex Zhipeng

May 31, 2023

The auditor's report and the accompanying financial statements are English translations of the Chinese auditors' report and statutory financial statements prepared under accounting principles and practices generally accepted in the People's Republic of China. These financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in other countries and jurisdictions. In case the English version does not conform to the Chinese version, the Chinese version prevails.

Balance Sheet

(In RMB)

Particulars	Note VIII	As at December 31, 2022	2021
Assets			
Current assets			
Cash and bank balances	1	118,751,095.66	89,465,021.19
Accounts receivable	2	463,800,686.39	239,800,394.91
Prepayments		4,849,594.20	1,034,946.23
Other receivables	3	70,141,632.48	66,934,931.68
Assets held for sale		–	47,496,197.13
Other current assets		–	9,001,005.20
Total current assets		657,543,008.73	453,732,496.34
Non-current assets			
Fixed assets	4	11,902,836.84	10,406,109.97
Construction in progress	5	–	–
Right-of-use assets	6	30,736,365.28	26,088,215.75
Long-term deferred expenses	7	1,041,889.98	1,037,016.38
Total non-current assets		43,681,092.10	37,531,342.10
Total assets		701,224,100.83	491,263,838.44
Liabilities and owners' equity			
Current liabilities			
Short-term loans	8	34,823,000.00	31,878,500.00
Accounts payable		110,534,669.18	95,528,466.57
Employee benefits payable	9	23,284,086.25	16,035,877.22
Taxes payable	10	18,619,603.87	1,795,900.78
Other payables		16,147,987.31	17,954,291.77
Other current liabilities		102,585,513.40	33,990,511.94
Non-current liabilities due within one year	11	11,611,233.20	6,238,881.03
Total current liabilities		317,606,093.21	203,422,429.31
Non-current Liabilities:			
Lease liabilities	12	27,515,310.16	19,170,045.38
Total non-current liabilities		27,515,310.16	19,170,045.38
Total liabilities		345,121,403.37	222,592,474.69
Owners' equity			
Paid in capital	13	431,246,900.00	431,246,900.00
Capital reserve	14	51,575,614.42	51,575,614.42
Accumulated losses		(126,719,816.96)	(214,151,150.67)
Total owners' equity		356,102,697.46	268,671,363.75
Total liabilities and owners' equity		701,224,100.83	491,263,838.44

The accompanying notes form part of the financial statements.

The financial statements on pages 214 to 237 were signed by the following:

Stone Zhu
Legal Representative

Subrata Das
Head of Accounting Department

Statement of Income

(In RMB)

Items	Note VIII	Years ended December 31, 2022	2021
I. Operating income	15	928,947,534.31	700,633,227.30
Less: Operating costs		775,234,942.74	604,251,565.42
Taxes and surcharges		280,494.18	460,594.40
Selling expenses		10,956,209.96	10,249,445.77
Administrative expenses		53,641,405.30	45,814,453.32
Financial expenses	16	(3,408,357.31)	3,895,312.16
Add: Other income	17	5,238,272.93	4,136,503.40
Credit impairment loss	18	(1,721,489.30)	(689,542.97)
Non-operating expense	19	(5,767,846.56)	–
II. Operating profit		89,991,776.51	39,408,816.66
III. Total profit		89,991,776.51	39,408,816.66
Less: Income tax expenses	20	–	–
IV. Net profit for the year		89,991,776.51	39,408,816.66
V. Other comprehensive income, net of tax		–	–
VI. Total comprehensive income for the year		89,991,776.51	39,408,816.66

The accompanying notes form part of the financial statements.

Statement of Cash Flows

(In RMB)

		Note VIII	Years ended December 31, 2022	2021
I.	Cash Flows from operating activities			
	Cash receipts from the sale of goods and the rendering of services		786,964,709.74	721,723,839.46
	Receipts of tax refunds		–	2,223,172.21
	Other cash receipts relating to operating activities		12,590,547.82	4,757,996.23
	Sub-total of cash inflows from operating activities		799,555,257.56	728,705,007.90
	Payments for goods purchased and services received		365,366,730.80	343,603,693.25
	Payments to and on behalf of employees		352,142,044.28	324,460,042.87
	Payments of various types of taxes		10,088,159.80	1,865,049.41
	Other cash payments relating to operating activities		39,282,207.07	12,525,781.91
	Sub-total of cash outflows from operating activities		766,879,141.95	682,454,567.44
	Net cash flow produced in operating activities	21	32,676,115.61	46,250,440.46
II.	Cash Flows from Investing Activities			
	Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		–	831,561.70
	Sub-total of cash inflows from investing activities		–	831,561.70
	Payments for acquisition of fixed assets, intangible assets and other long-term assets		8,226,201.69	56,000,336.85
	Sub-total of cash outflows from investing activities		8,226,201.69	56,000,336.85
	Net cash flow used in investing activities		(8,226,201.69)	(55,168,775.15)
III.	Cash Flows from Financing Activities			
	Cash receipts from capital contributions		–	32,266,500.00
	Cash receipts from borrowings		–	31,878,500.00
	Sub-total of cash inflows		–	64,145,000.00
	Cash paid for debt repayment		–	4,567,430.00
	Cash payments for distribution of dividends or profit or interest expenses		21,136.79	16,797,776.33
	Cash payments to other financing related activities		11,436,344.79	9,531,390.29
	Subtotal of cash outflow from financing activities		11,457,481.58	30,896,596.62
	Net cash flow (used)/produced in financing activities		(11,457,481.58)	33,248,403.38
IV.	Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		16,293,642.13	(466,922.40)
V.	Increase (Decrease) in Cash and Cash Equivalents	21	29,286,074.47	23,863,146.29
	Add: Opening balance of Cash and Cash Equivalents		89,465,021.19	65,601,874.90
VI.	Closing Balance of Cash and Cash Equivalents	21	118,751,095.66	89,465,021.19

The accompanying notes form part of the financial statements.

Statement of Changes in Owners' Equity

(In RMB)

	Particulars	Paid-in capital	Capital reserve	Accumulated losses	Total owners' equity
I.	Balance at 31 December 2021	431,246,900.00	51,575,614.42	(214,151,150.67)	268,671,363.75
	(1) Changes in accounting policies	–	–	(2,560,442.80)	(2,560,442.80)
II.	Balance at 1 January 2022	431,246,900.00	51,575,614.42	(216,711,593.47)	266,110,920.95
	Changes in equity during the year				
	(1) Total comprehensive income	–	–	89,991,776.51	89,991,776.51
	(2) Owners' contributions	–	–	–	–
III.	Balance at December 31, 2022	431,246,900.00	51,575,614.42	(126,719,816.96)	356,102,697.46

	Particulars	Paid-in capital	Capital reserve	Accumulated losses	Total owners' equity
I.	Balance at January 1, 2021	398,980,400.00	51,575,614.42	(253,873,383.18)	196,682,631.24
	Impact on account of adoption of new accounting standards.	–	–	313,415.85	313,415.85
		398,980,400.00	51,575,614.42	(253,559,967.33)	196,996,047.09
II.	Changes in equity during the year				
	(1) Total comprehensive income	–	–	39,408,816.66	39,408,816.66
	(2) Owners' contributions	32,266,500.00			32,266,500.00
III.	Balance at December 31, 2021	431,246,900.00	51,575,614.42	(214,151,150.67)	268,671,363.75

The accompanying notes form part of the financial statements.

Notes to the financial statements

I. Basic information

Infosys Technologies (China) Co. Limited (the "Company"), formerly known as Infosys Technologies (Shanghai) Co. Limited, is a wholly-owned foreign enterprise established in Shanghai in the People's Republic of China (PRC) by Infosys Limited (formerly Infosys Technologies Limited) registered in India. The Company obtained an approval certificate Wai Jing Mao Hu Zhang Du Zi Zi (2003) No. 2893 from the Shanghai Municipal Government on 25 September 2003, and a business license (Qi Du Hu Pu Zong Zi No.317745 (Pudong)) on 10 October 2003, issued by Shanghai Administration of Industry & Commerce of the PRC. The original registered capital was USD 5,000,000.

In 2006, the Company's Board of Directors resolved to change the Company's name from Infosys Technologies (Shanghai) Co. Limited to Infosys Technologies (China) Co. Limited and to increase the Company's registered capital from USD 5,000,000 to USD 10,000,000. The Company obtained a revised approval certificate Wai Jing Mao Hu Zhang Du Zi Zi (2003) No.2893 and a revised business license (Qi Du Hu Pu Zong Zi No.317745 (Pudong)) on July 14, 2006 and December 14, 2006, respectively.

The Company's Board of Directors resolved to increase the Company's registered capital by USD 13,000,000. The registered capital was increased from USD 10,000,000 to USD 23,000,000. The Company obtained approval from the Shanghai Municipal Government for the change on January 15, 2009. The Company also obtained a revised approval certificate Shang Wai Zi Hu Pu Du Zi Zi (2003) No.2893 and a revised business license No.310115400134785 (Pudong) on January 15, 2009 and March 13, 2009, respectively.

In 2015, the Company's Board of Directors resolved to increase the Company's registered capital from USD 23,000,000 to USD 33,000,000. The Company obtained approval from the Shanghai Municipal Government for the change on March 5, 2015. The Company also obtained a revised approval certificate Shang Wai Zi Hu Pu Du Zi Zi (2003) No.2893 and a revised business license No.310115400134785 (Pudong) on March 5, 2015 and May 18, 2015, respectively.

In 2016, the Company's Board of Directors resolved to increase the Company's registered capital from USD 33,000,000 to USD 58,000,000. The Company obtained approval from the China (Shanghai) Free Trade Zone Management Committee for the change on June 1, 2016. The Company also obtained a renewed business license with the unified social credit code of 913101157547751363 on June 7, 2016.

In 2020, the Company's Board of Directors resolved to increase the Company's registered capital from USD 58,000,000 to USD 78,000,000. The Company obtained approval from the China (Shanghai) Free Trade Zone Market Supervision Administration for the change on December 11, 2020. The Company also obtained a renewed business license with the unified social credit code of 913101157547751363 on December 11, 2020. As at December 31, 2021, details of capital contribution by the investing parties are set out in Note VIII, 13.

The Company's period of operation is 50 years and its principal activities are to carry out research, develop, design and produce software; sell self-produced products; provide related technology consulting services and after sale services; develop computer and network technology; provide testing and maintenance of software solutions; provide business consulting services and business process management; export and import computer hardware and software, wholesale, commission agency (excluding auction); offshore call center service and etc.

II. Basis for the preparation of financial statements

Going concern

The management has assessed the Company's ability to continue as a going concern for the 12 months commencing from December 31, 2022, and noticed no items will raise substantial doubt about its ability to continue as a going concern. Therefore, the financial statements have been prepared on the going concern basis.

III. Statements of compliance with the ASBE

The financial statements of the Company have been prepared in accordance with Accounting Standards for Business Enterprises ("ASBE"), and present truly and completely, the Company's financial position as of December 31, 2022, and the Company's results of operations and cash flows for the year ended.

IV. Significant accounting policies and accounting estimates

The following significant accounting policies and accounting estimates are determined in accordance with ASBE.

1. Accounting year

The Company has adopted the calendar year as its accounting year, i.e. from January 1 to December 31.

2. Functional currency

Renminbi ('RMB') is the currency of the primary economic environment in which the Company operates. Therefore, the Company chooses RMB as its functional currency and adopts RMB to prepare its financial statements.

3. Basis of accounting and principle of measurement

The Company has adopted the accrual basis of accounting. Except for certain financial instruments, which are measured at fair value, the Company has adopted the historical cost as the principle of measurement of the financial statements. Where assets are impaired, provisions for asset impairment are made in accordance with relevant requirements.

Where the historical cost is adopted as the measurement basis, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds or assets received or the contractual amounts for assuming the present obligation, or, at the amounts of cash or cash equivalents expected to be paid to settle the liabilities in the normal course of business.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using valuation technique. Fair value measurement and/or disclosure in the financial statements are determined according to the above basis.

Fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly;
- Level 3 inputs are unobservable inputs for the asset or liability.

4. Cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are the Company's short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

5. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

For financial assets purchased or sold in a regular way, the Company recognizes assets acquired and liabilities assumed on a trade date basis, or derecognizes the assets sold on a trade date basis.

Financial assets and financial liabilities are initially measured at fair value. For financial assets and financial liabilities at fair value through profit or loss, transaction costs are immediately recognized in profit or loss. For other financial assets and financial liabilities, transaction costs are included in their initial recognized amounts. Upon initial recognition of accounts receivable that does not contain significant financing component or without considering the financing component included in the contract with a term not exceeding one year under the Accounting Standards for Business Enterprises No. 14 - Revenue ("Revenue Standards"), the Company adopts the transaction price as defined in the Revenue Standards for initial measurement.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant accounting periods.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or financial liability to the carrying amount of the financial asset or to the amortized cost of the financial liability. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial asset or financial liability (such as repayment in advance, extension, call option or other similar options etc.) without considering the expected credit losses.

The amortized cost of a financial asset or financial liability is the initially recognized amount net of principal repaid, plus or less the cumulative amortized amount arising from amortization of difference between the amount initially recognized and the amount at the maturity date using effective interest method, and then net of cumulative credit loss allowance (only applicable to financial assets).

5.1 Classification, recognition and measurement of financial assets

After initial recognition, the Company's financial assets of various types are subsequently measured at amortized cost, at fair value through other comprehensive income ("FVTOCI") or at fair value through profit or loss ("FVTPL"), respectively.

If 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, and the financial asset is held within a business model whose objective is achieved by collecting contractual cash flows, the Company classifies such financial asset as financial assets at amortized cost, which include cash and bank balances, notes receivable, accounts receivable and other receivables, etc.

If 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, and the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial asset, the Company classifies such financial asset as financial assets at FVTOCI. The accounts receivable and notes receivable classified as at FVTOCI upon acquisition are presented under financing with receivables, while the remaining items due within one year (inclusive) upon acquisition are presented under other current assets. Other financial assets of such type are presented as other debt investments if it is due after one year since the acquisition or presented under non-current assets due within one year if it is due within one year (inclusive) since the Balance Sheet date.

Upon initial recognition, the Company may irrevocably designate the non-held-for-trading equity instrument investments other than contingent considerations recognized in business combination not involving enterprises under common control as financial assets at FVTOCI on an individual basis. Such type of financial assets are presented as investments in other equity instruments.

A financial asset is classified as held-for-trading if any of the following criteria is satisfied:

- It has been acquired principally for the purpose of selling it in near term.
- On initial recognition, it is part of a portfolio of identified financial instruments that the Company manages together and there is objective evidence that the Company has a recent actual pattern of short-term profit taking.
- It is a derivative that is neither a financial guarantee contract nor designated as an effective hedging instrument.

5.1.1 Financial assets at amortized cost

Financial assets at amortized cost are subsequently measured at amortized cost using effective interest method. Any gains or losses arising from impairment or derecognition are included in profit or loss.

For financial assets at amortized cost, the Company recognizes interest income using effective interest rate. The Company calculates and recognizes interest income through carrying amount of financial assets multiplying effective interest, except for the following circumstances:

- For purchased or originated credit-impaired financial assets, the Company calculates and recognizes its interest income based on amortized cost of the financial asset and the effective interest through credit adjustment since initial recognition.
- For purchased or originated financial assets that were not credit-impaired but have become credit-impaired in subsequent period, the Company calculates the interest income by applying the effective interest rate to the amortized cost of the financial assets in subsequent period. If the financial instrument is no longer credit-impaired due to improvement of credit risk, and the improvement is linked with an event occurred after application of above provisions, the Company will calculate the interest income by applying effective interest rate to the carrying amount of the financial assets.

5.2 Impairment of financial instruments

For financial asset at amortized cost, the Company recognizes the provision for losses on the basis of expected credit loss ("ECL").

For contract assets, notes receivable and accounts receivable arising from transactions regulated by Revenue Standards that do not contain significant financing component or without considering the financing component included in the contract with a term not exceeding one year, the Company recognizes the provision for losses at an amount equivalent to the lifetime ECL.

For other financial instruments (other than purchased or originated credit-impaired financial assets), the Company assesses the changes of credit risk since initial recognition of relevant financial instruments at each balance sheet date. If the credit risk has increased significantly since initial recognition of the financial instruments, the Company recognizes the provision for losses at an amount equivalent to lifetime ECL; if the credit risk has not increased significantly since initial recognition of the financial instruments, the Company recognizes the provision for losses at an amount equivalent to 12-month ECL. The increase or reversal of credit loss provision for financial assets other than those classified as at FVTOCI is recognized as impairment loss or gain and included in profit or loss for the period. For financial assets classified as at FVTOCI, the credit loss provision is recognized in other comprehensive income and the impairment loss or gain is included in profit or loss for the period without reducing the carrying amount of the financial assets in the Balance Sheet.

Where the Company has measured the provision for losses at an amount equivalent to lifetime ECL of a financial instrument in prior accounting period, but the financial instrument no longer satisfies the criteria of significant increase in credit risk since initial recognition at the current Balance Sheet date, the Company recognizes the provision for losses of the financial instrument at an amount equivalent to 12-month ECL at the current Balance Sheet date, with any resulting reversal of provision for losses recognized as impairment gains in profit or loss for the period.

5.2.1 Significant increase in credit risk

The Company uses reasonable and supportable forward-looking information to assess whether the credit risk has increased significantly since initial recognition by comparing the risk of a default occurring on the financial instrument at the Balance Sheet date with the risk of a default occurring on the financial instrument at the date of initial recognition.

The following information is taken into account when assessing whether the credit risk has increased significantly:

(1) An actual or expected decrease in the internal credit rating for the debtor;

(2) An actual or expected significant change in the financial instrument's external credit rating;

(3) Significant changes in the external market indicators of credit risk of the same financial instrument or similar financial instruments with the same expected duration. These indicators include: credit spreads, credit default swap prices against borrower, length of time and extent to which the fair value of financial assets is less than their amortized cost, and other market information related to the borrower (such as the borrower's debt instruments or changes in the price of equity instruments);

(4) Significant adverse changes in regulatory, economic, or technological environment of the debtor;

(5) Adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days (inclusive) past due.

At the Balance Sheet date, if the Company determines that the financial instrument has only lower credit risk, the Company assumes that the credit risk of such financial instrument has not increased significantly since initial recognition. The financial instrument is deemed as having lower credit risk if (i) it has a low risk of default; (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flows obligations.

5.2.2 Credit-impaired financial assets

When an event or several events that are expected to have adverse impact on the future cash flows of the financial assets have occurred, the financial assets become credit-impaired. The evidence of credit impairment of financial assets include the following observable information:

(1) Significant financial difficulty of the issuer or debtor;

(2) Breach of contract by the debtor, such as a default or delinquency in interest or principal payments;

(3) The creditor of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, have granted to the debtor a concession that the creditor would not otherwise consider;

(4) It is probable that the debtor will enter bankruptcy or other financial reorganizations;

Based on the Company's internal credit risk management, the Company considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company).

Irrespective of the outcome of the above assessment, the Company presumes that an event of default on the financial instrument has occurred if the contractual payment of the financial instrument has been more than 90 days (inclusive) past due.

5.2.3 Determination of ECL

The Company determines the credit losses on accounts receivable and other receivable on a portfolio basis using an impairment matrix for related financial instruments. The financial instruments are grouped based on common risk characteristics. The common credit risk characteristics adopted by the Company include: type of financial instrument, credit risk rating, overdue status, industry of the debtor and Company size, etc.

The Company determines the ECL of relevant financial instruments using the following method:

- For financial assets, the credit loss represents the present value of the difference between the contractual cash flows receivable by the Company and the cash flows expected to be received by the Company.
- For credit-impaired financial assets that are not purchased or originated at the Balance Sheet date, the credit loss represents the difference between the carrying amount of the financial assets and the present value of expected future cash flows discounted using original effective interest rate.

The factors reflected by the Company's measurement of ECL of financial instruments include: unbiased probability weighted average amount recognized by assessing a series of possible results; time value of money; reasonable and supportable information related to historical events, current condition and forecast of future economic position that is available without undue cost or effort at the Balance Sheet date.

5.2.4 Write-down of financial assets

When the Company will no longer reasonably expect that the contractual cash flows of financial assets can be collected in aggregate or in part, the Company will directly write down the book value of the financial asset, which constitutes derecognition of relevant financial assets.

5.3 Transfer of financial assets

The Company derecognizes a financial asset if one of the following conditions is satisfied: (1)the contractual rights to the cash flows from the financial asset expire; or (2) the financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset is transferred to the transferee; or (3) although the financial asset has been transferred, the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but has not retained control of the financial asset.

For a transfer of a financial asset in its entirety that satisfies the derecognition criteria, the difference between (1) the carrying amount of the financial asset transferred; and (2) the sum of the consideration received from the transfer and any cumulative gain or loss that has been recognized in other comprehensive income,is recognized in profit or loss. Where the transferred assets are non-trading equity instrument investments designated as at FVTOCI, cumulative gains or losses previously recognized in other comprehensive income are transferred out and included in retained profits.

If a part of the transferred financial asset qualifies for derecognition, the overall carrying amount of the financial asset prior to transfer is allocated between the part that continues to be recognized and the part that is derecognized, based on the respective fair value of those parts at the date of transfer. The difference between (1) the carrying amount allocated to the part derecognized on the date of derecognition; and (2) the sum of the consideration received for the part derecognized and any cumulative gain or loss allocated to the part derecognized which has been previously recognized in other comprehensive income, is recognized in profit or loss. Where the transferred assets are non-trading equity instrument investments designated as at FVTOCI, cumulative gains or losses previously recognized in other comprehensive income are transferred out and included in retained profits.

For a transfer of a financial asset in its entirety that does not satisfy the derecognition criteria, the Company continues to recognized the transferred financial asset in its entirety. The consideration received from transfer of assets is recognized as a liability upon receipt.

5.4 Classification of financial liabilities and equity instruments

Financial instruments issued by the Company or their components are classified into financial liabilities or equity instruments on the basis of not only the legal form but also the contractual arrangements and their economic substance, together with the definition of financial liability and equity instrument.

5.4.1 Classification, recognition and measurement of financial liabilities

On initial recognition, financial liabilities are classified into financial liabilities at FVTPL and other financial liabilities.

5.4.1.1 Other financial liabilities

Except for financial liabilities and financial guarantee contracts and loan commitments arising from transfer of financial assets that do not meet the derecognition criteria or those arising from continuing involvement in the transferred financial assets, other financial liabilities are subsequently measured at amortized cost, with gain or loss arising from derecognition or amortization recognized in profit or loss.

If the modification or renegotiation for the contract by the Company and its counterparties does not result in derecognition of a financial liability subsequently measured at amortized cost but the changes in contractual cash flows, the Company will recalculate the carrying amount of the financial liability, with relevant gain or loss recognized in profit or loss. The Company will determine the carrying amount of the financial liability based on the present value of renegotiated or modified contractual cash flows discounted at the original effective interest rate of the financial liability. For all costs or expenses arising from modification or renegotiation of the contract, the Company will adjust the modified carrying amount of the financial liability and make amortization during the remaining term of the modified financial liability.

5.4.2 Derecognition of financial liabilities

The Company derecognizes a financial liability (or part of it) only when the underlying present obligation (or part of it) is discharged. An agreement between the Company (an existing borrower) and an existing lender to replace the original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

When the Company derecognizes a financial liability or a part of it, it recognizes the difference between the carrying amount of the financial liability (or part of the financial liability) derecognized and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss for the period.

5.4.3 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued (including refinanced), repurchased, sold and cancelled by the Company are recognized as changes of equity. Change of fair value of equity instruments is not recognized by the Company. Transaction costs related to equity transactions are deducted from equity.

The Company recognizes the distribution to holders of the equity instruments as distribution of profits, and dividends paid do not affect total amount of shareholders equity.

5.5 Offsetting financial assets and financial liabilities

Where the Company has a legal right that is currently enforceable to set off the recognized financial assets and financial liabilities, and intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously, a financial asset and a financial liability shall be offset and the net amount is presented in the Balance Sheet. Except for the above circumstances, financial assets and financial liabilities shall be presented separately in the Balance Sheet and shall not be offset.

6. Fixed assets

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and have useful lives of more than one accounting year. A fixed asset is recognized only when it is probable that economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. Fixed assets are initially measured at cost.

Subsequent expenditures incurred for the fixed asset are included in the cost of the fixed asset and if it is probable that economic benefits associated with the asset will flow to the Company and the subsequent expenditures can be measured reliably. Meanwhile the carrying amount of the replaced part is derecognized. Other subsequent expenditures are recognized in profit or loss in the period in which they are incurred.

A fixed asset is depreciated over its useful life using the straight-line method since the month subsequent to the one in which it is ready for intended use. The depreciation method, useful life, estimated net residual value rate and annual depreciation rate of each category of fixed assets are as follows:

Category	Useful life	Estimated net residual value rate	Annual depreciation rate
Electronic equipment	1-5 years	0%	20%-100%
Office equipment	1-5 years	0%	20%-100%
Software	3 years	0%	33%

Estimated net residual value of a fixed asset is the estimated amount that the Company would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

If a fixed asset is upon disposal or no future economic benefits are expected to be generated from its use or disposal, the fixed asset is derecognized. When a fixed asset is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the carrying amount and related taxes is recognized in profit or loss for the period.

The Company reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least once at each financial year-end, and account for any change as a change in an accounting estimate.

7. Long-term deferred expenses

Long-term deferred expenses represent expenses incurred that should be borne and amortized over the current and subsequent periods (together of more than one year). Long-term deferred expenses are amortized using the straight-line method over the expected periods in which benefits are derived.

8. Impairment of non-financial assets

The Company reviews the fixed assets and other long-term assets at each Balance Sheet date to determine whether there is any indication that they have suffered an impairment loss. If an impairment indication exists, the recoverable amount is estimated. Intangible assets with indefinite useful life and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that the assets may be impaired.

Recoverable amount is estimated on individual basis. If it is not practical to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs will be estimated. The recoverable amount of an asset or asset group is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset.

If such recoverable amount is less than its carrying amount, a provision for impairment losses in respect of the deficit is recognized in profit or loss for the period.

Once the impairment loss of such assets is recognized, it is not be reversed in any subsequent period.

9. Employee benefits

Actually-occurred short-term employee benefits are recognized as liabilities, with a corresponding charge to the profit or loss for the period or in the costs of relevant assets in the accounting period in which employees provide services to the Company. Staff welfare expenses incurred by the Company are recognized in profit or loss for the period or the costs of relevant assets based on the actually occurred amounts when it actually occurred. Non-monetary staff welfare expenses are measured at fair value.

Payment made by the Company of social security contributions for employees such as premiums or contributions on medical insurance, work injury insurance and maternity insurance, etc. and payments of housing funds, as well as trade union fund and employee education fund provided in accordance with relevant requirements, are calculated according to prescribed bases and percentages in determining the amount of employee benefits and recognized as relevant liabilities, with a corresponding charge to the profit or loss for the period or the costs of relevant assets in the accounting period in which employees provide services.

During the accounting period of rendering service to employees of the Company, amount which should be paid according to defined contribution plans is recognized as liabilities and recognized in profit or loss or related costs of assets.

A liability for a termination benefit is recognized in profit or loss for the period at the earlier of when the Company cannot unilaterally withdraw from the termination plan, or the redundancy offer and when the Company recognizes any related restructuring costs or expenses.

10. Revenue recognition

The Company's revenue is mainly from rendering of services.

The Company recognizes revenue based on the transaction price allocated to the performance obligation when the Company satisfies a performance obligation in the contract, namely, when the customer obtains control over relevant goods or services. A performance obligation is a commitment that the Company transfers a distinct good or service to a customer in the contract. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and amounts expected to be refunded to a customer.

It is a performance obligation satisfied during a period of time and the Company recognizes revenue during a period of time according to the progress of performance if one of the following conditions is met: (i) the customer obtains and consumes economic benefits at the same time of the Company's performance; (ii) the customer is able to control goods or services in progress during the Company's performance; (iii) goods or services generated during the Company's performance have irreplaceable utilization, and the Company is entitled to collect amounts of cumulative performance part which have been done up to now. Otherwise, revenue is recognized at a point in time when the customer obtains control over the relevant goods or services.

Contract assets refer to the Company's right to consideration in exchange for goods or services that the Company has transferred to a customer when that right is conditioned on something other than the passage of time. For the details of accounting policies on impairment of contract assets, please see Note IV. The Company's unconditional (i.e., depending on the passage of time only) right to receive consideration from the customer is separately presented as receivables.

Contract liabilities refer to the Company's obligation to transfer goods or services to a customer for consideration received or receivable from the customer.

Contract assets and contract liabilities under the same contract will be presented on a net basis.

If there are two or more of performance obligations included in the contract, at the contract inception, the Company allocates the transaction price to each single performance obligation based on the proportion of standalone selling price of goods or services promised in each standalone performance obligation. However, if there is conclusive evidence indicating that the contract discount or variable consideration is only relative with one or more (not the whole) performance obligations in the contract, the Company will allocate the contract discount or variable consideration to relative one or more performance obligations. Standalone selling price refers to the price of a single sale of goods or services. If the standalone selling price cannot be observed directly, the Company estimates the standalone selling price through comprehensive consideration of all relative information that can be reasonably acquired and maximum use of observable inputs.

In case of the existence of variable consideration in the contract, the Company shall determine the best estimate of variable consideration based on the expected value or the most probably occurred amount. The transaction price including variable consideration shall not exceed the amount of the cumulatively recognized revenue which is unlikely to be significantly reversed when relevant uncertainty is eliminated. At each Balance Sheet date, the Company re-estimates the amount of variable consideration which should be included in transaction price.

The Company assesses whether it controls each specified good or service before that good or service is transferred to the customer to determine whether the Company is a principal or an agent. The Company considers whether it has the primary obligation to fulfil the contract, pricing discretion and other factors to determine whether it controls the goods or service and therefore is acting as a principal or an agent. If the Company controls the specified good or service before that good or service is transferred to a customer, the Company is a principal and recognizes revenue in the gross amount of consideration received or receivable. Otherwise, the Company is an agent and recognizes revenue in the amount of any fee or commission to which it expects to be entitled. The fee or commission is the net amount of consideration that the Company retains after paying the other party the consideration received in exchange for the goods or services to be provided by that party , or is determined in accordance with the established commission amount or percentage, etc.

Where the Company receives receipts in advance from a customer for sales of goods or rendering of services, the amount is first recognized as a liability and then transferred to revenue when the related performance obligation has been satisfied. When the Company's receipts in advance are not required to be refunded and it is probable that the customer will waive all or part of its contractual rights, the Company recognizes the said amounts as revenue on a pro-rata basis in accordance with the pattern of exercise of the customer's contractual rights, if the Company expects to be entitled to the amounts relating to the contractual rights waived by the customer; otherwise, the Company reverses the related balance of the said liabilities to revenue only when it is highly unlikely that the customer will require performance of the remaining performance obligations.

A non-refundable initial fee (including membership fee of club, X, etc.) charged to the customer at (or near) the contract commencement date is included in the transaction price. Where the initial fee is related to the goods or services committed to be transferred to the customers, and these goods or services constitute a single performance obligation, the Company recognizes revenue based on the transaction price allocated to the goods or services upon their transfer; where the initial fee is related to the goods or services committed to be transferred to the customers, but these goods or services do not constitute a single performance obligation, the Company recognizes revenue based on the transaction price allocated to the single performance obligation upon fulfilment of the single performance obligation including the goods or services; where the initial fee is not related to the goods or services committed to be transferred to the customers, the initial fee will be recognized as revenue upon their transfer in the future as receipts in advance to transfer goods or services in the future.

Costs of obtaining a contract

For the incremental cost of obtaining the contract (cost that will not occur if the contract is not obtained) that is expected to be recoverable, it is recognized as an asset, and shall be amortized on a basis that is consistent with the revenue recognition of the goods or services to which the asset relates and recognized in profit or loss for the period. If the amortization period of such asset is less than one year, it is recognized in profit or loss for the period when incurred. Other expenses incurred for obtaining the contract is included in profit or loss for the period when incurred, except for those explicitly assumed by the customer.

Costs to fulfil a contract

If the costs incurred in fulfilling a contract are not within the scope of any standards other than Revenue Standards, the Company recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria: (1) the costs relate directly to a contract or to an anticipated contract that the Company can specifically identify; (2) the costs generate or enhance resources of the Company that will be used in satisfying performance obligations in the future; and (3) the costs are expected to be recovered. The asset mentioned above shall be amortized on a basis that is consistent with the revenue recognition of the goods or services to which the asset relates and recognized in profit or loss for the period.

11. Government grants

Government grants are monetary assets and non-monetary assets from the government to the Company at no consideration. A government grant is recognized only when the Company can comply with the conditions attaching to the grant and the Company will receive the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable.

A government grant related to an asset is recognized as deferred income and included in profit or loss over the useful life of the related asset.

For a government grant related to income, if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognized as deferred income over the periods in which the related costs or losses are recognized; If the grant is a compensation for related expenses or losses already incurred, the grant is recognized immediately in profit or loss.

A government grant related to the Company's daily activities is recognized in other income or written off related cost and expense based on the nature of economic activities; a government grant not related to the Company's daily activities is recognized in non-operating income and expenses.

12. Income taxes

Tax expense comprises current income tax and deferred income tax.

12.1 Current income taxes

At the Balance Sheet date, current income tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid (or recovered) according to the requirements of tax laws.

12.2 Deferred tax assets and deferred tax liabilities

For temporary differences between the carrying amounts of certain assets or liabilities and their tax base, or between the nil carrying amount of those items that are not recognized as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognized using the Balance Sheet liability method.

Deferred tax is generally recognized for all temporary differences. Deferred tax assets for deductible temporary differences are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. However, for temporary differences associated with the initial recognition of goodwill and the initial recognition of an asset or liability arising from a transaction (not a business combination) that affects neither the accounting profit nor taxable profits (or deductible losses) at the time of transaction, no deferred tax asset or liability is recognized.

For deductible losses and tax credits that can be carried forward, deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deductible losses and tax credits can be utilized.

At the Balance Sheet date, deferred tax assets and liabilities are measured at the tax rates, according to tax laws, that are expected to apply in the period in which the asset is realized or the liability is settled.

Current and deferred tax expenses or income are recognized in profit or loss for the period, except when they arise from transactions or events that are directly recognized in other comprehensive income or in owners' equity, in which case they are recognized in other comprehensive income or in owners' equity; and when they arise from business combinations, in which case they adjust the carrying amount of goodwill.

At the Balance Sheet date, the carrying amount of deferred tax assets is reviewed and reduced if it is no longer probable that sufficient taxable profits will be available in the future to allow the benefit of deferred tax assets to be utilized. Such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

12.3 Income tax offsetting

When the Company has a legal right to settle on a net basis and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously, current tax assets and current tax liabilities are offset and presented on a net basis.

When the Company has a legal right to settle current tax assets and liabilities on a net basis, and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be reversed, deferred tax assets and deferred tax liabilities are offset and presented on a net basis.

13. Transactions denominated in foreign currencies

A foreign currency transaction is recorded, on initial recognition, by applying the spot exchange rate on the date of the transaction.

At the Balance Sheet date, foreign currency monetary items are translated into RMB using the spot exchange rates at the Balance Sheet date. Exchange differences arising from the differences between the spot exchange rates prevailing at the Balance Sheet date and those on initial recognition or at the previous Balance Sheet date are recognized in profit or loss for the period, except that (1) exchange differences related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalization are capitalized as part of the cost of the qualifying asset during the capitalization period; (2) exchange differences related to hedging instruments for the purpose of hedging against foreign currency risks are accounted for using hedge accounting; (3) exchange differences arising from available-for-sale non-monetary items (such as shares) denominated in foreign currencies and changes in the carrying amounts (other than the amortized cost) of available-for-sale monetary items are recognized as other comprehensive income and included in capital reserve.

Foreign currency non-monetary items measured at historical cost are translated to the amounts in functional currency at the spot exchange rates on the dates of the transactions and the amounts in functional currency remain unchanged. Foreign currency non-monetary items measured at fair value are re-translated at the spot exchange rate on the date the fair value is determined. Difference between the re-translated functional currency amount and the original functional currency amount is treated as changes in fair value (including changes of exchange rate) and is recognized in profit and loss or as other comprehensive income.

14. Leases

A lease is a contract whereby the lessor conveys to the lessee in return for a consideration the right to use an asset for an agreed period of time.

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: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

The Company as lessee

14.1 Separating components of a lease

If the contract contains one or more lease and non-lease components, the Company will separate the individual lease and non-lease components and allocate contract consideration according to the relative proportion of the sum of the standalone prices of the lease components and the standalone prices of the non-lease components.

14.2 Right-of-use assets

Except for short-term leases and leases of low-value assets, at the commencement date of the lease, the Company recognizes a right-of-use asset.

The commencement date of the lease is the date on which a lessor makes an underlying asset available for use by the Company. The Company measures the right-of-use assets at cost. The cost of the right-of-use assets comprises:

- the amount of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Company;
- an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs incurred to produce inventories.

The Company depreciates right-of-use assets by reference to the relevant depreciation provisions of Accounting Standards for Business Enterprises No. 4 - Fixed Assets. The right-of-use assets are depreciated over the remaining useful lives of the leased assets where the Company is reasonably certain to obtain ownership of the underlying assets at the end of the lease term. Otherwise, right-of-use assets are depreciated over the shorter of the lease term and the remaining useful lives of the leased assets.

14.3 Lease liabilities

Except for short-term leases and leases of low-value assets, at the commencement date of the lease, the Company measures the lease liabilities at the present value of the lease payments that are not paid at that date. In calculating the present value of lease payments, the Company uses the interest rate implicit in the lease as the discount rate. The Company uses the incremental borrowing rate if the interest rate implicit in the lease is not readily determinable.

Lease payments refer to payments relating to the right to use leased assets during the lease term, which are made by the Company to the lessor, including:

- fixed payments and in-substance fixed payments, less any lease incentives receivable (if any);
- variable lease payments that depend on an index or a rate;
- the exercise price of a purchase option reasonably certain to be exercised by the Company;
- payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate the lease; and
- amounts expected to be paid under residual value guarantees provided by the Company.
- Variable lease payments that depend on an index or a rate, are initially measured using the index or rate as at the commencement date. Variable lease payments not included in the measurement of the lease liabilities, are recognized in profit or loss or cost of related assets in the period of those payments

After the commencement date of the lease, the Company calculates interest expenses of lease liabilities for each period of the lease term based on fixed periodic rate and recognizes such expenses in profit or loss or cost of related assets.

After the commencement date of the lease, the Company re-measures the lease liabilities and adjusts the right-of-use assets accordingly in the following cases:

- If the book value of the right-of-use asset has been reduced to zero, but the lease liability needs to be reduced further, the Company will recognize the difference in profit or loss for the period:
- there is a change in the lease term, or in the assessment of an option to purchase the underlying asset, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment;
- There is a change in the amounts expected to be payable under a residual value guarantee, or in future lease payments resulting from a change in an index or a rate used to determine those payments, in which case the related lease liability is remeasured by discounting the revised lease payments using the unchanged discount rate. If the change of lease payment comes from the change of floating interest rate, the revised discount rate shall be used to calculate the present value.

14.4 Short-term leases

The Company chooses not to recognize right-of-use assets and lease liabilities for short-term leases of and leases of low-value assets. A short-term lease is a lease that at the commencement date, has a lease term of 12 months or less and does not contain a call option. A lease of low-value assets is a lease that the single underlying asset, when is new, is of low value. The Company shall recognize the lease payments associated with short-term leases and leases of low-value assets in profit or loss or cost of related assets on a straight-line basis over the lease term.

V. Critical judgements in applying accounting policies and key assumptions and uncertainties in accounting estimates

In the application of the Company's accounting policies, which are described in Note IV, the Company is required to make judgements, estimates and assumptions about the carrying amounts of items in the financial statements that cannot be measured accurately, due to the internal uncertainty of the operating activities. These judgements, estimates and assumptions are based on historical experience of the Company's management as well as other factors that are considered to be relevant. Actual results may differ from these estimates.

The aforementioned judgements, estimates and assumptions are reviewed regularly on a going concern basis. The effect of a change in accounting estimate is recognized in the period of the change, if the change affects that period only; or recognized in the period of the change and future periods, if the change affects both.

- Key assumptions and uncertainties in accounting estimates

At the Balance Sheet date, the key assumptions and uncertainties in the accounting estimates that are likely to result in material adjustments to the carrying amounts of assets and liabilities in the future are:

Deferred tax assets

The management of the Company considers that it is uncertain for the Company to obtain enough income tax payable in the future, so the Company did not recognize RMB 23,697,541.72 of deductible losses as deferred tax assets at the end of this year according to Note VIII. 19.

Provision of ECL for accounts receivable

The Company uses provision matrix to calculate ECL for the accounts receivable. The provision rates are based on internal credit ratings as groupings of various debtors that have similar risk patterns. The provision matrix is based on the Company's historical default rates. At 31 December 2022, the historical observed default rates are reassessed and changes in the forward-looking information are considered. The provision of ECL will vary based on the Company's estimates. The information about the ECL and the Company's accounts receivable is disclosed in Note VIII. 2.

VI. Changes in accounting policies and corrections of prior period accounting errors

The Interpretation No. 15 of the Accounting Standards for Business Enterprises (the "Interpretation No. 15") was issued by the Ministry of Finance on 30 December 2021, which stipulated the accounting treatment for the external sale of products or by-products produced by an enterprise before the fixed asset are ready for intended use or in the process of research and development, as well as the judgment on onerous contract.

Judgment on onerous contracts

The Interpretation No. 15 clarifies that the "cost for performing the contract" considered by an enterprise in determining whether a contract is an onerous contract shall include the incremental cost for performing the contract and the apportioned amount of other costs directly related to the performance of the contract. The Interpretation came into force on 1 January 2022, and an enterprise shall implement this provision for contracts that have not fulfilled all obligations by 1 January 2022. The accumulative amounts impacted are allowed to adjust the opening balance of retained earnings and amounts of other relevant items in the financial statements, and are allowed not to adjust the comparative data of prior periods.

Upon assessment, the Company considers that the adoption of this Interpretation affected the financial statements of the Company as follows:

Items	31 December 2021	Adjust	1 January 2022
Accumulated losses	(214,151,150.67)	(2,560,442.80)	(216,711,593.47)

VII. Taxation

Value-added tax

Value added tax ('VAT') on sales is calculated at 6% on revenue of rendering of services according to the relevant requirements of tax laws and paid after deducting input VAT on purchases.

Based on the zero VAT rate policy, the overseas revenue of the Company is exempted from VAT.

Income tax

The statutory income tax rate of the Company is 25%, but the applicable income tax rate of the Company is 15% in the year (2021: 15%). The Company obtained the Certificate of Advanced Technology Service Enterprise on December 28, 2022 and paid income tax at a reduced rate of 15% in 2022. The accumulated tax loss of the Company as at December 31, 2022 has not been fully deducted, therefore, the income tax of this year has not been accrued.

Other taxes

Urban maintenance and construction tax is levied at 5% of the VAT actually paid.

Educational surcharge is levied at 3% of the VAT actually paid.

Local educational tax is levied at 2% of the VAT actually paid.

VIII. Notes to the financial statements

1. Cash and bank balances

(In RMB)

Particulars	As at December 31,	
	2022	2021
Deposits with banks	**118,751,095.66**	89,465,021.19

2. Accounts receivable

(1) The customer analysis of accounts receivable is as follows:

(In RMB)

Particulars	As at December 31,	
	2022	2021
Amounts due from other customers	**468,274,650.37**	243,637,393.28
Less: Credit losses provision	**4,473,963.98**	3,836,998.37
Total	**463,800,686.39**	239,800,394.91

As a part of the Company's credit risk management, the Company conducts internal credit rating on debtors of accounts receivable and determines the expected loss rate of accounts receivable of each rating. As at December 31, 2022, the analysis of the credit risk and expected loss for accounts receivable is as follows:

(In RMB)

Internal credit rating	As at December 31, 2022			
	Expected average loss rate	Amount	Credit losses provision	Book value
Risk free	0.00%	126,366,509.62	–	126,366,509.62
Low risk	0.79%	340,132,268.36	(2,698,091.59)	337,434,176.77
High risk	100.00%	1,775,872.39	(1,775,872.39)	–
Total		468,274,650.37	(4,473,963.98)	463,800,686.39

(2) The analysis of the movements of expected credit losses provision for accounts receivable is as follows:

(In RMB)

Particulars	Expected credit losses
31 December 2021	3,836,998.37
1 January 2022	3,836,998.37
Provision during the year	1,562,925.81
Written-off during the year	(925,960.20)
31 December 2022	4,473,963.98

3. Other receivables

3.1 Summary of other receivables

The ageing analysis of other receivables is as follows:

(In RMB)

Ageing	As at December 31, 2022				As at December 31, 2021			
	Amount	Ratio %	Bad debt provision	Book value	Amount	Ratio %	Bad debt provision	Book value
Within 1 year	3,658,087.91	5.20	(177,571.61)	3,480,516.30	4,231,901.41	6.31	(90,287.26)	4,141,614.15
1 to 2 years	3,867,798.65	5.50	–	3,867,798.65	3,971,959.49	5.93	–	3,971,959.49
2- 3 years	3,971,959.49	5.65	–	3,971,959.49	7,490,958.91	11.18	–	7,490,958.91
More than 3 years	58,821,358.04	83.65	–	58,821,358.04	51,330,399.13	76.58	–	51,330,399.13
Total	70,319,204.09	100.00	(177,571.61)	70,141,632.48	67,025,218.94	100.00	(90,287.26)	66,934,931.68

Note: Other receivables aged over 3 years include loans of RMB 50,000,000.00 to Infosys Technologies (Shanghai) Co. Limited in 2017, out of which RMB 15,000,000.00 was originally due on May, 11 2018 and then was extended until the lender requires repayment, and RMB 35,000,000.00 was originally due on July 27, 2018 and then was extended until the lender requires repayment. As at the Balance Sheet date, RMB 16,499,178.08 of interest income has been recognized (2021: RMB 13,499,178.08). For more details, please refer to Note IX. (3)(b)(c).

Other receivables aged over 3 years are lease deposits.

4. Fixed assets

(In RMB)

	Electronic equipment	Office equipment	Software	Total
Cost				
January 1, 2022	83,761,773.88	40,810,977.30	57,529.20	124,630,280.38
Additions during the year	7,566,969.57	343,834.89	–	7,910,804.46
Decrease during the year	(25,636,959.36)	(1,633,500.08)	–	(27,270,459.44)
Balance at December 31, 2022	65,691,784.09	39,521,312.11	57,529.20	105,270,625.40
Accumulated depreciation				
January 1, 2022	(75,045,969.28)	(39,152,615.09)	(25,586.04)	(114,224,170.41)
Charge for the year	(5,938,591.16)	(456,310.03)	(19,176.40)	(6,414,077.59)
Decrease during the year	25,636,959.36	1,633,500.08	–	27,270,459.44
Balance at December 31, 2022	(55,347,601.08)	(37,975,425.04)	(44,762.44)	(93,367,788.56)
Carrying amounts				
December 31, 2021	8,715,804.60	1,658,362.21	31,943.16	10,406,109.97
December 31, 2022	10,344,183.01	1,545,887.07	12,766.76	11,902,836.84

5. Construction in progress

(In RMB)

Balance at January 1, 2022	–
Additions during the year	8,226,201.69
Transfer to fixed assets	(7,910,804.46)
Transfer to long-term deferred expenses	(315,397.23)
Balance at December 31, 2022	–

6. Right-of -use assets

(In RMB)

Cost	Leased assets
At January 1, 2022	35,084,598.81
Provided for the year	24,038,245.89
Decreased for the year	(8,769,638.64)
At December 31, 2022	50,353,206.06
Accumulated depreciation	
At January 1, 2022	8,996,383.06
Provided for the year	10,620,457.72
At December 31, 2022	19,616,840.78
Net book value	
At December 31, 2022	30,736,365.28
At January 1, 2022	26,088,215.75

7. Long-term deferred expenses

(In RMB)

	As at December 31,	
	2022	2021
Leasehold improvement	1,041,889.98	1,037,016.38

8. Short-term loans

(In RMB)

	As at December 31,	
	2022	2021
Unsecured loans	34,823,000.00	31,878,500.00

Short-term loans include a loan of USD 5,000,000.00 (equivalent to RMB 34,823,000.00) from Infosys Poland Sp. z o.o. for the purpose of business operation, bearing an interest rate of LIBOR+1% per annum. The interest is paid upon demand by the Lender. It is due on December 1, 2023.

9. Employee benefits payable

(In RMB)

Item	As at January 1, 2022	Provision for the year	Payment for the year	As at December 31, 2022
Wages or salaries, bonus, allowances, subsidies	16,035,877.22	287,368,290.67	(280,120,081.64)	23,284,086.25
Social security contributions	–	19,658,244.66	(19,658,244.66)	–
Including: Medical insurance	–	18,829,560.47	(18,829,560.47)	–
Maternity and work injury insurance	–	828,684.19	(828,684.19)	–
Defined contribution plans (Note)	–	32,054,932.38	(32,054,932.38)	–
Housing funds	–	20,308,785.60	(20,308,785.60)	–
Total	16,035,877.22	359,390,253.31	(352,142,044.28)	23,284,086.25

Note: Defined contribution plans

(In RMB)

Item	As at January 1, 2022	Provision for the year	Payment for the year	As at December 31, 2022
Basic pension insurance	–	31,068,592.00	(31,068,592.00)	–
Unemployment insurance	–	986,340.38	(986,340.38)	–
Total	–	32,054,932.38	(32,054,932.38)	–

The Company participates in basic pension insurance plan established by government in accordance with the relevant requirements. According to the plan, the Company makes a monthly contribution equivalent to the ratio of 16%, 14%, 16% and 16%, in Shanghai, Hangzhou, Beijing and Dalian respectively, of the employee's monthly basic wage based on last year's salary. The Company no longer undertake further payment obligation. The corresponding cost charges to the profit or loss for the current period or the cost of a relevant asset when occur.

10. Taxes payable

(In RMB)

Category	As at December 31,	
	2022	2021
VAT	10,152,601.92	–
Individual income tax	6,092,017.75	1,789,263.07
Other	2,158,781.64	–
Withholding income tax and VAT	216,202.56	6,637.71
Total	18,619,603.87	1,795,900.78

11. Non-current liabilities due within one year

(In RMB)

Category	As at December 31,	
	2022	2021
Lease liabilities due within one year	11,611,233.20	6,238,881.03

12. Lease liabilities

(In RMB)

Category	As at December 31,	
	2022	2021
Lease liabilities	39,126,543.36	25,408,926.41
Less: Lease liabilities recognized in non-current liabilities due within one year	11,611,233.20	6,238,881.03
Total	27,515,310.16	19,170,045.38

13. Paid-in capital

The registered capital of the Company is USD 78,000,000.00. As at December 31, 2022, the contribution by the investor according to the Articles of Association is USD 62,999,982.00. The capital input of investors is as follows:

Company name	As at December 31, 2022			As at December 31, 2021		
	USD	Ratio %	Equivalent to RMB	USD	Ratio %	Equivalent to RMB
Infosys Limited	62,999,982.00	100.00	431,246,900.00	62,999,982.00	100	431,246,900.00

14. Capital reserve

(In RMB)

	As at December 31,	
	2022	2021
Capital reserve	51,575,614.42	51,575,614.42

Capital reserve represents accounts payable that was waived by the Parent Company and other Infosys companies.

15. Operating income

(In RMB)

Particulars	As at December 31,	
	2022	2021
Income from principal activities-rendering of services	928,947,534.31	700,633,227.30

16. Financial expenses

(In RMB)

Particulars	As at December 31,	
	2022	2021
Interest expenses	1,312,502.06	143,864.66
Interest on lease liabilities	1,115,715.85	1,139,815.97
Interest income	(3,555,972.43)	(3,418,551.34)
Exchange gains (losses)	(2,280,602.79)	6,030,182.87
Total	(3,408,357.31)	3,895,312.16

17. Other income

(In RMB)

Particulars	As at December 31,	
	2022	2021
Subsidy on job stabilization	856,845.50	1,358,174.81
Fiscal subsidy	330,000.00	790,000.00
Gain from asset disposal	–	742,736.08
Subsidy on export	513,542.98	477,600.00
Income tax service charges refund	135,108.50	385,882.01
Government grant for training	–	177,500.00
10% additional deduction of VAT in service industry	1,536,604.83	164,644.82
Subsidy for disabled employment	4,020.00	39,965.68
Write off long-term payables	1,743,211.81	–
Other	118,939.31	–
Total	5,238,272.93	4,136,503.40

18. Credit impairment loss

(In RMB)

Company name	As at December 31,	
	2022	2021
Bad debt losses	(1,721,489.30)	(689,542.97)

19. Non-operating expense

(In RMB)

	2022	2021
Tax late fees and penalties	(5,767,846.56)	-

During the year, the tax bureau conducted tax inspections on the Company's tax payments in past years and made recoveries on taxable matters that had not been paid in previous years, and the Company made a provision of RMB 5,767,846.56 for tax late fees and penalties.

20. Income tax expenses

(In RMB)

Particulars	As at December 31,	
	2022	2021
Current income tax expenses	–	–
Deferred income tax expenses	–	–
Total	–	–

As described in Note V, the Company's management is uncertain that there will be sufficient taxable profit in future periods, so the deferred tax assets related to the accumulated deductible losses as at December 31, 2022 amounting to RMB 23,697,541.72 is not recognized. Among the accumulated deductible losses, RMB 23,697,541.72 will expire in 2023.

Reconciliation of income tax expenses to the accounting profit is as follows:

(In RMB)

Particulars	As at December 31, 2022	As at December 31, 2021
Accounting profits	89,991,776.51	39,408,816.66
Expected income tax expenses (income) at tax rate of 15 % (2021: 15%)	13,498,766.48	5,911,322.50
Tax effect of non-deductible expenses	1,998,734.55	36,913.04
Unused deductible losses	–	–
Temporary differences for unrecognized deferred tax assets	8,511,472.41	(2,710,487.94)
Tax effect of using unrecognized deductible loss and deductible temporary difference in previous years	(24,008,973.43)	(3,237,747.60)
Income tax expenses	–	–

21. Supplementary information to the cash flow statement

(1) Reconciliation of net profits to cash flows from operating activities:

(In RMB)

Particulars	As at December 31, 2022	As at December 31, 2021
Net profits	89,991,776.51	39,408,816.66
Add: Provision for expected credit loss	1,721,489.30	689,542.97
Depreciation of fixed assets	6,414,077.59	4,846,754.95
Depreciation of right of use assets	10,620,457.72	8,996,383.06
Amortization of long-term deferred expenses	310,523.63	1,087,347.91
Financial expenses	(10,920,924.22)	779,920.80
Gains on disposal of fixed assets	–	(742,736.08)
Increase in operating receivables	(223,742,124.35)	(2,171,143.02)
Increase (Decrease) in operating payables	158,280,839.43	(6,644,446.79)
Net cash flow from operating activities	32,676,115.61	46,250,440.46

(2) Net changes in cash and cash equivalents

(In RMB)

Particulars	As at December 31, 2022	As at December 31, 2021
Cash and cash equivalents at the end of the year	118,751,095.66	89,465,021.19
Less: Cash and cash equivalents at the beginning of the year	89,465,021.19	65,601,874.90
Net increase in cash and cash equivalents	29,286,074.47	23,863,146.29

IX Rrelated party relationships and transactions

(1) Information about the parent company of the Company is as follows:

Name of the Parent Company	Registered address	Nature of business	Registered capital	Shareholding ratio	Voting ratio
Infosys Limited	India	Rendering of information technical consultation service and management consultation	INR 11.48 billion	100%	100%

(2) The following are other related parties which have transactions with the Company while no control relationship exists:

Name	Relationship with the Company
Infosys Poland Sp. z o.o.	Controlled by the same parent company
Infosys Public Services Inc	Controlled by the same parent company
Infosys BPM Limited	Controlled by the same parent company
Infosys Technologies S.De.R.L	Controlled by the same parent company
HIPUS Co., Ltd.	Controlled by the same parent company
Infosys Technologies (Shanghai) Co. Limited	Controlled by the same parent company
Infosys Compaz Pte Ltd	Controlled by the same parent company
Infosys Automotive and Mobility GmBH Co.	Controlled by the same parent company
Infosys (Czech Republic) Ltd	Controlled by the same parent company
Infosys Austria	Controlled by the same parent company
Infosys Consulting Romania	Controlled by the same parent company
Infosys McCamish Sys LLC	Controlled by the same parent company
Infosys Turkey Bilgi Teknoloijleri	Controlled by the same parent company
Infosys Technologies (Sweden)	Controlled by the same parent company
Infosys Consulting (Belgium) N.V.	Controlled by the same parent company
Infosys Consulting AG	Controlled by the same parent company
Infosys Consulting Ltda	Controlled by the same parent company
Infosys Consulting S.R.L. (Argentina)	Controlled by the same parent company
Infosys Consulting S.R.L. (Romania)	Controlled by the same parent company
Infosys Consulting PTE. LTD.	Controlled by the same parent company
Portland Group Pty Limited	Controlled by the same parent company
CMA Systems FZ LLC	Controlled by the same parent company
Infosys Luxembourg s.a.r.l	Controlled by the same parent company
Infy Consulting Company Limited	Controlled by the same parent company

(3) Significant transactions between the Company and the related parties in current year:

(a) Sales and purchase

The details of sales and purchases between the Company and its related parties are as follows:

(In RMB)

Particulars	As at December 31,	
	2022	2021
Sales		
Infosys Ltd	150,329,473.12	89,878,096.00
Infosys Automotive And Mobility GmBH Co.	3,712,680.49	892,944.00
Infosys BPM Limited	4,364,132.15	3,623,090.43
HIPUS Co., Ltd.	6,470,437.87	6,737,131.00
Infosys Technologies S.De.R.L	1,591,349.41	8,186,342.38
Infosys Compaz Pte Ltd	739,588.35	705,953.65
Infosys Technologies (Shanghai) Co. Limited	663,349.31	6,890,246.37
Infosys Public Services Inc	641,153.61	521,694.68
Infosys McCamish Sys LLC	450,742.67	–
Infosys Turkey Bilgi Teknoloijleri	303,054.74	–
Infy Consulting Company Limited	238,837.01	72,073.00
Infosys Technologies (Sweden)	148,821.79	27,736.00

Particulars	As at December 31,	
	2022	2021
Infosys Poland Sp. z o.o.	139,298.06	24,402.00
Infosys Consulting (Belgium) N.V.	142,749.36	–
Infosys Consulting AG	115,840.78	–
Infosys (Czech Republic) Ltd	107,916.08	20,598.00
Infosys Austria	86,895.93	19,266.00
Infosys Consulting S.R.L. (Romania)	45,304.54	–
Infosys Consulting S.R.L. (Argentina)	18,782.74	–
Infosys Consulting Ltda	57,582.35	–
Infosys Consulting PTE. LTD.	19,049.16	–
Portland Group Pty Limited	27,985.83	–
CMA Systems FZ LLC	134,612.92	–
Infosys Luxembourg s.a.r.l	499.27	–
Lodestone Belgium	–	18,476.00
Lodestone Switzerland	–	13,842.00
Infosys Consulting Romania	–	7,782.00
Total	170,550,137.54	117,639,673.51

(In RMB)

Particulars	As at December 31,	
	2022	2021
Purchases		
Infosys Technologies (Shanghai) Co. Limited	280,556,901.31	252,489,047.66
Infosys Limited	47,550,901.80	26,939,275.81
Infosys BPM Limited	871,558.35	237,146.41
Infosys (Czech Republic) Ltd	797,912.66	70,661.99
Total	329,777,274.12	279,736,131.87

(b) Loans and borrowings

The details of loans and borrowings between the Company and related parties are as follows:

(In RMB)

Particulars	Incurred amount in 2022	As at 31 December 2022	Incurred amount in 2021	As at 31 December 2021	Annual interest rate
Borrowings from					
Infosys Poland Sp. z o.o.	2,944,500.00	34,823,000.00	27,311,070.00	31,878,500.00	12 months LIBOR+1%
Total	2,944,500.00	34,823,000.00	27,311,070.00	31,878,500.00	

(In RMB)

Particulars	Incurred amount in 2022	As at 31 December 2022	Incurred amount in 2021	As at 31 December 2021	Annual interest rate
Lend to					
Infosys Technologies (Shanghai) Co. Limited	–	15,000,000.00	–	15,000,000.00	6.00
Infosys Technologies (Shanghai) Co. Limited	–	35,000,000.00	–	35,000,000.00	6.00
Total	–	50,000,000.00	–	50,000,000.00	

Note: The loan of USD 5,000,000.00 obtained by the Company from Infosys Poland Sp. z o.o. is for the purpose of business operation. The loan bears an interest rate of LIBOR+1% per annum and the interest is paid upon demand by the Lender. The loan is due on December 1, 2023. The Company accumulatively lent RMB 50,000,000.00 to Infosys Technologies (Shanghai) Co. Limited in 2017, bearing an interest rate of 6% per annum, in which RMB 15,000,000.00 and RMB 35,000,000.00 would be due in May and July 2018, respectively, and extended to be repaid upon demand by the Lender.

(In RMB)

Particulars	As at December 31,	
	2022	2021
Interest expenses		
Infosys Poland Sp. z o.o.	1,312,502.06	143,864.66
Interest income		
Infosys Technologies (Shanghai) Co. Limited	3,000,000.00	3,000,000.00

(c) Amounts due to/from related companies

(In RMB)

Accounts	Name of the related parties	As at December 31,	
		2022	2021
Accounts receivable	Infosys Technologies (Shanghai) Co. Limited	55,907,594.06	55,204,443.77
	Infosys Ltd	16,979,052.53	11,797,056.71
	Infosys Automotive and Mobility GmBH Co.	4,784,651.37	–
	HIPUS Co., Ltd.	561,921.08	524,982.70
	Infosys Turkey Bilgi Teknoloijleri	301,482.49	–
	Infosys BPM Limited	299,046.00	232,631.69
	Infosys Poland Sp. z o.o.	163,896.68	–
	Infosys McCamish Sys LLC	137,729.35	–
	Infosys Consulting AG	129,838.46	–
	Infosys Austria	110,216.54	–
	Infosys Public Services Inc	64,918.43	43,911.04
	Infy Consulting Company Limited	63,773.45	–
	Infosys Compaz Pte Ltd	52,608.78	153,524.48
	Infosys Technologies (Sweden)	40,893.28	–
	Infosys Consulting (Belgium) N.V.	34,446.28	–
	Infosys Consulting S.R.L. (Argentina)	19,041.15	–
	Infosys Consulting S.R.L. (Romania)	13,494.75	–
	Infosys (Czech Republic) Ltd	31,780.31	–
	Infosys Consulting Ltda	29,931.76	–
	Infosys Consulting PTE. LTD.	6,761.86	–
	Portland Group Pty Limited	5,324.72	–
	CMA Systems FZ LLC	2,665.00	–
	Infosys Luxembourg s.a.r.l	77.66	–
	Infosys Technologies S.De.R.L	(30,919.13)	260,490.57
	Total	79,710,226.86	68,217,040.96
Other receivables	Infosys Technologies (Shanghai) Co. Limited	16,499,178.08	13,499,178.08
Accounts payable	Infosys Technologies (Shanghai) Co. Limited	75,471,496.91	68,535,874.44
	Infosys Limited	12,544,679.17	19,729,890.98
	Infosys BPM Limited	249,498.23	55,765.06
	Infosys Automotive and Mobility GmBH Co.	9,769,843.57	–
	Infosys (Czech Republic) Ltd	246,273.06	–
	Total	98,281,790.94	88,321,530.48

Accounts	Name of the related parties	As at December 31,	
		2022	2021
Other payables	Infosys Poland Sp. z o.o.	1,351,265.98	43,974.86

X. Financial Instruments and risk management

The Company's major financial instruments include accounts receivable, other receivables, short-term loans, accounts payable and other payables. Details of these financial instruments are disclosed in Note VIII. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

The Company adopts sensitivity analysis technique to analyze how the profit and loss for the period and owners' equity would have been affected by reasonably possible changes in the relevant risk variables. As it is unlikely that risk variables will change in an isolated manner, and the interdependence among risk variables will have significant effect on the amount ultimately influenced by the changes in a single risk variable, the following are based on the assumption that the change in each risk variable is on a standalone basis.

1. Risk management objectives and policies

The Company's risk management objectives are to achieve proper balance between risks and yield, minimize the adverse impacts of risks on the Company's operation performance, and maximize the benefits of the shareholders and other equity investors. Based on these risk management objectives, the Company's basic risk management strategy is to identify and analyze the industry's exposure to various risks, establish appropriate bottom line for risk tolerance, implement risk management, and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

1.1 Market risk

1.1.1 Foreign currency risk

Foreign currency risk is the risk that losses will occur because of changes in foreign exchange rates. The Company's exposure to the foreign currency risk is primarily associated with USD, INR, HKD and TWD. The Company's principal activities are settled in RMB. As at 31 December 2022, the balance of the Company's assets and liabilities are both denominated in RMB except that the assets and liabilities set out below are denominated in foreign currencies. Foreign currency risk arising from the assets and liabilities denominated in foreign currencies may have impact on the Company's performance.

(In RMB)

Particulars	As at December 31,	
	2022	2021
Cash and bank balances	47,847,327.89	47,744,594.32
Accounts receivable	86,147,025.62	43,748,975.98
Short-term loans	(34,823,000.00)	(31,878,500.00)
Other payables	–	(43,974.86)
Interest payable	(1,351,265.98)	–
Accounts payable	(1,872,390.44)	(19,785,656.04)
Total	95,947,697.09	39,785,439.40

Sensitivity analysis on currency risk

The assumption for the sensitivity analysis on currency risk is that all hedges of net investments in foreign operations and the cash flow hedges are highly effective.

On the basis of the above assumption, where all other variables are held constant, the reasonably possible changes in the foreign exchange rate may have the following pre-tax effect on the profit or loss for the period and owners' equity:

(In RMB)

Item	Changes in exchange rate	2022		2021	
		Effect on profit	Effect on Owners' equity	Effect on profit	Effect on Owners' equity
Foreign currencies	10% increase against RMB	9,594,769.71	9,594,769.71	3,978,543.94	3,978,543.94
Foreign currencies	10% decrease against RMB	(9,594,769.71)	(9,594,769.71)	(3,978,543.94)	(3,978,543.94)

1.2 Credit risk

As at December 31, 2022, the Company's maximum exposure to credit risk which will cause a financial loss to the Company due to failure to discharge an obligation by the counterparties.

The Company reviews the recoverable amount of each individual trade debt at each Balance Sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the management of the Company consider that the Company credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit rating.

1.3 Liquidity risk

In the management of the liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows. The management monitors use of loans and ensures to observe loan agreements.

XI. Capital management

The Company's primary objectives when managing capital are to safeguard the Company's ability to continue as a going concern.

The Company defines "capital" as including all components of equity. The balance of related party transactions are not regarded by the Company as capital.

The Company's capital structure is regularly reviewed and managed with due regard to the capital management practices of the Infosys Limited Group to which the Company belongs. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Company. The results of the Board of Directors' review of the Company's capital structure are used as a basis for the determination of the level of dividends, if any, that are declared.

The Company is not subject to externally imposed capital requirements.

XI. Commitments

(1) Capital commitments

(In RMB)

	As at December 31,	
	2022	2021
Capital commitments that have been entered into but have not been recognized in the financial statements: Contracts for purchasing fixed assets	1,967,733.60	7,774,963.92

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Infosys Poland Sp. z o.o.

Independent Auditor's Report

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

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of INFOSYS POLAND SP. Z O.O.("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of preparation referred to in Note 1.2 of the special purpose financial statements, of the state of affairs of the Company as at March 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's Responsibilities for the Special Purpose Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

Basis of Accounting

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

Other Matter

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

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

Restriction on Use and distribution

The report is issued to the Board of Directors of the Company solely for the above purpose and should not be distributed to or used by any other parties.

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

Gurvinder Singh
Partner
Membership Number: 110128

UDIN: 23110128BGRDFH9239

Date: June 2, 2023

Place: Bengaluru

Balance Sheet

(In PLN)

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

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

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

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

Gurvinder Singh
Partner
Membership Number: 110128

Anup Kapoor
Director

Arindam Roy Chowdhury
Director

June 2, 2023
Bengaluru

Statement of Profit and Loss

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

Particulars	Note	Years ended March 31, 2023	2022
Revenue from operations	2.17	589,002,928	458,731,682
Other income, net	2.18	444,733	18,630,501
Total income		589,447,661	477,362,183
Expenses			
Employee benefit expenses	2.19	381,685,722	314,095,200
Cost of technical sub-contractors and professional charges	2.19	76,978,564	47,424,066
Travel expenses		3,187,652	572,203
Cost of software packages and others		17,156,959	2,656,763
Depreciation and amortization expense	2.1 & 2.2	18,949,479	19,964,899
Finance cost	2.2	4,335,915	1,761,742
Other expenses	2.19	28,740,537	19,203,671
Total expenses		531,034,828	405,678,544
Profit before tax		58,412,833	71,683,639
Tax expense:			
Current tax	2.16	17,337,157	13,145,490
Deferred tax	2.16	(758,625)	(261,661)
		16,578,532	12,883,829
Profit for the period		41,834,301	58,799,810
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		–	–
Items that will be reclassified subsequently to profit or loss		–	–
Total other comprehensive income, net of tax		–	–
Total comprehensive income for the period		41,834,301	58,799,810
Earnings per equity share			
Equity shares of par value PLN 500/- each			
Basic and diluted (PLN)		8366.86	11,759.96
Weighted average equity shares used in computing earnings per equity share			
Basic and diluted		5,000	5,000

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

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

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

Gurvinder Singh
Partner
Membership Number: 110128

Anup Kapoor
Director

Arindam Roy Chowdhury
Director

June 2, 2023
Bengaluru

Statement of Changes in Equity

(In PLN)

Particulars	Equity share capital	Other equity					Total equity attributable to equity holders of the company
		Reserves and surplus			Capital reserve	Other comprehensive income	
		Securities premium [1]	Retained earnings	General reserve	Business transfer adjustment reserve[2]	Equity instruments through other comprehensive income	
Balance as at April 1, 2021	2,500,000	24,999,800	345,096,062	2,173,202	(60,800,000)	471,100	314,440,164
Changes in equity for the year ended March 31, 2022							
Profit for the year	–	–	58,799,810	–	–	–	58,799,810
Total Comprehensive income for the period	–	–	58,799,810	–	–	–	58,799,810
Balance as at March 31, 2022	2,500,000	24,999,800	403,895,872	2,173,202	(60,800,000)	471,100	373,239,974
Balance as at April 01, 2022	2,500,000	24,999,800	403,895,872	2,173,202	(60,800,000)	471,100	373,239,974
Changes in equity for the year ended March 31, 2023							
Profit for the year	–	–	41,834,301	–	–	–	41,834,301
Total comprehensive income for the period	–	–	41,834,301	–	–	–	41,834,301
Balance as at March 31, 2023	2,500,000	24,999,800	445,730,173	2,173,202	(60,800,000)	471,100	415,074,275

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

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

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

Gurvinder Singh
Partner
Membership Number: 110128

Anup Kapoor
Director

Arindam Roy Chowdhury
Director

June 2, 2023
Bengaluru

Statement of Cash Flows

Accounting Policy

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

(In PLN)

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

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

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

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

Gurvinder Singh
Partner
Membership Number: 110128

Anup Kapoor
Director

Arindam Roy Chowdhury
Director

June 2, 2023
Bengaluru

Notes to the Financial Statements

1. Overview

1.1 Company overview

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

The Company is incorporated and domiciled in Poland. It's registered office is at ul. Pomorska 106A, 91-402 Łódź, Poland. The Company is a majority-owned-and-controlled subsidiary of Infosys BPM Limited.

The Company's financial statements are approved by the Company's Board of Directors on June 2, 2023.

1.2 Basis of preparation of financial statements

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

These financial statements are prepared in accordance with Indian Accounting Standards (Ind-AS) under the historical cost convention on the accrual basis. The Ind-AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

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

1.3 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind-AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in the financial statements have been disclosed in Note No. 1.4. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.4 Critical accounting estimates and judgements

a. Revenue recognition

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

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

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

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract (Refer to Note No. 2.17).

b. Income taxes

The Company's major tax jurisdiction is Poland. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions (Refer to Note No. 2.16).

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

c. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology (Refer to Note No. 2.1).

d. Impairment of Goodwill

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

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

1.5 Recent accounting pronouncements

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

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

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

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

2.1 Property, plant and equipment

Accounting Policy

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

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

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

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

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

Impairment

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

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

(In PLN)

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

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

(In PLN)

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

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

2.2 Leases

Accounting Policy

The Company as a lessee

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

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

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

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

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

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

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

The Company as a lessor

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

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

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

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

(In PLN)

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

* Net of adjustments on account of modifications

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

(In PLN)

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

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

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

The break-up of current and non-current lease liability as at March 31, 2023 and March 31, 2022, was as follows:

(In PLN)

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

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

(In PLN)

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

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

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

(In PLN)

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

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

2.3 Goodwill

Accounting Policy

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

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

Impairment

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

(In PLN)

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

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

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

2.4 Investments

(In PLN)

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

(In PLN)

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

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

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

Method of fair valuation:

(In PLN)

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

2.5 Loans

(In PLN)

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

2.6 Other financial assets

(In PLN)

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

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

2.7 Trade receivables

(In PLN)

Particulars	As at March 31, 2023	2022
Current		
Unsecured		
Considered good[(1)(2)]	112,402,511	122,867,433
Less: Allowances on for credit losses	(1,938,826)	(1,260,235)
	110,463,685	121,607,198
Total trade receivables	110,463,685	121,607,198
[(1)] Includes dues from related parties	16,366,564	8,946,646
[(2)] Includes dues from companies where directors are interested.		

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

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

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

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

2.8 Cash and cash equivalents

(In PLN)

Particulars	As at March 31,	
	2023	2022
Balances with banks		
In current and deposit accounts	212,099,212	124,161,824
Cash on hand	4,768	4,763
	212,103,980	124,166,587
Deposit with more than 12 months maturity	–	–

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

2.9 Other assets

(In PLN)

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

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

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

2.10 Financial instruments

Accounting Policy

2.10.1 Initial recognition

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

2.10.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

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

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

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

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

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

(iv) Financial liabilities

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

b. Derivative financial instruments

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

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

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

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

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

2.10.3 Derecognition of financial instruments

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

2.10.4 Fair value of financial instruments

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

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

2.10.5 Impairment

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

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2023 are as follows:

(In PLN)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory		
Assets:					
Cash and cash equivalents (Refer to Note 2.8)	212,103,980	–	–	212,103,980	212,103,980
Investments (Refer to Note 2.4)					
Preference and other securities	–	–	42,934,577	42,934,577	42,934,577
Trade receivables (Refer to Note 2.7)	110,463,685	–	–	110,463,685	110,463,685
Loans (Refer to Note 2.5)	134,419,929	–	–	134,419,929	134,419,929
Other financial assets (Refer to Note 2.6)[1]	22,814,768	–	6,832,200	29,646,968	29,646,968
Total	479,802,362	–	49,766,777	529,569,139	529,569,139

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

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

The carrying value and fair value of financial instruments by categories as at March 31, 2022 were as follows:

(In PLN)

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory		
Assets:					
Cash and cash equivalents (Refer to Note 2.8)	124,166,587	–	–	124,166,587	124,166,587
Investments (Refer to Note 2.4)					
Preference and other securities	–	–	54,952,504	54,952,504	54,952,504
Trade receivables (Refer to Note 2.7)	121,607,198	–	–	121,607,198	121,607,198
Loans (Refer to Note 2.5)	153,593,005	–	–	153,593,005	153,593,005
Other financial assets (Refer to Note 2.6)(1)	14,036,027	–	411,800	14,447,827	14,447,827
Total	413,402,817	–	55,364,304	468,767,121	468,767,121
Liabilities:					
Trade payables (Refer to Note No. 2.13)	4,376,422	–	–	4,376,422	4,376,422
Lease Liabilities (Refer to Note No. 2.2)	89,402,218	–	–	89,402,218	89,402,218
Other financial liabilities (Refer to Note No. 2.12)	60,865,079	–	2,706,201	63,571,280	63,571,280
Total	154,643,719	–	2,706,201	157,349,920	157,349,920

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

Fair value hierarchy

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

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

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

The following table presents fair value hierarchy of assets and liabilities measured at fair value as at March 31, 2023:

(In PLN)

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

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

(In PLN)

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

Financial risk management

Financial risk factors

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

Market risk

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

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

(In PLN)

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

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

(In PLN)

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

Sensitivity analysis between Poland zloty and USD

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

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

Derivative financial instruments

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

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

(In PLN)

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

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

(In PLN)

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

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

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

(In PLN)

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

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to PLN 110,463,685 and PLN 121,607,198 as at March 31, 2023 and March 31, 2022 and unbilled revenue amounting to PLN 27,909,267 and PLN 18,369,636 as of March 31, 2023 and March 31, 2022, respectively Trade receivables and unbilled revenue are typically unsecured. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses ECL model to assess the impairment loss or gain. The Company uses a provision matrix to compute the ECL allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes, credit ratings from international credit rating agencies and the Company's historical experience for customers.

Write off Policy

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

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

(In %)

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

Credit risk exposure

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

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

Liquidity risk

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

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

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

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

(In PLN)

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

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

(In PLN)

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

2.11 EQUITY

Accounting Policy

Ordinary shares

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

Description of reserves

Retained earnings

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

Securities premium

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

Other components of equity

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

Equity share capital

(In PLN, except as otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorized		
Equity shares, PLN 500/- (PLN 500/-) par value		
5,000 (5,000) equity shares	2,500,000	2,500,000
Issued, subscribed and paid-up		
Equity shares, PLN 500/- (PLN 500/-) par value	2,500,000	2,500,000
5,000 (5,000) equity shares fully paid up		
	2,500,000	2,500,000

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

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

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

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% held	Number of shares	% held
Infosys BPM Limited, the holding company	5,000	100.00	5,000	100.00

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

(In PLN, except as otherwise stated)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the period	5,000	2,500,000	5,000	2,500,000
Add: Shares issued during the period	–	–	–	–
At the end of the period	5,000	2,500,000	5,000	2,500,000

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

Earnings per equity share

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

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

2.12 Other financial liabilities

(In PLN)

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

2.13 Trade payables

(In PLN)

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

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

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

(In PLN)

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

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

(In PLN)

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

2.14 Other liabilities

(In PLN)

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

2.15 Provisions

Accounting Policy

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

a. Post-sales client-support and others

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

b. Onerous contracts

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

Provision for post sales customer support and other provisions

(In PLN)

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

Provision for post-sales client-support and other provisions

The movement in the provision for post sales client support and other provisions is as follows:

(In PLN)

Particulars	As at March 31,	
	2023	2022
Balance at the beginning	1,051,095	1,273,151
Provision recognized/ (reversed)	1,840,175	(225,126)
Provision utilized	(1,281,480)	(13,679)
Exchange difference	(52,346)	16,749
Balance at the end	1,557,444	1,051,095

2.16 Income taxes

Accounting Policy

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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

(In PLN)

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

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

Deferred income tax for the year ended March 31, 2023, and March 31, 2022, substantially relates to origination and reversal of temporary differences.

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

(In PLN)

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

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

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

(In PLN)

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

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

(In PLN)

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

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

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

(In PLN)

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

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

(In PLN)

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

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

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Management considers the scheduled reversals of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, the Management believes that it is more likely than not the Company will realize the benefit of any deductible differences at March 31, 2023.

2.17 Revenue from operations

Accounting Policy

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

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

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

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

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

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

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

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

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

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

(In PLN)

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

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2023, and March 31, 2022, by offerings. The Company believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

(In PLN)

Particulars	Years ended March 31, 2023	2022
Revenue by offerings		
Digital	154,550,829	111,131,701
Core	434,452,099	347,599,981
Total	589,002,928	458,731,682

Trade receivables and contract balances

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

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

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

Invoicing in excess of earnings are classified as unearned revenue.

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

Performance obligations and remaining performance obligations

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

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

2.18 Other income, net

Accounting policy

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

Foreign currency

Functional currency

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

Transactions and translations

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

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

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

(In PLN)

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

2.19 Expenses

(In PLN)

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

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

Accounting Policy

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

(In PLN)

Particulars	As at March 31, 2023	2022
Contingent liabilities:		
Claims against the Company, not acknowledged as debts[(1)]	–	–
Commitments:		
Estimated amount of unexecuted capital contracts[(2)]	721,723	2,727,601
(Net of advances and deposits)		
Other commitments[(3)]	43,935,445	9,302,067

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

(2) Capital contracts primarily comprises of commitments for infrastructure, facilities and computer equipments.

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

2.21 Related party transactions

List of related parties:

Name of subsidiaries	Country	Holding as at March 31,	
		2023	2022
Ultimate Holding			
Infosys Limited	India	Ultimate Holding Company	Ultimate Holding Company
Holding			
Infosys BPM Limited[2]	India	Holding company	Holding company

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

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

(2) Wholly-owned subsidiary of Infosys Limited

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

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

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

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

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

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

(In PLN)

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

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

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

(In PLN)

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

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

List of key management personnel

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

Transaction with key management personnel

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

(In PLN)

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

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

2.22 Retirement benefits

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

2.23 Business Combinations

Accounting policy

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

2.24 Segment Reporting

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

2.25 Analytical ratios

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

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

(1) Debt represents lease liabilities

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

(3) Lease payments for the current year

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

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

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

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

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

Anup Kapoor
Director

Arindam Roy Chowdhury
Director

Bengaluru

June 2, 2023

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WONGDOODY, Inc.

Independent Auditor's Report

To the Board of Directors of WONGDOODY, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of WONGDOODY, Inc. ("the Company"), which comprise the Balance Sheet as at December 31, 2022, and the related Statement of Operations, Statement of Stockholders' Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements, which include the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), 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.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. As informed to us, the Company does not have any other information to be included in the annual report.

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with US GAAP and 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 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.

Those Charged with Governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the financial statements.

Other matter

The financial information of Wongdoody Holding Company Inc (erstwhile Parent) for the year ended December 2021 have been presented as the corresponding financial information. The consolidated financial information of erstwhile parent for the year ended December 31, 2021, were audited by another auditor whose report dated May 19, 2022, expressed an unmodified opinion. Refer note 1.1 of the financial statements.

Our opinion is not modified in respect of this matter.

For BDO India LLP

Place: Bengaluru

Date: May 05, 2023

Annexure A to the Independent Auditor's Report of even date on the Financial Statements of Wongdoody, Inc.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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 BDO India LLP

Place: Bengaluru

Date: May 05, 2023

Balance Sheet

In US$

Particulars	As of December 31, 2022	2021
Assets		
Current assets		
Cash and cash equivalents	25,604,000	17,817,000
Accounts receivable, net	12,878,000	7,232,000
Prepaid expenses and other current assets	941,000	744,000
Contract assets	122,000	24,000
Income taxes receivable	–	1,216,000
Loan to related parties	5,239,000	–
Total current assets	44,784,000	27,033,000
Non-current assets		
Property and equipment, net	1,471,000	1,297,000
Operating lease assets, net	2,641,000	–
Loan to related parties	7,000,000	195,000
Deferred tax assets	9,237,000	10,021,000
Total non-current assets	20,349,000	11,513,000
Total assets	65,133,000	38,546,000
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	9,367,000	2,610,000
Accrued compensation	5,148,000	3,425,000
Accrued expenses	1,633,000	1,189,000
Contract liabilities	1,571,000	495,000
Income taxes payable	751,000	–
Deferred rent-current	–	114,000
Finance lease liabilities	31,000	28,000
Operating lease liabilities	1,450,000	–
Total current liabilities	19,951,000	7,861,000
Non-current liabilities		
Deferred rent, non-current	–	431,000
Finance lease liabilities	44,000	87,000
Operating lease liabilities	1,622,000	–
Total non-current liabilities	1,666,000	518,000
Total liabilities	21,617,000	8,379,000
Commitments and contingencies (Notes 6 and 7)		
Stockholders' equity		
Common stock	189,000	14,004,000
Retained earnings	43,327,000	16,163,000
Total stockholders' equity	43,516,000	30,167,000
Total liabilities and stockholders' equity	65,133,000	38,546,000

The accompanying notes are an integral part of these financial statements.

Statement of Operations

In US$

Particulars	Year ended December 31,	
	2022	2021
Revenues	121,793,000	52,835,000
Advertising Services	28,583,000	21,158,000
Related Party Subcontracting	85,950,000	24,528,000
Related Party Professional Services	7,260,000	7,149,000
Operating Expenses		
Salaries and related expenses	47,158,000	27,475,000
General and administrative expenses	56,556,000	19,782,000
Total operating expenses	103,714,000	47,257,000
Income From Operations	18,079,000	5,578,000
Other Income (Expense)		
Interest expense	(3,000)	(2,000)
Interest income	501,000	33,000
Total other income, net	498,000	31,000
Income Before Income Taxes	18,577,000	5,609,000
Income tax expense	5,228,000	1,410,000
Net Income	13,349,000	4,199,000

The accompanying notes are an integral part of these financial statements.

Statement of Stockholders' Equity

In US$

Particulars	Common Stock		Retained Earnings	Total
	Shares	Amount		
Balance, December 31, 2020	2,000	14,004,000	11,964,000	25,968,000
Net income	-	-	4,199,000	4,199,000
Balance, December 31, 2021	2,000	14,004,000	16,163,000	30,167,000
Transfer of balances due to merger	(1,900)	(13,815,000)	13,815,000	-
Net income	-	-	13,349,000	13,349,000
Balance, December 31, 2022	100	189,000	43,327,000	43,516,000

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows

In US$

Particulars	Year ended December 31, 2022	2021
Cash flows from operating activities		
Net income	13,349,000	4,199,000
Adjustments to reconcile net income to net cash used in operating activities		
Depreciation and amortization	563,000	453,000
Deferred tax expense	784,000	1,143,000
Loss on disposal of long-lived assets	16,000	2,000
Receipt of tenant improvement allowance	–	286,000
Changes in operating assets and liabilities		
Accounts receivable	(5,646,000)	(3,811,000)
Contract assets	(98,000)	1,563,000
Prepaid expenses and other assets	(197,000)	(334,000)
Accounts payable	6,757,000	950,000
Income taxes payable/ receivable	1,967,000	214,000
Contract liabilities	1,076,000	71,000
Accrued compensation	1,723,000	1,184,000
Accrued expenses	444,000	1,078,000
Other long-term liabilities	(114,000)	(318,000)
Net Cash Provided by Operating Activities	20,624,000	6,680,000
Cash flows from investing activities		
Purchases of property and equipment	(753,000)	(794,000)
Loan to related parties	(12,044,000)	–
Proceeds from Sales and short-term investments, net	–	7,070,000
Net Cash Provided by/ (Used in) Investing Activities	(12,797,000)	6,276,000
Cash flows from financing activities		
Payments of finance lease liability	(40,000)	(38,000)
Net Cash Used in Financing Activities	(40,000)	(38,000)
Net Increase in Cash	7,787,000	12,918,000
Cash, beginning of year	17,817,000	4,899,000
Cash, end of year	25,604,000	17,817,000
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	–	2,000
Cash paid for taxes	2,477,000	–
Non-Cash Investing and Financing Activities		
Property and equipment acquired under capital lease	20,000	112,000

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

1. Description of Business and Summary of Significant Accounting Policies

1.1 Description of Business

WONGDOODY, Inc. (the Company) is incorporated under the laws of the State of Washington and promotes products and services for clients across the United States, primarily through targeted integrated marketing campaigns focused on live, digital, and social brand experiences.

On April 13, 2018, WONGDOODY Holding Company, Inc. entered into a definitive agreement for all of the Company's outstanding common stock to be acquired by Infosys Limited (Infosys), a consulting and information technology company based in India. The acquisition closed on May 22, 2018.

Effective January 01, 2022 WONGDOODY, Inc ("New Parent") consummated merger of WDW Communications, Inc and WONGDOODY Holding Company, Inc into the Company. On the effective dates, the aforesaid entities were under common control. The merger of WDW Communications, Inc have been accounted as transfer of business and the merger WONGDOODY Holding Company ("erstwhile Parent") has been accounted as transfer of assets. Accordingly, the assets and liabilities of WDW Communications and WONGDOODY Holding Company has been recorded at historical carrying value in the financial statement of the Company for the year ended December 2022. Further to provide corresponding financial information relevant to current period figures, the consolidated financial information of erstwhile Parent for the year ended December 2021 have been included as the corresponding financial information.

1.2 Basis of Financial Statement Presentation

The accompanying financial statements present the financial position, results of operations, and cash flows of the Company in conformity with accounting principles generally accepted in the United States of America (GAAP). Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

These financial statements have been prepared on a going concern basis, which assumes the realization of assets and satisfaction of liabilities in the normal course of business. These financial statements have been presented in U.S. dollars, which is the functional and reporting currency of the company.

1.3 Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. The Company's significant estimates include the allowance for doubtful accounts and the estimated useful lives of assets. Accordingly, actual results could materially differ from those estimates.

1.4 Adoption of New Accounting Standards

During the year ended December 31, 2022, the Company adopted the following accounting standards issued by the FASB:

AAC 842- Lease accounting - The Company adopted ASC 842, Leases, on January 1, 2022. The Company elected to apply the provisions of the standard as of the date of adoption, and therefore have not restated prior periods. The Company elected the following transition related practical expedient: not to reassess lease classification as determined under ASC 840, not to reassess initial direct cost from any existing leases, and to use hindsight in determining the lease term when considering options to extend or terminate the lease.

ASC 842 had an impact on the accompanying balance sheet but did not have an impact on the accompanying statement of income. The most significant impact was the recognition of operating lease assets and operating lease liabilities. Upon adoption, the Company recorded operating lease liabilities of \$4,436,000 and operating lease assets of \$3,891,000 as of January 1, 2022. There was no cumulative effect adjustment to the opening balance of member's equity required.

In the year 2021, the Company recognizes the effect of all rent variances over the expected life of the lease on a straight-line basis. Any variances between cash rental payments and straight-line expense recognition are recorded as a liability, which is included in deferred rent in the accompanying consolidated Balance Sheets.

1.5 Cash and Cash Equivalents

The Company maintains cash balances with various major financial institutions located in the United States. Accounts at these institutions are guaranteed by the Federal Deposit Insurance Corporation up to \$ 250,000. The Company's management does not believe cash is exposed to significant credit risk. The Company periodically evaluates the relative credit standings of the financial institutions with which they do business. Cash and cash equivalents are stated at cost, which approximates fair value.

1.6 Accounts Receivable

The Company's credit policy towards its customers is 30 – 90 days. The Company carries its accounts receivable at cost less an allowance for doubtful accounts. On a periodic basis, the Company evaluates its accounts receivable and establishes an allowance for doubtful accounts, based on the history of past write offs and collections and current credit conditions. Receivables are written off as uncollectible on a periodic judgmental basis after collection efforts have been unsuccessful. There was no allowance for doubtful accounts deemed necessary at December 31, 2022 and 2021.

1.7 Financial instruments

The carrying amount of the financial instruments which is cash and cash equivalents, accounts receivables, accounts payables and accrued expenses, approximate their fair value at December 31, 2022.

1.8 Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization and impairment losses (if any).

The Company provides for depreciation and amortization on a straight-line basis over the estimated useful lives of the respective assets:

Furniture, fixtures, and office equipment	5-7 years
Computer hardware and software	3-7 years

Leasehold improvements are amortized over the term of the lease, or the estimated useful lives of the improvements, whichever is shorter. Expenditures for major renewals and betterments are capitalized while those for repairs and maintenance are expensed as incurred.

1.9 Impairment of long-lived assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. The Company measures recoverability of assets to be held and used by a comparison of the carrying value of an asset to its fair value. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of assets. Fair value of property and equipment is usually estimated using discounted cash flows expected to be generated from the use of the asset.

1.10 Employee benefits

Defined Contribution Plan

Eligible employees in the U.S. participate in an employee retirement savings plan (the "401K Plan") under Section 401(K) of the U.S. Internal Revenue Code. The 401K Plan allows for employees to defer a portion of their annual earnings on a pre-tax basis through voluntary contributions to the 401K Plan and for the Group to make matching contributions.

Compensated absences

The Company provides compensated absences which are expected to be utilized within the next 12 months, are treated as short- term employee benefits. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of unused entitlement that has accumulated at the reporting date. The Company treats compensated absences expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on actuarial valuation using the projected unit credit method at the period-end.

Others

As a result of the acquisition of the Company by Infosys, the Company entered into employment agreements with certain employees. Under each agreement, the employee will be entitled to a retention bonus, payable in three equal annual installments on the anniversary date of the acquisition. The total amount payable over the three-year period is $4,000,000. As per the Share Purchase Agreement, in the event an employee eligible for a retention bonus is no longer with the Company as of the annual payment date, the amount may be reallocated among other employees or be used to recruit or retain new hires. As of December 31, 2022 and 2021, the Company accrued $170,000 and $257,000, respectively.

In 2021, the Company entered into incentive agreements with certain executives. These incentive agreements include compensation for employee retention and bonuses to be paid upon the achievement of specified targets. Because employees eligible for these payments must remain employed to receive them for each year, they are accounted for as compensation to the extent earned in each period. As of December 31, 2022, the Company had accrued $1,780,000 for payments due under these agreements.

1.11 Revenue Recognition

The Company recognizes revenue in accordance with Accounting Standards Codification Topic 606, Revenue from Contracts with Customers ("ASC 606"). Under ASC 606, revenue is recognized when a customer obtains control of promised goods or services (the performance obligation) in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services (the transaction price). The Company measures revenue by estimating the transaction price based on the consideration specified in the client arrangement. Revenue is recognized as the performance obligations are satisfied.
The Company's revenue is primarily derived from providing advertising services to its customers, including creative strategy and development, strategic planning, market plan development, connection planning, advertising, digital marketing, retail marketing, and video/digital/print production. The Company's contracts are primarily retainer contracts for advertising services or fees for service on a rate per hour or per project basis for project-based work.

1.12 Performance Obligations

Substantially, all of the Company's contracts with customers, the performance obligation is to provide creative consulting services at an agreed upon level of effort to accomplish the specified engagement. The customer contracts are comprised of arrangements involving fees based on an agreed upon monthly billing rate over the term of the agreement, a fixed fee for the defined project, or an agreed upon rate per hour. The transaction price of a contract is allocated to each distinct performance obligation based on its relative standalone selling price and is recognized as revenue, when, or as, the customer receives the benefit of the performance obligation. Clients typically receive and consume the benefit of the services as they are performed. Substantially all client contracts provide that the Company is compensated for services performed to date and allow for cancellation by either party on short notice without penalty.

Generally, the Company's short-term contracts, which normally take 30 to 90 days to complete, consist of a single performance obligation. As a result, the Company does not consider the underlying services as separate or distinct performance obligations because the services are highly interrelated, occur in close proximity, and the integration of the various components of a marketing message is essential to overall service. In certain of the Company's long-term retainer contracts, which have a term of up to one year, the performance obligation is a stand ready obligation because the Company provides a constant level of similar services over the term of the contract. In certain creative services agreements, the Company acts as an agent and arranges, at the client's direction, for third parties to perform studio production efforts.

1.13 Revenue Recognition Methods

A substantial portion of the Company's revenue is recognized over time, as the services are performed, because the client receives and consumes the benefit of the Company's performance throughout the contract period, or the Company creates an asset with no alternative use and is contractually entitled to payment for the performance to date in the event the client terminates the contract for convenience. For the client contracts, other than when the Company has a stand ready obligation to perform services, revenue is recognized over time using input measures that correspond to the level of staff effort expended to satisfy the performance obligation on a rate per hour or equivalent basis. For the client contracts when the Company has a stand ready obligation to perform services on an ongoing basis over the life of the contract, typically for periods up to one year, where the scope of these arrangements is broad and there are no significant gaps in performing the services, the Company recognizes revenue using a time-based measure resulting in a straight line revenue recognition. From time to time, there may be changes in the client service requirements during the term of a contract and the changes could be significant. These changes are typically negotiated as new contracts covering the additional requirements and the associated costs, as well as additional fees for the incremental work to be performed.

1.14 Principal vs. Agent

For certain contracts, the Company incurs third-party costs on behalf of clients, including direct costs and incidental or out of pocket costs. Third party direct costs incurred in connection with the creation and delivery of advertising services include, among others: purchased media, studio production services, specialized talent, including artists and other freelance labor, materials and services, and other related expenditures. Out of pocket costs include, among others: transportation, hotel, meals and telecommunication charges incurred by the Company in the course of providing services. Billings related to out-of-pocket costs are included in revenue since the Company controls the goods or services prior to delivery to the client.

The inclusion of billings related to third-party direct costs in revenue depends on whether the Company acts as a principal or as an agent in the client arrangement. In the contracts, which include studio production efforts and media planning and buying services, the Company acts as an agent and arranges, at the client's direction, for third parties to perform certain services. In these cases, the Company does not control the goods or services prior to the transfer to the client. As a result, revenue is recorded net of these costs.

For contracts entered into with Infosys, the Company's parent, the Company acts as principal when contracting for third-party services on behalf of Infosys. This is because the Company controls the specified services before they are transferred to Infosys and the Company is responsible for providing the specified services or is responsible for directing and integrating the third-party services to fulfill performance obligation outlined in the contract at an agreed upon price. In such arrangements, the Company also assumes pricing risk under the terms of the contract. For all contracts with Infosys, the Company includes the billable amounts related to third party costs in the transaction price and records revenue over time at the gross amount billed.

1.15 Variable Consideration

Some of the Company's client arrangements include variable consideration provisions, which include reconcilable fees based on actual labor hours worked on a project compared to budgeted labor hours. Variable consideration is estimated and included in total consideration at contract inception based on either the expected value method or the most likely outcome method. These estimates are based on historical experience and other factors known at the time.

1.16 Contract Assets and Contract Liabilities

The timing of revenue recognition may differ from the timing of invoicing to customers. The Group classifies its right to consideration in exchange for deliverables as either an accounts receivable or a contract asset.

Contract assets: Contract assets include unbilled amounts from projects when revenues recognized exceed the amounts invoiced to customers related to time and material contracts. Such amounts are recoverable from customers based upon various measures of performance, including achievement of certain milestones, completion of specified units, or completion of a contract. Contract assets do not include capitalized costs to obtain and fulfill a contract.

Contract liabilities: Contract liabilities from contracts arise when amounts invoiced to customers exceed revenues recognized.

Contract assets and liabilities are reported in a net position on a contract-by-contract basis at the end of each reporting period.

1.17 Advertising Costs

The Company expenses all advertising costs when incurred. Advertising expenses for the years ended December 31, 2022 and 2021 were approximately \$192,000 and \$252,000, respectively.

1.18 Income Taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net income in the statement of income 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 expense or benefit 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 Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are only included if there is greater than 50 percent likelihood of them being realized upon ultimate settlement.

The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties as income tax expense. As of December 31, 2022 and 2021, the Company does not believe that it has taken any positions that would require the recording of any additional tax liability, nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next year.

1.19 New Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, Financial Instruments Credit Losses: Measurement of Credit Losses on Financial Instruments. The new standard requires a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. The amendments broaden the information that an entity must consider in developing its expected credit loss estimate for assets measured either collectively or individually. The use of forecasted information incorporates more timely information in the estimate of expected credit loss, which will be more decision useful to users of the financial statements. The update is effective for the Company for the year ending December 31, 2023. The Company is evaluating the impact of adoption of this standard on the financial statements.

2. Concentration of Credit Risk

Substantially all of the Company's accounts receivable and revenues are generated from a small group of customers. The Company performs ongoing credit evaluations of its clients and generally does not require collateral. For the year ended December 31, 2022, one third-party customer represented approximately 16% of the Company's total revenues and approximately 25% of the Company's total accounts receivable as of December 31, 2022. For the year ended December 31, 2021, one third-party customer represented approximately 30% of the Company's total revenues and approximately 1% of the Company's total accounts receivable as of December 31, 2021. The loss of any of the Company's significant customer relationships would have a material effect on the Company's operations. See also note 7 for discussion of related party concentrations.

3. Property and Equipment

Property and equipment consist of the following:

In US$

Particulars	Year ended December 31,	
	2022	2021
Furniture, fixtures, and office equipment	735,000	1,311,000
Computer hardware and software	1,665,000	1,698,000
Leasehold improvements	1,680,000	1,660,000
	4,080,000	4,669,000
Less accumulated depreciation and amortization	(2,609,000)	(3,372,000)
Property and equipment, net	1,471,000	1,297,000

Depreciation and amortization expense related to property and equipment for the years ended December 31, 2022 and 2021 was $563,000 and $453,000, respectively. Property and equipment as of December 31, 2022 and 2021 included total cost of $145,000 and $962,000 and accumulated amortization of $72,000 and $848,000 respectively, of property and equipment held under capital leases.

4. Leases

The Company has operating leases for office spaces. The Company determines if a contract is, or contains, a lease at inception. A contract is, or contains, a lease if the contract conveys the right to control the use of identified property or equipment (an identified asset) for a period of time in exchange for consideration. The Company has the right to control the use of the identified asset when the Company has both of the following: the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. In making this determination, the Company considers all relevant facts and circumstances. Operating lease assets are included in non-current assets and operating lease liabilities are included in current and non-current liabilities on the accompanying balance sheet.

The Company's lease assets are recognized as the lease liabilities, including any initial indirect costs and any prepaid lease payments, less any lease incentives. The Company's lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. Lease payments consist of amounts relating to the use of the underlying asset during the lease term, specifically fixed payments, payments to be made in optional periods when the Company is reasonably certain to exercise an option to extend the lease or not to exercise an option to terminate the lease and the amounts probable of being owed by the Company under residual guarantees. Variable lease payments are excluded in measuring lease assets and lease liabilities because they do not depend on an index or a rate and are not in substance fixed payments. The Company's leases typically do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of future payments.

For operating leases, after lease commencement, the Company measures lease obligations for each period at the present value of any remaining lease payments, discounted by using the rate determined at lease commencement. The Company recognizes a single operating lease expense calculated on a straight-line basis over the remaining lease term. The depreciation of the lease asset increases each year as a result of the declining lease liability balance.

In the accompanying statement of income, the Company recognizes lease expense within selling, general and administration expense.

4.1 Finance Lease Liabilities

The aggregate amount of finance lease liabilities is as follows:

In US$

Particulars	Year ended December 31, 2022	2021
Finance lease liabilities	75,000	115,000
Less current portion	(31,000)	(28,000)
Finance Lease Liabilities, long term portion	44,000	87,000

The aggregate amounts of payments of finance lease liabilities as of December 31, 2022 are as follows:

In US$

Particulars	As at December 31, 2022
2023	31,000
2024	31,000
2025	16,000
Total future payments	78,000
Less amount representing interest on finance leases	(3,000)
Total finance lease liabilities	75,000

4.2 Operating Lease Liabilities

In US$

Particulars	As at December 31, 2022	2021
Operating lease liabilities	3,072,000	–
Less current portion	(1,450,000)	–
Operating Lease liabilities, long term portion	1,622,000	–

The aggregate amounts of payments of operating lease liability as of December 31, 2022 are as follows:

In US$

Particulars	Year Ending December 31, 2022
2023	1,523,000
2024	807,000
2025	451,000
2026	424,000
Total Future payments	3,205,000
Less amount representing interest on operating leases	(133,000)
Total operating lease liabilities	3,072,000

The information on the weighted average remaining lease term and weighted average discount rate for our operating leases as of December 31, 2022 is as follows:

Operating Lease Term and Discount Rate	As at December 31, 2022
Weighted average remaining lease term	2.63 years
Weighted average discount rate	3%

The supplemental cash flow and non-cash information related to our operating leases as of December 31, 2022 is as follows:

In US$

Operating Lease Term and Discount Rate	As at December 31, 2022
Cash paid for amounts included in the measurement of operating lease liabilities	1,479,000
ROU assets obtained in exchange for operating lease liabilities	2,641,000

5. Income Taxes

Income tax expense in the statements of income comprises:

In US$

Particulars	As at December 31, 2022	2021
Current income tax expense	4,002,000	267,000
Deferred income tax expense	784,000	1,143,000
Prior income tax expense	442,000	–
Total Income Tax Expense	5,228,000	1,410,000

For the year ended December 31, 2022, the difference between the provision for income taxes and the income tax determined by applying the statutory federal income tax rate of 24% to income before income taxes is primarily due to the Company's goodwill and intangible deferred tax assets recorded in the tax provision from the acquisition by Infosys, but not recorded in the financial statements, state income taxes and permanent items.

Significant components of the Company's deferred tax assets and liabilities are as follows:

In US$

Particulars	As at December 31, 2022	2021
Fixed assets	(228,000)	(155,000)
Accrued compensation	686,000	126,000
Accrued vacation	272,000	108,000
Other liabilities	–	65,000
Other assets	(183,000)	(125,000)
Goodwill and intangible assets from acquisition	8,662,000	9,859,000
Accrued payroll taxes	28,000	143,000
Net Deferred Tax Assets	9,237,000	10,021,000

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. As of December 31, 2022, the Company determined that no valuation allowance against its net deferred tax assets was necessary.

6. Contribution Plan

The Company also has a defined contribution plan pursuant to Section 401(K) of the Internal Revenue Code covering substantially all its employees in the USA. The Group's matching expense in connection with this plan for the year is $316,000 and for Previous year is $278,000.

7. Related Party Transactions

During the years ended December 31, 2022, and 2021, the Company performed certain services for Infosys. The related party accounts receivable balance at December 31, 2022 and 2021 totaled $8,657,000 and $6,437,000, respectively. Revenues from related party during the year ended December 31, 2022 is $85,950,000 from sub-contracting services and $7,260,000 from professional services performed. Revenues from the related party during the year ended December 31, 2021, is $24,528,000 from sub-contracting services and $7,149,000 from professional services performed.

In March 2022, the Company loaned $7,000,000 to Outbox Systems, Inc. (Simplus). The loan bears interest at a rate equal to the 12-month U.S. Dollar LIBOR rate plus 1.15% spread. The rate shall be revisited quarterly based on the 12 months U.S. Dollar LIBOR on the 1st day of each quarter. Interest payments are due on each anniversary date. At December 31, 2022, $7,000,000 of principal and $70,000 of accrued interest receivable are outstanding related to this loan. The principal shall be repaid in full on February 16, 2025. Therefore, the principal balance has been classified under non-current assets in the accompanying balance sheet. Interest is receivable on the anniversary date of loan disbursement each year. Therefore, the interest receivable balances have been classified under current assets in the accompanying Balance Sheet.

During the year ended December 31, 2022, the Company loaned $5,000,000 to Infosys Automotive and Mobility GmbH & Co. KG (IGAM). The loan bears interest at a rate equal to the 12-month U.S. Dollar LIBOR rate plus 2.5% spread. The rate shall be revisited quarterly based on the 12 months U.S. Dollar LIBOR on the 1st day of each quarter. Interest payments are due on each anniversary date. At December 31, 2022, $5,000,000 of principal and $169,000 of accrued interest receivable are outstanding related to this loan. The principal is repayable on demand. Therefore, the principal and interest receivable balances have been classified as other current assets under current assets in the accompanying Balance Sheet.

For the year ended December 31, 2022, revenue from the parent company represented approximately 76% of the Company's total revenues and approximately 67% of the Company's total accounts receivable as of December 31, 2022. For the year ended December 31, 2021, revenue from the parent company represented approximately 60% of the Company's total revenues and approximately 89% of the Company's total accounts receivable as of December 31, 2021.

8. Commitment and Contingencies

Liabilities for loss contingencies arising from claims, tax assessments, litigations, fines and penalties, and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated. Legal costs incurred in connection with the same are expensed as incurred.

9. Subsequent Events

The Company evaluated subsequent events and transactions that occurred after the balance sheet date through May 05, 2023, the date that the financial statements were issued. Based upon this review, other than as described below, the Company did not identify any subsequent events that could have required adjustment or disclosure in the financial statements.

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Blue Acorn iCi Inc.

Independent Auditor's Report

To the Board of Directors of Blue Acorn iCi Inc.

Opinion

We have audited the financial statements of Blue Acorn iCi Inc. (the "Company"), which comprise the Balance Sheet as of December 31, 2022, and the related statements of operations, shareholder's equity, and cash flows for the year then ended, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Change in Accounting Principle

As discussed in Note 3 to the consolidated financial statements, on January 1, 2022, the Company adopted Accounting Standards Update (ASU) No. 2016-02, Leases, (Topic 842). Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The 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, the 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 one year after the date that the financial statements are available to be issued.

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 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.

Deloitte & Touche LLP

Date: May 4, 2023

Balance Sheet

In US$

Particulars	As at December 31, 2022
ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	16,365,350
Accounts receivable, net	5,871,415
Unbilled receivables	1,834,774
Prepaid expenses and other current assets	652,104
Due from affiliates (Refer to Note 10)	4,768,270
Note receivable from affiliate (Refer to Note 10)	2,588,351
Income tax receivable	465,204
Total current assets	32,545,468
NONCURRENT ASSETS:	
Property and equipment, net (Refer to Note 4)	1,150,440
Right-of-use assets (Refer to Note 5)	4,926,620
Goodwill, net (Refer to Note 6)	1,101,304
Lease deposits	453,670
Total noncurrent assets	7,632,034
TOTAL ASSETS	40,177,502
LIABILITIES AND SHAREHOLDER'S EQUITY	
CURRENT LIABILITIES:	
Accounts payable and accrued expenses	11,922,636
Lease liabilities—current portion (Refer to Note 5)	2,429,055
Deferred revenue	234,339
Due to affiliate (Refer to Note 10)	96,538
Total current liabilities	14,682,568
NONCURRENT LIABILITIES:	
Lease liabilities (Refer to Note 5)	3,512,459
Sublease deposit (Refer to Note 5)	162,861
Total noncurrent liabilities	3,675,320
Total liabilities	18,357,888
COMMITMENTS AND CONTINGENCIES (Refer to Note 9)	
SHAREHOLDER'S EQUITY:	
Common stock—$1 par; 1,000 shares authorized, 200 shares	
issued and outstanding	200
Contributed surplus	74,314,803
Accumulated deficit	(52,495,389)
Total shareholder's equity	21,819,614
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	40,177,502

See accompanying notes to financial statements.

Statement of Operations

In US$

Particulars	Year ended December 31, 2022
REVENUE	80,513,407
COST OF REVENUE	58,687,695
GROSS PROFIT	21,825,712
EXPENSES:	
Selling, general and administrative	17,035,264
Amortization and depreciation	12,100,982
Provision for bad debt	114,881
Total expenses	29,251,127
LOSS FROM OPERATIONS	(7,425,415)
INTEREST, Net	(161,608)
LOSS BEFORE INCOME TAXES	(7,263,807)
INCOME TAX BENEFIT	(292,045)
NET LOSS	(6,971,762)

See accompanying notes to financial statements.

Statement of Shareholder's Equity

In US$

Particulars	For the year ended December 31, 2022			Total Shareholder's Equity
	Common Stock	Contributed Surplus	Accumulated Deficit	
Balance—January 1, 2022	200	74,314,803	(45,523,627)	28,791,376
Net loss	–	–	(6,971,762)	(6,971,762)
Balance—December 31, 2022	200	74,314,803	(52,495,389)	21,819,614

See accompanying notes to financial statements.

Statement of Cash Flows

In US$

Particulars	Year ended December 31, 2022
OPERATING ACTIVITIES:	
Net loss	(6,971,762)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Amortization and depreciation	12,100,982
Noncash lease expense	2,064,227
Noncash interest income on affiliate note receivable	(88,351)
Provision for doubtful accounts	114,881
Gain on the disposal of property and equipment	2,001
Changes in operating assets and liabilities:	
Accounts receivable	1,091,844
Unbilled revenue	1,210,779
Prepaid expense and other current assets	95,829
Due from affiliate	(2,246,278)
Income taxes	(870,898)
Accounts payable and accrued expenses	1,804,345
Deferred revenue	(384,437)
Operating lease liabilities	(2,298,027)
Due to affiliate	29,756
Net cash provided by operating activities	5,654,891
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of property and equipment	(278,702)
Proceeds from the sales of property and equipment	1,750
Issuance of note receivable from affiliate	(2,500,000)
Net cash used in investing activities	(2,776,952)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Repayment of finance lease liability	(39,551)
Net cash used in financing activities	(39,551)
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,838,388
CASH AND CASH EQUIVALENTS—Beginning of year	13,526,962
CASH AND CASH EQUIVALENTS—End of year	16,365,350
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION—Cash paid for income taxes, net of refunds	248,965

See accompanying notes to financial statements.

Notes to Financial Statements

As of and for the year ended December 31, 2022

1. Nature of business

Blue Acorn iCi Inc. (the "Company") provides information technology solutions, consulting, business process and commerce services to its clients to optimize and enhance the digital experience of their end customers. The Company's core competencies include software staging and deployment, system integrations, data analytics and optimization and strategic assessments. The Company was incorporated on September 13, 2017, in the state of Delaware.

Infosys Nova Holdings, LLC,("Parent Company") owns all the issued and outstanding shares of the Company. The parent Company also owned all the issued and outstanding shares of Beringer Capital Digital Group Inc., collectively with the Company doing business as Blue Acorn iCi. On January 1, 2022, the Company entered into a merger agreement whereby the Company and Beringer Capital Digital Group Inc. were consolidated into one company with Blue Acorn iCi Inc. being the surviving company. The Company recorded the transfer of net assets at the carrying amounts. Comparative financial statements are not disclosed.

2. Summary of significant accounting policies

Basis of Presentation

These financial statements have been prepared in accordance with generally accepted accounting principles for the United States of America ("US GAAP").

Use of Estimates

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. These estimates also affect the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Because of the use of estimates inherent in the financial reporting process, actual results could differ from those estimates. Significant estimates and assumptions include revenue recognition related to fixed-price estimates utilizing the percentage completion method for measuring progress, and the valuation of accounts receivable, unbilled receivables, and deferred revenue.

Credit Risk

The Company is exposed to credit risk with respect to collectability of customer accounts receivable and unbilled revenue. The Company provides for probable uncollectable amounts through a charge to net loss and a credit to a valuation allowance based on its assessment of the current status of individual contracts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and credit to accounts receivable.

Concentration Risk

The Company does not have any concentration risk with respect to revenue nor with respect to any vendors. One customer approximated 40% of accounts receivables as of December 31, 2022.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less at the date of purchase to be cash equivalents. Cash and cash equivalents are stated at cost and consist of bank deposits that, at times, may exceed federally insured limits. The balances are insured by the Federal Deposit Insurance Corporation up to $250,000. As of December 31, 2022, the Company had balances in excess of insured limits totaling $16,115,350.

Accounts Receivable

Accounts receivable are generated from service agreements for information technology solutions, consulting, and business process and commerce services. Billed amounts represent invoices that have been prepared and sent to the customer. The Company also has accounts receivable from amounts owed to the Company by various merchant service providers for customers' orders that have been paid for by the customer using credit and/or debit cards.

The Company determines the need for an allowance for doubtful accounts by evaluating the creditworthiness of each customer, historical collection experiences and other information, including the aging of the receivables. The Company evaluates the collectability of its accounts receivable on an on-going basis. Accounts receivable are written off when deemed uncollectible. The allowance for doubtful accounts was $138,104 as of December 31, 2022.

Unbilled Receivables and Deferred Revenue

The timing of revenue recognition may differ from the timing of billing and cash receipts from customers. Amounts are invoiced as work progresses, typically monthly in arrears, or upon achievement of contractual milestones. The Company records an asset when revenue is recognized prior to invoicing, or deferred revenue when cash is received in advance of satisfying the performance obligation. Unbilled receivables and deferred revenue are recorded net on a contract-by-contract basis and are generally classified as current based on the Company's contract operating cycle.

Property and Equipment

Property and equipment are recorded at cost. Expenditures for major additions and improvements are capitalized while expenditures for repair and maintenance costs are expensed as incurred. Property and equipment is depreciated on a straight-line basis over the following estimated useful lives of the assets:

Leasehold improvements	Shorter of estimated useful life or lease term
Machinery and equipment	5 years
Computer equipment and software	3–5 years
Furniture and fixtures	7 years

Assets held for disposal are reported at the lower of the carrying amount and fair value less costs to sell.

Financial Instruments

The fair value of financial instruments classified as current and non-current assets or liabilities, including accounts receivable, accounts payable and accrued liabilities and amounts due to affiliates approximates carrying value, principally due to the short maturity of those items.

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 at the measurement date. Fair value measurements are estimated based on inputs categorized as follows:

- Level 1 inputs include quoted prices (unadjusted) for identical assets or liabilities in active markets that are observable.
- Level 2 inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 inputs include unobservable inputs that reflect the Company's own assumption about what factors market participants would use in pricing the asset or liability.

When measuring fair value, the Company maximizes the use of observable inputs and minimizes the use of unobservable inputs.

Leases

Leases with a lease term of more than 12 months are classified as either finance or operating leases. Leases are classified as finance leases when the Company expects to consume a major part of the economic benefits of the leased assets over the remaining lease term. Conversely, the Company is not expected to consume a major part of the economic benefits of assets classified as operating leases. The lease classification affects both the pattern and presentation of expense recognized in the income statement, the categorization of assets and liabilities in the Balance Sheet, and classification of cash flows in the Statement of Cash Flows.

The Company made an accounting policy election not to recognize right-of-use ("ROU ") assets and lease liabilities for leases with a term of 12 months or less. Lease payments for these leases are recognized as lease costs on a straight-line basis over the lease term.

For finance leases, total lease cost is recorded on an accelerated basis whereby interest expense is recorded using the effective interest method and is included in Interest, net in the Statement of Operations. ROU assets for finance leases are amortized on a straight-line basis over the remaining lease term. Amortization expense related to finance leases is included in selling, general and administrative expenses in the Statement of Operations. For operating leases, total lease cost is measured and recorded on a straight-line basis over the lease term and is included in selling, general and administrative expenses in the Statement of Operations.

The Company has elected to apply a practical expedient under which it does not separate lease and non-lease components for its operating leases. Under the election, the Company combines base rents with fixed, non-lease common area maintenance charges and computes its lease obligations based on the combined lease and non-lease components. Lease obligations are measured and recorded at the present value of future lease payments using a discount rate. For operating leases, the Company elected to apply the practical expedient for nonpublic business entities, which allows the use of a risk-free rate for a period comparable to the lease term when the incremental borrowing rate is not readily determinable. For the finance lease, the Company used the incremental borrowing rate implicit in the respective lease agreement as the discount rate.

Certain of the Company's real estate leases contain options to renew or extend the terms of the lease, as well as termination options that could shorten the original lease term, which are included in the determination of the ROU assets and lease liabilities when it is reasonably certain that the Company will exercise the option. Lease agreements do not contain any material residual value guarantees, restrictions, or covenants.

ROU assets are generally measured and recorded at the sum of the lease obligation, any initial direct costs to consummate the lease, and any lease payments made on or before the commencement date.

Impairment of Long-Lived Assets

The Company reviews long-lived assets, including intangible assets with finite useful lives, for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. In connection with this review, the Company also re-evaluates the periods of depreciation and amortization for these assets. The Company assesses recoverability by determining whether the net book value of the related asset will be recovered through the projected undiscounted cash flows from the asset. If the Company determines that the carrying value may not be recoverable, the Company measures any impairment based on the asset's fair value as compared to its' carrying value. As of December 31, 2022, no impairment of long-lived assets was recorded.

Goodwill

Goodwill arising from historical transactions is recorded at the excess of the purchase price of an acquired subsidiary over the fair value of the net assets acquired.

The Company adopted the accounting alternative outlined in Accounting Standards Codification (ASC) 350-20, Goodwill, which allows for private companies to amortize goodwill on a straight-line basis not to exceed 10 years and test goodwill for impairment only when a triggering event occurs that indicates the fair value of an entity may be below its' carrying value. The Company amortized goodwill over an estimated useful life of 4 years based on the strategic direction of the Company. At December 31, 2022, no impairment of goodwill was recorded.

Income Taxes

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined on the basis of the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

The Company recognizes deferred tax assets to the extent that the Company believes these assets are more likely than not to be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. A valuation allowance is recorded against deferred tax assets if the Company determines that it is more likely than not that such deferred tax assets will not be realized within the foreseeable future.

Revenue Recognition

The Company's revenue is primarily derived from the planning and execution of consulting services centric to customer experience, including digital marketing and commerce application development and architecture ("Commerce Services"), data driven strategic services ("Analytic Services"), such as, design, strategic analysis, process reviews, data research and optimization, and "Experience Driven Commerce Services" including, but not limited to, website hosting, optimization services, store operations, merchant of record and customer service support.

In accordance with ASC 606, Revenue from Contracts with Customers, revenue is recognized when a customer obtains control of promised goods or services (the performance obligation) in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services (the transaction price). Revenue recognition is determined through the application of the following steps:

Step 1: Identification of the contract with a customer

Step 2: Identification of the performance obligations in the contract

Step 3: Determination of the transaction price

Step 4: Allocation of the transaction price to the performance obligations in the contract; and

Step 5: Recognition of revenue when, or as, the Company satisfies a performance obligation.

Time and Materials and Fixed-price Revenue

The Company's contracts with customers are comprised of diverse arrangements involving fees based on any one or a combination of the following: an agreed rate per hour for the level of effort expensed by the Company's resources ("Time and Materials"); a monthly fee for support services which typically are capped at a designated number of hours, and/or a fixed fee engagement which is priced based on the estimated effort to complete the identified work (collectively "Fixed Price").

Substantially all the Company's contracts provide that the Company is compensated for services performed and allow for cancellation by either party, without penalty. The Company's contracts with customers typically do not include extended warranty periods; warranty-type work is typically limited to correction to deliverables within the defined user acceptance test periods.

At contract inception, the Company assesses the services promised and identifies a performance obligation for each promise to transfer to the customer a service that is distinct. When identifying individual performance obligations, the Company considers all services promised in the contract regardless of whether they are explicitly stated in the customer contract or implied by customary business practices. For all revenue streams, the performance obligation is to provide consulting services at an agreed-upon level of effort to accomplish the specific engagement.

The transaction price of a contract is allocated to each distinct performance obligation based on its relative standalone selling price and is recognized as revenue when, or as, the customer receives the benefit of the performance obligation. The Company's customers typically receive and consume the benefit of the Company's services as they are performed. The Company's contracts with customers typically allow for the use of third-party contractors. The contractors are typically engaged to function in a staff augmentation model whereby, the Company controls the assignments and tasks to be completed; the Company retains all risks and liabilities related to the defined performance obligations. The Company maintains the relationship of a principal in the subcontracting of client work.

For Time and Material contracts, the hours of development and or support provided each day or month represents a series of distinct services that have the same pattern of transfer to the customer and thus are considered a single performance obligation. For fixed Price contracts, the performance obligations are typically based on defined deliverables within the individual contracts. For each of these contracts, the Company determines whether the performance obligations are separately identifiable (distinct) or should be combined (bundled) for measurement purposes. The Company considers:

1) The presence of a significant integration service;
2) The presence of significant modification or customization; and/or
3) The level of interdependencies between the services.

For these transactions the transaction price is allocated to the distinct and bundled performance obligations based on their standalone selling price which is the standard rate multiplied by the estimated hours to complete the performance obligation. The standard rates are those quoted to customers, which reflect a cost-plus margin approach.

A substantial portion of the Company's revenue is recognized over time, as the services are performed, because the customer receives and consumes the benefit of performance throughout the contract period (Time and Materials). For these contracts, revenue is recognized over time using the input method on the basis of hours incurred, which correspond to the level of effort expended to satisfy the performance obligation on a rate per hour or equivalent basis. The Company recognizes revenue for distinct performance obligations defined by fixed-price contracts at a point in time; upon delivery and/or completion of the performance obligation at which time value transfers to the customer. Revenue for bundled performance obligations identified within these contracts is recognized over time using the percentage of completion method.

Service Unit Revenue

Experience-Driven Commerce Service contracts allow the customer to define the performance obligation(s) by selection of specific independent services, including, but not limited to, website hosting, optimization services, store operations, merchant of record, and customer service support. The transaction price for each independent service component is based on a standard pricing model for the relevant units of effort required ("Service Unit"). The units of effort can be measured in terms of hours, volume of transactions, and/or the gross market value of the underlying product. The standard pricing of the units, for the most part, are based on cost plus margin. Merchant of record service unit revenue is recognized at the point in time in which the performance obligation has been satisfied. Website hosting service unit revenue is recognized over time using the output method based on days the website is hosted. Optimization services, store operations, and customer service support service unit revenue is recognized over time using the input method based on hours incurred.

Affiliate Revenue

The Company has entered into contractual agreements with Infosys Limited, parent of the Parent Company (Ultimate Parent Company) and subsidiaries of the Ultimate Parent Company to provide services at the direction of the affiliated company. Consistent with Time and Material contracts, the respective revenue is recognized over time using the input method based on hours incurred, which corresponds to the level of effort expended to satisfy the performance obligation on a rate per hour or equivalent basis.

Partner Referral Program Revenue

The Company partners with software and/or service providers to cross sell and market each other's products or services. In certain cases, the Company recognizes revenue based on rebates received. Because the Company is not providing the actual license, subscription and/or professional services (in most cases) which the partner is selling, the Company is an agent as defined by ASC 606. Specifically, the Company is not controlling the goods and/or services to be provided to the end customer in any way and the consideration to be received is not tied to specific services the Company is providing to the customer. The Company recognizes this revenue at the point in time in which the performance obligation has been satisfied.

Cost of Revenue

Cost of revenue consists primarily of contractor services, labor incurred, and technology platform costs and processing fees.

3. Changes in accounting policies

Recently Adopted Accounting Standards

Effective January 1, 2022, the Company adopted Accounting Standards Update (ASU) 2016-02, Leases (ASC Topic 842) and subsequent amendments. ASC Topic 842 requires an entity to recognize a ROU asset and lease liabilities on its Balance Sheet representing its right to use the underlying asset for the lease term, regardless of classification of the lease as an operating or finance lease, and to disclose key quantitative and qualitative information about lease contracts.

The Company adopted ASC Topic 842, using the modified retrospective approach, under which existing leases were measured and capitalized as of the date of adoption, January 1, 2022. The Company elected the package of practical expedients which permit the Company to avoid reassessing previous lease identifications within contracts, the existence of initial direct costs, and the lease classifications of any expired and existing leases. Moreover, in accordance with the expedients, all leases classified as operating leases under ASC Topic 840 are automatically classified as operating leases under ASC Topic 842, and all leases previously classified as capital leases are recorded as finance leases.

On January 1, 2022, the Company recognized ROU assets and lease obligations for its operating leases in the amounts of $6,895,361 and $8,187,472, respectively. As of January 1, 2022, capital lease assets and liabilities in the amounts of $95,473 and $91,608, respectively, were classified as finance leases.

Recently Issued Accounting Standards Not Yet Adopted

The Financial Accounting Standards Board has issued the following standards.

Standard		Effective Date
2016-13	Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments	January 1, 2023

The Company does not expect this update will have a material impact on its financial statements.

4. Property and equipment

Property and equipment consist of the following:

In US$

Particulars	2022		
	Cost	Accumulated Depreciation	Net Book Value
Leasehold improvements	2,306,706	1,684,661	622,045
Computer equipment and software	4,035,902	3,525,608	510,294
Furniture and fixtures	367,904	349,803	18,101
Total property and equipment—net	6,710,512	5,560,072	1,150,440

Depreciation expense for the year ended December 31, 2022 was $398,633.

5. Leases

The Company leases administrative facilities in Boulder, Co; Charleston, SC; and Raleigh, NC and an administrative and distribution facility in Shelton, CT, all under operating leases. The Company also has a finance lease for furniture and fixtures.

As of December 31, 2022, the Company's operating leases have a weighted-average remaining term of 3.20 years and the Company's finance lease has a remaining term of 1.42 years. The weighted-average discount rate was 2.53% for the Company's operating leases and 5.29% for its finance lease.

As of December 31, 2022, the Company had no additional operating and finance leases commitments that have not yet commenced.

As of December 31, 2022, right-of-use assets related to operating and finance leases are as follows:

In US$

Particulars	Right-of-Use Asset	Accumulated Amortization	Net Book Value
Operating leases	6,895,374	2,024,721	4,870,653
Finance lease	95,473	39,506	55,967
Total	6,990,847	2,064,227	4,926,620

As of December 31, 2022, liabilities related to operating and finance leases are as follows:

In US$

Particulars	Current Portion	Non-Current Portion	Total
Operating leases	2,387,359	3,502,098	5,889,457
Finance lease	41,696	10,361	52,057
Total	2,429,055	3,512,459	5,941,514

The components of lease cost for the year ended December 31, 2022, are as follows:

In US$

Particulars	Year ended December 31, 2022
Finance lease cost:	
Amortization of right-of-use assets	39,506
Interest on lease liabilities	3,896
Operating lease cost	2,216,753
Short-term lease costs	59,863
	2,320,018
Less sublease income	943,089
Total lease cost	1,376,929

The Company entered into a sublease agreement for the Shelton, CT warehouse portion of the facility in 2019, which continued through June 2022. The Company then entered a subsequent sublease for the entire facility, which commenced on July 15, 2022 and expires on June 30, 2024. The future minimum lease income from the remaining sublease agreement totals $1,253,451 and $636,778 for the years ending December 31, 2023 and 2024, respectively.

Cash paid during the year ended December 31, 2022, for amounts included in the measurement of lease liabilities is as follows:

In US$

Particulars	Year ended December 31, 2022
Operating cash flows used for operating leases	2,367,995
Operating cash flows for finance leases	3,896
Financing cash flows for finance leases	39,551
Total	2,411,442

Future minimum lease payments, as of December 31, 2022, are as follows:

In US$

Particulars	As at December 31, 2022	
	Operating	Financing
2023	2,496,538	43,448
2024	1,690,195	10,862
2025	748,447	–
2026	598,299	–
2027	511,561	–
Total undiscounted future lease payments	6,045,040	54,310
Less imputed interest	(155,583)	(2,253)
Total lease obligations	5,889,457	52,057

6. Goodwill

Goodwill consists of the following:

In US$

Particulars	Cost	Accumulated Amortization	Net Book Value
Goodwill	53,659,424	52,558,120	1,101,304

Amortization expense for the year ended December 31, 2022 was $11,620,815. The remaining net book value of goodwill will be amortized in full during the year ending December 31, 2023.

7. Revenue recognition

For the year ended December 31, 2022, revenue was disaggregated into the following categories:

In US$

Particulars	Commerce Services	Analytics Services	Experience-Driven Commerce Services	Affiliate Revenue	Other	Total
Time and materials	28,223,986	2,037,300	701,684	40,850,776	–	71,813,746
Fixed-price	239,511	–	1,821,148	–	–	2,060,659
Service unit	–	–	5,858,967	–	–	5,858,967
Partner rebates	–	–	–	–	780,035	780,035
Total revenue	28,463,497	2,037,300	8,381,799	40,850,776	780,035	80,513,407

8. Income taxes

The provision for income taxes for the year ended December 31, 2022 is as follows:

In US$

Particulars	Year ended December 31, 2022
Current:	
Federal	(279,953)
State	(12,093)
Total current	(292,046)
Deferred—	
Federal	–
Provision for income taxes	(292,046)

The effective income tax rates for 2022 differ from the federal statutory rates principally because of the effect of valuation allowance, state income taxes, and other non-deductible expenses.

The components of the deferred tax assets and liabilities as of December 31, 2022 are as follows:

In US$

Particulars	As at December 31, 2022
Goodwill amortization	10,804,000
Property and equipment depreciation	(299,114)
Accrued expenses and allowances	196,884
Leases	263,872
Net operating loss	3,323,577
Valuation allowance	(14,289,219)
Net deferred tax asset	–

The Company continually assesses the realizability of its deferred tax assets. Due to the history of losses, the Company concluded that it was not more likely not to realize the net deferred tax asset. Therefore, the Company recorded a full valuation allowance on its net deferred tax asset as of December 31, 2022. The valuation allowance increased by $2,252,392 during the year ended December 31, 2022.

As of December 31, 2022, the Company had federal operating loss ("NOL") carryforwards of approximately $12,782,990 which carry forward indefinitely. The utilization of the federal and state net operating loss carryforwards may be subject to limitation under the rules regarding a change in stock ownership as determined by the Internal Revenue Code or the laws of the respective state. Additionally, the indefinite lived Federal NOL's will be limited to 80% of taxable income in future tax years.

The Company has determined that there are no significant tax positions that result in uncertainty requiring recognition as at and for the year ended December 31, 2022. The Company recognizes interest and penalties accrued related to any unrecognized tax benefits in interest within the statement of operations. As of December 31, 2022, the Company had no accrued interest and penalties related to unrecognized tax benefits. Tax years 2018–2021 remain open to audit in the federal and state jurisdictions in which the Company operates.

9. Commitments and contingencies

Periodically, the Company may be involved in claims and other legal matters. The Company records accruals for loss contingencies to the extent that management concludes that it is probable that a liability has occurred, and the amount of the related loss can be reasonably estimated. Legal fees and other expenses related to litigation are expensed as incurred and included in selling, general and administrative expenses within the statement of operations.

10. Related party transactions

During the year ended December 31, 2022 the Company recognized both revenue and expenses related to services provided to/from related parties as follows:

In US$

Particulars	Year ended December 31, 2022	
	Revenue	Expenses
Ultimate Parent Company	39,149,756	418,215
Subsidiary of ultimate parent company	1,701,020	44,721
	40,850,776	462,936

Due from and to affiliates reflect payments due to/from the Parent Company and its subsidiaries. These amounts are non-interest bearing, due on demand, and measured at the exchange amount. At December 31, 2022, the related party balances were as follows:

In US$

Particulars	Year ended December 31, 2022	
	Due From Affiliate	Due to Affiliate
Parent Company	4,607,366	92,705
Subsidiaries of Parent Company	160,904	3,833
	4,768,270	96,538

On August 25, 2021, Beringer Capital Digital, Inc. ("Original Lender") entered into a loan agreement with the Parent Company to provide funding up to $5 million to the Parent Company for potential merger and acquisition related activities. The funding can be disbursed in multiple tranches with interest charged at a rate equal to the 12 months USD Libor plus 1.25%. Interest is payable on the anniversary date of fundings or upon repayment of principal, whichever comes first. Principal payments are to be made on demand. The loan agreement was amended on April 1, 2022, to name the Company as the Original Lender and for the Company to assume and fulfill all obligations of the Original Lender under the loan agreement. No disbursements of funds have been made under the loan agreement to date.

On June 15, 2022, the Company entered into a loan agreement with a subsidiary of the Parent Company to provide $2.5 million for working capital needs. The loan was fully funded upon execution and bears interest equal to the 12-month USD LIBOR rate plus 2.5%, adjusted quarterly. Interest is payable at the time of repayment or on the anniversary date each, whichever comes first. The principal amount of the loan is repayable on demand. As of December 31, 2022, principal and accrued interest totaled $2,588,351.

11. Retirement plans

The Company sponsors a 401K plan which cover all employees. The plan provides for safe harbor employer matching contributions. Employer matching contributions to the retirement plan for the year ended December 31, 2022, were $796,969.

12. Subsequent events

Management has evaluated subsequent events through May 4, 2023, the date on which the financial statements were available to be issued and no other events were noted.

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Outbox Systems, Inc. dba Simplus (US).

Independent Auditors' Report

To the Board of Directors of Outbox Systems, Inc. dba Simplus

Opinion

We have audited the accompanying consolidated financial statements of Outbox Systems, Inc. dba Simplus and subsidiaries (collectively, the Company), which comprise the consolidated Balance Sheets as of January 31, 2023 and 2022, and the related consolidated statements of operations, stockholders' equity, and cash flows for the fiscal years then ended, and the related notes to consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Outbox Systems, Inc. dba Simplus and subsidiaries as of January 31, 2023 and 2022, and the results of their operations and their cash flows for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America (US GAAP).

Basis for opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' 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 the Management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with US GAAP, 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, the 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 within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 US 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 US 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 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 the 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 audits.

Tanner LLC

April 28, 2023

Consolidated Balance Sheets

(In US$)

Particulars	Years ended January 31, 2023	2022
Assets		
Current assets :		
Cash and cash equivalents	11,852,498	14,253,902
Accounts receivable, net of allowance of US$ 1,232,137 and US$ 973,515, respectively	13,299,607	14,472,115
Prepaid expenses and other	1,940,971	1,885,607
Total current assets	27,093,076	30,611,624
Goodwill, net	12,380,899	14,657,480
Property and equipment, net	672,663	1,045,079
Other long-term assets	235,782	49,662
Total assets	40,382,420	46,363,845
Liabilities and stockholders' equity		
Current liabilities :		
Accounts payable	711,391	921,660
Accrued expenses	18,355,468	23,627,566
Loan from affiliate	7,108,845	–
Deferred revenue	729,674	1,385,983
Other current liabilities	375,000	185,784
Total current liabilities	27,280,378	26,120,993
Other long-term liabilities	32,297	212,888
Total liabilities	27,312,675	26,333,881
Commitments and contingencies		
Stockholders' equity :		
Common stock held by Infosys, par value US$ 0.001 per share, 100 shares designated, 10 shares issued and outstanding as of January 31, 2023 and January 31, 2022	–	–
Additional paid-in capital	65,122,057	65,083,457
Accumulated deficit	(52,052,312)	(45,053,493)
Total stockholders' equity	13,069,745	20,029,964
Total liabilities and stockholders' equity	40,382,420	46,363,845

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

Consolidated Statements of Operations

(In US$)

Particulars	Years ended January 31, 2023	2022
Professional and managed services revenues, net	98,944,486	97,899,750
Cost of professional services	68,168,757	61,035,593
Gross profit	30,775,729	36,864,157
Operating expenses:		
Sales and marketing	19,731,178	19,490,544
General and administrative	14,549,931	20,477,830
Depreciation and amortization	2,838,879	2,786,406
Total operating expenses	37,119,988	42,754,780
Loss from operations	(6,344,259)	(5,890,623)
Other income (expense):		
Interest income	63,230	9,434
Interest expense	(298,580)	(30,680)
Realized FX gains (losses), net	(215,764)	(635,343)
Other income, net	16,220	58,135
Total other income (expense), net	(434,894)	(598,454)
Net loss before provision for income taxes	(6,779,153)	(6,489,077)
Provision for income taxes	219,667	53,777
Net loss	(6,998,820)	(6,542,854)

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

Consolidated Statements of Stockholders' Equity

For the fiscal years ended January 31, 2023 and January 31, 2022

(In US$)

Particulars	Preferred stock		Common stock		Additional paid-in capital	Accumulated deficit	Total stockholders' equity
	Shares	Amount	Shares	Amount			
Balance, January 31, 2021	–	–	10	–	55,816,632	(38,510,639)	17,305,993
Contribution from parent	–	–	–	–	9,000,000	–	9,000,000
Other	–	–	–	–	266,825	–	266,825
Net loss	-	–	–	–	–	(6,542,854)	(6,542,854)
Balance, January 31, 2022	–	–	10	–	65,083,457	(45,053,493)	20,029,964
Other	–	–	–	–	38,600	–	38,600
Net loss	–	–	–	–	–	(6,998,820)	(6,998,820)
Balance, January 31, 2023	–	–	10	–	65,122,057	(52,052,312)	13,069,745

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

Consolidated Statements of Cash Flows

For the fiscal years ended January 31,

(In US$)

Particulars	Years ended January 31, 2023	2022
Cash flows from operating activities:		
Net loss	(6,998,820)	(6,542,854)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Bad debt expense	559,576	936,651
Depreciation and amortization	2,838,879	2,786,406
Amortization of right-of-use asset	173,065	–
Change in operating assets, liabilities:		
Accounts receivable	800,393	(4,248,408)
Prepaid expenses and other current assets	(120,086)	(507,300)
Accounts payable and accrued expenses	(5,699,235)	9,422,451
Deferred revenue	(658,545)	(673,150)
Operating lease liability	(358,315)	–
Other non-current assets and liabilities	27,165	237,489
Net cash provided by (used in) operating activities	(9,435,923)	1,411,285
Cash flows from investing activities:		
Purchases of property and equipment	(207,859)	(604,966)
Proceeds on disposal of fixed assets	3,059	–
Net cash used in investing activities	(204,800)	(604,966)
Cash flows from financing activities:		
Borrowings from (repayments to) affiliate	7,108,845	(5,043,895)
Contributions from parent	–	9,000,000
Net cash provided by financing activities	7,108,845	3,956,105
Effect of exchange rates on cash and cash equivalents	130,474	95,071
Net increase in cash and cash equivalents	(2,401,404)	4,857,495
Cash and cash equivalents as of beginning of the fiscal year	14,253,902	9,396,407
Cash and cash equivalents as of end of the fiscal year	11,852,498	14,253,902
Supplemental disclosure:		
Cash paid for interest	$189,735	$43,895

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

Notes to Consolidated Financial Statements

1. Description of organization and summary of Significant Accounting Policies

Organization

Outbox Systems, Inc. was incorporated on September 12, 2014 as a Delaware corporation. On April 14, 2015, Outbox Systems, Inc. began operating under the business name of Simplus. Outbox Systems, Inc. dba Simplus (Simplus) is a platinum Salesforce partner and leading provider of quote-to-cash implementations. Simplus provides advisory, implementation, change management, custom configuration, and managed services for the following Salesforce platforms : CPQ, Billing, Sales Cloud, Service Cloud, Community Cloud, MuleSoft, and CLM.

In March 2020, the Company entered into an agreement for all the Company's outstanding common stock to be acquired by Infosys Limited (Infosys), a consulting and information technology company based in India. Outbox Systems, Inc. and its subsidiaries are now wholly-owned subsidiaries of Infosys. These financials do not include any pushdown accounting adjustments relating to the acquisition of the Company by Infosys.

Consolidated financial statements

The consolidated financial statements include the accounts of Simplus and its wholly-owned subsidiaries: Simplus ANZ, Pty Ltd, Simplus Australia, Pty Ltd., and Simplus Philippines Inc. (SPI) (collectively, the Company). SPI provides managed services and implementation services for the Company's customers and performs certain administrative and information technology functions for the Company. Simplus Australia performs quote-to-cash implementation services in their respective regions. All material intercompany accounts and transactions have been eliminated in consolidation.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (US GAAP) requires the Management to make estimates and assumptions that affect reported amounts and disclosures. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about the carrying values of assets and liabilities as well as the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates. Key management estimates include allowances for doubtful accounts receivable, the estimated useful life of goodwill, recognition of revenues and sales credits, and valuation allowances for net deferred income tax assets.

Concentrations of credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk primarily comprise cash and cash equivalents and accounts receivable.

In the normal course of business, the Company provides unsecured credit terms to its customers and requires no collateral. The Company maintains allowances for estimated losses, which, when realized, have been within the range of Management's expectations.

The Company maintains its cash in bank deposit accounts which balances, at times, exceed federally insured limits. To date, the Company has not experienced a lack of access to its cash.

On March 10, 2023, the FDIC seized control of Silicon Valley Bank (SVB) due to liquidity crisis at SVB. As of January 31, 2023, the Company had deposits of US$ 192,758 at SVB. These deposits qualify for FDIC insurance as they do not exceed the US$ 250,000 per depositor account limit. Management of the Company believes that the risk of loss is remote as the U.S. Federal Government has guaranteed 100% of all deposits.

One non-related-party customer accounted for 16% of accounts receivable as of January 31, 2023 and 15% of accounts receivable as of January 31, 2022. Non-related-party customer accounted for 10% of revenue for the fiscal years ended January 31, 2023 or January 31, 2022.

Cash and cash equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Carrying amounts approximate fair value. Cash equivalents, which consisted of money market funds, totaled US$ 192,758 and US$ 7,690,376 as of January 31, 2023 and January 31, 2022, respectively.

Accounts receivable

The Company records its trade receivables at sales value and allowances are provided for customer accounts as collection problems become known due to insolvency, disputes or other issues. The amounts of these allowances reduce accounts receivables to the estimated net realizable value as estimated by Management based on the customer's financial condition, age of the customer's receivables, and changes in payment trends. Accounts outstanding longer than the contracted payment terms are considered past due. Accounts receivable are written off when Management determines the likelihood of collection is remote. Recoveries of accounts receivable previously written off are recorded as income when the cash is received.

Goodwill

Goodwill represents the excess of the cost of an acquired entity over the net fair value of the identifiable assets acquired and liabilities assumed. The Company uses the simplified approach under US GAAP and included all customer related intangible assets and non-competition agreements acquired in goodwill. Goodwill is stated at cost less accumulated amortization. Amortization expense is determined using the straight-line method over the estimated useful life of 10 years. The Company assesses goodwill for impairment at the entity level, whenever a triggering event occurs that indicates the fair value of the Company may be below its carrying amount. As of January 31, 2023, the Management determined that the Company's goodwill was not impaired.

Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is provided on a straight-line basis over the estimated useful lives. Estimated useful lives for financial reporting purposes are determined based on the expected term the asset is expected to be utilized.

Revenue recognition

The Company generates revenue through the performance of professional services, either in a time-and-materials-based contract or through a managed-services contract. We determine revenue recognition through the following steps:

- Identification of the contract with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when, or as, we satisfy a performance obligation.

Revenue is presented as net of sales credits, which are recognized proportionate to revenue over the estimated life of the project.

Performance obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account under Topic 606 (see Recent Accounting Pronouncements below). The transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied by transferring the promised good or service to the customer. The Company identified and tracks performance obligations at contract inception so that the Company can monitor and account for the performance obligations over the life of the contract.

Materially, all of the Company's contracts are single performance obligation arrangements – either a professional services implementation project or a managed services arrangement.

Professional services

Revenue from professional services typically comprises implementation or other consulting services. Professional services are typically sold on a time-and-materials basis. The Company recognizes time-and-materials arrangements as the services are performed. Services are invoiced either bi-monthly or monthly, and payments are typically due 30 days after the invoice.

Managed services

Revenue from managed services is recognized ratably over the term of the arrangement, typically either one-year or three-years in length. The services are typically invoiced monthly, and payments are typically due 30 days after invoice.

Disaggregated revenue

The Company disaggregates revenue from contracts with customers by geography and by the product type, as it believes it best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

The Company's revenue by geography for the fiscal years ended January 31 is as follows:

(In US$)

Particulars	Years ended January 31,	
	2023	2022
North America	80,837,144	83,119,123
Asia Pacific	18,107,342	14,780,627
Total	98,944,486	97,899,750

The Company's revenue by offering is as follows for the fiscal years ended January 31:

(In US$)

Particulars	Years ended January 31,	
	2023	2022
Professional services	82,311,194	81,614,826
Managed services	16,633,292	16,284,924
Total	98,944,486	97,899,750

Deferred revenue

Deferred revenue primarily comprises cash deposits or payments received in advance of revenue recognition and is recognized as the revenue recognition criteria are met. The Company generally invoices customers semi-monthly as work is performed or monthly based on contractual terms.

Practical expedients and exemptions

There are several practical expedients and exemptions allowed under Topic 606 that impact timing of revenue recognition and the Company's disclosure. Listed below are the practical expedients the Company applied in the adoption of Topic 606.

- The Company does not evaluate a contract for significant financing component if payment is expected within one year or less from the transfer of promised items to the customer.

Costs to obtain and fulfill a contract

The Company's incremental direct costs of obtaining a contract consist of sales commissions. The Company's policy is to pay sales commission upon invoicing. As the invoicing occurs consistent with when the revenue is recognized, the timing of the expensing of the contract asset matches the revenue recognition.

Cost of professional services

Cost of professional services primarily comprises employee-related costs associated with the delivery of these services, the cost of subcontractors and certain third-party fees, as well as any expenses incurred by these personnel that are not billed to the customer.

Advertising

Advertising costs are expensed as incurred. Advertising expenses, including sponsorships and events, totaled US$ 1,244,334 and US$ 1,064,555 for the fiscal years ended January 31, 2023 and January 31, 2022, respectively.

Income taxes

The Company recognizes deferred income tax assets and liabilities for temporary differences between the financial reporting and tax reporting bases of the Company's assets and liabilities, and expected benefits of utilizing net operating loss carryforwards.

The impact on deferred income taxes of changes in tax rates and laws, if any, applied to the years during which temporary differences are expected to be settled, is reflected in the consolidated financial statements in the period of enactment. The Company records net deferred income tax assets to the extent it believes these assets will more likely than not be realized. In making such determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies and recent financial operations. In the event the Company determines it would be able to realize its deferred income tax assets in the future in excess of their recorded amount, the Company would make an adjustment to the valuation allowance which would reduce the provision for income taxes.

The Company recognizes an income tax benefit from an uncertain tax position only if it is "more likely than not" that the position is sustainable upon examination, including resolutions of any related appeals or litigation processes, based on its technical merits. The income tax benefit of a qualifying position is the largest amount of income tax benefit that is greater than 50% likely of being realized upon settlement with a tax authority having full knowledge of all relevant information. The liability for unrecognized income tax benefits is classified as non-current unless the liability is expected to be settled in cash within 12 months of the reporting date. The Company records any estimated interest or penalties from the uncertain tax position as income tax expense. As of January 31, 2023, the Company had no uncertain tax positions that qualify for either recognition or disclosure in the consolidated financial statements. The Company has no federal or state income tax return examinations in progress.

Leases

Leases with a lease term of more than 12 months are classified as either finance or operating leases. Leases are classified as finance leases when the Company expects to consume a major part of the economic benefits of the leased assets over the remaining lease term. Conversely, the Company is not expected to consume a major part of the economic benefits of assets classified as operating leases. The lease classification affects both the pattern and presentation of expense recognized in the income statement, the categorization of assets and liabilities in the Balance Sheet, and classification of cash flows in the statement of cash flows.

The Company made an accounting policy election not to recognize right-of-use (ROU) assets and lease liabilities for leases with a term of 12 months or less. Lease payments for these leases are recognized as lease costs on a straight-line basis over the lease term.

The Company has elected to apply a practical expedient under which it does not separate lease and non-lease components for its operating leases Under the election, the Company combines base rents with fixed, non-lease common area maintenance charges and computes its lease obligations based on the combined lease and non-lease components. Lease obligations are measured and recorded at the present value of future lease payments using a discount rate. For operating leases, the Company elected to apply the practical expedient for non-public business entities, which allows using a risk-free rate for a period comparable to the lease term when the incremental borrowing rate is not readily determinable. For finance leases, the Company uses the incremental borrowing rate implicit in the respective lease agreement as the discount rate.

Certain real estate leases of the Company contain options to renew or extent the terms of the lease, as well as termination options that could shorten the original lease term. These are included in the determination of the ROU assets and lease liabilities when it is reasonably certain that the Company will exercise the option.

ROU assets are generally measured and recorded at the sum of the lease obligation, any initial direct costs to consummate the lease, and any lease payments made on or before the commencement date. Lease agreements do not contain any material residual value guarantees, restrictions, or covenants.

Recent accounting pronouncements

Effective February 1, 2022, the Company adopted Accounting Standards Update (ASU) 2016-02, Leases (ASC Topic 842) and subsequent amendments. The standard requires an entity to recognize a ROU asset and lease liability on its balance sheet representing its right to use the underlying asset for the lease term, regardless of classification of the lease as an operating or finance lease, and to disclose key quantitative and qualitative information about lease contracts. The criteria for distinction between a finance lease and an operating lease are substantially similar to the previous lease guidance for capital leases and operating leases.

The Company adopted ASC Topic 842, using the modified retrospective approach, under which existing leases were measured and capitalized as of the date of adoption, February 1, 2022, in lieu of applying the standard retrospectively to February 1, 2021. Accordingly, the financial statements for periods prior to February 1, 2022 were not modified for the application of ASC Topic 842 and are presented under ASC Topic 840, Leases. Additionally, as part of the implementation, the Company elected the package of practical expedients which permit the Company to avoid reassessing previous lease identifications within contracts, the existence of initial direct costs, and the lease classifications of any expired and existing leases. Moreover, in accordance with the expedients, all leases classified as operating leases under ASC Topic 840 are automatically classified as operating leases under the new standard, and all leases previously classified as capital leases are recorded as finance leases.

On February 1, 2022, the Company recognized ROU assets and lease obligations for its operating leases to amount US$ 366,960 and US$ 765,632, respectively.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which requires the measurement and recognition of expected credit losses for financial assets held at amortized cost, which includes the Company's accounts receivables and contract assets. ASU 2016-13 replaces the existing incurred loss impairment model with an expected loss methodology, which will generally result in more timely recognition of credit losses. ASU 2016-13 is effective for the Company on February 1, 2023. The Company adoption of ASU 2016-13 did not have a material impact on its consolidated financial statements.

2. Goodwill

Goodwill consisted of the following:

(In US$)

Particulars	Years ended January 31,	
	2023	2022
Goodwill	22,765,818	22,765,818
Less: Accumulated amortization	(10,384,919)	(8,108,338)
	12,380,899	14,657,480

Amortization related to goodwill was US$ 2,276,581 and US$ 2,276,582 for the fiscal years ended January 31, 2023 and January 31, 2022, respectively.

3. Property and equipment

Property and equipment and accumulated depreciation and amortization were as follows:

(In US$)

Particulars	Estimated useful lives	Years ended January 31,	
		2023	2022
Leasehold improvements	5 years	942,231	943,623
Furniture and fixtures	5 years	2,528	360,965
Equipment	3-5 years	1,499,123	983,816
Other	5 years	1,627	1,675
Total property and equipment		2,445,509	2,290,079
Accumulated depreciation and amortization		(1,772,846)	(1,245,000)
Total property and equipment, net		672,663	1,045,079

Depreciation and amortization associated with property and equipment was US$ 562,298 and US$ 509,824 for the fiscal years ended January 31, 2023 and January 31, 2022, respectively.

4. Accrued expenses

Accrued expenses consisted of the following:

(In US$)

Particulars	Years ended January 31,	
	2023	2022
Accrued compensation	8,336,132	13,635,532
Retention bonus accrual	7,326,903	7,879,314
Reimbursable expenses	199,969	177,740
Other accrued expenses	2,492,464	1,934,980
	18,355,468	23,627,566

The Company has credit card lines of credit with a borrowing capacity of US$ 1,050,000. These are secured by all assets of the Company and mature in August 2023, and are utilized by employees to purchase reimbursable expenses. The interest rates range from 13.1% to 16.1%.

5. Debt

Debt consisted of the following:

(In US$)

Particulars	Years ended January 31,	
	2023	2022
Unsecured loan payable to Wongdoody (an Infosys affiliate), bears interest at an interest rate equal to LIBOR plus 1.15% interest (6.60% as of January 31, 2023). The principal amount of the loan is payable on demand.	7,108,845	–
	7,108,845	–
Less: Current portion	(7,108,845)	–
Long-term debt	–	–-

On February 28, 2023, the Company borrowed an additional US$ 3,000,000 tranche available on the unsecured loan payable to Wongdoody. The terms of the additional tranche are the same as the terms noted above.

6. Equity

Preferred stock

In March 2020, all the Company's common stock and preferred stock was acquired by Infosys and consolidated into 10 shares of common stock.

7. Commitments And contingencies

Litigation

The Company is involved in legal proceedings from time to time arising in the normal course of business. The Management, after consultation with legal counsel, believes that the outcome of these proceedings will not have a material impact on the Company's financial position, results of operations, or liquidity.

Leases

As of January 31, 2023, ROU assets and lease liabilities related to operating leases was US$ 193,876 and US$ 407,297, respectively. ROU assets are included in other long-term assets, lease liabilities are included in other current liabilities and other long-term liabilities in the accompanying consolidated Balance Sheet.

Supplemental cash flow information related to leases is as follows:

(In US$)

Particulars	Year ended 2023
Cash paid for amounts included in the measurement of operating lease liabilities	367,616
Right-of-use assets obtained in exchange for operating lease liabilities	366,960

No additional leases were capitalized in 2023.

Maturities of lease liabilities, including principal and interest, as at January 31, 2023, were as follows:

(In US$)

Fiscal years ending January 31,	
2024	378,644
2025	32,339
Less: Implied interest	(3,686)
Ending liability	407,297

As at January 31, 2023, we have no additional operating and finance leases commitments that have not yet commenced.

8. Income taxes

The domestic and foreign components of income before provision (benefit) from income taxes are as follows:

(In US$)

Particulars	Years ended January 31,	
	2023	2022
Domestic	(10,068,300)	(6,332,452)
Foreign	3,289,147	(156,626)
	(6,779,153)	(6,489,078)

The federal income tax provision differed from the federal income tax provision (benefit) computed at the statutory rate for the following reasons for the fiscal years ended:

(In US$)

Particulars	Years ended January 31,	
	2023	2022
Federal income tax benefit at statutory rate	(1,288,513)	(1,362,706)
State income tax benefit, net of federal tax benefit	(236,175)	(340,804)
Permanent difference related to stock compensation expense and goodwill amortization	831,386	597,672
Prior period tax expense	–	(63,096)
Change in tax rate	96,779	(28,406)
Change in valuation allowance	551,665	992,787
Other	264,525	258,331
	219,667	53,777

9. Income taxes

Deferred income tax assets (liabilities) consisted of the following as of:

(In US$)

Particulars	Years ended January 31,	
	2023	2022
Net operating loss carryforwards	9,447,691	9,325,867
Accrued expenses and allowances	905,875	360,965
Lease	53,033	–
Depreciation	(22,953)	(21,382)
Prepaid expenses	(214,037)	–
Intangibles	496,913	431,474
Interest limitation carryforward	–	17,933
Valuation allowance	(10,666,522)	(10,114,857)
	–	–

Deferred income taxes reflect the tax effect of temporary differences between the bases of assets and liabilities for financial reporting and tax reporting purposes. The Company establishes a valuation allowance if it is more likely than not these assets will not be realized. Annually, the valuation allowance is reviewed and adjusted based on management's assessments of realizability. The Management has evaluated the available evidence about future taxable income and other possible sources of realization of deferred income tax assets. The Company has decided to account deferred tax assets on carry forward and temporary differences based on the future projection available which shows that sufficient profit will be available to offset deferred tax assets accounted.

As of January 31, 2023, the Company has net operating loss (NOL) carryforwards available to offset future taxable income of approximately US$ 36 million, which will begin to expire in 2036. The utilization of the NOL carryforwards is subject to annual limitations under Section 382 of the Internal Revenue Code. Section 382 imposes limitations on a corporation's ability to utilize its NOL carryforwards if it experiences an 'ownership change.' In general terms, an ownership change results from transactions increasing the ownership of certain stockholders in the stock of a corporation by more than 50% over a three-year period.

10. Employee benefit plan

The Company has a defined contribution plan eligible to employees that meet certain requirements. The Company makes matching contributions to the plan. Matching contributions made to the plan by the Company for the fiscal years ended January 31, 2023 and January 31, 2022 totaled US$ 903,397 and US$ 1,129,900, respectively.

11. Related-party transactions

During the fiscal year ended January 31, 2023, the Company performed certain services for Infosys, the Company's parent as of March 13, 2020. The related party receivable balance as of January 31, 2023 and January 31, 2022 was US$ 3,863,118 and US$ 3,373,380, respectively, included in accounts receivable on the accompanying consolidated Balance Sheet. Revenues from Infosys during the 2023 and 2022, totaled US$ 45,931,037 and US$ 25,918,983, respectively. The professional services performed by Infosys for Simplus totaled US$ 1,450,549 and US$ 987,341, respectively. The related party payables totaled US$ 371,237 and US$ 40,965, respectively. As of January 31, 2023, Simplus had borrowings of 7,108,845 from an Infosys affiliate. For the fiscal year ended January 31, 2023, revenue from Infosys represented approximately 46% of the Company's total revenues and approximately 27% of the Company's total accounts receivable. For the fiscal year ended January 31, 2022, revenue from Infosys represented approximately 26% of the Company's total revenues and approximately 23% of the Company's total accounts receivable.

12. Subsequent events

Management has evaluated events and transactions for potential recognition or disclosure through April 28, 2023, which is the date the financial statements were available to be issued.

Infosys Compaz Pte. Ltd.

Directors' statement

We are pleased to submit this Annual Report to the members of the Company, together with the audited financial statements for the financial year ended 31 March 2023.

In our opinion:

(a) the financial statements set out on pages FS1 to FS34 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2023 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date, in accordance with the provisions of the Companies Act 1967, Singapore Financial Reporting Standards (International) and International Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has on the date of this statement, authorized these financial statements for issue.

Directors

The directors in office at the date of this statement are as follows:

Alan Raymond Thompson	(Appointed on 27 June 2022)
	(Chairman)
Andrew Stewart Groth	
Salil Satish Parekh	
Windy Chandra	(Resigned on 2 February 2023)
	(Appointed on 2 February 2023)
	(Alternate director to Baskararao Paidithali)
Baskararao Paidithali	(Appointed on 2 February 2023)
Lim Ming Pey	(Resigned on 27 June 2022)
	(Alternate director to Jonathon Revill Christopher Allaway)
	(Resigned on 2 February 2023)
	(Alternate director to Windy Chandra)
	(Appointed on 2 February 2023)
	(Alternate director to Alan Raymond Thompson)
Jonathon Revill Christopher Allaway	(Resigned on 27 June 2022)
Manohar Madgula Atreya	(Chief Executive Officer)

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 ("the Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of the year / date of appointment	Holdings at end of the year
Andrew Stewart Groth		
Infosys Limited		
Stock Incentive Rewards Program Share Plan		
- ADR RSU	34,038	19,741
- ADR PSU	22,000	16,667
Salil Satish Parekh		
Infosys Limited		
Employee Stock Options (ESOP)	673,723	786,658

Name of director and corporation in which interests are held	Holdings at beginning of the year / date of appointment	Holdings at end of the year
Manohar Madgula Atreya		
Infosys Limited		
Employee Stock Options (ESOP)	3,625	–
Equity shares held in demat account	11,305	13,550
Cash Grants	1,800	13,770

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Share options

During the financial year, there were :

(ii) no options granted by the Company to any person to take up unissued shares in the Company; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under options.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Alan Raymond Thompson
Director

Manohar Madgula Atreya
Director & Chief Executive Officer

May 29, 2023]

Independent auditors' report

Members of the Company

Infosys Compaz Pte. Ltd.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Infosys Compaz Pte. Ltd. (the "Company"), which comprise the statement of financial position as at 31 March 2023, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS34.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act"), Singapore Financial Reporting Standards (International) ("SFRS(I)s") and International Financial Reporting Standards ("IFRSs"), so as to give a true and fair view of the financial position of the Company as at 31 March 2023 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code"), together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information contained in the Annual Report. Other information is defined as all information in the Annual Report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements 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 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. 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 management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, SFRS(I)s and IFRSs, and for devising and maintaining a system of internal accounting controls. These accounting controls should be sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, transactions are properly authorized and that they are recorded, as is necessary, to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditors' 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, arising due to fraud or error, and to issue an auditors' 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 SSAs 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 SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, arising 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit 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 controls.
- Evaluate the appropriateness of accounting policies used, and the reasonableness of accounting estimates and related disclosures made by 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 auditors' 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 auditors' 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 directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

KPMG LLP

Public Accountants and

Chartered Accountants

Singapore

May 31, 2023

Statement of financial position

(In SG $)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
Assets			
Property, plant and equipment	4	5,344,318	3,934,709
Deferred tax assets	8	484,640	937,017
Non-current assets		5,828,958	4,871,726
Contract assets	14	1,983,677	3,900,271
Trade and other receivables	5	37,615,320	22,502,540
Cash and cash equivalents	6	34,168,910	27,951,586
Current assets		73,767,907	54,354,397
Total assets		79,596,865	59,226,123
Equity			
Share capital	7	2,600,000	2,600,000
Reserves		35,523,691	29,703,697
Total equity		38,123,691	32,303,697
Liabilities			
Employee benefits	10	185,604	533,041
Provision for reinstatement cost	11	298,867	291,463
Lease liabilities	12	4,094,344	2,561,746
Non-current liabilities		4,578,815	3,386,250
Trade and other payables	9	23,705,013	14,786,163
Employee benefits	10	2,226,136	1,920,743
Contract liabilities	14	9,451,995	3,179,963
Current tax payable		741,132	2,865,144
Lease liabilities	12	770,083	784,163
Current liabilities		36,894,359	23,536,176
Total liabilities		41,473,174	26,922,426
Total equity and liabilities		79,596,865	59,226,123

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

Statement of comprehensive income

(In SG$)

Particulars	Note	Years ended March 31, 2023	2022
Revenue	14	102,509,769	92,481,417
Cost of sales		(84,312,096)	(69,796,028)
Gross profit		18,197,673	22,685,389
Other income		276	10,000
Administrative expenses		(11,509,633)	(9,652,632)
Results from operating activities		6,688,316	13,042,757
Finance income	15	362,916	11,322
Finance costs	15	(81,676)	(85,897)
Net finance income / (cost)		281,240	(74,575)
Profit before income tax	16	6,969,556	12,968,182
Tax expense	17	(787,194)	(1,786,991)
Profit for the year, representing total comprehensive income for the year		6,182,362	11,181,191

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

Statement of changes in equity

(In SG $)

Particulars	Share capital	Accumulated profits	Total equity
As at 1 April 2021	2,600,000	38,522,506	41,122,506
Total comprehensive income for the year			
Profit for the year	–	11,181,191	11,181,191
Total comprehensive income for the year	–	11,181,191	11,181,191
Transactions with owners, recognized directly in equity			
Distributions to owners of the Company			
Interim tax-exempt (one-tier) dividend paid	–	(20,000,000)	(20,000,000)
	–	(20,000,000)	(20,000,000)
As at 31 March 2022	2,600,000	29,703,697	32,303,697
As at 1 April 2022	2,600,000	29,703,697	32,303,697
Adjustment on Onerous Contract application of SFRS(I)37	–	(362,368)	(362,368)
Adjusted balance ascat 1 April 2022	2,600,000	29,341,329	31,941,329
Total comprehensive income for the year			
Profit for the year	–	6,182,362	6,182,362
Total comprehensive income for the year	–	6,182,362	6,182,362
As at 31 March 2023	2,600,000	35,523,691	38,123,691

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

The statement of cash flows is as follows :

(In SG $)

Particulars	Note	Years ended March 31, 2023	2022
Cash flows from operating activities			
Profit before income tax		6,969,556	12,968,182
Adjustments for:			
Depreciation of property, plant and equipment	4	1,206,505	1,456,225
Reversal allowance on doubtful debts	13	(40,280)	(86,815)
Finance income	15	(362,916)	(11,322)
Finance costs	15	81,676	85,897
		7,854,541	14,412,167
Changes in working capital:			
Trade and other receivables		(15,072,500)	(2,920,247)
Contract assets		1,916,594	2,250,890
Trade and other payables		8,556,482	(294,875)
Contract liabilities		6,272,032	(56,972)
Employee benefits		(42,044)	(264,395)
Cash generated from operating activities		9,485,105	13,126,568
Income tax paid		(2,458,829)	(1,675,816)
Net cash from operating activities		7,026,276	11,450,752
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(224,549)	(222,219)
Interest income received	15	362,916	11,322
Net cash from / (used in) investing activities		138,367	(210,897)
Cash flows from financing activities			
Payments of lease liabilities	12	(873,047)	(784,096)
Dividend paid to owners of the Company		–	(20,000,000)
Interest paid	12	(74,272)	(79,683)
Net cash used in financing activities		(947,319)	(20,863,779)
Net increase / (decrease) in cash and cash equivalents		6,217,324	(9,623,924)
Cash and cash equivalents as at 1 April		27,951,586	37,575,510
Cash and cash equivalents as at 31 March	6	34,168,910	27,951,586

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

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorized for issue by the Board of Directors on [date of signing].

1 Domicile and activities

Infosys Compaz Pte. Ltd. ("the Company") is a company incorporated in the Republic of Singapore. The address of the Company's registered office is 401 Commonwealth Drive #05-01 Haw Par Techno Centre, Singapore 149598.

The principal activities of the Company are those relating to the provision of computer consultancy services.

The immediate holding company during the financial year is Infosys Singapore Pte. Ltd. (f.k.a Infosys Consulting Pte Ltd.), a company incorporated in the Republic of Singapore. The ultimate holding company is Infosys Limited, a company incorporated in India.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") and International Financial Reporting Standards ("IFRSs"). SFRS(I)s are issued by the Accounting Standards Council, which comprise standards interpretations that are equivalent to IFRSs issued by the International Accounting Standards Board.

All references to SFRS(I)s and IFRSs are subsequently referred to as SFRS(I)s in these financial statements unless otherwise specified.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis, except as otherwise described in the notes below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars (SG$), which is the Company's functional currency.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with SFRS(I)s and IFRSs requires Management to make judgements, estimates and assumptions that affect the application of 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 estimates are revised and in any future periods affected.

Information on areas involving a higher degree of judgement or areas where estimates are significant to the financial statements are set out in note 21.

2.5 Changes in accounting policies

New standards and amendments

The Company has applied the following SFRS(I)s, the amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 April 2022:

- Amendment to SFRS(I) 16: COVID-19-Related Rent Concessions beyond 30 June 2021
- Amendment to SFRS(I) 1-16: Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to SFRS(I) 1-37: Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to SFRS(I)s 2018-2020

Other than the amendments relating to SFRS(I) 1-37: Onerous Contracts – Cost of Fulfilling a Contract, the application of these amendments to standards and interpretations does not have a material effect on the financial statements.

The Company has adopted Amendments to SFRS(I) 1-37: Onerous Contracts – Cost of Fulfilling a Contract from 1 April 2022. This resulted in a change in accounting policy for performing an onerous contracts assessment. Previously, the Company included only incremental costs to fulfil a contract when determining whether that contract was onerous. The revised policy is to include both incremental costs and an allocation of other direct costs.

The amendments apply prospectively to contracts existing at the date when the amendments are first applied. The Company has analyzed all contracts existing at 1 April 2022, and has determined that some of them would be identified as onerous applying the revised accounting policy – i.e. there is an impact on the opening equity balances as at 1 April 2022 as a result of the change.

The impact on adoption is summarized as follows:

Impact on item in the statement of financial position

(In SG$)

Particulars	As at March 31,	
	2023	2022
Retained earnings	362,368	–

There was no material impact either on other comprehensive income, or the basic and diluted earnings per share, or statement of cash flows for the financial year ended 31 March 2023 as a result of applying the amendments.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 2.5, which addresses changes in accounting policies.

3.1 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at amortized cost.

Financial assets are not reclassified subsequent to their initial recognition, unless the Company changes its business model for managing financial assets. In such a case, all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal amount.

Financial assets : Business model assessment

The Company assesses the objective of the business model, in which a financial asset is held, at a portfolio level because this best reflects the way the business is managed and information is provided to Management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether Management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets.
- How the performance of the portfolio is evaluated and reported to the Company's management.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected.
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Non-derivative financial assets : Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time, and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion, if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Non-derivative financial liabilities : Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Directly attributable transaction costs are recognized in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. These financial liabilities comprised of trade and other payables.

(iii) Derecognition

Financial assets

The Company derecognizes a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either,
  - substantially all the risks and rewards of ownership of the financial asset are transferred; or
  - the Company neither transfers nor retains substantially all the risks and rewards of ownership, and it does not retain control of the financial asset.

Transferred assets are not derecognized when the Company enters into transactions, whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(iv) Offsetting

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

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less, from the date of acquisition, that are subject to an insignificant risk of changes in their fair value and are used by the Company in the management of its short-term commitments.

(vi) Share capital

Ordinary shares

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

3.2 Property, plant and equipment

Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the costs of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for their intended use, estimated costs of dismantling and removing the items and restoring the site on which they are located when the Company has an obligation to remove the asset or restore the site, and capitalized borrowing costs.

Purchased software, that is integral to the functionality of the related equipment, is capitalized as part of that equipment. When 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.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item, if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and, if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognized in the profit or loss on a straight-line basis to write down the cost of property, plant and equipment to its estimated residual value over the estimated useful lives (or lease term, if shorter) of each part of an item of property, plant and equipment.

Depreciation is recognized from the date the property, plant and equipment are installed and ready for use, or in respect of internally constructed assets, from the date the asset is completed and ready for use. No depreciation is provided on construction work-in-progress until the related property, plant and equipment is ready for use.

The estimated useful lives for the current and comparative years are as follows:

Buildings	1 to 6 years
Leasehold improvements	5 years
Plant and machinery	5 years
Computers and software	3 to 5 years
Office furniture and equipment	5 years

Depreciation methods, useful lives, and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.3 Impairment

(i) Non-derivative financial assets and contract assets

The Company recognizes loss allowances for expected credit losses ("ECLs") on

- financial assets measured at amortized costs; and
- contract assets (as defined in SFRS(I) 15).

Loss allowances of the Company are measured on either of the following bases:

- 12-month ECLs: These are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: These are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Company applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Company applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- the financial asset is more than a reasonable number of days past due.

The Company considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract, such as a default or is more than a reasonable number of days past due.
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- It is probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortized cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities to comply with the Company's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets, are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are 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. For impairment testing, assets that cannot be tested individually 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.

Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

Impairment losses recognized in prior periods are assessed at each Balance Sheet date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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.

3.4 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity 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 an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

Short-term employee benefits

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

Training pool provisions

Training pool provisions are related to funds disbursed by its former immediate holding company for the training of staff. A liability is recognized for the amount expected to be utilized for the staff training and reduced by training attended by employee in the periods during which related services are rendered to employees.

3.5 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, and a reliable estimate can be made of the amount of the obligation.

3.6 Leases

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. 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.

(i) As a lessee

At the commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative standalone prices. However, for the leases of property, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, either if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'lease liabilities' in the statement of financial position.

3.7 Government grants

Government grants related to assets are initially recognized as deferred income at fair value when there is reasonable assurance that they will be received, and the Company will comply with the conditions associated with the grant. These grants are then recognized in profit or loss as 'other income' on a systematic basis over the useful life of the asset. Grants that compensate the Company for expenses incurred are recognized in profit or loss as deduction against salary cost on a systematic basis over financial periods, unless the conditions for receiving the grant are met after the related expenses have been recognized. In this case, the grant is recognized when it becomes receivable.

3.8 Revenue

Revenue from professional services and information technology services in the ordinary course of business are recognized when the Company satisfies a performance obligation ('PO') by transferring control of a promised good or service to the customer. The amount of revenue recognized is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative standalone selling prices of the promised goods and services. The individual standalone selling price of a good and service that has not previously been sold on a standalone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and / or services with observable standalone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

Transaction price is the amount of consideration in the contract to which the Company expects to be entitled in exchange for transferring the promised goods and services. The transaction price may be fixed or variable and is adjusted for time value of money, if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Company does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognized at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognized based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

3.9 Finance income and costs

The Company's finance income and finance costs include:

- interest income; and
- interest expense.

Interest income or expense is recognized using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3.10 Income tax

Tax expense comprises current and deferred tax. Tax expense is recognized in the profit or loss, except to the extent that it relates to a business combination, to items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the Balance Sheet date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income losses, if any.

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

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

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognizing deferred tax.

The measurement of deferred taxes 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 is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

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 temporary differences can be utilized. Deferred tax assets are reviewed at each Balance Sheet date, and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

In determining the amount of current and deferred tax, the Company considers the impact of uncertain tax positions, and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions, and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities, such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.11 New standards and interpretations not adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 April 2022 and earlier application is permitted. However, the Company has not early adopted the new or amended standards in preparing these financial statements.

The following new SFRS(I)s and amendments to SFRS(I)s are not expected to have a significant impact on the Company's financial statements.

- Deferred tax related to assets and liabilities arising from a Single Transaction (Amendments to SFRS(I) 1-12)
- Classification of liabilities as current or non-current (Amendments to SFRS(I) 1-1)
- SFRS(I) 17 Insurance contracts and amendments to SFRS(I) 17 Insurance Contracts
- Disclosure of accounting policies (Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2)
- Definition of accounting estimates (Amendments to SFRS(I) 1-8)

4 Property, plant and equipment

(In SG$)

Particulars	Building	Plant and machinery	Computers and software	Office improvement, furniture and equipment	Total
Cost					
At 1 April 2021	5,602,637	54,300	25,426,322	2,136,203	33,219,462
Additions	–	–	216,483	5,736	222,219
Write off	–	–	(2,876,320)	–	(2,876,320)
At 31 March 2022	5,602,637	54,300	22,766,485	2,141,939	30,565,361
At 1 April 2022	5,602,637	54,300	22,766,485	2,141,939	30,565,361
Additions	2,335,613	–	204,735	75,766	2,616,114
Write off	–	–	(9,697,218)	(47,296)	(9,744,514)
At 31 March 2023	7,938,250	54,300	13,274,002	2,170,409	23,436,961
Accumulated depreciation					
At 1 April 2021	1,529,870	24,985	24,634,905	1,860,987	28,050,747
Depreciation for the year	786,287	9,529	470,108	190,301	1,456,225
Write off	–	–	(2,876,320)	–	(2,876,320)
At 31 March 2022	2,316,157	34,514	22,228,693	2,051,288	26,630,652
At 1 April 2022	2,316,157	34,514	22,228,693	2,051,288	26,630,652
Depreciation for the year	846,600	8,045	272,231	79,629	1,206,505
Write off	–	–	(9,697,218)	(47,296)	(9,744,514)
At 31 March 2023	3,162,757	42,559	12,803,706	2,083,621	18,092,643

Particulars	Building	Plant and machinery	Computers and software	Office improvement, furniture and equipment	Total
Carrying amounts					
At 1 April 2021	4,072,767	29,315	791,417	275,216	5,168,715
At 31 March 2022	3,286,480	19,786	537,792	90,651	3,934,709
At 31 March 2023	4,775,493	11,741	470,296	86,788	5,344,318

As at 31 March 2023, property, plant and equipment includes right-of-use assets of SG$ 4,775,493 (2022 : SG$ 3,286,480) and SG$ 43,920 (2022 : SG$ 17,225) related to leased building and office equipment and furniture respectively.

5 Trade and other receivables

(In SG$)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
Current assets			
Trade receivables			
Ultimate holding company		294,034	431,278
Related corporations		21,570,390	11,135,036
Third parties		3,856,108	1,574,186
	14	25,720,532	13,140,500
Accrued revenue	14	5,580,130	4,926,401
Deposits		361,778	291,436
Other receivables		252,015	14,096
Non-trade receivables			
Immediate holding company		640,075	–
Financial assets at amortized cost		32,554,530	18,372,433
Prepayments		5,060,790	4,130,107
		37,615,320	22,502,540

The Company's exposure to credit and currency risks, and impairment losses for trade and other receivables are disclosed in note 13.

Non-trade amount due from immediate holding company is unsecured, interest-free and repayable on demand.

6 Cash and cash equivalents

(In SG$)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash at bank	1,272,428	6,917,619
Fixed deposits	32,896,482	21,033,967
	34,168,910	27,951,586

The weighted average effective interest rate relating to fixed deposits at the Balance Sheet date for the Company are 3.00% – 4.66% (2022: 0.01% – 0.10%) per annum.

Included in the Company's cash and cash equivalents are amounts of SG$ 34,168,910 (2022 : SG$ 27,951,586) placed with a financial institution who is also a related corporation.

7 Share capital

(In SG$)

Particulars	As at March 31,	
	2023	2022
	No. of shares	No. of shares
Ordinary shares		
At 1 April and 31 March	1,000,000	1,000,000

The holder of ordinary shares is entitled to receive dividends as declared from time to time, and is entitled to one vote per share at meetings of the Company. All shares rank equally with regards to the Company's residual assets.

All issued shares are fully paid.

Dividends

The following exempt (one-tier) dividends were declared and paid by the Company:

(In SG$)

Particulars	Years ended March 31,	
	2023	2022
Paid by the Company to the owners of the Company		
SG$ Nil per ordinary share (2022 : SG$ 20 per ordinary share)	–	20,000,000

8 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

(In SG $)

Particulars	Assets		Liabilities	
	2023	2022	2023	2022
Plant and equipment	–	–	86,921	105,232
Employee benefits	(547,881)	(1,009,785)	–	–
Trade receivable	(23,680)	(32,464)	–	–
Deferred tax (assets) / liabilities	(571,561)	(1,042,249)	86,921	105,232

Movement in deferred tax balances during the year:

(In SG$)

Particulars	At April 1, 2021	Recognized in profit or loss (note 17)	At March 31, 2022	Recognized in profit or loss (note 17)	At March 31, 2023
Plant and equipment	168,003	(62,771)	105,232	(18,311)	86,921
Employee benefits	(1,007,944)	(1,841)	(1,009,785)	461,904	(547,881)
Trade receivable	(58,521)	26,057	(32,464)	8,784	(23,680)
	(898,462)	(38,555)	(937,017)	452,377	(484,640)

9 Trade and other payables

(In SG$)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payables:		
Ultimate holding company	9,805,159	1,491,074
Immediate holding company	3,141,244	935,266
Related corporations	726,249	108,476
Third parties	1,129,462	414,613
Other payables	2,247,616	1,275,446
Accruals	6,479,794	10,466,155
Non-trade payables:		
Ultimate holding company	175,489	20,797
Related corporations	–	74,336
	23,705,013	14,786,163

Non-trade amounts due to ultimate holding company are unsecured, interest-free and repayable on demand.

Non-trade amounts due to related corporations were unsecured, interest-free and fully repaid during the year.

The Company's exposure to liquidity risk related to trade and other payables is disclosed in note 13.

10 Employee benefits

(In SG$)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Short-term accumulating compensated absences	1,514,986	1,336,354
Training plan	711,150	547,565
Bonus plan	–	36,824
	2,226,136	1,920,743
Non-current		
Training plan	185,604	533,041

11 Provision for reinstatement cost

The movement for provision for reinstatement and redecoration of office premise is as follows:

(In SG$)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Beginning of financial year	291,463	285,249
Unwind of discount	7,404	6,214
End of financial year	298,867	291,463

This provision relates to cost of dismantling and removing assets, and restoring the premise to its original condition as stipulated in the operating lease agreement. The Company expects to incur the liability upon termination of the lease. The provision is measured at the best estimate of the expenditure required and timing of outflows, to settle the present obligation at the end of each reporting period.

12 Lease liabilities

(In SG$)

Particulars	As at March 31, 2023	As at March 31, 2022
Current	770,083	784,163
Non-current	4,094,344	2,561,746
	4,864,427	3,345,909

Information about the Company's exposure to interest rate and liquidity risk is included in note 13.

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

(In SG $)

Particulars	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount
2023					
Lease liabilities	SGD	1.58% - 4.10%	2024 - 2029	5,481,552	4,864,427
2022					
Lease liabilities	SGD	1.58% – 2.63%	2023 – 2026	3,495,158	3,345,909

Reconciliation of movements of liabilities to cash flows arising from financing activities is as follows:

(In SG$)

Particulars	Lease liabilities
Balance at 1 April 2021	4,130,005
Changes from financing cash flows	
Payment of lease liabilities	(784,096)
Interest paid	(79,683)
Total changes from financing cash flows	(863,779)
Other changes	
Interest expense	79,683
Total other changes	79,683
Balance at 31 March 2022	3,345,909
Balance at 1 April 2022	3,345,909
Changes from financing cash flows	
Payment of lease liabilities	(873,047)
Interest paid	(74,272)
Total changes from financing cash flows	(947,319)
Other changes	
Reassessment of lease	2,391,565
Interest expense	74,272
Total other changes	2,465,837
Balance at 31 March 2023	4,864,427

In 2023, the Company has exercised its renewal option relating to lease of its office premise for another 3 years, resulting in an increase of lease liabilities and right-of-use assets amounting to SG$ 2,391,565.

13 Financial instruments

Overview

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

The Board of Directors oversees the management in monitoring compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's loans and receivables. The Company does not hold any collateral in respect of their financial assets.

Exposure to credit risk

The Company limits its exposure to credit risk by mainly investing in low-risk funds managed by Singapore financial institutions.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

Expected credit loss assessment for trade receivables, accrued revenue and contract assets.

The Company uses a provision matrix to measure the lifetime credit loss allowance for trade receivables, accrued revenue and contract assets. In measuring the expected credit losses, trade receivable and contract assets are grouped based on shared credit risk characteristics, such as customer types and days past due.

In calculating the expected credit loss rates, the Company considers loss rates for each category of customers, based on actual credit loss experience for the last three years. The resultant impact arising from expected credit loss was not material.

The information about the exposure to credit risk for trade receivables, accrued revenue and contract assets as at 31 March is as follows:

(In SG$)

Particulars	Lifetime ECL – not impaired	Lifetime ECL – credit impaired
2023		
Current (not past due)	29,429,846	–
1 – 30 days past due	1,709,597	–
31 – 60 days past due	543,102	–
More than 60 days past due	1,601,794	139,295
Gross carrying amount	33,284,339	139,295
Loss allowance	–	(139,295)
Carrying amount	33,284,339	–
2022		
Current (not past due)	18,896,447	–
1 – 30 days past due	2,416,321	–
31 – 60 days past due	276,597	–
More than 60 days past due	377,807	190,964
Gross carrying amount	21,967,172	190,964
Loss allowance	–	(190,964)
Carrying amount	21,967,172	–

Movements in allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

(In SG$)

Particulars	As at March 31,	
	2023	2022
Balance as at 1 April	190,964	344,244
Reversal of impairment losses previously recognized	(40,280)	(86,815)
Bad debts written off	(11,389)	(66,465)
Balance as at 31 March	139,295	190,964

The Company believes that the unimpaired amounts, that are past due by more than 60 days, are still collectible in full, based on historic payment behavior and analysis of customer credit risk, including underlying customers' credit ratings, when available.

Non-trade receivables due from immediate holding company

The Company considers the non-trade amounts due from immediate holding company to have a low credit risk by taking into consideration the financial ability of the immediate holding company to settle the amount due from it on estimating the risk of default used in measuring ECL. The resultant loss allowance is expected to be insignificant.

Other financial assets

Impairment loss on these other financial assets have been measured on the 12-month expected loss basis and reflects the short-term maturities of the exposures. The Company considers that remaining receivables to have low credit risk based on the external credit ratings of the counterparties.

Cash and cash equivalents

Cash and fixed deposits are placed with banks and financial institutions which are regulated. At the Balance Sheet date, 100% (2022: 100%) of the Company's cash and cash equivalents are placed with financial institutions with credit-rating of A-1 and above. Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis, and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's objective when managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements are as follows:

(In SG $)

Particulars	Carrying amount	Contractual cashflow	Within 1 year	2 to 5 years
31 March 2023				
Non-derivative financial liability				
Trade and other payables	23,705,013	(23,705,013)	(23,705,013)	–
Lease liabilities	4,864,427	(5,481,552)	(947,171)	(4,534,381)
	28,569,440	(29,186,565)	(24,652,184)	(4,534,381)
31 March 2022				
Non-derivative financial liability				
Trade and other payables	14,786,163	(14,786,163)	(14,786,163)	–
Lease liabilities	3,345,909	(3,495,158)	(847,029)	(2,648,129)
	18,132,072	(18,281,321)	(15,633,192)	(2,648,129)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

As at Balance Sheet date, the Company is not exposed to significant currency risks.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flow of the Company's financial instruments will fluctuate because of changes in market interest rates. As at Balance Sheet date, the Company is not exposed to significant interest rate risk.

Capital management

The capital management of the Company is determined and managed by the immediate holding company as part of the operations of the Company. The Company's capital comprises its share capital and accumulated profits.

There were no changes in the Company's approach to capital management during the year.

The Company is not subject to externally imposed capital requirements.

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(In SG$)

Particulars	Note	Financial assets at amortized cost	Other financial liabilities	Total carrying amounts
2023				
Financial assets not measured at fair value				
Trade and other receivables (excluding prepayments)	5	32,554,530	–	32,554,530
Cash and cash equivalents	6	34,168,910	–	34,168,910
		66,723,440	–	66,723,440
Financial liabilities not measured at fair value				
Trade and other payables	9	–	23,705,013	23,705,013

Particulars	Note	Financial assets at amortized cost	Other financial liabilities	Total carrying amounts
2022				
Financial assets not measured at fair value				
Trade and other receivables (excluding prepayments)	5	18,372,433	–	18,372,433
Cash and cash equivalents	6	27,951,586	–	27,951,586
		46,324,019	–	46,324,019
Financial liabilities not measured at fair value				
Trade and other payables	9	–	14,786,163	14,786,163

The notional amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period of maturity.

14 Revenue

(In SG$)

Particulars	As at March 31,	
	2023	2022
Professional services fee income	57,301,018	44,596,469
Smart messaging services fee income	8,926,032	11,374,687
Utility computing services fee income	27,371,241	28,146,456
IT security services fee income	8,911,478	8,363,805
	102,509,769	92,481,417

The information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies is as follows:

Revenue stream

Nature of goods or services	The Company generates revenue from providing IT consultancy services (which includes professional service, smart messaging services, utility computing services and IT security services).
When revenue is recognized	Revenue is recognized when these services are delivered to the customer and all criteria for acceptance have been satisfied. These contracts qualify for over time revenue recognition and the Company generally has enforceable rights to payment for performance completed till date. The stage of completion is assessed by reference to the contract effort incurred till date in proportion to the estimated total effort of each contract.
Significant payment terms	Payment is due either when services are rendered to the customers or when milestones are met or progress billing to the customer are based on a payment schedule in the contract that is dependent on the achievement of specified milestones. If the value of the services rendered exceeds the payments received from the customer, a contract asset is recognized.
Obligations for returns and refunds, if any	Revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Therefore, the amount of revenue recognized is adjusted based on availability of supporting documents. The Company reviews its estimate of revenue at each reporting date and updates the amounts of the assets and liabilities accordingly.

Disaggregation of revenue from contracts with customers

In the following table,revenue from contracts with customers is disaggregated by primary geographical markets, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Company's reportable segments.

(In SG$)

Particulars	IT consultancy	
	As at March 31,	
	2023	2022
Primary geographical markets		
Singapore	102,509,769	92,481,417
	2023	2022
Major products / service line		
Sale of services	102,509,769	92,481,417
Timing of revenue recognition		
Products and services transferred over time	102,509,769	92,481,417

Contract balances

The information about receivables, contract assets and contract liabilities from contracts with customers is as follows:

(In SG$)

Particulars	Note	As at March 31,	
		2023	2022
Trade receivables	5	25,720,532	13,140,500
Accrued revenue	5	5,580,130	4,926,401
Contract assets		1,983,677	3,900,271
Contract liabilities		(9,451,995)	(3,179,963)
		23,832,344	18,787,209

The contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date on services rendered, and project completion. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Company invoices the customer.

The contract liabilities primarily relate to advance consideration received from customers for projects over a period of time.

Significant changes in the contract assets and the contract liabilities balances during the year are as follows:

(In SG$)

Particulars	Contract assets		Contract liabilities	
	2023	2022	2023	2022
Revenue recognized that was included in the contract liability balance at the beginning of the year	–	–	2,331,175	2,783,485
Increase due to cash received, excluding amounts recognized as revenue during the year	–	–	(8,603,207)	(2,726,512)
Contract assets reclassified to trade receivable	(3,900,271)	(6,151,161)	–	–
Changes in measurement of progress	1,983,677	3,900,271	–	–

Actual agreements and service orders are used to estimate the total contract costs to complete. In making these estimates, Management has relied on the expertise of project managers as well as timesheets to determine the progress of the projects. The estimated total contract costs are reviewed every reporting period and adjusted where necessary, with the corresponding adjustment to profit margin being recognized prospectively from the date of change.

Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognized in the future related to performance obligations that are unsatisfied (or partially satisfied) at the reporting date.

(In SG$)

Particulars	2024	2025	2026	Total
2023				
IT consultancy services	45,142,586	21,997,901	50,210,773	117,351,260

Particulars	2023	2024	2025	Total
2022				
IT consultancy services	15,237,133	4,903,518	625,571	20,766,222

Variable consideration, that is constrained and, therefore, not included in the transaction price, is excluded from the amount presented above.

The Company applies the practical expedient in paragraph 121 of SFRS(I) 15 and does not disclose information about its remaining performance obligations if :

- the performance obligation is part of a contract that has an original expected duration of one year or less; or
- the Company has a right to invoice a customer in an amount that corresponds directly with its performance to date, then it recognizes revenue in that amount.

15 Finance income and costs

(In SG$)

Particulars	As at March 31,	
	2023	2022
Interest income under the effective interest method on:		
Fixed deposits	**362,916**	11,322
Finance income	**362,916**	11,322
Lease liabilities	**(74,272)**	(79,683)
Unwind of discount for provision for reinstatement cost	**(7,404)**	(6,214)
Finance costs	**(81,676)**	(85,897)
Net finance costs	**281,240**	(74,575)

16 Profit before income tax

The items that have been included in arriving at profit before income tax are as follows :

(In SG$)

Particulars	As at March 31,	
	2023	2022
Depreciation of plant and equipment	**1,206,505**	1,456,225
Staff costs	**39,841,819**	35,468,292
Contributions to defined contribution plans, included in staff costs	**2828,711**	2,731,389
Government grant income, included in staff cost	**(594,268)**	(471,542)
Provision made for unconsumed leave	**655,910**	1,955,802
Legal and professional fee	**973,719**	1,800,596

In 2023, the Company has received government grant income related to Job Growth Incentive, an incentive to support employers to expand local hiring amounting to SG$ 594,268 (2022: Job Growth Incentive of SG$ 471,542).

17 Income tax expense

(In SG$)

Particulars	Note	As at March 31,	
		2023	2022
Current tax expense			
Current year		741,133	2,337,525
Over provision in prior years		(406,316)	(511,979)
		334,817	1,825,546
Deferred tax expense			
Origination and reversal of temporary differences	8	452,377	(38,555)
Income tax expense		787,194	1,786,991
Reconciliation of effective tax rate			
Profit before income tax		6,969,556	12,968,182
Income tax using Singapore tax rate of 17% (2022 : 17%)		1,184,825	2,204,591
Tax incentives		(36,291)	(40,366)
Non-deductible expenses		62,424	65,134
Income not subject to tax		(17,425)	(17,425)
Others		(23)	87,036
Over provision in prior years		(406,316)	(511,979)
		787,194	1,786,991

18 Leases

Leases as lessee (SFRS(I) 16)

The Company leases office and office equipment. The leases typically run for a period of three years, with an option to renew the lease after that date.

The office leases were entered into many years ago and were classified previously as operating leases under SFRS(I) 1-17.

Information about leases for which the Company is a lessee is is as follows:

(In SG$)

Particulars	Building	Office furniture and equipment	Total
Balance at 1 April 2022	3,286,480	17,225	3,303,705
Depreciation charge for the year	(846,600)	(29,257)	(875,857)
Reassessment of right-of-use assets	2,193,644	–	2,193,644
Additions to right-of-use assets	141,969	55,952	197,921
Balance at 31 March 2023	4,775,493	43,920	4,819,413
Balance at 1 April 2021	4,072,767	47,042	4,119,809
Depreciation charge for the year	(786,287)	(29,817)	(816,104)
Balance at 31 March 2022	3,286,480	17,225	3,303,705

Amounts recognized in profit or loss

(In SG$)

Particulars	As at March 31,	
	2023	2022
Leases under SFRS(I) 16		
Interest on lease liabilities	74,272	79,683

Amounts recognized in statement of cash flows

(In SG $)

Particulars	As at March 31,	
	2023	2022
Total cash outflow for leases	947,319	863,779

Extension options

Some property leases contain extension options exercisable by the Company up to three months before the end of the non-cancellable contract period. Where applicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses at the lease commencement date, whether it is reasonably certain to exercise options. The Company reassesses whether it is reasonably certain to exercise the options, if there is a significant event or significant changes in circumstances within its control.

The Company has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in lease liability of SG$ 110,994 (2022 : SG$ 0).

19 Commitments

License and Maintenance contracts

The Company has entered into contracts for the license and maintenance of certain software and equipment. The non-cancellable expenses are payable as follows :

(In SG$)

Particulars	As at March 31,	
	2023	2022
Within one year	1,532,438	3,770,286
Between one and five years	915,277	1,470,467
	2,447,715	5,240,753

20 Related parties

Key management personnel compensation

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

Key management personnel compensation comprised:

(In SG$)

Particulars	As at March 31,	
	2023	2022
Short-term employee benefits	1,638,433	2,185,717
Contributions to defined contribution plans	11,768	39,884
	1,650,201	2,225,601

No directors fees was proposed in respect of the financial year ended 31 March 2023 (2022 : SG$ 0).

Other related party transactions

For the purpose of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities. Other than as disclosed elsewhere in the financial statements, the transactions with related parties during the year based on terms agreed between the parties are as follows :

(In SG$)

Particulars	As at March 31,	
	2023	2022
Ultimate holding company		
Professional services fee income	3,821,844	3,546,707
Smart messaging services fee income	143,365	–
Utility computing services fee income	282,488	–
IT security services fee income	16,255	–
Reimbursement of expenses	(114)	(120,602)
Manpower cost recovery	(23,743,961)	(14,675,851)
Immediate holding company		
Manpower cost recovery	(4,403,595)	(2,650,443)
Related corporations		
Professional services fee income	39,995,964	36,894,854
Smart messaging services fee income	8,500,634	10,849,675
Utility computing services fee income	26,414,416	27,961,128
IT security services fee income	8,704,544	7,178,176
Manpower cost recovery	(1,036,330)	(617,370)
Information technology services and internet services expense	(4,592,516)	(4,142,373)

21 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated, and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Information about assumptions and estimation uncertainties, that have a significant risk of resulting in a material adjustment within the next financial year and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are discussed below :

Impairment of financial assets

The Company maintains impairment loss at a level considered adequate to provide for potential uncollectible receivables. The level of this allowance is evaluated by the Company based on factors that affect the collectability of the accounts. These factors include, but not limited to, the length of the Company's relationship with the debtors, their payment behavior and known market factors. The Company reviews the age and status of receivables and identifies accounts which require allowance to be made on a continuous basis. The amount and timing of recorded expenses for any period would differ if the Company made different judgement or utilized different estimates. An increase in the Company's impairment loss would increase the Company's recorded other expenses and decrease current assets.

IT consultancy services contracts

The Company accounts for revenue and profit based on the stage of completion of individual contracts. The amount of revenue and profit recognized depends on Management's assessment on the stage of completion and the forecast profit of each contract. Changes in conditions and circumstances over time can result in variations to the original terms, including cost overruns which may require further negotiation and settlements resulting in penalties and provision for losses.

Significant judgements are used to estimate total contract costs to complete. The estimated total contract costs are reviewed every reporting period, and adjusted where necessary, with the corresponding adjustment to profit margin being recognized prospectively from the date of change.

Infosys Technologies S. de R. L. de C. V.

Independent Auditors' Report

To the Board of Managers and Partners of Infosys Technologies, S. de R. L. de C. V.

Opinion

We have audited the financial statements of Infosys Technologies, S. de R. L. de C. V. (the "Entity"), which comprise the statements of financial position as of December 31, 2022, and 2021, and the statements of income, the statements of changes in partner's interest and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as of December 31, 2022 and 2021, and its financial performance and its cash flows for the year then ended in accordance with Mexican Financial Reporting Standards (MFRS's) issued by the Mexican Board for Research and Development of Financial Reporting Standards (CINIF).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA's). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of Financial Statements* section of our report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the Code of Ethics issued by the Mexican Institute of Public Accountants (IMCP Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and with the IMCP Code.

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

Other Matters

The accompanying financial statements have been prepared in English for the convenience of readers.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with MFRS's, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 ISA's 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 ISA's, 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Entity's Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Galaz, Yamazaki, Ruiz Urquiza, S. C.

Affiliates of a Member Firm of Deloitte Touche Tohmatsu Limited

C.P.C. Jaime Núñez Valdés

Monterrey, Nuevo Leon, México

May 31, 2023

Statements of Financial Position

(In MXN)

Particulars	Note No.	As at December 31, 2022	As at December 31, 2021
Assets			
Current assets:			
Cash		173,652,758	585,304,440
Accounts receivable, net	5, 6	131,622,594	178,600,485
Unbilled receivables		188,756,784	233,101,507
Loans to related party	7	556,194,799	–
Other receivables		6,128,295	5,117,604
Income tax receivable		20,867,384	–
Prepayments	3g	22,758,096	10,662,182
Current portion of the deferred contract cost	3h	30,644,839	15,574,897
Total current assets		1,130,625,549	1,028,361,115
Computer equipment and furniture and equipment, net	9	31,039,990	18,635,677
Lease right-of-use assets	10	69,442,076	82,521,339
Deferred employee statutory profit sharing	14	11,643,950	12,340,606
Deferred income taxes	16	35,389,323	39,501,097
Guarantee deposits		2,364,553	2,356,992
Deferred contract cost	3h	–	25,958,161
Total assets		1,280,505,441	1,209,674,987
Liabilities and Partner's interest			
Current liabilities:			
Lease liabilities	11	18,447,067	16,530,748
Trade accounts payable	6, 8	42,915,953	6,889,305
Direct employee benefits	13	16,883,968	32,957,316
Taxes payable	12	51,786,421	68,284,503
Employee statutory profit sharing	3l	13,168,861	20,604,872
Deferred revenue	3h	18,482,283	29,832,194
Current portion of the financial liability under revenue contracts	3j	14,066,047	8,455,072
Total current liabilities		175,750,600	183,554,010
Employee benefits	3l	25,588,808	21,763,225
Lease liabilities	11	66,405,391	79,327,660
Financial liability under revenue contracts	3j	19,836,802	33,903,258
Total liabilities		287,581,601	318,548,153
Partner's interest	15		
Contributed capital		175,000,000	175,000,000
Retained earnings		817,923,840	716,126,834
Total partner's interest		992,923,840	891,126,834
Total Liabilities and Partner's Interest		1,280,505,441	1,209,674,987
Commitments and contingent liabilities	17		

See accompanying notes to financial statements.

Statements of Income

(In MXN)

Particulars	Notes	Years ended December 31, 2022	2021
Service revenues		1,311,997,676	1,221,967,723
Operating expenses:			
Salaries and related costs		942,080,331	705,235,696
Services		111,808,659	191,290,473
Depreciation		14,347,392	7,011,111
Depreciation of lease right-of-use assets	10	19,502,907	18,397,331
Employee statutory profit sharing		9,621,793	20,143,443
Other		59,990,467	55,511,986
Total operating expenses		1,157,351,549	997,590,040
Operating income		154,646,127	224,377,683
Comprehensive financial results:			
Foreign exchange loss		(29,201,433)	(6,203,481)
Interest attributable to lease liabilities	11	(6,517,677)	(6,931,819)
Interest income		26,478,477	14,411,030
Comprehensive financial results, net		(9,240,633)	1,275,730
Income before income taxes		145,405,494	225,653,413
Income taxes	16	43,608,488	54,830,034
Net income		101,797,006	170,823,379

See accompanying notes to financial statements.

Statements of Changes in Partner's Interest

(In MXN)

Particulars	Contributed capital	Retained earnings	Total partner's interest
Balances as of January 1, 2021	175,000,000	545,303,455	720,303,455
Net comprehensive income (note 15 b)	–	170,823,379	170,823,379
Balances as of December 31, 2021	175,000,000	716,126,834	891,126,834
Net comprehensive income (note 15 b)	–	101,797,006	101,797,006
Balances as of December 31, 2022	175,000,000	817,923,840	992,923,840

See accompanying notes to financial statements.

Statements of Cash Flows

(In MXN)

Particulars	Years ended December 31, 2022	2021
Cash flows from operating activities:		
Income before income taxes	145,405,494	225,653,413
Items relating to investing activities:		
Depreciation	14,347,392	7,011,111
Depreciation of lease right-of-use assets	19,502,907	18,397,331
Interest income	(26,478,477)	(14,411,030)
Lease interest	6,517,677	6,931,819
	159,294,993	243,582,644
Accounts receivable	46,977,891	(72,583,388)
Other receivables and prepayments	(13,106,605)	(3,151,597)
Guarantee deposits	(7,561)	(53,154)
Trade accounts payable	36,026,647	1,880,061
Direct employee benefits	(16,073,348)	(8,253,195)
Income tax and other taxes paid	(52,265,545)	(31,826,332)
Employee statutory profit sharing	(7,436,011)	1,846,805
Employee benefits	3,825,583	6,715,748
Deferred contract assets	10,888,219	(41,533,058)
Net cash provided by operating activities	168,124,263	96,624,534
Cash flow from investing activities		
Interest received	26,478,477	14,411,030
Loans to related party	(556,194,799)	–
Expenditure on computer equipment, furniture and equipment	(17,643,552)	(10,148,307)
Net cash (used in) / provided by investing activities	(547,359,874)	4,262,723
Cash flows from financing activities		
Payment of lease liabilities	(23,960,590)	(22,602,375)
Financial liability under revenue contracts	(8,455,481)	42,358,330
Net cash (used in)/ provided by financing activities	(32,416,071)	19,755,955
Net (decrease)/ increase in cash	(411,651,682)	120,643,212
Cash at beginning of year	585,304,440	464,661,228
Cash at end of year	173,652,758	585,304,440

See accompanying notes to financial statements.

Notes to the Financial Statements

For the years ended December 31, 2022 and 2021

(In Mexican pesos)

1. Activities

Infosys Technologies, S. de R. L. de C. V. (the Entity), is an incorporated Entity under the laws of Mexico. The address of the Entity is Boulevard Gustavo Díaz Ordaz 130 west, 18th floor, Santa María, Monterrey, Nuevo León. The Entity is a subsidiary of Infosys Limited, and its main activity is to provide services of advice, operational support personnel trained in the area of design, development, implementation and adaptation of business solutions related to information technology.

2. Basis of preparation

a. Explanation for preparation into English

The accompanying financial statements have been prepared in English for convenience of readers. These financial statements are presented on the basis of Mexican Financial Reporting Standards ("MFRS"), which are comprised of accounting standards that are individually referred to as Normas de Información Financiera or "NIFs". Certain accounting practices applied by the Entity that conform with MFRS may not conform with accounting principles generally accepted in the country of use.

b. Monetary unit of the financial statements

The financial statements and notes as of December 31, 2022 and 2021 and for the years then ended include balances and transactions denominated in Mexican pesos of different purchasing power. Cumulative inflation rates over the previous three-year periods ended December 31, 2022 and 2021 were 1% and 13.86%, respectively. Accordingly, the economic environment is not inflationary in either such period and no inflationary effects were recognized in the accompanying consolidated financial statements. Inflation rates for the years ended December 31, 2022 and 2021 were 7.82% and 7.35%, respectively.

c. Going concern

The financial statements have been prepared by Management under the assumption that the Entity will continue as a going concern.

d. Translation of foreign currency

The financial statements as of December 31, 2022 and 2021, and for the years then ended, were prepared using the currency in which transactions are recorded which is same to the Entity's functional currency.

e. Comprehensive income

The Entity presents comprehensive income in a single statement of income or loss entitled "Statement of income" given that the Entity did not generate Other Comprehensive Income (OCI) during the current year or the preceding year, which is presented for comparative purposes.

f. Classification of costs and expenses

Given that the Entity is a service entity, ordinary costs and expenses are presented based on their nature, in order to present the information clearer.

g. Operating income

Additionally, the "Operating income" line item is included, which results from subtracting the expenses from service income as this line item is considered to provide a better understanding of the Entity's economic and financial performance.

3. Summary of significant accounting policies

The accompanying financial statements have been prepared in conformity with MFRS, which require that management make certain estimates and use certain assumptions that affect the amounts reported in the financial statements and their related disclosures; however, actual results may differ from such estimates. The Entity's management, upon applying professional judgment, considers that estimates made and assumptions used were adequate under the circumstances. The significant accounting policies of the Entity are as follows:

a. Accounting changes –

Effective as of January 1, 2023, although early adoption is permitted during 2022:

NIF B-7, Business acquisitions – Includes jointly-controlled transactions and mergers performed for restructuring purposes within the scope of this standard. An "accounting value method" is established for recognizing business acquisitions performed between jointly-controlled entities, except when the acquiring entity has minority stockholders whose equity is affected by the acquisition or when the acquiring entity is listed on a stock market.

NIF B-15, Translation of foreign currencies - The amendments indicate that when the recording currency and reporting currency are the same, entities may apply a practical expedient of not remeasuring to the functional currency and presenting the financial statements based on information prepared by using the recording currency, as long as the financial statements are exclusively intended for the legal and tax purposes of entities which:

a) Are individual entities without subsidiaries or a holding company, or users that require complete financial statements prepared by considering the effects arising from the translation to the functional currency; or

b) Are subsidiaries, associates or joint ventures that do not have users requiring complete financial statements prepared by considering the effects arising from the translation to the functional currency; for example, a subsidiary whose immediate holding company is located abroad.

NIF D-3, Employee benefits - In those cases in which the Entity considers that PTU will be paid at a lower rate than the current legal rate because this payment is subject to the limits established by applicable laws, it must:

a) Determine the temporary differences existing as of the date of the financial statements for PTU purposes pursuant to the terms of paragraph 43.3.1;

b) Determine the PTU rate that is expected to arise in subsequent years based on financial and tax projections or according to the PTU rate of the current year;

c) Apply the PTU rate mentioned in numeral b) to the amount of the temporary differences referred to in a).

Disclosures – The standards have been amended to eliminate certain disclosure requirements in NIF B-1, Accounting changes and correction of errors, NIF B-10, Effects of inflation, NIF B-17, Fair value determination, and Property, plant and equipment.

Amendments

NIF D-5, Leases - extends the practical expedient deadline until June 30, 2023 to include the waiver of rentals that fulfill all the conditions detailed in subparagraphs a), b) and d) of paragraph 4.4 of the original INIF 23 and involve payments with original maturities of no later than June 30, 2023. If lease payment reductions extend beyond June 30, 2023, the total waiver would fall outside the scope of INIF 23 and this amendment and must be treated according to the terms of NIF D-5.

Improvements to the 2023 NIF that do not generate accounting changes and which are primarily intended to enhance the accuracy and clarity of the standards in question.

Accounting treatment of Investment Units (UDI, for its name in Spanish) - Improvements have been made to NIF B-3, Statement of comprehensive income, NIF B-10, Effects of inflation, and NIF B-15, Translation of foreign currencies, to extend the accounting treatment applicable to UDI; for example, NIF B-3 indicates that items such as the exchange rate fluctuations of headings denominated in a foreign currency or in another exchange unit, such as the UDI, must be presented within Comprehensive Financing Cost.

Additional headings – The following assets and liabilities, as applicable, are included in NIF B-6, Statement of changes in financial position: cost to fulfill a contract, contract acquisition costs, conditional account receivable; right-of-use asset, contract liability.

Accounts receivable - the wording of the scope of NIF C-3 was modiified in order to be consistent with its objective, which means referring to the general concept of accounts receivable as opposed to the specific concept of trade accounts receivable. The reference to trade accounts receivable has been eliminated from other NIF.

Impracticability of retrospectively presenting accounting changes, corrections of errors or reclassifications - modifications were made to the wording of NIF B-1, Accounting changes and correction of errors, to avoid duplicating the information already specified by NIF B-1.

Specific NIF referring to the treatment of fair value - NIF B-17, NIF B-11, NIF C-3, NIF C-15 and NIF C-22 have been updated to include standards involving the treatment of fair value, while also clarifying that certain disclosures are not applicable to assets when their recovery value is the same as their net sales price (fair value less their disposal cost) in accordance with NIF B-11. Additionally, it has been clarified that fair value measurements must include the risk that an entity might not fulfill its obligations, while also referring to the credit risk definition contained in NIF C-19, Payable financial instruments.

Additionally, the Improvements to NIF 2022 include improvements to NIF that do not generate accounting changes, but rather were issued with the main objective of increasing clarity and precision of the related standards.

b. Cash

Cash consists of checking accounts, and foreign currency. Cash is stated at nominal value; any fluctuations in value are recognized in comprehensive financing (cost) income of the period.

c. Accounts receivable

Accounts receivable are recognized according to the percentage of completion of service to the date of the statement of financial position and include amounts billed and unbilled net of provisions for returns and discounts and the allowance for doubtful accounts.

d. Offsetting of financial assets and financial liabilities

The Entity offsets a recognized financial asset and a financial liability and presents the net amount on the statement of financial position only when it fulfills the following two conditions: a) it currently has a legally enforceable right to offset the financial asset and the financial liability under any circumstance and b) it has the intention of settling the financial asset and the financial liability on a net basis, or to realize the financial asset and settle the financial liability simultaneously. In all other cases, the Entity presents the financial assets and the financial liabilities separately on the statement of financial position as its rights and obligations in accordance with their characteristics

e. Computer equipment and furniture and equipment, net

Furniture and equipment are recorded at acquisition cost. Depreciation on furniture and equipment is calculated on the straight-line basis over the estimated useful lives of the assets as determined by the Entity's Management. The total useful lives annual depreciation rates of the principal asset classes are as follows:

Particulars	Years	Rates
Furniture and equipment	5	20%
Computer equipment	2 - 5	50 – 20%

Minor repairs and maintenance costs are expensed as incurred.

f. Lease right-of-use assets

Lease contracts that transfer the right to the Entity to utilize an asset for a given period of time in exchange for a payment are evaluated at the start of the contract to determine whether the Entity obtains the right to control the use of an identified asset for a given period of time. If it substantially obtains all the economic benefits derived from the use of the asset, the Entity records these rights-of-use, which are recorded at cost at the contract starting date, while also considering: i) the initial valuation of the lease liability; ii) the payments made before or at the lease starting date; iii) the initial direct costs incurred, and iv) the estimated cost to be incurred at the end of the lease to retire the asset and restore the asset or the place where it is located.

rights-of-use are subsequently valued at cost less accumulated depreciation or amortization and accrued impairment losses, and adjusted for any lease liability remeasurement.

The costs incurred in relation to the design, construction or installation of an asset are capitalized in conformity with the NIF applicable to the underlying asset.

The depreciation (amortization) of lease right-of-use asset is calculated as follows: i) for leases that do not transfer asset ownership, during the period of lease contract, while considering the options to extend the contract period that are reasonably certain to be exercised, and ii) for leases that transfer asset ownership, during the useful life of the underlying asset

g. Prepayments

Mainly include prepayments for the purchase of services that are received after the date of the statement of financial position and in the ordinary course of operations. This includes a prepayment amount with related party Panaya Limited for $4,304,681.

h. Impairment of long-lived assets in use

The Entity reviews the carrying amounts of long-lived assets in use when an impairment indicator suggests that such amounts might not be recoverable, considering the greater of the present value of future net cash flows or the net sales price upon disposal. Impairment is recorded when the carrying amounts exceed the greater of the aforementioned amounts. Impairment indicators considered for these purposes are, among others, operating losses or negative cash flows in the period if they are combined with a history or projection of losses, depreciation and amortization charged to results, which in percentage terms in relation to revenues are substantially higher than those of previous years, obsolescence, reduction in the demand for the services rendered, competition and other legal and economic factors. The impairment loss on the value of long-lived assets in use, as well as its reversal, are classified in the same cost and expense line items where the related depreciation or amortization associated with those assets are recognized.

i. Lease liabilities

At the commencement date of the lease, these liabilities are recognized by considering the present value of the lease payments to be made. Future payments include: i) fixed payments less any incentives; ii) variable payments that depend on an index or rate; iii) payments expected to guarantee the residual value; iv) purchase options, when the Entity is reasonably certain to exercise them; v) payments made when exercising an option at the end of the lease period and which are discounted by utilizing the discount rate implicit in the lease or, otherwise, by utilizing the Entity's incremental borrowing rate. These items are subsequently valued by i) adding accrued interest, ii) reducing for lease payments, and iii) remeasuring the effects of revaluations or modifications, together with the effect of changes to substantially fixed lease payments. The variable payments that are not included in the valuation of lease liabilities are recognized in the results of the period as they arise.

j. Financial liability under revenue contracts

The financial liability is created for Sale and Lease back (of old assets purchased from Daimler) to Hewlett-Packard Operations Mexico S. de R. L. de C. V.

k. Accruals

Based on Management's estimates, the Entity recognizes accruals for present obligations where the transfer of assets or the rendering of services is virtually inevitable and arises as a consequence of past events, principally services and other amounts payable to employee

l. Employee benefits

Employee benefits are those granted to personnel and/or their beneficiaries in exchange for the services rendered by the employee, which include all kinds of remuneration earned, as follows:

Direct employee benefits

Are determined based on the services rendered by employees, considering their most recent salaries, and recognizing the liability as it accrues. These benefits include mainly compensated absences, such as vacation and vacation premiums, and incentives.

Termination benefits

A liability for termination benefits and a cost or expense is recognized when the Entity has no realistic alternative other than to face the payments or cannot withdraw the offer of those benefits, or when it meets the conditions to recognize the costs of a restructuring, whichever comes first.

Defined Contribution Plans

Obligations for contributions to defined contribution plans are recognized in the Income Statement as the related services are provided by employees. Prepaid contributions are recognized as an asset to the extent that down payment results in a reduction in payments to be made in the future or a cash refund.

Defined Benefit Plans

The calculation of obligations by defined benefit plans is performed annually by qualified actuaries using the projected unit credit method.

When the calculation results in a possible asset for the Entity, the asset recognized is limited to the present value of the available economic benefits in the form of future refunds of the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, any minimum funding requirement should be considered.

The labor cost of the current service, which represents the cost of the benefit period to the employee for having completed one more year of working life based on the benefit plans, is recognized in the costs and operating expenses. Net interest is recognized under the "Comprehensive financial result, net".

Changes to plans that affect the cost of past services are recognized in operating results immediately in the year in which the change occurs, with no possibility of deferral in subsequent years. Likewise, the effects of liquidation events or reduction of obligations in the period that significantly reduce the cost of future services and / or significantly reduce the population subject to benefits, respectively, are recognized in the results of operations.

Remedies (before actuarial gains and losses) resulting from differences between the projected and actual actuarial assumptions at the end of the period are recognized in the period in which the results of the period are incurred.

Statutory employee profit sharing (PTU, for its acronym in Spanish)

Is determined by applying the 10% rate to taxable income as defined in article 9 of the Income Tax Law, The resulting PTU expense is then compared to the greater of the maximum limit of three months of the employee's salary or the average amount of profit-sharing received during the three preceding years. If the 10% rate exceeds either of these two amounts, the employee's PTU will either be equal to the greater of three months' salary or the average PTU of the three preceding years, as the case may be.

Deferred PTU derived from temporary differences between the accounting and tax bases of assets and liabilities, including projected PTU in accordance to the preceding paragraph, is recognized only when it can be reasonably assumed that a liability may be settled or a benefit is generated, and there is no indication that circumstances will change in such a way that the liabilities will not be paid or benefits will not be realized.

m. Income Tax

Income tax ("ISR", for its acronym in Spanish) are recorded in results of the year in which they are incurred. Deferred taxes are calculated by applying the corresponding tax rate to temporary differences resulting from comparing the accounting and tax bases of assets and liabilities and including, if any, future benefits from tax loss carryforwards and certain tax credits. Deferred tax assets are recorded only when there is a high probability of recovery.

n. Revenue recognition

Revenues from services are recognized as services are provided.

The revenue from contracts for hours dedicated to management services and/or technical support application in the information centers or at the customer's place of business are recognized in the period in which they are performed based on the hours dedicated to the projects and the fixed fees negotiated for the respective project.

Revenues from fixed-price contracts are recognized using the percentage-of-completion method. Based on the percentage-of-completion method, income is recognized based on the costs incurred to date, obtaining a percentage of the total estimated costs to complete the contract. No revenue is recognized when there is significant doubt about the recoverability. If there are projections that change the estimated income, or costs, or if the process to conclude the contract is extended, checks are performed to determine the new estimates. These revisions may result in increases or decreases in estimated revenues and costs, which are recognized in income for the corresponding period.

If during the life of the projects, the Entity estimates that the costs incurred plus costs to be incurred exceed the total revenues, the estimated loss is recognized in operating income immediately.

Unbilled costs and profits are recognized under unbilled receivables, while revenues in excess of costs and profits are recognized as deferred revenues and are presented under current liabilities until all the conditions required for revenue recognition are met.

Maintenance revenues are recognized proportionally according to the contractual terms.

The Entity estimates after-sales services for certain customers to provide support in case of error corrections, volume discounts, among other reserve times.

o. Business and credit concentration

Expenses for administrative services with related parties as of December 31, 2022, and 2021 amount to 13% and 15%, respectively, of total operating expenses. In addition, balances receivable from related parties as of December 31, 2022, and 2021 represent to 47% and 3%, respectively, of total assets and balances payable to related parties as December 31, 2022, and 2021 represent 5% and 1% of total liabilities.

p. Comprehensive financial results (CFR)

The CFR includes foreign exchange loss/gain and interest income. Transactions in foreign currency are recorded at the exchange rate prevailing on the date of execution or settlement. Foreign currency assets and liabilities are translated at the exchange rate in force at the statement of financial position date. Exchange differences arising from assets and liabilities denominated in foreign currencies are reported on the income statement.

q. Contingencies

Liabilities for loss contingencies are recorded when it is probable that a liability has been incurred and the amount thereof can be reasonably estimated. When a reasonable estimation cannot be made, disclosure is provided in the notes to the financial statements. Contingent revenues, earnings or assets are not recognized until realization is assured.

4. Foreign currency exposure and translation

Monetary assets and liabilities denominated in dollars, euros and pound sterling translated into the reporting currency, as of December 31, 2022 and 2021, were as follows:

(In MXN)

As at December 31, 2022	Pound sterling	Dollars	Euros
Assets:			
Assets	–	210,840,342	558,433,743
Liabilities	20,741	12,406,537	66,579,540
Net (liability) /assets	(20,741)	198,433,804	491,854,203

As at December 31, 2021	Pound sterling	Dollars	Euros
Assets:			
Assets	2,276,979	197,811,492	–
Liabilities	–	8,831,668	9,292,609
Net (liability)/assets	2,276,979	188,979,824	(9,292,609)

At December 31, 2022 and 2021, amounts recorded $(29,201,433) and $(6,203,481), respectively, for the foreign exchange loss.

The exchange rates used in the various translation processes to the reporting currency are as follows:

Country	Currency	Exchange Rate	
		2022	2021
United States of America	Dollars	19.4659	20.4793
European Union	Euros	20.7388	23.2011
England	Pound Sterling	23.4188	27.6639

At December 31, 2022, the Entity did not have foreign exchange hedging instruments.

5. Accounts receivable - net

Accounts receivable at December 31, 2022 and 2021, consist of the following:

(In MXN)

Particulars	As at December 31,	
	2022	2021
Billed accounts receivable	111,618,733	181,248,393
Less:		
Provision for discount to customers	(34,557,741)	(36,899,930)
Allowance for expected credit loss	(2,512,007)	(1,256,558)
	(37,069,748)	(38,156,488)
	74,548,985	143,091,905

6. Related parties

Transactions carried out with related parties, during the years ended December 31, 2022 and 2021, were as follows:

(In MXN)

Particulars	Years ended December 31,	
	2022	2021
Revenues for consulting and implementation provided to customers on behalf of its related party. (1)	560,368,001	378,123,106
Interest Income on loan to subsidiary. (2)	12,937,912	–
Expenses for specialized personnel services in project implementation. (3)	90,099,669	143,984,843
Licence (4)	9,400,907	8,382,537

(1) Infosys Limited in 2022 and 2021, Infosys BPO Limited, Infosys Chile SPA and McCamish System LLC in 2022.

(2) Infosys Automotive and Mobility.

(3) EdgeVerve Systems Limited, Infosys Limited, Infosys Chile SpA, Infosys Technologies (Shanghai) Company Limited e Infosys Technologies (China) Company Limited in 2022 and 2021, Lodestone Argentina in 2021, Infosys (República Checa) Limited and Infosys BPO Limited in 2022.

(4) Panaya Limited in 2022 and 2021.

Balance receivable from related parties are as follows:

(In MXN)

Particulars	As at December 31,	
	2022	2021
Infosys Limited	54,684,126	34,639,571
Infosys Consulting S.R.L.	–	869,009
Infosys BPO Limited	341,909	–
Infosys Chile SPA	84,864	–
Lodestone Argentina	1,876,292	–
Infosys Technologies China	86,418	–
	57,073,609	35,508,580

Balance payable to related parties are as follows:

(In MXN)

Particulars	As at December 31,	
	2022	2021
Infosys Limited	5,553,793	–
Edgeverve Systems Limited	388,625	1,292,322
Infosys Technologies (China) Co. Limited	–	836,720
Infosys Technologies (Shanghai) Co. Limited	–	287,654
Lodestone Argentina	561,610	–
Panaya Ltd	1,345,871	–
Infosys BPO Limited	47,097	–

Particulars	As at December 31,	
	2022	2021
Infosys Automotive and Mobility	6,733,966	–
Infosys (Czech Republic) Ltd	50,448	–
Infosys Chile SpA	139,851	125,939
	14,821,261	2,542,635

7. Loans to related party

Loans to related parties are as follows:

(In MXN)

Particulars	As at December 31,	
	2022	2021
Infosys Automotive and Mobility	556,194,799	–
	556,194,799	–

Loan is given at the rate equal to 12 months EURIBOR LIBOR + 2.50% simple interest per annum, which is repayable on demand.

8. Trade accounts payable

(In MXN)

Particulars	As at December 31,	
	2022	2021
Trade payables	28,094,692	4,346,670
	28,094,692	4,346,670

Balance includes an accrual with Infosys Limited of $15,966,327.

9. Computer equipment and furniture and equipment

Computer equipment and Furniture and equipment at December 31, 2022 and 2021, comprise the following:

(In MXN)

Particulars	As at December 31,	
	2022	2021
Furniture and equipment	53,185,002	53,547,864
Computer equipment	102,355,545	84,349,131
	155,540,547	137,896,995
Less: accumulated depreciation	(124,500,557)	(119,261,318)
	31,039,990	18,635,677

10. Right-of-use-assets

(In MXN)

Buildings	As at December 31,	
	2022	2021
Balance as of January 1,	82,521,340	98,559,506
Additions	6,423,643	2,359,164
Depreciation of the year	(19,502,907)	(18,397,331)
Balances at December 31,	69,442,076	82,521,339

11. Lease liabilities

(In MXN)

Particulars	As at December 31,	
	2022	2021
Balance as of January 1,	95,858,408	109,169,800
Additions	6,436,963	2,359,164
Financial expenses	6,517,677	6,931,819
Payments	(23,960,590)	(22,602,375)
Balance as of December 31,	84,852,458	95,858,408
Lease current liabilities	18,447,067	16,530,748
Liabilities for long-term leases	66,405,391	79,327,660

As of December 31, 2022, the maturity of the liabilities for long-term leased assets is as follows:

(In MXN)

Year	Amount
2024	8,294,809
2025	5,050,768
2026	5,468,348
2027	5,920,452
2028 in next years	41,671,014
Total	66,405,391

12. Taxes payable

As of December 31, taxes payable consists of the following:

(In MXN)

Particulars	As at December 31,	
	2022	2021
Income tax withheld to third parties	21,514,888	20,365,311
Value added tax	10,841,436	30,168,565
Other Tax payments Social security contributions	19,430,097	17,750,627
	51,786,421	68,284,503

13. Direct employee benefits

Accruals at December 31, 2022 and 2021, include the following:

(In MXN)

As at December 31, 2022	Subcontracting and others	Other personnel benefits	Total
Balances at December 31, 2021	9,843,428	23,113,888	32,957,316
Increases recorded in earnings	261,595,044	2,187,613,110	2,449,208,154
Payments	(273,682,614)	(2,191,598,888)	(2,465,281,502)
Balances at December 31, 2022	(2,244,142)	19,128,110	16,883,968

(In MXN)

As at December 31, 2021	Subcontracting and others	Other personnel benefits	Total
Balances at December 31, 2020	12,462,166	28,748,345	41,210,511
Increases recorded in earnings	472,394,653	1,766,052,396	2,238,447,050
Payments	(475,013,392)	(1,771,686,853)	(2,246,700,245)
Balances at December 31, 2021	9,843,428	23,113,888	32,957,316

14. Deferred PTU

The deferred PTU expense (benefit) is as follows:

(In MXN)

Particulars	As at December 31,	
	2022	2021
Deferred PTU	696,656	(672,910)

The effects of PTU on temporary differences that give rise to significant portions of deferred PTU assets and liabilities as of December 31, are detailed as follows:

(In MXN)

Particulars	As at December 31,	
	2022	2021
Deferred tax assets:		
Allowance for doubtful receivables	304,092	163,546
Provisions for accounts receivable	3,279,483	3,625,196
Accruals	3,922,092	3,310,959
Deferred revenues	1,856,338	2,995,554
Lease right of use asset	1,739,738	1,333,707
Provisions for vacations	2,558,881	2,176,323
Total gross deferred tax assets	13,660,624	13,605,285
Deferred tax liabilities:		
Furniture and equipment	171,333	198,461
Prepayments	1,845,341	1,066,218
Total gross deferred tax liabilities	2,016,674	1,264,679
Net deferred tax asset	11,643,950	12,340,606

15. Partner's interest

The principal characteristics of partner's interest are described below:

a) Structure of contributed capital

The Entity's contributed capital at December 31, 2022 and 2021, is composed of two social parties, fixed and variable. Social fixed portion has a value of 10,000,000 and variable portion of 165,000,000.

b) Comprehensive income

During the years ended at December 31, 2022 and 2021, there were no items that, in accordance with MFRS applicable, have to be taken directly to equity, so the comprehensive income equals net income for the year, as presented in income statements.

c) Restrictions on partner's interest

According to the General Corporations Law, net income for the year is subject to a 5% separation, to constitute the legal reserve, until it reaches a fifth of the contributed capital. As of December 31, 2022 and 2021, the legal reserve amounts to $21,944,525 that has not reached the required amount.

Partner's contributions restated as provided for by the tax law, may be refunded to partner's tax-free, to the extent that such contributions equal or exceed partner's interest.

Retained earnings on which no IT have been paid, are subject to income taxes in the events of distribution, at the rate of 30% payable by the Entity, consequently, the partner's may only receive 70% of such amounts.

16. Income taxes

a. The Entity is subject to ISR. According with the ISR law, the rate is 30%

The income tax expense is as follows:

(In MXN)

Particulars	As at December 31, 2022	As at December 31, 2021
Income tax:		
Current	39,496,713	55,558,558
Deferred	4,111,775	(728,524)
	43,608,488	54,830,034

b. The reconciliation of the statutory and effective ISR rates, expressed in amounts and as a percentage of income before income taxes, are

(In MXN)

Particulars	As at December 31, 2022	As at December 31, 2021
Profit before income tax	145,405,494	225,653,410
Enacted tax rate	30%	30%
Computed "expected" tax expense	43,621,648	67,696,023
Increase/ (reduction) resulting from		
Effects of inflation, net	(16,303,213)	(21,609,015)
Non-deductible expenses	13,971,401	9,143,529
Other, net	2,318,652	(400,503)
	43,608,488	54,830,034

c. The main items that give rise to a deferred ISR asset/ (liability) are:

(In MXN)

Particulars	As at December 31, 2022	As at December 31, 2021
Deferred tax assets:		
Allowance for doubtful receivables	912,275	490,637
Provisions for accounts receivable	10,226,227	10,875,588
Accruals	11,378,499	9,932,880
Deferred revenues	5,569,016	8,986,663
Lease right of use asset	5,219,214	4,001,121
Profit Sharing Payable	3,950,658	6,181,460
Provisions for vacations	7,676,642	6,528,968
Total gross deferred tax assets	44,932,531	46,997,317
Deferred tax liabilities		
Prepayments	5,536,024	3,198,654
Furniture and equipment	513,999	595,384
Deferred PTU	3,493,185	3,702,182
Total gross deferred tax liabilities	9,543,208	7,496,220
Net deferred tax asset	35,389,323	39,501,097

17. Commitments and contingent liabilities

a) In accordance with Mexican tax law, the tax authorities are empowered to examine transactions carried out during the five years prior to the most recent income tax return filed.

b) In accordance with the income tax law, companies carrying out transactions with related parties are subject to certain requirements as to the determination of prices, which should be similar to those that would be used in arm's-length transactions.

Should the tax authorities examine the transactions and reject the related-party prices, they could assess additional taxes plus the related inflation adjustment and interest, in addition to penalties of up to 100% of the omitted taxes.

c) The Entity entered into a contract to provide services to its parent Company, in which it undertakes to provide services necessary for their operation. These contracts are for an indefinite period. Total payments for this concept was $143,984,843 for 2022 and $248,518,168 for 2021 and included in operating expenses in the statement of income.

18. New accounting principles

As of December 31, 2022, the Mexican Board for Research and Development of Financial Reporting Standards (CINIF, for its name in Spanish) issued the following Mexican Financial Reporting Standards (NIF) and Improvements to the NIF, which could affect the Entity's financial statements:

Improvements to the 2023 NIF that generate accounting changes and are effective for fiscal years starting as of January 1, 2023, although early application is permitted in 2022:

NIF B-11, Disposal of long-lived assets and discontinued operations - Long-lived assets held for distribution to the owners, that is, that will be used to pay dividends or capital reimbursements, are valued at the lower of net carrying value and fair value less disposal costs under NIF B-11, Disposal of long-lived assets and discontinued operations; however, it is necessary to specify the accounting recognition of any difference between the amount to be distributed to the owners and the value of said long-lived assets. Therefore, the standard requires additional disclosure indicating that since these are distributions to owners, the difference must be recognized in retained earnings as established in Bulletin C-15, Impairment in the value of long-lived assets and their disposal, which was in force until 2021.

a. Improvements to NIF that do not generate accounting changes

NIF B-3 – Comprehensive income statement, clarifies that exchange fluctuations derived from Investment Units (UDIS, for its abbreviation in Spanish) must be included in the comprehensive financing result; on the other hand, for purposes of NIF B-10 - Effects of inflation, they must be treated as monetary items; consequently, in the application of NIF B-15 – Conversion of foreign currencies, they must be valued at the closing exchange rate.

NIF B-10, - When NIF B-10 was issued, references were made to an 8% inflation rate given that such rate results in 26% cumulative rate over a three-year period. The reference to the 8% average is removed.

NIF C-3, Accounts receivable – It is clarified that the scope of this NIF includes other accounts receivable that do not accrue interest. The reference to "trade" accounts receivable is eliminated, thus including all accounts receivable.

NIF C-4, Inventories – It is specified that its scope includes tangible and intangible assets. The reference to direct materials including spare parts for maintenance is eliminated. The concept of advance payments (in the context of inventories) is modified to "inventories paid in advance".

19. Subsequent Events

In preparing the financial statements, the Entity has evaluated the events and transactions for their subsequent recognition or disclosure as of December 31, 2022 and until May 31, 2023 (date on which the financial statements were authorized for issuance), and has concluded that there are no subsequent events.

20. Authorization to issue the financial statements

On May 31, 2023, Gerardo Villarreal Garza, Expedition and Operations Leader, authorized the issuance of the accompanying financial statements and related notes thereto.

In accordance with the General Corporations Law and the bylaws of the Entity, the partners' are empowered to modify the financial statements after issuance. The accompanying financial statements will be submitted to the next Partner's Meeting for approval.

Infosys Technologies (Shanghai) Co. Limited

Auditor's Report

De Shi Bao (Shen) Zi (23) No. P07828

The Board of Directors of Infosys Technologies (Shanghai) Co. Limited:

Opinion

We have audited the accompanying financial statements of Infosys Technologies (Shanghai) Co. Limited (the "Company"), which comprise the Balance Sheet as at 31 December 2022, the statement of income, the statement of cash flow, and the statement of changes in owners' equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements of the Company are prepared and present fairly, in all material respects, the Company's financial position as of 31 December 2022, and the Company's results of operation and cash flow for the year ended in accordance with Accounting Standards for Business Enterprises.

Basis for opinion

We conducted our audit in accordance with China Standards on auditing. 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 code of ethics for Chinese Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Management and those charged with governance for the financial statements

The Management of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with Accounting Standards for Business Enterprises, and designing, implementing and maintaining internal control that is necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance 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 solely to you. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with China Standards on Auditing 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 financial statements.

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

(1) 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.

(2) 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 internal control.

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

(4) Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Deloitte Touche Tohmatsu	Chinese Certified Public Accountant
Certified Public Accountants LLP	Gao, Sunchao
Shanghai, China	Chinese Certified Public Accountant
	Zheng, Alex Zhipeng
	May 31, 2023

The auditor's report and the accompanying financial statements are English translations of the Chinese auditors' report and statutory financial statements prepared under accounting principles and practices generally accepted in the People's Republic of China. These financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in other countries and jurisdictions. In case the English version does not conform to the Chinese version, the Chinese version prevails.

Balance Sheet

(In RMB)

Particulars	Note VIII	As at December 31, 2022	As at December 31, 2021
Assets			
Current assets			
Cash and bank balances	1	22,002,332.99	35,890,767.14
Accounts receivable	2	91,007,104.87	90,136,780.71
Prepayments		121,471.62	56,762.61
Other receivables	3	1,384,249.09	1,210,656.89
Other current assets		–	450,341.20
Total current assets		114,515,158.57	127,745,308.55
Non-current assets			
Fixed assets	4	630,295,021.12	676,050,980.89
Construction in progress	5	–	–
Right-of-use assets	6	9,654,467.72	12,528,187.99
Intangible assets	7	54,647,820.76	56,058,660.67
Long-term deferred expenses	8	2,279,407.84	3,028,615.05
Total non-current assets		696,876,717.44	747,666,444.60
Total assets		811,391,876.01	875,411,753.15
Liabilities and owners' equity			
Current liabilities			
Short-term loans	9	84,823,000.00	81,878,500.00
Accounts payable		59,491,332.84	57,912,482.90
Employee benefits payable	10	21,362,610.83	18,375,007.29
Taxes payable	11	12,262,802.87	6,827,994.58
Other payables		36,921,483.16	31,326,735.40
Other current liabilities		6,321,133.42	7,390,248.90
Non-current liabilities due within one year	12	5,830,330.90	4,928,471.00
Total current liabilities		227,012,694.02	208,639,440.07
Non-current liabilities			
Long-term loans	13	41,200,000.00	41,200,000.00
Lease liabilities	14	5,652,807.98	9,528,034.34
Other non-current liabilities	15	36,570,536.00	37,854,656.00
Total Non-current liabilities		83,423,343.98	88,582,690.34
Total liabilities		310,436,038.00	297,222,130.41
Owners' equity			
Paid-in capital	16	1,052,400,443.23	1,052,400,443.23
Accumulated losses		(551,444,605.22)	(474,210,820.49)
Total owners' equity		500,955,838.01	578,189,622.74
Total liabilities and owners' equity		811,391,876.01	875,411,753.15

The accompanying notes form part of the financial statements.

The financial statements on pages 360 to 382 were signed by the following:

Stone Zhu
Legal Representative

Subrata Das
Head of Accounting Department

Statement of income

(In RMB)

	Particulars	Note VIII	Years ended December 31, 2022	2021
I.	Operating income	17	408,492,719.60	427,200,383.22
	Less: Operating costs		432,650,945.17	422,379,200.91
	Taxes and surcharges		8,188,965.27	7,945,363.70
	Administrative expenses		35,929,126.21	37,131,246.23
	Selling expenses		4,444,421.05	5,619,287.26
	Financial expenses	18	8,467,615.62	5,658,730.16
	Add: Other income	19	6,503,490.43	7,586,210.06
	Credit impairment profit(loss)	20	24,410.16	(29,373.36)
	Non-operating expenses	21	(2,572,336.62)	–
II.	Operating loss		(77,232,789.75)	(43,976,608.34)
III.	Total loss		(77,232,789.75)	(43,976,608.34)
	Less: Income tax expenses	22	–	–
IV.	Net loss for the year		(77,232,789.75)	(43,976,608.34)
V.	Other comprehensive income, net of tax		–	–
VI.	Total comprehensive loss for the year		(77,232,789.75)	(43,976,608.34)

The accompanying notes form part of the financial statements.

Statement of cash flows

(In RMB)

	Particulars	Note VIII	Years ended December 31, 2022	2021
I.	Cash Flows from Operating Activities			
	Cash receipts from the sale of goods and the rendering of services		425,162,190.76	444,265,588.12
	Other cash receipts relating to operating activities		5,263,853.42	11,231,599.66
	Sub-total of cash inflows from operating activities		430,426,044.18	455,497,187.79
	Payments for goods purchased and services received		12,051,910.82	26,292,196.19
	Payments to and on behalf of employees		383,015,759.59	366,793,091.76
	Payments of various types of taxes		17,072,609.18	20,759,830.19
	Other cash payments relating to operating activities		24,342,715.26	64,988,888.45
	Sub-total of cash outflows from operating activities		436,482,994.85	478,834,006.59
	Net Cash Flow Used in Operating Activities	23	(6,056,950.67)	(23,336,818.80)
II.	Cash Flows from Investing Activities			
	Net cash received from disposal of fixed assets, intangible assets and other long-term assets		–	360,556.06
	Other cash receipts relating to investment activities		–	–
	Subtotal of cash inflows from investment activities		–	360,556.06
	Payments for acquisition of fixed assets, intangible assets and other long-term deferred expenses		3,364,531.20	10,594,552.56
	Sub-total of cash outflows from investing activities		3,364,531.20	10,594,552.56
	Net Cash Flow Used in Investing Activities		(3,364,531.20)	(10,233,996.50)
III.	Cash flow from financing activities			
	Cash receipts from capital contributions		–	96,044,884.75
	Cash received from borrowings		–	–
	Subtotal of cash inflows from financing activities		–	96,044,884.75
	Cash paid for debt repayment		–	65,995,000.00
	Cash payments for distribution of dividends or			
	profit or interest expenses		–	4,169,221.15
	Cash payments to other financing related activities		4,510,557.56	3,921,116.82
	Subtotal of cash outflows from investment activities		4,510,557.56	74,085,337.97
	Net Cash Flow Used in Financing Activities		(4,510,557.56)	21,959,546.78
IV.	Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		43,605.28	(947,760.91)
V.	Net Increase (Decrease) in Cash and Cash Equivalents	23	(13,888,434.15)	(12,559,029.43)
	Add: Opening Balance of Cash and Cash Equivalents		35,890,767.14	48,449,796.57
VI.	Closing Balance of Cash and Cash Equivalents	23	22,002,332.99	35,890,767.14

The accompanying notes form part of the financial statements.

Statement of changes in owners' equity

(In RMB)

	Particulars	Paid-in capital	Accumulated losses	Total owners' equity
I.	Balance at 31 December 2021	1,052,400,443.23	(474,210,820.49)	578,189,622.74
	(1) Changes in accounting policies	-	(994.98)	(994.98)
II.	Balance at 1 January 2022	1,052,400,443.23	(474,211,815.47)	578,188,627.76
III.	Changes in equity during the year			
	(1) Total comprehensive income	-	(77,232,789.75)	(77,232,789.75)
IV.	Balance at 31 December 2022	1,052,400,443.23	(551,444,605.22)	500,955,838.01

	Particulars	Paid-in capital	Accumulated losses	Total owners' equity
I.	Balance at 1 January 2021	956,355,558.48	(429,564,952.35)	526,790,606.13
	Impact on account of adoption of new accounting standards	-	(669,259.80)	(669,259.80)
		956,355,558.48	(430,234,212.15)	526,121,346.33
II.	Changes in equity during the year			
	(1) Total comprehensive income	-	(43,976,608.34)	(43,976,608.34)
	(2) Owners' contributions	96,044,884.75	-	96,044,884.75
III.	Balance at 31 December 2021	1,052,400,443.23	(474,210,820.49)	578,189,622.74

The accompanying notes form part of the financial statements.

Notes to the financial statements

For the year ended December 31, 2022

I. Basic information

Infosys Technologies (Shanghai) Co., Ltd. (the 'Company'), is a Limited Liability Company established in Shanghai in the People's Republic of China (PRC). The Company obtained an approval certificate Shang Wai Zi Hu Ming Du Zi Zi [2011] 0512 from the Shanghai Municipal Government on 16 February 2011, and a business license 310000400643765 (Minhang) on 21 February 2011 issued by Shanghai Administration of Industry and Commerce of the PRC. The parent and ultimate holding Company is Infosys Limited (formerly Infosys Technologies Limited).

In 2012, The Company's Board of Directors resolved to increase the Company's registered capital from US $20,000,000 to US $150,000,000. The Company obtained a revised approval certificate Shang Wai Zi Hu Du Zi Zi [2011] 0512 from the Shanghai Municipal Government for the change on 9 August 2012 and a revised business license 310000400643765 (Shiju) on 19 October 2012 issued by Shanghai Administration of Industry and Commerce of the PRC.

On 24 October 2016, the Company updated its scope of principal activities and obtained a renewed business license with the unified social credit code of 91310000569580636B.

In 2020, the Company's Board of Directors resolved to increase the Company's registered capital from USD 150,000,000 to USD 165,000,000. The Company obtained approval from the China (Shanghai) Free Trade Zone Market Supervision Administration for the change on 9 December 2020. The Company also obtained a renewed business license with the unified social credit code of 913101157547751363 on 19 December 2020. As at 31 December 2022, details of capital contribution by the investing parties are set out in Note VIII, 16.

The Company's year of operation is 50 years and its principal activities are to carry out research, develop, design, produce software; sale of self-produced products; provide related technology consulting services and after sale services; develop computer and network technology; provide testing and maintenance of software solutions; provide business process management.

II. Basis for the preparation of financial statements

Going concern

As of 31 December 2022, the Company's accumulated loss is RMB 551,444,605.22. Total current liabilities exceed total current assets RMB 112,497,535.45. The parent company of the Company agrees not to collect the amount owed by the Company in the foreseeable future, and to provide all neccessary financial assistance for the repayment of the amount owed by the Company in the foreseeable future, so as to maintain the Company's ability to continue as a going concern. Therefore, the financial statements have been prepared on the going concern basis.

III. Statements of compliance with the ASBE

The financial statements of the Company have been prepared in accordance with Accounting Standards for Business Enterprises ("ASBE"), and present truly and completely, the Company's financial position as of 31 December 2022, and the Company's results of operations and cash flows for the year ended.

IV. Significant accounting policies and accounting estimates

The following significant accounting policies and accounting estimates are determined in accordance with ASBE.

1. Accounting year

The Company has adopted the calendar year as its accounting year, i.e. from 1 January to 31 December.

2. Functional currency

Renminbi ('RMB') is the currency of the primary economic environment in which the Company operates. Therefore, the Company chooses RMB as its functional currency and adopts RMB to prepare its financial statements.

3. Basis of accounting and principle of measurement

The Company has adopted the accrual basis of accounting. Except for certain financial instruments which are measured at fair value, the Company has adopted the historical cost as the principle of measurement of the financial statements. Where assets are impaired, provisions for asset impairment are made in accordance with relevant requirements.

Where the historical cost is adopted as the measurement basis, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds or assets received or the contractual amounts for assuming the present obligation, or, at the amounts of cash or cash equivalents expected to be paid to settle the liabilities in the normal course of business.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using valuation technique. Fair value measurement and/or disclosure in the financial statements are determined according to the above basis.

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly;
- Level 3 inputs are unobservable inputs for the asset or liability.

4. Cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are the Company's short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

5. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

For financial assets purchased or sold in a regular way, the Company recognizes assets acquired and liabilities assumed on a trade date basis, or derecognizes the assets sold on a trade date basis.

Financial assets and financial liabilities are initially measured at fair value. For financial assets and financial liabilities at fair value through profit or loss, transaction costs are immediately recognized in profit or loss.

For other financial assets and financial liabilities, transaction costs are included in their initial recognized amounts. Upon initial recognition of accounts receivable that does not contain significant financing component or without considering the financing component included in the contract with a term not exceeding one year under the Accounting Standards for Business Enterprises No. 14 - Revenue ("Revenue Standards"), the Company adopts the transaction price as defined in the Revenue Standards for initial measurement.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant accounting periods.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or financial liability to the carrying amount of the financial asset or to the amortized cost of the financial liability. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial asset or financial liability (such as repayment in advance, extension, call option or other similar options etc.) without considering the expected credit losses.

The amortized cost of a financial asset or financial liability is the initially recognized amount net of principal repaid, plus or less the cumulative amortized amount arising from amortization of difference between the amount initially recognized and the amount at the maturity date using effective interest method, and then net of cumulative credit loss allowance (only applicable to financial assets).

5.1 Classification, recognition and measurement of financial assets

After initial recognition, the Company's financial assets of various types are subsequently measured at amortized cost, at fair value through other comprehensive income ("FVTOCI") or at fair value through profit or loss ("FVTPL"), respectively.

If 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, and the financial asset is held within a business model whose objective is achieved by collecting contractual cash flows, the Company classifies such financial asset as financial assets at amortized cost, which include cash and bank balances, notes receivable, accounts receivable and other receivables, etc.

If 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, and the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial asset, the Company classifies such financial asset as financial assets at FVTOCI . The accounts receivable and notes receivable classified as at FVTOCI upon acquisition are presented under financing with receivables, while the remaining items due within one year (inclusive) upon acquisition are presented under other current assets. Other financial assets of such type are presented as other debt investments if it is due after one year since the acquisition, or presented under non-current assets due within one year if it is due within one year (inclusive) since the Balance Sheet date.

Upon initial recognition, the Company may irrevocably designate the non-held-for-trading equity instrument investments other than contingent considerations recognized in business combination not involving enterprises under common control as financial assets at FVTOCI on an individual basis. Such type of financial assets are presented as investments in other equity instruments.

A financial asset is classified as held-for-trading if any of the following criteria is satisfied:

- It has been acquired principally for the purpose of selling it in near term.
- On initial recognition, it is part of a portfolio of identified financial instruments that the Company manages together and there is objective evidence that the Company has a recent actual pattern of short-term profit-taking.
- It is a derivative that is neither a financial guarantee contract nor designated as an effective hedging instrument.

5.1.1 Financial assets at amortized cost

Financial assets at amortized cost are subsequently measured at amortized cost using effective interest method. Any gains or losses arising from impairment or derecognition are included in profit or loss.

For financial assets at amortized cost, the Company recognizes interest income using effective interest rate. The Company calculates and recognizes interest income through carrying amount of financial assets multiplying effective interest, except for the following circumstances:

- For purchased or originated credit-impaired financial assets, the Company calculates and recognizes its interest income based on amortized cost of the financial asset and the effective interest through credit adjustment since initial recognition.

- For purchased or originated financial assets that were not credit-impaired but have become credit-impaired in subsequent period, the Company calculates the interest income by applying the effective interest rate to the amortized cost of the financial assets in subsequent period. If the financial instrument is no longer credit-impaired due to improvement of credit risk, and the improvement is linked with an event occurred after application of above provisions, the Company will calculate the interest income by applying effective interest rate to the carrying amount of the financial assets.

5.2 Impairment of financial instruments

For financial asset at amortized cost, the Company recognizes the provision for losses on the basis of expected credit loss ("ECL").

For contract assets, notes receivable and accounts receivable arising from transactions regulated by Revenue Standards that do not contain significant financing component or without considering the financing component included in the contract with a term not exceeding one year, the Company recognizes the provision for losses at an amount equivalent to the lifetime ECL.

For other financial instruments (other than purchased or originated credit-impaired financial assets), the Company assesses the changes of credit risk since initial recognition of relevant financial instruments at each balance sheet date. If the credit risk has increased significantly since initial recognition of the financial instruments, the Company recognizes the provision for losses at an amount equivalent to lifetime ECL; if the credit risk has not increased significantly since initial recognition of the financial instruments, the Company recognizes the provision for losses at an amount equivalent to 12-month ECL. The increase or reversal of credit loss provision for financial assets other than those classified as at FVTOCI is recognized as impairment loss or gain and included in profit or loss for the period. For financial assets classified as at FVTOCI, the credit loss provision is recognized in other comprehensive income and the impairment loss or gain is included in profit or loss for the period without reducing the carrying amount of the financial assets in the balance sheet.

Where the Company has measured the provision for losses at an amount equivalent to lifetime ECL of a financial instrument in prior accounting period, but the financial instrument no longer satisfies the criteria of significant increase in credit risk since initial recognition at the current balance sheet date, the Company recognizes the provision for losses of the financial instrument at an amount equivalent to 12-month ECL at the current balance sheet date, with any resulting reversal of provision for losses recognized as impairment gains in profit or loss for the period.

5.2.1 Significant increase in credit risk

The Company uses reasonable and supportable forward-looking information to assess whether the credit risk has increased significantly since initial recognition by comparing the risk of a default occurring on the financial instrument at the balance sheet date with the risk of a default occurring on the financial instrument at the date of initial recognition.

The following information is taken into account when assessing whether the credit risk has increased significantly:

(1) An actual or expected decrease in the internal credit rating for the debtor;

(2) An actual or expected significant change in the financial instrument's external credit rating;

(3) Significant changes in the external market indicators of credit risk of the same financial instrument or similar financial instruments with the same expected duration. These indicators include: credit spreads, credit default swap prices against borrower, length of time and extent to which the fair value of financial assets is less than their amortized cost, and other market information related to the borrower (such as the borrower's debt instruments or changes in the price of equity instruments);

(4) Significant adverse changes in regulatory, economic, or technological environment of the debtor;

(5) Adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days (inclusive) past due.

At the balance sheet date, if the Company determines that the financial instrument has only lower credit risk, the Company assumes that the credit risk of such financial instrument has not increased significantly since initial recognition. The financial instrument is deemed as having lower credit risk if (i) it has a low risk of default; (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flows obligations.

5.2.2 Credit-impaired financial assets

When an event or several events that are expected to have adverse impact on the future cash flows of the financial assets have occurred, the financial assets become credit-impaired. The evidences of credit impairment of financial assets include the following observable information:

(1) Significant financial difficulty of the issuer or debtor;

(2) Breach of contract by the debtor, such as a default or delinquency in interest or principal payments;

(3) The creditor of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, have granted to the debtor a concession that the creditor would not otherwise consider;

(4) It is probable that the debtor will enter bankruptcy or other financial reorganizations;

Based on the Company's internal credit risk management, the Company considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company).

Irrespective of the outcome of the above assessment, the Company presumes that an event of default on the financial instrument has occurred if the contractual payment of the financial instrument has been more than 90 days (inclusive) past due.

5.2.3 Determination of ECL

The Company determines the credit losses on accounts receivable and other receivable on a portfolio basis using an impairment matrix for related financial instruments. The financial instruments are grouped based on common risk characteristics. The common credit risk characteristics adopted by the Company include: type of financial instrument, credit risk rating, overdue status, industry of the debtor and company size company size, etc.

The Company determines the ECL of relevant financial instruments using the following method:

- For financial assets, the credit loss represents the present value of the difference between the contractual cash flows receivable by the Company and the cash flows expected to be received by the Company.
- For credit-impaired financial assets that are not purchased or originated at the balance sheet date, the credit loss represents the difference between the carrying amount of the financial assets and the present value of expected future cash flows discounted using original effective interest rate.

The factors reflected by the Company's measurement of ECL of financial instruments include: unbiased probability weighted average amount recognized by assessing a series of possible results; time value of money; reasonable and supportable information related to historical events, current condition and forecast of future economic position that is available without undue cost or effort at the balance sheet date.

5.2.4 Write-down of financial assets

When the Company will no longer reasonably expect that the contractual cash flows of financial assets can be collected in aggregate or in part, the Company will directly write down the book value of the financial asset, which constitutes derecognition of relevant financial assets.

5.3 Transfer of financial assets

The Company derecognizes a financial asset if one of the following conditions is satisfied: (1) the contractual rights to the cash flows from the financial asset expire; or (2) the financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset is transferred to the transferee; or (3) although the financial asset has been transferred, the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but has not retained control of the financial asset

For a transfer of a financial asset in its entirety that satisfies the derecognition criteria, the difference between (1) the carrying amount of the financial asset transferred; and (2) the sum of the consideration received from the transfer and any cumulative gain or loss that has been recognized in other comprehensive income, is recognized in profit or loss. Where the transferred assets are non-trading equity instrument investments designated as at FVTOCI, cumulative gains or losses previously recognized in other comprehensive income are transferred out and included in retained profits.

If a part of the transferred financial asset qualifies for derecognition, the overall carrying amount of the financial asset prior to transfer is allocated between the part that continues to be recognized and the part that is derecognized, based on the respective fair value of those parts at the date of transfer. The difference between (1) the carrying amount allocated to the part derecognized on the date of derecognition; and (2) the sum of the consideration received for the part derecognized and any cumulative gain or loss allocated to the part derecognized which has been previously recognized in other comprehensive income, is recognized in profit or loss. Where the transferred assets are non-trading equity instrument investments designated as at FVTOCI, cumulative gains or losses previously recognized in other comprehensive income are transferred out and included in retained profits.

For a transfer of a financial asset in its entirety that does not satisfy the derecognition criteria, the Company continues to recognized the transferred financial asset in its entirety. The consideration received from transfer of assets is recognized as a liability upon receipt.

5.4 Classification of financial liabilities and equity instruments

Financial instruments issued by the Company or their components are classified into financial liabilities or equity instruments on the basis of not only the legal form but also the contractual arrangements and their economic substance, together with the definition of financial liability and equity instrument.

5.4.1 Classification, recognition and measurement of financial liabilities

On initial recognition, financial liabilities are classified into financial liabilities at FVTPL and other financial liabilities.

5.4.1.1 Other financial liabilities

Except for financial liabilities and financial guarantee contracts and loan commitments arising from transfer of financial assets that do not meet the derecognition criteria or those arising from continuing involvement in the transferred financial assets, other financial liabilities are subsequently measured at amortized cost, with gain or loss arising from derecognition or amortization recognized in profit or loss.

If the modification or renegotiation for the contract by the Company and its counterparties does not result in derecognition of a financial liability subsequently measured at amortized cost but the changes in contractual cash flows, the Company will recalculate the carrying amount of the financial liability, with relevant gain or loss recognized in profit or loss. The Company will determine the carrying amount of the financial liability based on the present value of renegotiated or modified contractual cash flows discounted at the original effective interest rate of the financial liability. For all costs or expenses arising from modification or renegotiation of the contract, the Company will adjust the modified carrying amount of the financial liability and make amortization during the remaining term of the modified financial liability.

5.4.2 Derecognition of financial liabilities

The Company derecognizes a financial liability (or part of it) only when the underlying present obligation (or part of it) is discharged. An agreement between the Company (an existing borrower) and an existing lender to replace the original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

When the Company derecognizes a financial liability or a part of it, it recognizes the difference between the carrying amount of the financial liability (or part of the financial liability) derecognized and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss for the period.

5.4.3 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued (including refinanced), repurchased, sold and cancelled by the Company are recognized as changes of equity. Change of fair value of equity instruments is not recognized by the Company. Transaction costs related to equity transactions are deducted from equity.

The Company recognizes the distribution to holders of the equity instruments as distribution of profits, and dividends paid do not affect total amount of shareholders equity.

5.5 Offsetting financial assets and financial liabilities

Where the Company has a legal right that is currently enforceable to set off the recognized financial assets and financial liabilities, and intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously, a financial asset and a financial liability shall be offset and the net amount is presented in the balance sheet. Except for the above circumstances, financial assets and financial liabilities shall be presented separately in the balance sheet and shall not be offset.

6. Fixed assets

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and have useful lives of more than one accounting year. A fixed asset is recognized only when it is probable that economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. Fixed assets are initially measured at cost.

Subsequent expenditures incurred for the fixed asset are included in the cost of the fixed asset and if it is probable that economic benefits associated with the asset will flow to the Company and the subsequent expenditures can be measured reliably. Meanwhile the carrying amount of the replaced part is derecognized. Other subsequent expenditures are recognized in profit or loss in the period in which they are incurred.

A fixed asset is depreciated over its useful life using the straight-line method since the month subsequent to the one in which it is ready for intended use. The depreciation method, useful life, estimated net residual value rate and annual depreciation rate of each category of fixed assets are as follows:

Category	Useful life	Estimated Net residual value rate	Annual depreciation rate
Buildings	25 years	0%	4%
Electronic equipment	2-5 years	0%	20%-50%
Office equipment	2-5 years	0%	20%-50%

Estimated net residual value of a fixed asset is the estimated amount that the Company would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the fixed asset were already of the age and in the condition expected at the end of its useful life.

If a fixed asset is upon disposal or no future economic benefits are expected to be generated from its use or disposal, the fixed asset is derecognized. When a fixed asset is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the carrying amount and related taxes is recognized in profit or loss for the period.

The Company reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least once at each financial year-end, and account for any change as a change in an accounting estimate.

7. Construction in progress

Construction in progress is measured at its actual costs. The actual costs include various construction expenditures during the construction period and other relevant costs. Construction in progress is not depreciated. Construction in progress is transferred to a fixed asset when it is ready for intended use.

8. Intangible assets

Intangible assets include land use right.

An intangible asset is initially measured at cost. An intangible asset with a finite useful life is amortized using the straight-line method over its useful life when the asset is available for use.

The Company reviews the useful life and amortization method at least at each financial year-end. A change in the useful life or the amortization method used is accounted for as a change in an accounting estimate.

For an intangible asset with a finite useful life, the Company reviews the useful life and amortisation method at the end of the year, and makes adjustments when necessary.

The useful life for such intangible asset is as follows:

Category	Useful life
Land use right	50 years

9. Long-term deferred expenses

Long-term deferred expenses represent expenses incurred that should be borne and amortized over the current and subsequent periods (together of more than one year). Long-term deferred expenses are amortized using the straight-line method over the expected periods in which benefits are derived.

10. Impairment of non-financial assets

The Company reviews the fixed assets, construction in progress and other long-term assets at each balance sheet date to determine whether there is any indication that they have suffered an impairment loss. If an impairment indication exists, the recoverable amount is estimated. Intangible assets with indefinite useful life and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that the assets may be impaired.

Recoverable amount is estimated on individual basis. If it is not practical to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs will be estimated. The recoverable amount of an asset or asset group is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset.

If such recoverable amount is less than its carrying amount, a provision for impairment losses in respect of the deficit is recognized in profit or loss for the period.

Once the impairment loss of such assets is recognized, it is not be reversed in any subsequent period.

11. Employee benefits

Actually occurred short-term employee benefits are recognized as liabilities, with a corresponding charge to the profit or loss for the period or in the costs of relevant assets in the accounting period in which employees provide services to the Company. Staff welfare expenses incurred by the Company are recognized in profit or loss for the period or the costs of relevant assets based on the actually occurred amounts when it actually occurred. Non-monetary staff welfare expenses are measured at fair value.

Payment made by the Company of social security contributions for employees such as premiums or contributions on medical insurance, work injury insurance and maternity insurance, etc. and payments of housing funds, as well as trade union fund and employee education fund provided in accordance with relevant requirements, are calculated according to prescribed bases and percentages in determining the amount of employee benefits and recognized as relevant liabilities, with a corresponding charge to the profit or loss for the period or the costs of relevant assets in the accounting period in which employees provide services.

During the accounting period of rendering service to employees of the Company, amount which should be paid according to defined contribution plans is recognized as liabilities, and recognized in profit or loss or related costs of assets.

A liability for a termination benefit is recognized in profit or loss for the period at the earlier of when the Company cannot unilaterally withdraw from the termination plan or the redundancy offer and when the Company recognizes any related restructuring costs or expenses.

12. Revenue recognition

The Company's revenue is mainly from rendering of services.

The Company recognizes revenue based on the transaction price allocated to the performance obligation when the Company satisfies a performance obligation in the contract, namely, when the customer obtains control over relevant goods or services. A performance obligation is a commitment that the Company transfers a distinct good or service to a customer in the contract. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and amounts expected to be refunded to a customer.

It is a performance obligation satisfied during a period of time and the Company recognizes revenue during a period of time according to the progress of performance if one of the following conditions is met: (i) the customer obtains and consumes economic benefits at the same time of the Company's performance; (ii) the customer is able to control goods or services in progress during the Company's performance; (iii) goods or services generated during the Company's performance have irreplaceable utilization, and the Company is entitled to collect amounts of cumulative performance part which have been done up to now. Otherwise, revenue is recognized at a point in time when the customer obtains control over the relevant goods or services.

Contract assets refer to the Company's right to consideration in exchange for goods or services that the Company has transferred to a customer when that right is conditioned on something other than the passage of time. For the details of accounting policies on impairment of contract assets, please see Note IV. The Company's unconditional (i.e., depending on the passage of time only) right to receive consideration from the customer is separately presented as receivables.

Contract liabilities refer to the Company's obligation to transfer goods or services to a customer for consideration received or receivable from the customer.

Contract assets and contract liabilities under the same contract will be presented on a net basis.

If there are two or more of performance obligations included in the contract, at the contract inception, the Company allocates the transaction price to each single performance obligation based on the proportion of stand-alone selling price of goods or services promised in each stand-alone performance obligation. However, if there is conclusive evidence indicating that the contract discount or variable consideration is only relative with one or more (not the whole) performance obligations in the contract, the Company will allocate the contract discount or variable consideration to relative one or more performance obligations. Stand-alone selling price refers to the price of a single sale of goods or services. If the stand-alone selling price cannot be observed directly, the Company estimates the stand-alone selling price through comprehensive consideration of all relative information that can be reasonably acquired and maximum use of observable inputs.

In case of the existence of variable consideration in the contract, the Company shall determine the best estimate of variable consideration based on the expected value or the most probably occurred amount. The transaction price including variable consideration shall not exceed the amount of the cumulatively recognized revenue which is unlikely to be significantly reversed when relevant uncertainty is eliminated. At each balance sheet date, the Company re-estimates the amount of variable consideration which should be included in transaction price.

The Company assesses whether it controls each specified good or service before that good or service is transferred to the customer to determine whether the Company is a principal or an agent. The Company considers whether it has the primary obligation to fulfil the contract, pricing discretion and other factors to determine whether it controls the goods or service and therefore is acting as a principal or an agent. If the Company controls the specified good or service before that good or service is transferred to a customer, the Company is a principal and recognizes revenue in the gross amount of consideration received or receivable. Otherwise, the Company is an agent and recognizes revenue in the amount of any fee or commission to which it expects to be entitled. The fee or commission is the net amount of consideration that the Company retains after paying the other party the consideration received in exchange for the goods or services to be provided by that party , or is determined in accordance with the established commission amount or percentage, etc.

Where the Company receives receipts in advance from a customer for sales of goods or rendering of services, the amount is first recognized as a liability and then transferred to revenue when the related performance obligation has been satisfied. When the Company's receipts in advance are not required to be refunded and it is probable that the customer will waive all or part of its contractual rights, the Company recognizes the said amounts as revenue on a pro-rata basis in accordance with the pattern of exercise of the customer's contractual rights, if the Company expects to be entitled to the amounts relating to the contractual rights waived by the customer; otherwise, the Company reverses the related balance of the said liabilities to revenue only when it is highly unlikely that the customer will require performance of the remaining performance obligations.

A non-refundable initial fee (including membership fee of club, X, etc.) charged to the customer at (or near) the contract commencement date is included in the transaction price. Where the initial fee is related to the goods or services committed to be transferred to the customers, and these goods or services constitute a single performance obligation, the Company recognizes revenue based on the transaction price allocated to the goods or services upon their transfer; where the initial fee is related to the goods or services committed to be transferred to the customers, but these goods or services do not constitute a single performance obligation, the Company recognizes revenue based on the transaction price allocated to the single performance obligation upon fulfilment of the single performance obligation including the goods or services; where the initial fee is not related to the goods or services committed to be transferred to the customers, the initial fee will be recognized as revenue upon their transfer in the future as receipts in advance to transfer goods or services in the future.

Costs of obtaining a contract

For the incremental cost of obtaining the contract (cost that will not occur if the contract is not obtained) that is expected to be recoverable, it is recognized as an asset, and shall be amortized on a basis that is consistent with the revenue recognition of the goods or services to which the asset relates and recognized in profit or loss for the period. If the amortization period of such asset is less than one year, it is recognized in profit or loss for the period when incurred. Other expenses incurred for obtaining the contract is included in profit or loss for the period when incurred, except for those explicitly assumed by the customer.

Costs to fulfil a contract

If the costs incurred in fulfilling a contract are not within the scope of any standards other than Revenue Standards, the Company recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria: (1) the costs relate directly to a contract or to an anticipated contract that the Company can specifically identify; (2) the costs generate or enhance resources of the Company that will be used in satisfying performance obligations in the future; and (3) the costs are expected to be recovered. The asset mentioned above shall be amortized on a basis that is consistent with the revenue recognition of the goods or services to which the asset relates and recognized in profit or loss for the period.

13. Government grants

Government grants are monetary assets and non-monetary assets from the government to the Company at no consideration. A government grant is recognized only when the Company can comply with the conditions attaching to the grant and the Company will receive the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable.

A government grant related to an asset is recognized as deferred income and included in profit or loss over the useful life of the related asset.

For a government grant related to income, if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognized as deferred income over the periods in which the related costs or losses are recognized; If the grant is a compensation for related expenses or losses already incurred, the grant is recognized immediately in profit or loss.

A government grant related to the Company's daily activities is recognized in other income or written off related cost and expense based on the nature of economic activities; a government grant not related to the Company's daily activities is recognized in non-operating income and expenses.

14. Income taxes

Tax expense comprises current income tax and deferred income tax.

14.1 Current income taxes

At the balance sheet date, current income tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid (or recovered) according to the requirements of tax laws.

14.2 Deferred tax assets and deferred tax liabilities

For temporary differences between the carrying amounts of certain assets or liabilities and their tax base, or between the nil carrying amount of those items that are not recognized as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognized using the balance sheet liability method.

Deferred tax is generally recognized for all temporary differences. Deferred tax assets for deductible temporary differences are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. However, for temporary differences associated with the initial recognition of goodwill and the initial recognition of an asset or liability arising from a transaction (not a business combination) that affects neither the accounting profit nor taxable profits (or deductible losses) at the time of transaction, no deferred tax asset or liability is recognized.

For deductible losses and tax credits that can be carried forward, deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deductible losses and tax credits can be utilized.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates, according to tax laws, that are expected to apply in the period in which the asset is realized or the liability is settled.

Current and deferred tax expenses or income are recognized in profit or loss for the period, except when they arise from transactions or events that are directly recognized in other comprehensive income or in owners' equity, in which case they are recognized in other comprehensive income or in owners' equity; and when they arise from business combinations, in which case they adjust the carrying amount of goodwill.

At the balance sheet date, the carrying amount of deferred tax assets is reviewed and reduced if it is no longer probable that sufficient taxable profits will be available in the future to allow the benefit of deferred tax assets to be utilized. Such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

14.3 Income tax offsetting

When the Company has a legal right to settle on a net basis and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously, current tax assets and current tax liabilities are offset and presented on a net basis.

When the Company has a legal right to settle current tax assets and liabilities on a net basis, and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be reversed, deferred tax assets and deferred tax liabilities are offset and presented on a net basis.

15. Transactions denominated in foreign currencies

A foreign currency transaction is recorded, on initial recognition, by applying the spot exchange rate on the date of the transaction.

At the balance sheet date, foreign currency monetary items are translated into RMB using the spot exchange rates at the balance sheet date. Exchange differences arising from the differences between the spot exchange rates prevailing at the balance sheet date and those on initial recognition or at the previous balance sheet date are recognized in profit or loss for the period, except that (1) exchange differences related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalization are capitalized as part of the cost of the qualifying asset during the capitalization period; (2) exchange differences related to hedging instruments for the purpose of hedging against foreign currency risks are accounted for using hedge accounting; (3) exchange differences arising from available-for-sale non-monetary items (such as shares) denominated in foreign currencies and changes in the carrying amounts (other than the amortized cost) of available-for-sale monetary items are recognized as other comprehensive income and included in capital reserve.

Foreign currency non-monetary items measured at historical cost are translated to the amounts in functional currency at the spot exchange rates on the dates of the transactions and the amounts in functional currency remain unchanged. Foreign currency non-monetary items measured at fair value are re-translated at the spot exchange rate on the date the fair value is determined. Difference between the re-translated functional currency amount and the original functional currency amount is treated as changes in fair value (including changes of exchange rate) and is recognized in profit and loss or as other comprehensive income.

16. Leases

A lease is a contract whereby the lessor conveys to the lessee in return for a consideration the right to use an asset for an agreed period of time.

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: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

The Company as lessee

16.1 Separating components of a lease

If the contract contains one or more lease and non-lease components, the Company will separate the individual lease and non-lease components and allocate contract consideration according to the relative proportion of the sum of the stand-alone prices of the lease components and the stand-alone prices of the non-lease components.

16.2 Right-of-use assets

Except for short-term leases and leases of low-value assets, at the commencement date of the lease, the Company recognizes a right-of-use asset.

The commencement date of the lease is the date on which a lessor makes an underlying asset available for use by the Company. The Company measures the right-of-use assets at cost. The cost of the right-of-use assets comprises:

- the amount of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Company;
- an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs incurred to produce inventories.

The Company depreciates right-of-use assets by reference to the relevant depreciation provisions of Accounting Standards for Business Enterprises No. 4 - Fixed Assets. The right-of-use assets are depreciated over the remaining useful lives of the leased assets where the Company is reasonably certain to obtain ownership of the underlying assets at the end of the lease term. Otherwise, right-of-use assets are depreciated over the shorter of the lease term and the remaining useful lives of the leased assets.

16.3 Lease liabilities

Except for short-term leases and leases of low-value assets, at the commencement date of the lease, the Company measures the lease liabilities at the present value of the lease payments that are not paid at that date. In calculating the present value of lease payments, the Company uses the interest rate implicit in the lease as the discount rate. The Company uses the incremental borrowing rate if the interest rate implicit in the lease is not readily determinable.

Lease payments refer to payments relating to the right to use leased assets during the lease term which are made by the Company to the lessor, including:

- fixed payments and in-substance fixed payments, less any lease incentives receivable (if any);
- variable lease payments that depend on an index or a rate;
- the exercise price of a purchase option reasonably certain to be exercised by the Company;
- payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate the lease; and
- amounts expected to be paid under residual value guarantees provided by the Company.
- Variable lease payments that depend on an index or a rate, are initially measured using the index or rate as at the commencement date. Variable lease payments not included in the measurement of the lease liabilities, are recognized in profit or loss or cost of related assets in the period of those payments

After the commencement date of the lease, the Company calculates interest expenses of lease liabilities for each period of the lease term based on fixed periodic rate, and recognizes such expenses in profit or loss or cost of related assets.

After the commencement date of the lease, the Company re-measures the lease liabilities and adjusts the right-of-use assets accordingly in the following cases:

- If the book value of the right-of-use asset has been reduced to zero, but the lease liability needs to be reduced further, the Company will recognize the difference in profit or loss for the period;
- There is a change in the lease term, or in the assessment of an option to purchase the underlying asset, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment;
- There is a change in the amounts expected to be payable under a residual value guarantee, or in future lease payments resulting from a change in an index or a rate used to determine those payments, in which case the related lease liability is remeasured by discounting the revised lease payments using the unchanged discount rate. If the change of lease payment comes from the change of floating interest rate, the revised discount rate shall be used to calculate the present value.

16.4 Short-term leases

The Company chooses not to recognize right-of-use assets and lease liabilities for short-term leases of and leases of low-value assets. A short-term lease is a lease that at the commencement date, has a lease term of 12 months or less and does not contain a call option. A lease of low-value assets, is a lease that the single underlying asset, when is new, is of low value. The Company shall recognize the lease payments associated with short-term leases and leases of low-value assets in profit or loss or cost of related assets on a straight-line basis over the lease term.

V. Critical judgements in applying accounting policies and key assumptions and uncertainties in accounting estimates

In the application of the Company's accounting policies, which are described in Note IV, the Company is required to make judgements, estimates and assumptions about the carrying amounts of items in the financial statements that cannot be measured accurately, due to the internal uncertainty of the operating activities. These judgements, estimates and assumptions are based on historical experience of the Company's management as well as other factors that are considered to be relevant. Actual results may differ from these estimates.

The aforementioned judgements, estimates and assumptions are reviewed regularly on a going concern basis. The effect of a change in accounting estimate is recognized in the period of the change, if the change affects that period only; or recognized in the period of the change and future periods, if the change affects both.

- Key assumptions and uncertainties in accounting estimates

At the balance sheet date, the key assumptions and uncertainties in the accounting estimates that are likely to result in material adjustments to the carrying amounts of assets and liabilities in the future are:

Deferred tax assets

The management of the Company considers that it is uncertain for the Company to obtain enough income tax payable in the future, so the Company did not recognize RMB 441,470,113.75 of deductible losses as deferred tax assets at the end of this year according to Note VIII. 21.

Provision of ECL for accounts receivable

The Company uses provision matrix to calculate ECL for the accounts receivable. The provision rates are based on internal credit ratings as groupings of various debtors that have similar risk patterns. The provision matrix is based on the Company's historical default rates. At 31 December 2022, the historical observed default rates are reassessed and changes in the forward-looking information are considered. The provision of ECL will vary based on the Company's estimates. The information about the ECL and the Company's accounts receivable is disclosed in Note VIII. 2 .

VI. Changes in accounting policies and corrections of prior period accounting errors

The Interpretation No. 15 of the Accounting Standards for Business Enterprises (the "Interpretation No. 15") was issued by the Ministry of Finance on 30 December 2021, which stipulated the accounting treatment for the external sale of products or by-products produced by an enterprise before the fixed asset are ready for intended use or in the process of research and development, as well as the judgment on onerous contract.

Judgment on onerous contracts

The Interpretation No. 15 clarifies that the "cost for performing the contract" considered by an enterprise in determining whether a contract is an onerous contract shall include the incremental cost for performing the contract and the apportioned amount of other costs directly related to the performance of the contract. The Interpretation came into force on 1 January 2022, and an enterprise shall implement this provision for contracts that have not fulfilled all obligations by 1 January 2022. The accumulative amounts impacted are allowed to adjust the opening balance of retained earnings and amounts of other relevant items in the financial statements, and are allowed not to adjust the comparative data of prior periods.

Upon assessment, the Company considers that the adoption of this Interpretation affected the financial statements of the Company as follows:

Items	31 December 2021	Adjust	1 January 2022
Accumulated losses	(474,210,820.49)	(994.98)	(474,211,815.47)

VII. Taxation

Value-added tax

Value added tax ('VAT') on sales is calculated at 6% on revenue of rendering of services according to the relevant requirements of tax laws and paid after deducting input VAT on purchases.

Based on the zero VAT rate policy, the oversea revenue of the Company is exempted from VAT.

Income tax

The statutory income tax rate of the Company is 25% (2021: 25%). The accumulated tax loss of the Company as at 31 December 2022 has not been fully deducted, therefore, the income tax of this year has not been accrued.

Other taxes

Urban maintenance and construction tax is levied at 5% of the VAT actually paid.

Educational surcharge is levied at 3% of the VAT actually paid.

Local educational tax is levied at 2% of the VAT actually paid.

VIII. Notes to the financial statements

1. Cash and bank balances

(In RMB)

Particulars	As at December 31,	
	2022	2021
Deposits with banks	22,002,332.99	35,890,767.14

2. Accounts receivable

(1) The customer analysis of accounts receivable is as follows:

(In RMB)

Particulars	As at December 31,	
	2022	2021
Amounts due from other customers	91,144,032.04	90,449,892.32
Less: Credit losses provision	136,927.17	313,111.61
Total	91,007,104.87	90,136,780.71

As a part of the company's credit risk management, the Company conducts internal credit rating on debtors of accounts receivable and determines the expected loss rate of accounts receivable of each rating. As at 31 December 2022, the analysis of the credit risk and expected loss for accounts receivable is as follows:

(In RMB)

Internal credit rating	As at December 31, 2022			
	Expected average loss rate	Amount	Credit losses provision	Book value
Risk free	0.00%	91,007,104.87	–	91,007,104.87
Low risk	100.00%	69,152.36	(69,152.36)	–
High risk	100.00%	67,774.81	(67,774.81)	–
Total		91,144,032.04	(136,927.17)	91,007,104.87

(2) The analysis of the movements of expected credit losses provision for accounts receivable is as follows:

(In RMB)

Particulars	Expected credit losses
31 December 2021	313,111.61
1 January 2022	313,111.61
Provision reversal during the year	(176,184.44)
31 December 2022	136,927.17

3. Other receivables

3.1 Summary of other receivables

The ageing analysis of other receivables is as follows:

(In RMB)

Aging	As at December 31, 2022				As at December 31, 2021			
	Amount	Ratio	Bad debt provision	Book value	Amount	Ratio	Bad debt provision	Book value
	RMB	%	RMB	RMB	RMB	%	RMB	RMB
Within 1 year	394,132.73	27.40	(54,114.34)	340,018.39	1,211,670.21	100.00	(1,013.32)	1,210,656.89
1 to 2 years	1,044,230.70	72.60	–	1,044,230.70	–	–	–	–
Total	1,438,363.43	100.00	(54,114.34)	1,384,249.09	1,211,670.21	100.00	(1,013.32)	1,210,656.89

4. FIXED ASSETS

(In RMB)

Cost	Electronic equipment	Office equipment	Buildings	Total
1 January 2022	32,700,170.52	93,206,633.45	775,097,899.22	901,004,703.19
Additions during the year	2,941,411.72	262,191.11	–	3,203,602.83
Decrease	(37,222.35)	–	–	(37,222.35)
Balance at 31 December 2022	35,604,359.89	93,468,824.56	775,097,899.22	904,171,083.67
Accumulated depreciation				
1 January 2022	(26,204,627.66)	(53,981,356.63)	(144,767,738.01)	(224,953,722.30)
Charge for the year	(3,674,611.08)	(14,277,936.92)	(31,007,014.60)	(48,959,562.60)
Decrease	37,222.35	–	–	37,222.35
Balance at 31 December 2022	(29,842,016.39)	(68,259,293.55)	(175,774,752.61)	(273,876,062.55)
Carrying amounts				
1 January 2022	6,495,542.86	39,225,276.82	630,330,161.21	676,050,980.89
31 December 2022	5,762,343.50	25,209,531.01	599,323,146.61	630,295,021.12

5. Construction in progress

(In RMB)

Particulars	RMB
Balance at 1 January 2021	–
Additions during the year	3,364,531.20
Transfer to fixed assets	(3,203,602.83)
Transfer to long-term deferred expenses	(160,928.37)
Balance at 31 December 2022	–

6. Right-of-use assets

(In RMB)

Particulars	Buildings
Cost	
At 1 January 2022	16,176,596.92
Provided for the year	1,116,463.54
At 31 December 2022	17,293,060.46
Accumulated depreciation	
At 1 January 2022	3,648,408.93
Provided for the year	3,990,183.81
At 31 December 2022	7,638,592.74
Net book value	
At 31 December 2022	9,654,467.72
At 1 January 2022	12,528,187.99

7. Intangible assets

(In RMB)

Particulars	Land use right
Cost	
Balance at 31 December 2021 and 31 December 2022	70,540,000.00
Accumulated amortization	
31 December 2021	(14,481,339.33)
Charge for the year	(1,410,839.91)
Balance at 31 December 2022	(15,892,179.24)
Carrying amounts	
31 December 2022	54,647,820.76
31 December 2021	56,058,660.67

8. Long-term deferred expenses

(In RMB)

Particulars	As at December 31,	
	2022	2021
Office decoration	2,279,407.84	3,028,615.05

9. Short-term loans

(In RMB)

Particulars	As at December 31,	
	2022	2021
Unsecured loans	84,823,000.00	81,878,500.00

Short-term loans include a loan from Infosys Poland Sp. z o.o. for the purposes of business operation. The principal of the loan is USD 5,000,000.00 (31 December 2022: equivalent to RMB 34,823,000.00), bearing interest per annum at 6.00%. Since 1 January 2018, it has been adjusted to 3.50%. The term of loan was 1 year. It was due on 17 May 2018, and was extended to 17 May 2023. Since 18 May 2022, bearing interest per annum has been adjusted to 12 months LIBOR+1.25% , simple interest.

Short-term loans include loans of RMB 50,000,000.00 from Infosys Technologies (China) Co. Limited for the purpose of business operation, bearing an interest rate of 6.00% per annum. The loans was originally due in 2018 and then was extended until the lender requires repayment.

10. Employee benefits payable

(In RMB)

Item	As at 1 January, 2022	Provision for the year	Payment for the year	As at 31 December, 2022
Wages or salaries, bonus, allowances, subsidies	18,375,007.29	350,434,767.37	(347,447,163.83)	21,362,610.83
Social security contributions	–	22,339,852.27	(22,339,852.27)	–
Including: Medical insurance	–	21,852,634.73	(21,852,634.73)	–
Maternity and work injury insurance	–	487,217.54	(487,217.54)	–
Defined contribution plans (Note)	–	40,577,389.93	(40,577,389.93)	–
Housing funds	–	15,742,967.71	(15,742,967.71)	–
Total	18,375,007.29	429,094,977.28	(426,107,373.74)	21,362,610.83

Note: Defined contribution plans

(In RMB)

Item	As at 1 January, 2022	Provision for the year	Payment for the year	As at 31 December, 2022
Basic pension insurance	–	39,653,149.78	(39,653,149.78)	–
Unemployment insurance	–	924,240.15	(924,240.15)	–
Total	–	40,577,389.93	(40,577,389.93)	–

The Company participates in basic pension insurance plan established by government in accordance with the relevant requirements. According to the plan, the Company makes a monthly contribution equivalent to the ratio of 16%, 16% and 15%, in Shanghai, Nanjing and Shenzhen respectively, of the employee's monthly basic wage based on last year's salary. The Company no longer undertake further payment obligation. The corresponding cost charges to the profit or loss for the current period or the cost of a relevant asset when occur.

11. Taxes payable

(In RMB)

Category	As at December 31,	
	2022	2021
Housing tax	4,100,950.60	1,821,713.62
Individual income tax	3,147,875.30	3,687,576.73
Withholding income tax and VAT	1,987,421.64	1,318,704.23
VAT	47,098.03	–
Other	2,979,457.30	–
Total	12,262,802.87	6,827,994.58

12. Non-current liabilities due within one year

(In RMB)

Particulars	As at December 31,	
	2022	2021
Subsidies due within one year	1,284,120.00	1,284,120.00
Lease liabilities due within one year	4,546,210.90	3,644,351.00
Total	5,830,330.90	4,928,471.00

13. Long-term loans

(In RMB)

Particulars	As at December 31, 2022	2021
Unsecured loans	41,200,000.00	41,200,000.00

The long-term loans of RMB 41,200,000.00 from Infosys Consulting Singapore in 2020 are for the purpose of business operation, bearing an interest rate of 4.00% per annum. The term of loan is 1 year. It was originally due on 19 January 2022 and subsequently extended to 19 January 2024. The interest rate was changed to 12 months LIBOR+0.8%, simple interest since 20 January 2023. This rate is adjusted at LIBOR on the first day of each quarter. The borrower shall pay interest on demand by the lender.

14. Lease liabilities

(In RMB)

Particular	As at December 31, 2022	2021
Lease Liabilities	10,199,018.88	13,172,385.34
Less: Lease liabilities recognized in non-current liabilities due within one year	4,546,210.90	3,644,351.00
Total	5,652,807.98	9,528,034.34

15. Other non-current liabilities

(In RMB)

Particulars	RMB
Cost	
Balance at 1 January 2022, 31 December 2022	48,966,000.00
Depreciation	
Balance at 1 January 2022	(9,827,224.00)
Additions during the year	(1,284,120.00)
Balance at 31 December 2022	(11,111,344.00)
Net book value	
Net book value at 31 December 2022	37,854,656.00
Less: Subsidies recognized in non-current liabilities due within one year	1,284,120.00
Balance at 31 December 2022	36,570,536.00
Balance at 31 December 2021	37,854,656.00

The company received a technology support fund of RMB 33,896,000.00 from Shanghai Zizhu Industrial Park Development Co., LTD. (" Zizhu Industrial Park ") in January 2012. The purpose of this payment is to subsidize the technology projects of the Company during its operating period. The company shall amortize the amount equally over the fifty years of its business life.

The company received a technical renovation subsidy of RMB 15,070,000.00 from Shanghai Minhang District Finance Bureau in December 2013. The purpose of this payment is to subsidize the Company's Software Development Center project, and is a government subsidy related to the asset.

16. Paid-in capital

The registered capital of the Company is USD 165,000,000.00. As at 31 December 2022, the contribution by the investor according to the Articles of Association is as follows:

Particulars	As at December 31, 2022 USD	2022 Ratio %	2022 Equivalent to RMB	2021 USD	2021 Ratio %	2021 Equivalent to RMB
Infosys Limited	164,599,982.00	100.00	1,052,400,443.23	164,599,982.00	100.00	1,052,400,443.23

17. Operating income

(In RMB)

Particulars	As at December 31, 2022	2021
Income from principal activities		
Rendering of services	407,582,424.92	424,953,011.90
Other operating income		
Rental income	910,294.68	2,247,371.32
Total	408,492,719.60	427,200,383.22

18. Financial expenses

(In RMB)

Particulars	As at December 31, 2022	As at December 31, 2021
Interest income	(271,176.21)	(216,069.62)
Interest expenses	6,202,669.04	7,016,093.83
Interest expenses of lease liabilities	420,727.56	456,849.73
Exchange losses	2,115,395.23	(1,598,143.78)
Total	8,467,615.62	5,658,730.16

19. Other income

(In RMB)

Government Grants	Related to assets/income	As at December 31, 2022	As at December 31, 2021
Development zone supporting fund	Related to income	4,150,000.00	3,810,699.00
Technological support subsidy	Related to assets	1,284,120.00	1,284,120.00
10% additional deduction of VAT input of Service Industry	Related to income	191,308.16	240,909.20
Refund of service charge for withholding and remit individual income tax	Related to income	271,024.78	119,874.23
Subsidy for job stabilization	Related to income	215,355.16	691.20
Training subsidy	Related to income	300.00	413,340.00
Export subsidy	Related to income	–	196,300.00
Subsidy for disabled employment	Related to income	9,184.25	170,824.44
Loss on disposal of fixed assets	Related to income	–	(150,151.75)
Others	Related to income	382,198.08	1,499,603.74
Total		6,503,490.43	7,586,210.06

20. Credit impairment proft(loss)

(In RMB)

Particulars	As at December 31, 2022	As at December 31, 2021
Bad debt reverse (loss)	24,410.16	(29,373.36)

21. Non-Operating Expense

(In RMB)

Particulars	As at December 31, 2022	As at December 31, 2021
Tax late fees and penalties	(2,572,336.62)	–

During the year, the tax bureau conducted tax inspections on the Company's tax payments in past years and made recoveries on taxable matters that had not been paid in previous years, and the Company made a provision of RMB 2,572,336.62 for tax late fees and penalties.

22. Income tax expenses

(In RMB)

Particulars	As at December 31, 2022	As at December 31, 2021
Current income tax expenses	–	–
Deferred tax expenses	–	–
Total	–	–

No provision for income tax has been made as the Company had a tax loss for the year.

As described in Note V, the Company's management is uncertain that there will be sufficient taxable income in future periods, so the deferred tax assets related to the accumulated deductible losses as at 31 December 2022 amounting to RMB 415,981,907.83 is not recognized. Among the accumulated losses, RMB 96,778,379.30, RMB 100,136,322.85, RMB 88,534,506.63, RMB 71,453,856.83 and RMB 59,078,842.22 will expire in 2023, 2024, 2025, 2026 and 2027 respectively.

Reconciliation of income tax expenses to the accounting profit is as follows:

(In RMB)

Particulars	As at December 31,	
	2022	2021
Accounting losses	(77,233,784.73)	(43,976,608.34)
Expected income tax expense at tax rate of 25%	(19,308,446.18)	(10,994,152.09)
Tax effect of non-deductible expenses	182,390.84	61,644.17
Unused deductible loss	14,769,710.56	11,223,574.23
Temporary differences for deferred tax assets not recognized	4,356,344.79	(291,066.31)
Income tax expenses	–	–

23. Supplementary information to the cash flow statement

(1) Reconciliation of net loss to cash flows from operating activities:

(In RMB)

Particulars	As at December 31,	
	2022	2021
Net loss	(77,232,789.75)	(43,976,608.34)
Add: Provisions for impairment losses on credit	(24,410.16)	29,373.36
Depreciation of fixed assets	48,959,562.60	56,227,194.03
Depreciation of right-of-use assets	3,990,183.81	3,648,408.93
Financial expenses	3,321,622.28	8,211,500.19
Amortization of intangible assets	1,410,839.91	1,410,839.90
Amortization of long-term deferred expenses	910,135.58	8,155,934.19
Decrease (Increase) in operating receivables	(579,759.67)	4,367,084.45
Increase (Decrease) in operating payables	13,187,664.73	(61,410,545.51)
Net cash flow from operating activities	(6,056,950.67)	(23,336,818.80)

(2) Net changes in cash and cash equivalents:

in RMB

Particulars	**As at December 31,**	
	2022	**2021**
Cash and cash equivalents at the end of the year	22,002,332.99	35,890,767.14
Less: Cash and cash equivalents at the beginning of the year	35,890,767.14	48,449,796.57
Net increase / (decrease) in cash and cash equivalents	(13,888,434.15)	(12,559,029.43)

IX. Related party relationships and transactions

(1) Information about the parent company of the Company is as follows:

Name of the Parent Company	Registered address	Nature of business	Registered capital	Shareholding ratio	Voting ratio
Infosys Limited	India	Rendering of information technical consultation service and management consultation	INR 11.48 billion	100%	100%

(2) The following are other related parties which have transactions with the Company while no control relationship exists:

Name	Relationship with the Company
Infosys Poland Sp. z o.o.	Controlled by the same parent company
Infosys Consulting Pte. Ltd.	Controlled by the same parent company
Infosys Technologies (China) Co. Limited	Controlled by the same parent company
Infosys Technologies S.De.R.L	Controlled by the same parent company
Panaya Ltd.	Controlled by the same parent company
Infosys Compaz Pte Ltd	Controlled by the same parent company

(3) Significant transactions between the Company and the related parties in current year

(a) Sales and purchases

The details of sales and purchases between the Company and its related parties are as follows:

(In RMB)

Sales	As at December 31,	
	2022	2021
Infosys Technologies (China) Co. Limited	280,556,901.31	252,489,047.66
Infosys Limited	116,939,855.41	94,093,438.74
Panaya Ltd.	1,019,241.88	1,024,950.94
Infosys Technologies S.De.R.L	954,598.90	7,563,223.31
Infosys Compaz Pte Ltd	162,634.28	–
Total	399,633,231.78	355,170,660.65

(In RMB)

Purchases	As at December 31,	
	2022	2021
Infosys Technologies (China) Co. Limited	663,349.31	6,890,246.34
Infosys Limited	3,220,498.27	2,936,670.59
Total	3,883,847.58	9,826,916.93

(b) Loans and borrowings

The details of loans and borrowings between the Company and related parties are as follows:

(In RMB)

Particulars	Incurred amount in 2022	As at 31 December 2022	Incurred amount in 2021	As at 31 December 2021	Annual interest rate
Borrowings from					
Infosys Poland Sp. z o.o.	2,944,500.00	34,823,000.00	(746,000.00)	31,878,500.00	12 months LIBOR+1.25%
Infosys Technologies (China) Co. Limited	–	50,000,000.00	–	50,000,000.00	6.00%
Infosys Limited	–	–	(65,249,000.00)	–	6.00%
Infosys Consulting Pte. Ltd.	–	41,200,000.00	–	41,200,000.00	12 months LIBOR+0.8%
Total	2,944,500.00	126,023,000.00	(65,995,000.00)	123,078,500.00	

Note:

On April 21, 2021, the Company sent a letter to Infosys Poland Sp.z o.o. The extended loan of US $5,000,000.00 (equivalent to RMB 34,823,000.00 on December 31, 2022) has a term of 1 year. The interest rate will be 3.50% from 1 January 2021. It will be adjusted to 12 months LIBOR+1.25% from May 18, 2022. The amount of this year is the difference caused by exchange rate changes.

Short-term borrowings include the borrowings obtained by the Company from Infosys Technologies (China) Co., Ltd. for business purposes in 2017, amounting to RMB 50,000,000.00 with an annual interest rate of 6.00%. These borrowings were originally due in 2018 and will be extended to be returned at the request of the Lender.

The Company has borrowed RMB 41,200,000.00 from Infosys Consulting Singapore for operation in 2020, with an annual interest rate of 4.00%. From 20 January 2023, the interest rate will be one-year US dollar LIBOR plus 0.8% spread. The one-year term of the facility was originally due on January 19, 2022 and was extended to January 19, 2024.

(In RMB)

Particulars	As at December 31, 2022	2021
Interest expenses		
Infosys Technologies (China) Co. Limited	3,000,000.00	3,000,000.00
Infosys Poland Sp. z o.o.	1,473,521.98	874,451.74
Infosys Consulting Pte. Ltd.	1,729,147.06	1,648,000.00
Infosys Limited	–	1,493,642.09
Total	6,202,669.04	7,016,093.83

(c) Amounts due to/from related companies

(In RMB)

Accounts	Name of the related parties	As at December 31, 2022	2021
Accounts receivable	Infosys Technologies (China) Co. Limited	75,471,496.91	68,535,874.44
	Infosys Limited	12,563,756.54	9,992,893.34
	Infosys Compaz Pte Ltd	162,771.52	–
	Infosys Technologies S.De.R.L	–	89,553.40
	Panaya Ltd.	68,455.47	67,179.99
	Total	88,266,480.44	78,685,501.17
Accounts payable	Infosys Technologies (China) Co. Limited	55,907,594.06	55,204,443.77
	Infosys Limited	3,583,738.78	2,708,039.13
	Total	59,491,332.84	57,912,482.90
Other payables	Infosys Technologies (China) Co. Limited	16,499,178.08	13,499,178.08
	Infosys Poland Sp. z o.o.	7,459,449.18	5,503,626.46
	Infosys Consulting Pte. Ltd.	4,961,936.10	3,232,789.04
	Total	28,920,563.36	22,235,593.58

X. Financial instruments and risk management

The Company's major financial instruments include cash and bank balances, accounts receivable, other receivables, accounts payable, other payables and short-term loans. Details of these financial instruments are disclosed in Note VII. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

The Company adopts sensitivity analysis technique to analyze how the profit and loss for the period and owners' equity would have been affected by reasonably possible changes in the relevant risk variables. As it is unlikely that risk variables will change in an isolated manner, and the interdependence among risk variables will have significant effect on the amount ultimately influenced by the changes in a single risk variable, the following are based on the assumption that the change in each risk variable is on a stand-alone basis.

1. Risk management objectives and policies

The Company's risk management objectives are to achieve proper balance between risks and yield, minimize the adverse impacts of risks on the Company's operation performance, and maximize the benefits of the shareholders and other equity investors. Based on these risk management objectives, the Company's basic risk management strategy is to identify and analyze the industry's exposure to various risks, establish appropriate bottom line for risk tolerance, implement risk management, and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

1.1 Market risk

1.1.1 Foreign currency risk

Foreign currency risk is the risk that losses will occur because of changes in foreign exchange rates. The Company's exposure to the foreign currency risk is primarily associated with USD and INR. The Company's principal activities are settled in RMB. As at 31 December 2022, the balance of the Company's assets and liabilities are both denominated in RMB except that the assets and liabilities set out below are denominated in foreign currencies. Foreign currency risk arising from the assets and liabilities denominated in foreign currencies may have impact on the Company's performance.

(In RMB)

	As at December 31,	
	2022	2021
Cash and bank balances	671,298.92	329,644.99
Accounts receivable	12,794,983.53	9,622,587.82
Short-term loans	(34,823,000.00)	(31,878,500.00)
Interest payable	(7,459,449.18)	(5,503,626.46)
Accounts payable	(3,583,738.78)	(2,708,039.13)
Total	(32,399,905.51)	(30,137,932.78)

Sensitivity analysis on currency risk

The assumption for the sensitivity analysis on currency risk is that all hedges of net investments in foreign operations and the cash flow hedges are highly effective.

On the basis of the above assumption, where all other variables are held constant, the reasonably possible changes in the foreign exchange rate may have the following pre-tax effect on the profit or loss for the period and owners' equity:

(In RMB)

Item	Changes in exchange rate	As at December 31,			
		2022		2021	
		Effect on profit	Effect on Owners' equity	Effect on profit	Effect on Owners' equity
Foreign currencies	10% increase against RMB	(3,239,990.55)	(3,239,990.55)	(3,013,793.28)	(3,013,793.28)
Foreign currencies	10% decrease against RMB	3,239,990.55	3,239,990.55	3,013,793.28	3,013,793.28

1.2 Credit risk

As at 31 December 2022, the Company's maximum exposure to credit risk which will cause a financial loss to the Company due to failure to discharge an obligation by the counterparties.

The Company reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the management of the Company consider that the Company credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit rating.

1.3 Liquidity risk

In the management of the liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows. The management monitors use of loans and ensures to observe loan agreements.

XI. Capital management

The Company's primary objectives when managing capital are to safeguard the Company's ability to continue as a going concern.

The Company defines "capital" as including all components of equity. The balance of related party transactions are not regarded by the Company as capital.

The Company's capital structure is regularly reviewed and managed with due regard to the capital management practices of the Infosys Limited Group to which the Company belongs. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Company. The results of the Board of Directors' review of the Company's capital structure are used as a basis for the determination of the level of dividends, if any, that are declared.

The Company is not subject to externally imposed capital requirements.

XII. Commitments

(1) Capital commitments

(In RMB)

	As at December 31,	
	2022	2021
Capital commitments that have been entered into but have not been performed:	**1,219,606.45**	2,660,619.03

Infosys Consulting GmbH

Independent Auditor's report

To the Members of Infosys Consulting GmbH

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Infosys Consulting GmbH ("the Company"), which comprise the Balance Sheet as at December 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of preparation referred to in Section 1.2 of the special purpose financial statements, of the state of affairs of the Company as at December 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's Responsibilities for the Special Purpose Financial Statements

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

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

In preparing the special purpose financial statements, the Company's Management is 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 Management isBoard of Directors are responsible for overseeing the Company's financial reporting process.

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

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

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

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

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

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

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

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

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

UDIN : 23202841BGWLUY7680

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

(M Rathnakar Kamath)
Partner
Membership Number. 202841

Place: Bengaluru

Date: May 20, 2023

Balance Sheet

in EUR

Particulars	Note No.	As at December 31	
		2022	2021
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	418,965	96,318
Right-of-use assets	2.18	995,607	1,763,937
Financial assets			
Loans	2.2	–	4,069,544
Other financial assets	2.3	3,377,516	1,129,827
Income tax assets, net	2.13	1,117,668	803,979
Total non-current assets		5,909,756	7,863,605
Current assets			
Financial assets			
Trade receivables	2.4	10,670,065	7,861,608
Cash and cash equivalents	2.5	961,086	749,957
Loans	2.2	78,631	260,505
Other financial assets	2.3	2,912,532	3,077,856
Other current assets	2.6	2,609,704	5,714,819
Total current assets		17,232,018	17,664,745
Total assets		23,141,774	25,528,350
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.8	86,000	86,000
Other equity		7,514,307	7,665,671
Total equity		7,600,307	7,751,671
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease Liabilities	2.18	1,294,457	2,221,018
Other financial liabilities	2.10	18,804	29,096
Total non-current liabilities		1,313,261	2,250,114
Current liabilities			
Financial liabilities			
Trade payables	2.9	5,969,349	1,935,590
Lease Liabilities	2.18	1,360,326	1,177,213
Other financial liabilities	2.10	5,049,355	8,866,645
Other current liabilities	2.11	915,103	3,167,373
Provisions	2.12	93,558	95,810
Income tax liabilities, net	2.13	840,515	283,934
Total current liabilities		14,228,206	15,526,565
Total equity and liabilities		23,141,774	25,528,350

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

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Place: Bengaluru
Date : May 21, 2023

for and on behalf of the Board of Directors of Infosys Consulting GmbH

Ann Kathrin Sauthoff Bloch
Executive Director

Statement of Profit and Loss

In EUR,except equity share and per equity share data

Particulars	Note No.	Years ended December 31	
		2022	2021
Revenue from operations	2.14	53,470,300	43,940,579
Other income, net	2.15	(115,964)	149,075
Total income		53,354,336	44,089,654
Expenses			
Employee benefit expenses	2.16	19,956,032	17,554,780
Cost of technical sub-contractors		8,928,677	9,781,692
Travel expenses		733,156	278,480
Cost of software packages and others	2.16	20,906,753	11,282,163
Communication expenses		131,699	39,380
Consultancy and professional charges		900,041	610,577
Depreciation expense	2.1	724,269	837,871
Finance cost		9,159	5,653
Other expenses	2.17	524,422	330,716
Total expenses		52,814,208	40,721,312
Profit/(loss) before tax		540,128	3,368,342
Tax expense			
Current tax	2.13	687,449	(70,658)
Deferred tax	2.13	–	–
Profit/(Loss) for the year		(147,321)	3,439,000
Other comprehensive income / (loss)			
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/(loss) for the period/year		(147,321)	3,439,000

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

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Place: Bengaluru
Date : May 21, 2023

for and on behalf of the Board of Directors of Infosys Consulting GmbH

Ann Kathrin Sauthoff Bloch
Executive Director

Statement of Changes in Equity

In EUR

Particulars	Equity share capital	Other equity — Reserves and Surplus — Retained earnings	Other equity — Reserves and Surplus — Capital reserve	Total equity attributable to equity holders of the Company
Balance as of January 1, 2021	86,000	2,226,671	2,000,000	4,312,671
Changes in equity for the year ended December 31, 2021				
Profit for the year	–	3,439,000	–	3,439,000
Balance as of December 31, 2021	86,000	5,665,671	2,000,000	7,751,671
Changes in equity for the year ended December 31, 2022				
Impact on adoption of amendment to Ind-AS 37 #	–	(4,043)	–	(4,043)
Profit for the year	–	(147,321)	–	(147,321)
Balance as of December 31, 2022	86,000	5,514,307	2,000,000	7,600,307

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

Impact on account of adoption of amendment to Ind AS 37 Provisions, Contingent Liabilities and Contingents Assets

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Place: Bengaluru

Date : May 21, 2023

for and on behalf of the Board of Directors of Infosys Consulting GmbH

Ann Kathrin Sauthoff Bloch
Executive Director

Statements of Cash Flows

In EUR

Particulars	Note No.	Year ended December 31	
		2022	2021
Cash flows from operating activities			
Profit/(Loss) for the year		(147,321)	3,439,000
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation and amortization expense	2.1 & 2.18	724,269	837,871
Income tax expense	2.13	687,449	(70,658)
Impairment loss recognized / (reversed) under expected credit loss model		23,152	4,955
Finance Cost		9,159	5,653
Provision for post-sales client support and warranties		(6,294)	54,825
Interest and dividend income		(10,890)	(16,041)
Exchange differences on translation of assets and liabilities		129,646	(132,364)
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(2,867,633)	(4,662,022)
Other financial assets and other assets		1,336,439	(5,692,879)
Trade payables		4,033,759	1,321,248
Other financial liabilities, other liabilities and provisions		(5,591,264)	2,207,317
Cash generated from / (used in) operations		(1,679,529)	(2,703,095)
Income taxes paid	2.13	(444,557)	(682,646)
Net cash generated by / (used in) operating activities		(2,124,086)	(3,385,741)
Cash flow from investing activities			
Expenditure on property, plant and equipment net of sale proceeds		(403,130)	(106,929)
Loans and advances to employees		24,603	232,888
Loans repaid by Parent company and other subsidiaries		4,237,705	2,500,000
Loan given to subsidiaries		–	(200,000)
Interest and dividend received on investments		10,890	16,041
Net cash from/(used in) investing activities		3,870,068	2,442,000
Cash flow from financing activities			
Payment of Lease Liabilities		(1,527,737)	(784,182)
Interest and finance expenses paid		(7,116)	(2,429)
Net cash from / (used in) financing activities		(1,534,853)	(786,611)
Net increase/(decrease) in cash and cash equivalents		211,129	(1,730,352)
Cash and cash equivalents at the beginning of the year	2.5	749,957	2,480,309
Cash and cash equivalents at the end of the year	2.5	961,086	749,957

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

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Place: Bengaluru
Date : May 21, 2023

for and on behalf of the Board of Directors of Infosys Consulting GmbH

Ann Kathrin Sauthoff Bloch
Executive Director

Significant accounting policies

Company overview

Infosys Consulting GmbH is a wholly-owned subsidiary of Infosys Consulting Holding AG (Infosys Lodestone) (formerly Lodestone Holding AG). The Company renders professional management consulting services, thereby enabling its clients to enhance business performance.

1 Significant accounting policies

1.1 Accounting year

The accounting year of the Company is from January 1 to December 31.

1.2 Basis of preparation of financial statements

These special purpose financial statements are prepared for inclusion in the Annual Report of the Ultimate Holding Company Infosys Limited under the requirements of Section 129 (3) of the Companies Act 2013. These financial statements are prepared in accordance with Indian Accounting Standards (Ind-AS), under the historical cost convention on the accrual basis. The Ind-AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operate (i.e. the "functional currency"). The functional currency of the Company is Euro and the financial statements are also presented in Euro. All amounts included in the financial statements are reported in Euro, 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 Presentation currency

The Company's presentation currency is Euro.

1.4 Use of estimates

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

Accounting estimates could change from period-to-period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.5 Revenue recognition

The Company derives revenues primarily from consultancy services. Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

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

1.5.1 Time & Material

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

1.5.2 Fixed Price

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

1.5.3 Unbilled/ Unearned

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

1.5.4 Volume Discounts

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

1.5.5 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.

1.5.6 Tax

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

1.6 Provisions

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.

1.7 Post-sales client support

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

1.8 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. Provisions for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete 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.

1.9 Property, plant and equipment

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	5 years

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

(1) For these class of assets, 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.

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. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

1.10 Financial instruments

1.10.1 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, which 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.

1.10.2 Subsequent measurement

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

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.

(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. 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.

1.10.3 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.

1.11 Impairment

a. Financial assets

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets, which are not fair valued through profit or loss. Loss allowance for trade receivables 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 or loss.

b. Non-financial assets

(i) Property, plant and equipment

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 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 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 depreciation) had no impairment loss been recognized for the asset in prior years.

1.12 Employee Benefits

Compensated absences

The Company has a policy on compensated absences, which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

1.13 Foreign currency

Functional currency

The functional currency of the company is the EUR. These financial statements are presented in EUR.

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 the transaction. The related revenue and expense are recognized using the same exchange rate.

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

1.14 Income taxes

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 equity or 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.

1.15 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.16 Other income

Other income is comprised primarily of interest income and exchange gain on translation of other assets and liabilities.

1.17 Earnings per share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.

1.18 Borrowing Cost

Borrowing cost are charged to the Statement of Profit and Loss in the period in which they occurred.

1.19 Leases:

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: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) 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 Infosys'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 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 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 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 for the 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 asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.1 Property, plant and equipment

The changes in the carrying value of property, plant and equipment for the year ended December 31, 2022 are as follows:

In EUR

Particulars	Plant and machinery	Computer equipment	Furniture and fixtures	Office Equipment	Total
Gross carrying value as of January 1, 2022	1	641,458	217,692	6,171	865,322
Additions	–	403,130	–	–	403,130
Deletions	–	(49,576)	(24,491)	(3,807)	(77,874)
Gross carrying value as of December 31, 2022	1	995,012	193,201	2,364	1,190,578
Accumulated depreciation as of January 1, 2022	(1)	(547,705)	(216,483)	(4,815)	(769,004)
Depreciation	–	(78,630)	(1,209)	(644)	(80,483)
Accumulated depreciation on deletions	–	49,576	24,491	3,807	77,874

Particulars	Plant and machinery	Computer equipment	Furniture and fixtures	Office Equipment	Total
Accumulated depreciation as of December 31, 2022	(1)	(576,759)	(193,201)	(1,652)	(771,613)
Carrying value as of December 31, 2022	–	418,253	–	712	418,965
Carrying value as of January 1, 2022	–	93,753	1,209	1,356	96,318

The changes in the carrying value of property, plant and equipment for the year ended December 31, 2021 are as follows:

In EUR

Particulars	Plant and machinery	Computer equipment	Furniture and fixtures	Office Equipment	Total
Gross carrying value as of January 1, 2021	1	534,529	217,692	6,171	758,393
Additions	–	106,929	–	–	106,929
Gross carrying value as of December 31, 2021	1	641,458	217,692	6,171	865,322
Accumulated depreciation as of January 1, 2021	(1)	(496,190)	(210,332)	(3,886)	(710,409)
Depreciation	–	(51,515)	(6,151)	(929)	(58,595)
Accumulated depreciation as of December 31, 2021	(1)	(547,705)	(216,483)	(4,815)	(769,004)
Carrying value as of December 31, 2021	–	93,753	1,209	1,356	96,318
Carrying value as of January 1, 2021	–	38,339	7,360	2,285	47,984

2.2 Loans

In EUR

Particulars	As at December 31	
	2022	2021
Non-current		
Unsecured, considered good		
Loan to Subsidiary[(1)]	–	4,024,678
Loans and advances to employees	–	44,866
Total Non-current loans	–	4,069,544
Current		
Loans Receivables considered good - Secured		
Loan to Subsidiary[(1)]	–	202,137
Loans and advances to employees	78,631	58,368
Total current loans	78,631	260,505
[(1)] Includes dues from related parties (Refer to Note No.2.19)	–	4,226,815

2.3 Other financial assets

In EUR

Particulars	As at December 31	
	2022	2021
Non-current		
Investment in Lease	3,377,516	1,129,827
	3,377,516	1,129,827
Current		
Unbilled Revenues[(1)]	2,156,047	2,102,082
Rental deposits [(1)]	66,686	72,886
Investment in Lease	667,291	667,291
Others [(1)(2)]	22,508	235,597
Total current other financial assets	2,912,532	3,077,856
Total	6,290,048	4,207,683
[(1)] Financial assets carried at amortized cost	6,290,048	4,207,683
[(2)] Includes dues from related party (Refer to Note No.2.19)	290	235,615

2.4 Trade receivables

In EUR

Particulars	As at December 31	
	2022	2021
Current		
Unsecured		
Considered good [1]	10,670,065	7,861,608
Total trade receivables	10,670,065	7,861,608
[1] Includes dues from related parties (Refer to Note No.2.19)	4,858,195	2,255,053

Trade receivables ageing schedule for the year ended as on December 31, 2022

In EUR

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good		11,374,997	(466,522)	101,992	1,069,934	(1,410,336)	10,670,065

Trade payables ageing schedule for the year ended as on December 31, 2022

In EUR

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
Outstanding trade payables	–	5,969,349	–	–	–	5,969,349

Trade receivables ageing schedule for the year ended as on December 31, 2021

In EUR

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good		8,086,688	115,317	1,069,932	902,811	(2,313,140)	7,861,608

Trade payables ageing schedule for the year ended as on December 31, 2021:

In EUR

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
Outstanding trade payables	–	1,935,590	–	–	–	1,935,590

2.5 Cash and cash equivalents

In EUR

Particulars	As at December 31	
	2022	2021
Balances with banks		
In current accounts	960,185	748,552
Cash on hand	901	1,405
Total Cash and Cash equivalents	961,086	749,957

2.6 Other assets

In EUR

Particulars	As at December 31	
	2022	2021
Current		
Others		
Prepaid expenses [1]	960,384	2,418,707
Advance for supply of goods and rendering of services	7,336	–
Unbilled Revenues	–	1,191,746
Withholding taxes and others	1,641,984	2,104,366
Total current other assets	2,609,704	5,714,819

Particulars	As at December 31	
	2022	2021
[(1)] Includes dues from related party (Refer to Note No.2.19)	–	11,731

2.7 Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories as of December 31, 2022 and December 31, 2021 were as follows:

In EUR

Particulars	As at December 31	
	2022	2021
Assets		
Cash and cash equivalents (Refer to Note No. 2.5)	961,086	749,957
Trade receivables (Refer to Note No. 2.4)	10,670,065	7,861,608
Loans (Refer to Note No.2.2)	78,631	260,505
Other financial assets (Refer to Note No.2.3)	6,290,048	4,207,683
Total	17,999,830	13,079,753
Liabilities		
Trade payables (Refer to Note No. 2.9)	5,969,349	1,935,590
Lease Liability (Refer to Note 2.18)	2,654,783	3,398,231
Other financial liabilities (Refer to Note No.2.10)	4,726,388	8,411,522
Total	13,350,520	13,745,343

All the above financial assets and liabilities are carried at amortized cost and the carrying values approximates their fair value.

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 EUR 10,670,065 and EUR 7,861,608 as of December 31, 2022 and December 31, 2021, respectively and unbilled revenue amounting to EUR 2,156,047 and EUR 3,293,828 as of December 31, 2022 and December 31, 2021, 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. The Company uses ECL model to assess any required allowances and uses a provision matrix to compute the ECL allowance for trade receivables and unbilled revenues. The matrix takes into account credit reports and other related credit information to the extent available.

Credit risk exposure

The recognition/ (reversal) for lifetime ECL on customer balances for the year ended December 31, 2022 was EUR 23,152 and allowance for year ended December 31, 2021 was EUR 4,955 respectively.

In EUR

Particulars	Years ended December 31,	
	2022	2021
Balance at the beginning	32,410	27,104
Impairment loss recognized / (reversed)	23,152	4,955
Translation differences	6,368	351
Balance at the end	61,930	32,410

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies.

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents.

As of December 31, 2022, the Company had a working capital of EUR 3,003,812, including cash and cash equivalents of EUR 961,086. As of December 31, 2021, the Company had a working capital of EUR 2,109,084, including cash and cash equivalents of EUR 749,957

As of December 31, 2022 and December 31, 2021, the outstanding compensated absences were EUR 341,771 and EUR 484,219 respectively.

The details regarding the contractual maturities of significant financial liabilities as at December 31, 2022 are as follows:

In EUR

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade Payables (Refer to Note 2.9)	5,969,349	–	–	–	5,969,349
Accrued expenses (Refer to Note 2.10)	3,572,591	–	–	–	3,572,591
Accrued compensation to employees (Refer to Note 2.10)	1,127,595	–	–	–	1,127,595
Other payables (Refer to Note 2.10)	7,398	–	–	–	7,398

The details regarding the contractual maturities of significant financial liabilities as at December 31, 2021 are as follows:

In EUR

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade Payables (Refer to Note 2.9)	1,935,590	–	–	–	1,935,590
Accrued expenses (Refer to Note 2.10)	6,665,474	–	–	–	6,665,474
Accrued compensation to employees (Refer to Note 2.10)	1,654,105	–	–	–	1,654,105
Other payables (Refer to Note 2.10)	62,847	–	–	–	62,847

2.8 Equity

Equity share capital

As at December 31, 2022, the Company had one member, Infosys Consulting Holding AG (formerly Lodestone Holding AG) ("the Member"). The Member owns100% of the interests of the Company

2.9 Trade payables

In EUR

Particulars	As at December 31,	
	2022	2021
Trade payables *	5,969,349	1,935,590
Total trade payables	5,969,349	1,935,590
*Includes dues to related parties (Refer to Note No.2.19)	283,973	188,032

2.10 Other financial liabilities

In EUR

Particulars	As at December 31,	
	2022	2021
Non-current		
Others		
Other payables	18,804	29,096
	18,804	29,096
Current		
Others		
Accrued compensation to employees	1,127,595	1,654,105
Accrued expenses [(1)]	3,572,591	6,665,474
Compensated absences	341,771	484,219
Other payables [(2)]	7,398	62,847
	5,049,355	8,866,645
Total current other financial liabilities	5,068,159	8,895,741
Financial liability carried at amortized cost	4,726,388	8,411,522
Financial liability carried at fair value through profit or loss	–	–
[(1)] Includes dues to related party (Refer to Note No.2.19)	318,398	278,069

Particulars	As at December 31,	
	2022	2021
[(2)] Includes dues to related parties (Refer to Note No.2.19)	85,470	54,497

2.11 Other liabilities

In EUR

Particulars	As at December 31,	
	2022	2021
Current		
Unearned revenue	59,511	90,282
Others		
Withholding taxes and others	850,142	2,777,089
Advance received from clients	5,450	300,002
Total current other liabilities	915,103	3,167,373

2.12 Provisions

In EUR

Particulars	As at December 31	
	2022	2021
Current		
Others		
Post-sales7 client support	93,558	95,810
Total current Provisions	93,558	95,810

Provision for post-sales client support

The movement in the provision for post-sales client support is as follows :

In EUR

Particulars	Year ended December 31,	
	2022	2021
Balance at the beginning	95,810	40,985
Provision recognized / (reversed)	(2,252)	54,825
Balance at the end	93,558	95,810

Provision for post-sales client support and other provisions are expected to be utilized over a period of six months to one year.

2.13 Income taxes

Income tax expense in the Statement of Profit and Loss comprises:

In EUR

Particulars	Years ended December 31, 2022	2021
Current taxes	687,449	(70,658)
Deferred taxes	–	–
Income tax expense	687,449	(70,658)

Current tax expense for the years ended December 31, 2022 and December 31, 2021 includes reversal (net of provisions) amounting to EUR 674,164 and provisions (net of reversals) of EUR 318,825 respectively, pertaining to prior 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 as follows:

In EUR

Particulars	Years ended December 31, 2022	2021
Profit/(Loss) before income tax	540,128	3,368,342
Enacted tax rates in Germany (%)	27.38%	27.38%
Computed expected tax expense	147,860	922,084
Effect of unrecognized deferred tax assets	213,340	(678,626)
Tax provision (reversals)	317,194	(318,825)
Others	9,055	4,709
Income tax expense	687,449	(70,658)

The applicable Germany statutory tax rate for year ended December 31, 2022 is 27.38% and tax rate for the year ended December 31, 2021 is 27.38%.

The details of income tax assets and income tax liabilities are as follows :

In EUR

	Years ended December 31, 2022	2021
Income tax assets	1,117,668	803,979
Current income tax liabilities	840,515	283,934
Net current income tax assets / (liability) at the end	277,153	520,045

The gross movement in the current income tax asset / (liability) is as follows:

In EUR

	Years ended December 31, 2022	2021
Net current income tax asset / (liability) at the beginning	520,045	(233,259)
Income tax paid	444,557	682,646
Current income tax expense	(687,449)	70,658
Net current income tax asset / (liability) at the end	277,153	520,045

2.14 Revenue from operations

In EUR

Particulars	Years ended December 31, 2022	2021
Income from consultancy services	53,470,300	43,940,579
Total revenue from operations	53,470,300	43,940,579

Disaggregate revenue information

The disaggregated revenues from contracts with customers by offerings for the year ended December 31, 2022 are as follows. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

In EUR

Particulars	Years ended December 31, 2022	2021
Revenue by offerings		
Core	27,947,698	24,887,023
Digital	25,522,602	19,053,556
Total	53,470,300	43,940,579

Digital Services

Digital Services comprise of service and solution offerings of the company that enable our clients to transform their businesses. These include offerings that enhance customer experience, leverage AI-based analytics and big data, engineer digital products and IoT, modernize legacy technology systems, migrate to cloud applications and implement advanced cyber security systems.

Core Services

Core Services comprise traditional offerings of the Company that have scaled and industrialized over a number of years. These primarily include application management services, proprietary application development services, independent validation solutions, product engineering and management, infrastructure management services, traditional enterprise application implementation, support and integration services.

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.

The Company's receivables are rights to consideration that are unconditional. Unbilled revenues comprising revenues in excess of billings from time and material contracts and fixed price maintenance contracts 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-price 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 price contracts (contract asset) are classified as non-financial 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 December 31, 2022, the Company recognized revenue of EUR 432,706 arising from opening unearned revenue as of January 1, 2022.

During the year ended December 31, 2021, the Company recognized revenue of EUR 426,733 arising from opening unearned revenue as of January 1, 2021.

During the year ended December 31, 2022, EUR 1,350,133 of unbilled revenue pertaining to fixed-price development contracts as of January 1, 2022 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, including unit of work based contracts. 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 fluctuations.

The aggregate value of performance obligations that are completely or partially unsatisfied as at December 31, 2022, other than those meeting the exclusion criteria mentioned above, is EUR 230,909. The contracts can generally be terminated by the customers and typically includes an enforceable termination penalty payable by them. Generally, customers have not terminated contracts without cause.

2.15 Other income

In EUR

Particulars	Years ended December 31,	
	2022	2021
Interest received on financial assets carried at amortized cost		
Interest received on Employee Loans & Others	–	–
Interest Income on Loan To Subsidiary	10,890	16,041
Finance Income under revenue deals	2,478	–
Exchange gains/(losses) on translation of assets and liabilities	(129,794)	132,364
Others	462	670
	(115,964)	149,075

2.16 Employee benefit expenses & cost of software

In EUR

Particulars	Years ended December 31,	
	2022	2021
Employee benefit expenses		
Salaries, including bonus	19,956,032	17,554,780
Total employee benefit expenses	19,956,032	17,554,780
Cost of software packages and others		
For own use	23,567	23,189
Third-party items bought for service delivery to clients	20,883,186	11,258,974
Total cost of software packages and others	20,906,753	11,282,163

2.17 Other expenses

In EUR

Particulars	Years ended December 31,	
	2022	2021
Other expenses		
Power and fuel	48,578	59,799
Brand and marketing	120,492	9,475
Printing and stationery	17,552	10,407
Rates and taxes	68,365	2,794
Repairs and maintenance	63,884	52,879
Insurance	57,426	59,377
Provision for post-sales client support and others	(6,294)	54,825
Statutory audit fees	33,125	27,891
Bank charges	7,454	5,623
Others	113,840	47,646
Total other expenses	524,422	330,716

2.18 Leases

The changes in the carrying value of right of use assets for the year ended December 31, 2022: are as follows:

In EUR

Particulars	Category of ROU asset			Total
	Buildings	Computer Equipment	Vehicles	
Balance as of January 1, 2022	399,076	1,345,425	19,436	1,763,937
Additions	24,320	782,246	–	806,566
Deletion	–	(931,110)	–	(931,110)
Depreciation	(176,943)	(462,748)	(4,095)	(643,786)
Balance as of December 31, 2022	246,453	733,813	15,341	995,607

The changes in the carrying value of right of use assets for the year ended December 31, 2021 are as follows:

In EUR

Particulars	Category of ROU asset			Total
	Buildings	Computer Equipment	Vehicles	
Balance as of January 1, 2021	557,630	4,488	33,994	596,112
Additions	21,688	3,571,104	–	3,592,792
Deletion	–	(1,645,691)	–	(1,645,691)
Depreciation	(180,242)	(584,476)	(14,558)	(779,276)
Balance as of December 31, 2021	399,076	1,345,425	19,436	1,763,937

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 is as follows:

In EUR

Particulars	As at December 31	
	2022	2021
Current lease liabilities	1,360,326	1,177,213
Non-current lease liabilities	1,294,457	2,221,018
Total	2,654,783	3,398,231

The movement in lease liabilities during the year ended is as follows:

In EUR

Particulars	For the years ended December 31,	
	2022	2021
Balance at the beginning	3,398,231	608,085
Additions	782,246	3,571,104
Finance cost accrued during the period	2,043	3,224
Payment of lease liabilities	(1,527,737)	(784,182)
Balance at the end	2,654,783	3,398,231

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.

2.19 Related party transactions

List of holding companies:

Name of the holding company	Country	Holding as at December 31,	
		2022	2021
Infosys Consulting Holding AG (Infosys Lodestone)	Switzerland	100.00%	100.00%

Name of the ultimate holding company	Country
Infosys Limited	India

List of related parties:

Name of fellow subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)[1]	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)[1]	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)[1]	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)[1]	China
Infosys Nova Holdings LLC. (Infosys Nova)[1]	U.S.
EdgeVerve Systems Limited (EdgeVerve)[1]	India
Infosys Austria GmbH[1]	Austria
Skava Systems Private Limited (Skava Systems)[1][27]	India
Kallidus Inc, (Kallidus)[28]	U.S.
Infosys Chile SpA[1]	Chile
Infosys Arabia Limited[2][27]	Saudi Arabia
Infosys Consulting Ltda.[1]	Brazil
Infosys CIS LLC[15]	Russia
Infosys Luxembourg S.a.r.l[1]	Luxembourg
Infosys Americas Inc. (Infosys Americas)[1]	U.S.
Infosys Public Services, Inc. USA (Infosys Public Services)[1]	U.S.
Infosys Canada Public Services Inc[20][39]	Canada
Infosys BPM Limited[1][47]	India
Infosys (Czech Republic) Limited s.r.o.[3]	Czech Republic
Infosys Poland Sp z.o.o[3]	Poland
Infosys McCamish Systems LLC[3]	U.S.
Portland Group Pty Ltd[3]	Australia
Infosys BPO Americas LLC.[3]	U.S.
Infosys Consulting Holding AG (Infosys Lodestone)[1]	Switzerland
Infosys Management Consulting Pty Limited[4]	Australia
Infosys Consulting AG[4]	Switzerland
Infosys Consulting S.R.L.[1]	Romania
Infosys Consulting SAS[4]	France
Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.)[4][38]	Czech Republic
Infosys Consulting (Shanghai) Co., Ltd.[4](34)	China
Infy Consulting Company Ltd[4]	U.K.
Infy Consulting B.V.[4]	The Netherlands
Infosys Consulting S.R.L.[2]	Argentina
Infosys Consulting (Belgium) NV[5]	Belgium
Panaya Inc. (Panaya)[1]	U.S.
Panaya Ltd.[6]	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH)[6]	Germany

Name of fellow subsidiaries	Country
Brilliant Basics Holdings Limited (Brilliant Basics)[1][27]	U.K.
Brilliant Basics Limited[7][27]	U.K.
Infosys Consulting Pte. Ltd. (Infosys Singapore)[1]	Singapore
Infosys Middle East FZ LLC[8]	Dubai
Fluido Oy[8]	Finland
Fluido Sweden AB (Extero)[11]	Sweden
Fluido Norway A/S[11]	Norway
Fluido Denmark A/S[11]	Denmark
Fluido Slovakia s.r.o[11]	Slovakia
Infosys Compaz Pte. Ltd[9]	Singapore
Infosys South Africa (Pty) Ltd[8]	South Africa
WongDoody Holding Company Inc. (WongDoody)[1][40]	U.S.
WDW Communications, Inc[10][41]	U.S.
WongDoody, Inc[10][42]	U.S.
HIPUS Co., Ltd[9]	Japan
Stater N.V.[9]	The Netherlands
Stater Nederland B.V.[12]	The Netherlands
Stater XXL B.V.[12]	The Netherlands
HypoCasso B.V.[12]	The Netherlands
Stater Participations B.V.[12]	The Netherlands
Stater Belgium N.V./S.A.[13]	Belgium
Stater Gmbh[12][32]	Germany
Outbox systems Inc. dba Simplus (US)[16]	U.S.
Simplus North America Inc.[17][31]	Canada
Simplus ANZ Pty Ltd.[17]	Australia
Simplus Australia Pty Ltd[18]	Australia
Sqware Peg Digital Pty Ltd[19][35]	Australia
Simplus Philippines, Inc.[17]	Philippines
Simplus Europe, Ltd.[17][33]	U.K.
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)[11]	U.K.
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[21]	Ireland
Infosys Limited Bulgaria EOOD[1]	Bulgaria
Kaleidoscope Animations, Inc.[16]	U.S.
Kaleidoscope Prototyping LLC[23]	U.S.
GuideVision s.r.o.[14]	Czech Republic
GuideVision Deutschland GmbH[22]	Germany
GuideVision Suomi Oy[22]	Finland
GuideVision Magyarország Kft[22]	Hungary
GuideVision Polska SP.Z.O.O[22]	Poland
GuideVision UK Ltd[22]	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[16]	U.S.
Beringer Capital Digital Group Inc[16][45]	U.S.
Mediotype LLC[24][45]	U.S.
Beringer Commerce Holdings LLC[24][45]	U.S.
SureSource LLC[25][43]	U.S.
Blue Acorn LLC[25][43]	U.S.
Simply Commerce LLC[25][43]	U.S.

Name of fellow subsidiaries	Country
iCiDIGITAL LLC[26][44]	U.S.
Infosys BPM UK Limited[3]	U.K.
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[1]	Turkey
Infosys Germany Holding Gmbh[1][29]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1][30]	Germany
Infosys Green Forum[1][36]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[37]	Malaysia
Infosys Business Solutions LLC[1][46]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")[48]	Germany
oddity GmbH [49]	Germany
oddity (Shanghai) Co., Ltd. [50]	China
oddity Limited (Taipei) [50]	Taiwan
oddity space GmbH [49]	Germany
oddity jungle GmbH [49]	Germany
oddity code GmbH [49]	Germany
oddity code d.o.o [51]	Serbia
oddity waves GmbH [49]	Germany
oddity group services GmbH [49]	Germany
Infosys Public Services Canada Inc. [20][52]	Canda
BASE life science AG [54]	Switzerland
BASE life science GmbH [54]	Germany
BASE life science A/S [53]	Denmark
BASE life science S.A.S [54]	France
BASE life science Ltd. [54]	U.K.
BASE life science S.r.l. [54]	Itlay
Innovisor Inc.[54]	U.S.
BASE life science Inc.[54]	U.S.
BASE life science S.L.[54][55]	Spain
Panaya Germany GmbH [6][56]	Germany

(1) Wholly-owned subsidiary of Infosys Limited
(2) Majority-owned and controlled subsidiary of Infosys Limited
(3) Wholly-owned subsidiary of Infosys BPM Limited
(4) Wholly-owned subsidiary of Infosys Consulting Holding AG
(5) Majority-owned and controlled subsidiary of Infosys Consulting Holding AG
(6) Wholly-owned subsidiary of Panaya Inc.
(7) Wholly-owned subsidiary of Brilliant Basics Holding Limited.
(8) Wholly-owned subsidiary of Infosys Consulting Pte. Ltd.
(9) Majority-owned and controlled subsidiary of Infosys Consulting Pte. Ltd.
(10) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody)
(11) Wholly-owned subsidiary of Fluido Oy
(12) Wholly-owned subsidiary of Stater N.V
(13) Majority-owned and controlled subsidiary of Stater Participations B.V.
(14) Wholly-owned subsidiary of Infy Consulting Company Limited
(15) Liquidated effective January 28, 2021.
(16) Wholly-owned subsidiary of Infosys Nova Holdings LLC
(17) Wholly-owned subsidiary of Outbox Systems Inc.
(18) Wholly-owned subsidiary of Simplus ANZ Pty Ltd
(19) Wholly-owned subsidiary of Simplus Australia Pty Ltd
(20) Wholly-owned subsidiary of Infosys Public Services, Inc.

[21] Wholly-owned subsidiary of Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)

[22] Wholly-owned subsidiary of GuideVision s.r.o.

[23] Wholly-owned subsidiary of Kaleidoscope Animations, Inc.

[24] Wholly-owned subsidiary of Blue Acorn iCi Inc

[25] Wholly-owned subsidiary of Beringer Commerce Holdings LLC

[26] Wholly-owned subsidiary of Beringer Capital Digital Group Inc.

[27] Under liquidation

[28] Liquidated effective March 9,2021

[29] Incorporated on March 23, 2021

[30] On March 28, 2021 Infosys Limited and Infosys Germany Holding Gmbh registered Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm.

[31] Liquidated effective April 27,2021

[32] Incorporated on August 4, 2021

[33] Liquidated effective July 20, 2021

[34] Liquidated effective September 1, 2021

[35] Liquidated effective September 2, 2021

[36] Incorporated on August 31, 2021

[37] On December 14, 2021, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)

[38] Liquidated effective December 16, 2021

[39] Liquidated effective November 23, 2021

[40] Wholly-owned subsidiary of Infosys Limited, merged with WongDoody Inc, effective December 31, 2021

[41] Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody), merged with WongDoody Inc, effective December 31, 2021

[42] Wholly-owned subsidiary of Infosys Limited, effective December 31, 2021

[43] Merged with Beringer Commerce Holdings LLC, effective January 1, 2022

[44] Merged with Beringer Capital Digital Group Inc, effective January 1, 2022

[45] Merged with Blue Acorn iCi Inc, effective January 1, 2022

[46] Incorporated on February 20, 2022

[47] On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

[48] On March 22, 2022, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))

[49] On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly owned subsidiary of Infosys Consulting Pte. Ltd) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and oddity GmbH.

[50] Wholly-owned subsidiary of oddity GmbH

[51] Wholly-owned subsidiary of oddity code GmbH.

[52] Incorporated on July 8, 2022

[53] On September 1, 2022, Infosys Consulting Pte. Ltd. (a Wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

[54] Wholly-owned subsidiary of BASE life science A/S

[55] Incorporated on September 6, 2022

[56] Incorporated effective December 15, 2022

The details of amounts due to or due from related parties as at December 31, 2022 and December 31, 2021 are as follows :

In EUR

Particulars	As at December 31	
	2022	2021
Trade receivables		
Infosys Management Consulting Pty Limited	–	5,047
Infosys Automotive and Mobility GmbH & Co. KG	123,501	15,865
Infosys Consulting AG	5,945	–
Infosys Compaz Pte. Ltd	–	–
Infosys Consulting Ltda	–	–
Infy Consulting Company Limited	4,727,045	2,232,437
Infosys Consulting S.R.L. (Romania)	–	1,684
Infosys Consulting S.R.L. (Argentina)	1,684	–
Infosys (Czech Republic) Limited s.r.o.	20	20
	4,858,195	2,255,053

Particulars	As at December 31	
	2022	2021
Loans		
Infosys Consulting Holding AG (Infosys Lodestone) (formerly Lodestone Holding AG)	–	4,024,678
Infosys Automotive and Mobility GmbH & Co. KG	–	202,137
	–	4,226,815
Other financial assets		
Infosys Automotive and Mobility GmbH & Co. KG	270	270
Infosys Consulting AG	–	78,103
Infy Consulting Company Limited	–	3,875
Infosys Consulting Holding AG	20	5,913
Infosys Limited	–	65,836
Infosys Consulting (Belgium) NV	–	4,462
Infy Consulting B.V.	–	77,156
	290	235,615
Trade payables		
Infosys Poland Sp z.o.o	155,351	89,152
Infosys Consulting AG	7,843	3,921
Infosys Consulting S.R.L. (Romania)	17,863	11,312
Infosys Consulting (Shanghai) Co., Ltd	–	–
Infosys (Czech Republic) Limited s.r.o.	–	–
Infy Consulting B.V.	–	–
Infosys Consulting Pte Limited	–	–
Infy Consulting Company Limited	102,916	83,647
	283,973	188,032
Other Financial Liabilities		
Infosys Limited	34,891	54,477
Infosys Consulting Sp. z.o.o	–	–
Lodestone Management Consultants Portugal, Unipessoal, Lda.	–	–
Infosys Consulting AG	50,559	–
Infosys (Czech Republic) Limited s.r.o.	20	20
	85,470	54,497
Accrued expenses		
Infosys Limited	318,398	278,069
	318,398	278,069
Other current assets		
Panaya Limited	–	11,731
	–	11,731

The details of the related parties transactions entered into by the Company for the years ended December 31, 2022 and December 31, 2021 are as follows:

In EUR

Particulars	Years ended December 31,	
	2022	2021
Revenue transactions		
Purchase of services, shared facilities and personnel		
Infosys Consulting S.R.L. (Romania)	221,431	242,301

Particulars	Years ended December 31,	
	2022	2021
Infosys Poland Sp z.o.o	1,166,747	1,108,394
Infy Consulting B.V.	–	–
Infosys Consulting (Belgium) NV	–	–
Infosys Consulting SAS	–	2,008
Infosys Limited	129,369	24,809
Infosys Consulting (Shanghai) Co., Ltd	–	–
Infosys (Czech Republic) Limited s.r.o.	–	16,255
Infosys Consulting Holding AG (Infosys Lodestone) (formerly Lodestone Holding AG)	–	–
Infosys Consulting AG	66,026	175,619
Panaya Limited	11,731	46,923
Infosys Consulting Sp. z.o.o	–	–
Infosys Consulting Pte Limited	–	–
Infy Consulting Company Limited	1,446,147	4,500,109
	3,041,451	6,116,418
Interest Income		
Infosys Consulting Holding AG (Infosys Lodestone) (formerly Lodestone Holding AG)	10,890	16,041
	10,890	16,041
Sale of services		
Infosys Consulting Ltda	–	–
Infosys Consulting AG	259,429	25,892
Infosys Consulting SAS	–	–
Infosys Consulting (Belgium) NV	–	575
Infosys Management Consulting Pty Limited	–	4,892
Infosys Consulting Pte Limited	–	4,901
Infosys Poland Sp z.o.o	–	–
Infosys Automotive and Mobility GmbH & Co. KG	90,451	13,332
Infosys Compaz Pte. Ltd	–	–
Infy Consulting Company Limited	26,776,950	21,571,951
	27,126,830	21,621,543

2.20Segment reporting

The Company is engaged in providing consultancy service in a single geography. 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. Its operations are, therefore, considered to constitute a single segment in the context of Ind-AS 108, Segment Reporting.

2.27 Ratios

The ratios for the years ended December 31, 2022 and December 31, 2021 are as follows:

Particulars	Numerator	Denominator	December 31, 2022	December 31, 2021	Variance
Current Ratio	Current assets	Current liabilities	1.2	1.1	6.5%
Debt – Equity Ratio	Total Debt (represents lease liabilities) [(1)]	Shareholder's Equity	0.3	0.4	(20.3%)
Debt Service Coverage Ratio	Earnings available for debt service[(2)]	Debt Service[(3)]	0.4	5.5	(93.0%)[(4)]
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	(1.9%)	57.0%	(103.4%)[(5)]
Trade receivables turnover ratio	Revenue	Average Trade Receivable	5.8	7.9	(27.3%)[(6)]
Trade payables turnover ratio	Purchases of services and other expenses	Average Trade Payables	8.1	17.5	(53.6%)[(7)]
Net capital turnover ratio	Revenue	Working Capital	17.8	20.6	(13.4%)[(8)]
Net profit ratio	Net Profit	Revenue	(0.3%)	7.8%	(103.5%)[(9)]
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed[(4)]	5.3%	30.2%	(82.6%)[(10)]

(1) Debt represents only 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) Decrease in earnings and increase in debt

(5) Decrease in Net profit

(6) Increase in Revenue and increase in Trade Receivables

(7) Increase in Credit purchase and increase in Trade Payables

(8) Increase in Revenue and decrease in working capital

(9) Decrease in Net Profit

(10) Decrease in Net Profit before taxes

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Infosys Consulting AG

Report of the Statutory Auditor

To the General Meeting of Infosys Consulting AG, Kloten

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Infosys Consulting AG, Kloten (the Company), which comprise the Balance Sheet as at 31 December 2022 and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. In our opinion, the accompanying financial statements comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and 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 provisions of Swiss law, and the requirements of the Swiss audit profession, 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.

Board of Directors' Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors 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 Board of Directors 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 Board of Directors 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 Swiss law and SA-CH 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.

A further description of our responsibilities for the audit of the financial statements is located on EXPERT Suisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Furthermore, we confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

For Deloitte AG

Jan Meyer
Licensed Audit Expert
Auditor in charge

Aude Salord
Licensed Audit Expert

Place: Zurich

Date: April 28, 2023

Balance sheet

In CHF

Particulars	Note No.	As at December 31, 2022	As at December 31, 2021
Assets			
Cash and cash equivalents		4,889,379.39	6,960,362.63
Receivables from third parties		4,718,541.31	2,014,274.69
Receivables from other group companies		1,388,602.80	5,391,766.44
Other short-term receivables		15,352.70	0.00
Prepaid expenses and accrued income		6,285,152.35	1,185,135.46
Total current assets		17,297,028.55	15,551,539.22
Loans to shareholder		2,986,324.93	402,596.36
Investments	2.1	4,700.06	65,118.06
Tangible assets	2.2	214,475.90	103,259.81
Intangible assets		100,179.23	0.00
Right of use assets	2.3	6,077,271.73	6,811,880.15
Total non-current assets		9,382,951.85	7,382,854.38
TOTAL ASSETS		26,679,980.40	22,934,393.60
Liabilities and equity			
Accounts payable to third parties		1,618,184.31	1,000,902.21
Accounts payable to other group companies		1,837,136.78	517,561.70
Other short-term liabilities		1,506,288.89	1,496,053.06
Other short-term payables to shareholder		0.00	14,520.51
Short-term lease liabilities	2.3	774,936.63	774,936.63
Accrued expenses and deferred income		8,314,502.80	6,024,280.55
Total short-term liabilities		14,051,049.41	9,828,254.66
Lease liability	2.3	5,422,026.16	5,863,985.92
Total long-term liabilities		5,422,026.16	5,863,985.92
Total liabilities		19,473,075.57	15,692,240.58
Share capital	2.4	120,000.00	120,000.00
Statutory retained earnings		60,000.00	60,000.00
Voluntary retained earnings		3,562,153.02	6,129,829.06
Net result for the year		3,464,751.81	932,323.96
Total equity		7,206,904.83	7,242,153.02
TOTAL LIABILITIES AND EQUITY		26,679,980.40	22,934,393.60

Income statement

In CHF

Particulars	Years ended December 31, 2022	2021
Consulting revenue	21,612,568.63	7,422,761.30
Other service revenue	31,703,082.27	24,677,909.28
Revenue discounts / reversals	(3,003,214.10)	(405,387.44)
Other revenue	275,038.80	182,632.56
Revenue (net)	50,587,475.60	31,877,915.70
Total cost of services	(19,413,282.25)	(9,012,189.81)
Gross profit	31,174,193.35	22,865,725.89
Personnel expenses	(23,830,552.35)	(20,109,223.30)
Office rent and maintenance	(139,113.95)	(270,021.22)
Administration and general expenses	(186,677.29)	(117,008.73)
Consulting (Accounting, tax, legal) expenses	(122,135.91)	(401,562.04)
Marketing expenses	(57,782.33)	(36,071.84)
Depreciation and amortization	(946,247.90)	(836,526.86)
Total operating expenses	(25,282,509.73)	(21,770,413.99)
Earnings before interest and taxes (EBIT)	5,891,683.62	1,095,311.90
Financial expenses	(1,319,564.32)	(106,984.93)
Financial income	191,448.82	524,181.22
Net financial result	(1,128,115.50)	417,196.29
Extraordinary income	–	275.98
Net extraordinary result	–	275.98
Earnings before tax (EBT)	4,763,568.12	1,512,784.17
Tax expenses	(1,298,816.31)	(580,460.21)
Net result for the year	3,464,751.81	932,323.96

Notes to the financial statements

Infosys Consulting AG is a wholly-owned subsidiary of Infosys Consulting Holding AG, Kloten (Switzerland). The Company renders professional management consulting services, thereby enabling its clients to enhance business performance.

1. Principles

1.1 Accounting year

The accounting year of the Company is from January 1 to December 31

1.2 General aspects

These financial statements were prepared according to the principles of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below. Swiss law allows the company to create, and as a consequence also release hidden reserves in its financial statements.

1.3 Revenue recognition

The method for recognizing revenues and cost depends on the nature of the services rendered and on the substance of the contractual agreement. Revenues and costs generated under time-and-material contracts are recognized as services are rendered. Revenue from fixed-price, fixed-timeframe contracts is recognized as per the percentage-of-completion method. An expected project loss is recognized as an expense immediately. Efforts expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Revenue comprises the invoiced value for the services and expense reimbursements, net of value added tax.

1.4 Tangible assets

Tangible assets are valued at acquisition or manufacturing costs less accumulated depreciation and impairment losses. With the exception of land, tangible assets are depreciated using the straight-line method. As soon as there are indicators that book values may be overstated, these are reviewed and, if necessary, adjusted.

1.5 Leases

Leasing and rental agreements are accounted for as right-of-use assets on the balance sheet and subject to depreciation based on the assets useful lives.

1.6 Foregoing a cash flow statement and additional disclosures in the notes

As Infosys Limited., the owner of Infosys Consulting Holding AG, has prepared its consolidated financial statements in accordance with a recognized accounting standard (IFRS IASB), it has decided to forego presenting additional information on interest-bearing liabilities and audit fees in the notes as well as a cash flow statement and management report in accordance with Swiss law.

2. Information on Balance Sheet and income statement items

2.1 Investments

Company: Infosys Consulting S.R.L.

Location: Buenos Aires, Argentina

In ARS

Particulars	Years ended December 31,	
	2022	2021
Share capital:	30,000,000.00	30,000,000.00
Directly held percentage of ownership and voting rights:	1.83%	1.83%

2.2 Tangible assets

In CHF

Particulars	Years ended December 31,	
	2022	2021
Installations and equipment	4,443,175.24	4,524,493.00
Installations and equipment - Depreciation	(4,228,699.34)	(4,421,233.19)
TOTAL	214,475.90	103,259.81

2.3 Right of use assets (RoU) and lease liabilities

As a result of accounting for lease and rental agreements in accordance with the principle of Right-of-use, accounts affected are as follows:

In CHF

Particulars	Years ended December 31,	
	2022	2021
Balance Sheet		
Rent office – 7 years	6,033,684.14	6,811,880.15
Computer Equipment	43,587.59	–
Lease liability	(6,196,962.79)	(6,638,922.55)
Income Statement		
Amortization - RoU building	778,196.01	778,196.01
Amortization - RoU comp equipment	18,828.71	–
Interest expense on lease liability	12,875.95	14,233.51

2.4 Share capital

As at 31 December 2022, the share capital consists of 1'200 equity shares of CHF 100 / par value.

3. Other Information

3.1 Full-time equivalents

The annual average number of full-time equivalents was above 50 and below 250 similar to the previous reporting year.

Proposal on the appropriation of voluntary retained earnings

Amounts in CHF

The Board of Directors proposes to appropriate the voluntary retained earnings (available earnings) as follows:

In CHF

Particulars	Year ended December 31, 2022
Voluntary retained earnings (brought forward)	3,562,153.02
Net result for the year	3,464,751.81
Total voluntary retained earnings	7,026,904.83
Dividend	3,000,000.00
To be carried forward	4,026,904.83

The dividend of CHF 3’000’000.00 will be set-off against the loan towards Infosys Consulting Holding AG.

HIPUS Co., Ltd

Independent Auditor's report

To the Members of HIPUS Co., Ltd

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of HIPUS Co., Ltd ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of preparation referred to in Section 1.2 of the special purpose financial statements, of the state of affairs of the Company as at March 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Board of Directors areManagement is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Board of Directors areManagement is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors areManagement is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

i) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

iii) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

For Shenoy & Kamath
Chartered Accountants,
Firm Registration Number. 006673S

(M Rathnakar Kamath)
Partner
Membership Number. 202841

UDIN : 23202841BGWLXV5537

Place: Bengaluru.

Date: May 22, 2023

Balance Sheet

(In ¥ million)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	127	137
(b) Right of use asset	2B	487	627
(c) Other intangible assets	2A	146	189
(d) Deferred tax assets	8	184	180
(e) Financial assets			
(i) Others	4	119	119
Total non-current assets		1,063	1,252
Current assets			
(a) Financial assets			
(i) Trade receivables	6	12,767	11,839
(ii) Cash and cash equivalents	7	3,665	2,554
(iii) Others	4	6,186	5,505
(b) Other current assets	5	1,766	1,257
Total current assets		24,384	21,155
TOTAL ASSETS		25,447	22,407
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	3	500	500
(b) Other equity	3	1,446	1,016
Total equity		1,946	1,516
Liabilities			
Non-current liabilities			
(a) Provisions	9	270	251
(b) Other financial liabilities			
(i) Lease liability	10	340	480
Total non-current liabilities		610	731
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	11	21,779	19,284
(ii) Other financial liabilities	10	598	611
(b) Other current liabilities	12	367	166
(c) Income tax liabilities net	21	147	99
Total current liabilities		22,891	20,160
TOTAL EQUITY AND LIABILITIES		25,447	22,407

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Bengaluru
Date: May 22, 2023

for and on behalf of the Board of Directors HIPUS Co., Ltd

Anantha Radhakrishnan
Director

Rajeev Ranjan
Director

Statement of Profit and Loss

(In ¥ million, except equity share and per equity share data)

	Particulars	Notes	For the year ended March 31, 2023	2022
I	Revenue from operations	13	5,833	5,078
	Other income	14	90	96
	Total income (I)		5,923	5,174
II	Expenses			
	Employee benefits expense	15	2,422	2,248
	Depreciation and amortization expense	16	216	187
	Cost of technical sub-contractors		1,961	1,649
	Travel expenses		18	12
	Other expenses	17	539	473
	Total expenses (II)		5,156	4,569
III	Profit before tax (I-II)		767	605
IV	Tax expense			
	(i) Current tax	21	214	160
	(ii) Deferred tax	21	(4)	(1)
	Total tax expense (IV)		210	159
V	Profit for the year (III- IV)		557	446
VI	Other Comprehensive income/ (loss)			
	(i) Items that will not be reclassified subsequently to profit or loss		–	–
	Other comprehensive expense for the year		–	–
VII	Total comprehensive income for the year (V+VI)		557	446
	Earnings per share (EPS)			
	Basic and diluted (¥)	18	5,57,125	4,46,371
	Weighted average equity shares used in computing earnings per equity share		1,000	1,000

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Bengaluru
Date: May 22, 2023

for and on behalf of the Board of Directors HIPUS Co., Ltd

Anantha Radhakrishnan
Director

Rajeev Ranjan
Director

Statement of Changes in Equity

(In ¥ million)

Particulars	Equity	Reserve and surplus		Total equity attributable to the equity holders of the Company
		Legal capital reserve	Retained earnings	
Balance as at March 31 2021	500	1	681	1,182
Changes in equity				
Dividend (including tax on dividend)	–	–	(112)	(112)
Profit/ (Loss) for the year	–	–	446	446
Total comprehensive income	–	–	446	446
Balance as at March 31 2022	500	1	1,015	1,516
Changes in equity				
Dividend (including tax on dividend)	–	–	(127)	(127)
Profit/ (Loss) for the year	–	–	557	557
Total comprehensive income	–	–	557	557
Balance as at March 31 2023	500	1	1,445	1,946

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Bengaluru
Date: May 22, 2023

for and on behalf of the Board of Directors HIPUS Co., Ltd

Anantha Radhakrishnan
Director

Rajeev Ranjan
Director

Cash Flow Statement

(In ¥ million)

Particulars	Notes	For the year ended March 31, 2023	2022
Cash flows from operating activities			
Profit before tax for the year:		767	605
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation and amortization expense		216	187
Interest income		(90)	(79)
Other adjustments		(210)	(159)
Changes in assets and liabilities:			
Trade receivables		(929)	463
Other financial asset and other assets		(504)	(527)
Trade payables		2,495	805
Other financial liabilities, other liabilities and provisions		429	913
Cash used in operations		2,174	2,209
Income taxes paid (net of refunds)		(166)	(152)
Net cash generated by operating activities (A)		2,008	2,057
Cash flows from investing activities			
Loan given		(669)	(1,099)
Expenditure on property plant and equipment, Intangibles		(23)	(846)
Interest income		70	30
Net cash generated/ (used in) investing activities (B)		(622)	(1,915)
Cash flows from financing activities			
Payments of dividends.		(127)	(112)
Payment of lease liabilities		(147)	(143)
Net cash used in financing activities (C)		(274)	(255)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		1,111	(113)
Cash and cash equivalents at the beginning of the year		2,554	2,667
Cash and cash equivalents at the end of the year	7	3,665	2,554

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Bengaluru
Date: May 22, 2023

for and on behalf of the Board of Directors HIPUS Co., Ltd

Anantha Radhakrishnan
Director

Rajeev Ranjan
Director

Notes to the financial statements

Company overview

HIPUS Co., Ltd is a majority-owned subsidiary of Infosys Consulting Pte Ltd. The Company renders procurement outsourcing services to customers, thereby enabling clients to enhance business performance.

1 Significant accounting policies

1.1 Accounting year

The Accounting year for the company is from April 1 to March 31.

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 Limited under the requirements of Section 129 (3) of the Companies Act 2013.

These financial statements are prepared in accordance with Indian Accounting Standards (Ind-AS) under the historical cost convention on the accrual basis. The Ind-AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendments rules issued thereafter.

1.3 Presentation currency

The Company's presentation currency is Japanese Yen (JPY).

1.4 Use of estimates

The preparation of the financial statements in conformity with Ind-AS requires the Management to make estimates and assumptions that affect the accounting policies and reported balances of assets and liabilities, and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Examples of such estimates include computation of percentage of completion which requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts to be expended, impairment losses on financial assets, income taxes, post-sales customer support, and the useful lives of property, plant, and equipment and intangible assets.

1.5 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the value of the consideration received or receivable, excluding discounts, value-added tax and other sales taxes.

Arrangements with customers for services are either on a fixed-price, fixed-timeframe or on a transactional basis.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method.

The Company presents revenues net of indirect taxes in its statement of Profit and loss.

1.6 Provisions

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.

1.7 Property, plant, and equipment

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:

Asset	Life of asset
Furniture and fixture	5 years
Building	8 - 12 years

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

1.8 Intangible assets

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software, and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labor, overhead costs that are directly attributable to preparing the asset for its intended use.

1.9 Leased assets

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all the economic benefits from use of the asset through the period of the lease and (iii) 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 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 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 for the 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 asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

1.10 Financial instruments

1.10.1 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, which 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.

1.10.2 Subsequent measurement

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

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. 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.

(iii) Financial assets at fair value through profit or loss

A financial asset, which is not classified in any of the above categories, is subsequently fair-valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. 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.

1.11 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.

1.12 Impairment

a. Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair-valued through profit or loss. Loss allowance for trade receivables 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 profit or loss.

b. Non-financial assets

(i) Property, plant, and equipment

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 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 for the 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 previous years.

1.13 Employee Benefits

Provision for retirement benefits

Provided for payment of retirement benefits to employees, in the amount deemed accrued at the fiscal year-end, based on the projected retirement benefit obligation at the fiscal year-end. (Equals the benefits payable for voluntary retirements at the current year based on simplified method)

Provision for director bonus and employee bonus

Recognized based on the estimated payment amount for bonus to directors and employees.

1.14 Income taxes

Income tax is computed basis the consolidated tax system.

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.

1.15 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.16 Earning per share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.

Note 2: Property, plant and equipment

(In ¥ million)

Description of assets	Buildings	Furniture and fixtures	Total
Gross Block			
Balance as at March 31, 2021	23	28	51
Additions	96	26	122
Deletions	(20)	(2)	(22)
Balance as at March 31, 2022	99	52	151
Additions	1	5	6
Deletions	–	–	–
Balance as at March 31, 2023	100	57	157
Accumulated depreciation			
Balance as at March 31, 2020	20	1	20
Depreciation expense for the year	1	4	5
Deletions	(1)	–	(1)
Balance as at March 31, 2021	20	5	24

Description of assets	Buildings	Furniture and fixtures	Total
Depreciation expense for the year	3	5	8
Deletions	(18)	(1)	(19)
Balance as at March 31, 2022	5	9	14
Depreciation expense for the year	9	7	16
Deletions	–	–	–
Balance as at March 31, 2023	14	16	30
Net Block as at March 31, 2022	94	43	137
Net Block as at March 31, 2023	86	41	127

Note 2A: Goodwill and other intangible assets

(In ¥ million)

Particulars	Other intangible assets	
	Software	Construction in progress
Balance as at March 31, 2021	327	9
Additions	63	46
Deletions	(2)	(36)
Balance as at March 31, 2022	388	19
Additions	29	3
Deletions	–	(22)
Balance as at March 31, 2023	417	0
Accumulated Amortization and impairment losses		
Balance as at March 31, 2020	152	–
Amortization expense for the year	28	–
Deletions	(4)	
Balance as at March 31, 2021	175	–
Amortization expense for the year	44	–
Deletions	(1)	
Balance as at March 31, 2022	218	–
Amortization expense for the year	53	–
Deletions	–	
Balance as at March 31, 2023	271	–
Net Block as at March 31, 2022	170	19
Net Block as at March 31, 2023	146	0

Note 2B: Leases

the changes in the carrying value of right of use assets for the year ended March 31, 2023, are as follows:

(In ¥ million)

Particulars	Category of ROU asset	Total
	Buildings	
Balance as at April 1, 2022	627	627
Additions	7	7
Deletion	–	–
Depreciation	(147)	(147)
Balance as at March 31, 2023	487	487

The changes in the carrying value of right of use assets for the year ended March 31, 2022, are as follows:

(In ¥ million)

Particulars	Category of ROU asset	Total
	Buildings	
Balance as at April 1, 2021	106	106
Additions	655	655
Deletion	–	–
Depreciation	(134)	(134)
Balance as at March 31, 2022	627	627

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2023 and March 31, 2022:

(In ¥ million)

Particulars	As at March 31,	
	2023	2022
Current lease liabilities	147	147
Non-current lease liabilities	340	480
Total	487	627

The movement in lease liabilities during the year ended March 31, 2022, and March 31, 2023, is as follows:

(In ¥ million)

Particulars	Years ended March 31,	
	2023	2022
Balance at the beginning	627	115
Additions	7	655
Finance cost accrued during the period	1	–
Deletions	–	–
Payment of lease liabilities	(147)	(143)
Balance at the end	487	627

The details of the contractual maturities of lease liabilities as at March 31, 2023, and March 31, 2022, on an undiscounted basis:

(In ¥ million)

Particulars	As at March 31,	
	2023	2022
Less than one year	148	480
One to five years	340	147
More than five years	–	–
Total	488	627

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.

Note 3: Equity share capital

(In ¥ million)

Particulars	Years ended March 31,	
	2023	2022
Authorized		
Equtiy shares, JPY 500,000 par value		
1,000 common stock	500	500
Issued, subscribed and paid-up capital		
Equity shares, JPY 500,000 par value		
1,000 common stock	500	500

The details of shareholder holding more than 5% shares as at March 31, 2023, and March 31, 2022, are as follows;

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Holding %	Number of shares	Holding %
Infosys Limited	810	81%	810	81%
Hitachi Limited	150	15%	150	15%

The number of shares outstanding and the amount of share capital as at March 31, 2023, and March 31, 2022 is as follows;

Number of shares at the beginning and end of the period	As at March 31,			
	2023		2022	
	Number of shares	Amount	Number of shares	Amount
Number of shares	1,000	50,00,00,000	1,000	50,00,00,000

Note 4: Other financial assets

(In ¥ million)

Particulars	As at March 31,			
	2023		2022	
	Non-current	Current	Non-current	Current
Considered good				
(a) Loan	–	6,186	–	5,505
(b) Others	119	–	119	–
	119	6,186	119	5,505

Note 5: Other assets

(In ¥ million)

Particulars	As at March 31,			
	2023		2022	
	Non-current	Current	Non-current	Current
Considered good				
(a) Prepaid expenses	–	95	–	97
(b) Balances with statutory/ government authorities	–	475	–	469
(c) Others	–	1,196	–	691
	–	1,766	–	1,257

Note 6: Trade receivables

(In ¥ million)

Particulars	As at March 31,	
	2023	2022
Trade receivables (unsecured)		
Considered good	12,767	11,839
Less: Allowance for expected credit loss	–	–
	12,767	11,839

Outstanding payments as at March 31, 2023

(In ¥ million)

Particulars	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables – considered good	12,591	176	–	–	–	–	12,767
Undisputed trade receivables – credit impaired	–	–	–	–	–	–	–
Disputed trade receivables – considered good	–	–	–	–	–	–	–
Disputed trade receivables – credit impaired	–	–	–	–	–	–	–
Less: Allowance for credit loss							–
Total trade receivables							12,767

Outstanding payments as at March 31, 2022

(In ¥ million)

Particulars	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables – considered good	11,703	136	–	–	–	–	11,839
Undisputed trade receivables – credit impaired	–	–	–	–	–	–	–
Disputed trade receivables – considered good	–	–	–	–	–	–	–
Disputed trade receivables – credit impaired	–	–	–	–	–	–	–
Less: Allowance for credit loss							–
Total trade receivables							11,839

Note 7: Cash and cash equivalents

(In ¥ million)

Particulars	As at March 31,	
	2023	2022
(a) Cash on hand	–	–
(b) Balances with bank		
In current accounts	3,665	2,554
	3,665	2,554

Note 8: Recognized deferred tax (net)

(In ¥ million)

Particulars	As at March 31,	
	2023	2022
Deferred tax liability		
Excess of depreciation on fixed assets under income-tax law over depreciation provided in accounts	–	–
Deferred tax assets		
Provision for employee benefits	179	176
Provisions for property, plant and equipment	5	4
Provision for unused tax losses	–	–
Deferred tax assets (net) [(1)]	184	180

[(1)] Net deferred tax assets have been recognized only to the extent that the Company has sufficient taxable temporary differences or there is convincing evidence that sufficient taxable profit will be available against which such deferred tax assets can be realized.

Note 9: Provisions

(In ¥ million)

Particulars	As at March 31,			
	2023		2022	
	Non-current	Current	Non-current	Current
Asset retirement obligation	21	–	21	–
Provision for retirement benefits	249	–	230	–
	270	–	251	–

Note 10: Other financial liabilities

(In ¥ million)

Particulars	As at March 31,			
	2023		2022	
	Non-current	Current	Non-current	Current
Accrued expenses	–	205	–	152
Deposits received	–	15	–	40
Employee benefits payable	–	231	–	272
Lease liability	340	147	480	147
	340	598	480	611

Note 11: Trade payables

(In ¥ million)

Particulars	As at March 31,	
	2023	2022
Trade payables	21,779	19,284
	21,779	19,284

As at March 31, 2023

(In ¥ million)

Particulars	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Trade payables	21,779	–	–	–	–	21,779

As at March 31, 2022

(In ¥ million)

Particulars	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Trade payables	19,284	–	–	–	–	19,284

Refer note 22 for related party balances

Note 12: Other liabilities

(In ¥ million)

Particulars	As at March 31,	
	2023	2022
Others	367	166
	367	166

Note 13: Revenue from operations

(In ¥ million)

Particulars	Years ended March 31,	
	2023	2022
Revenue from services	5,833	5,078
	5,833	5,078

Trade receivables

The Company classifies the right to consideration in exchange for deliverables as a receivable. 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.

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 Group expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind-AS 115, the Group 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 at March 31, 2023, other than those meeting the exclusion criteria mentioned above, is ₹ NIL. Out of this, the Group expects to recognize revenue of around 100% within the next one year and the remaining thereafter. The contracts can generally be terminated by the customers and typically includes an enforceable termination penalty payable by them.

The impact on account of applying the erstwhile Ind AS 18 Revenue standard instead of Ind AS 115 Revenue from contract with customers on the financials results of the Group for the year ended March 31, 2023, is insignificant.

Note 14: Other income

(In ¥ million)

Particulars	Years ended March 31,	
	2023	2022
Interest income	90	79
Miscellaneous income (net)	0	17
	90	96

Note 15: Employee benefits expense

(In ¥ million)

Particulars	Years ended March 31,	
	2023	2022
Salaries and wages	1,947	1,812
Staff welfare expenses	344	308
Pension costs	113	111
Directors remuneration	18	17
	2,422	2,248

Note 16: Depreciation and amortization expense

(In ¥ million)

Particulars	Years ended March 31,	
	2023	2022
Depreciation of property, plant and equipment *	163	143
Amortization of intangible assets	53	44
	216	187

* Including RoU Amortization

Note 17: Other expenses

(In ¥ million)

Particulars	Years ended March 31,	
	2023	2022
Communication expenses	27	21
Office expenses	323	298
Rental	45	45
Recruitment	72	31
Consumables	7	6
Auditor's remuneration		
Statutory audit fees	14	13
Miscellaneous expenses	10	22
Rates and taxes	41	37
	539	473

Note 18: Earnings per share

i) Basic earnings per share

The calculations of earnings attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic earnings per share calculations are as follows:

(In ¥ million, except equity share and per equity share data)

Particulars	Years ended March 31,	
	2023	2022
a. Profit after tax (¥ million)	557	446
b. Weighted average number of equity shares for the purposes of earnings per share	1,000	1,000
Basic and dilutive earnings per equity share (a/b) ¥	5,57,125	4,46,371

Note 19: Financial instruments

Set out below, is a comparison by class of the carrying amount and fair value of the Company's financial instruments other than those with carrying amount that are reasonable approximations of fair values:

As at March 31, 2023

(In ¥ million)

Particulars	Note No	Financial assets/ liabilities				Fair value			
		Amortized cost	Fair value through profit and loss	Fair value through other comprehensive income	Total carrying value	Level 1	Level 2	Level 3	Total
ASSETS									
Financial assets									
Other financial assets	4	6,304	–	–	6,304	–	–	–	–
Trade receivables	6	12,767	–	–	12,767	–	–	–	–
Cash and cash equivalents	7	3,665	–	–	3,665	–	–	–	–
Total financial assets		22,736	–	–	22,736	–	–	–	–

Particulars	Note No	Financial assets/ liabilities				Fair value			
		Amortized cost	Fair value through profit and loss	Fair value through other comprehensive income	Total carrying value	Level 1	Level 2	Level 3	Total
LIABILITIES									
Financial liabilities									
Trade payables	11	21,779	–	–	21,779	–	–	–	–
Other financial liabilities	10	937	–	–	937	–	–	–	–
Total financial liabilities		22,716	–	–	22,716	–	–	–	–

As at March 31, 2022

(In ¥ million)

Particulars	Note No	Financial assets/ liabilities				Fair value			
		Amortized cost	Fair value through profit and loss	Fair value through other comprehensive income	Total carrying value	Level 1	Level 2	Level 3	Total
ASSETS									
Financial assets									
Other financial assets	4	5,624	–	–	5,624	–	–	–	–
Trade receivables	6	11,839	–	–	11,839	–	–	–	–
Cash and cash equivalents	7	2,554	–	–	2,554	–	–	–	–
Total financial assets		20,017	–	–	20,017	–	–	–	–
LIABILITIES									
Financial liabilities									
Trade payables	11	19,284	–	–	19,284	–	–	–	–
Other financial liabilities	10	1,091	–	–	1,091	–	–	–	–
Total financial liabilities		20,375	–	–	20,375	–	–	–	–

Notes:

The carrying value of all the items in the table above have been classified as amortized cost. Amortized cost is deemed to be the carrying value.

Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Note 20: Financial risk management

The Company's principal financial liabilities comprise loans and borrowings, Trade and other payables and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents and other bank balances that derive directly from its operations.

The Company's activities exposes it to market risk, credit risk and liquidity risk.

(a) Risk management framework

The Company's risk management is carried out by the management under the policies approved by the Board of Directors that help in identification, measurement, mitigation and reporting all risks associated with the activities of the Company. These risks are identified on a continuous basis and assessed for the impact on the financial performance. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

(b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, trade receivables, trade payables, deposits and investments.

(i) Foreign currency risk

The Company operates primarily in Japan and does not have any foreign currency risk

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any debt and hence does not carry any interest rate risk.

(c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to the credit risk from its trade receivables, unbilled revenue, investments, cash and cash equivalents, bank deposits and loans. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

(i) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a credit evaluation before entering into an arrangement. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company considers the credit risk with respect to trade receivables as low, since majority of the customers are parties with good repute and are regular in discharging their obligation within the credit period provided by the Company. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information.

Expected credit loss for the year ended March 31, 2023, and March 31, 2022 is nil.

(ii) Financial instrument and cash deposit

The company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The company does not expect any losses from nonperformance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Company has unutilized credit limits with banks. The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The details of the contractual maturities of significant financial liabilities as at March 31, 2023, are as follows:

(In ¥ million)

Particulars	Less than 1 year	1 to 5 Years	More than 5 years	Total
March 31, 2023				
Trade payables	21,779	–	–	21,779
Other financial liabilities	598	340	–	937
	22,377	340	–	22,716

The details of the contractual maturities of significant financial liabilities as at March 31, 2022, are as follows:

(In ¥ million)

Particulars	Less than 1 year	1 to 5 Years	More than 5 years	Total
March 31, 2022				
Trade payables	19,284	–	–	19,284
Other financial liabilities (non-current)	611	480	–	1,091
	19,895	480	–	20,375

Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

Note 21: Income taxes

Income tax expense in the Statement of Profit and Loss comprises:

(In ¥ million)

Particulars	Years ended March 31,	
	2023	2022
Current taxes	214	160
Deferred taxes	(4)	(1)
Income tax expense	210	159

Reconciliation of tax charge

(In ¥ million)

Particulars	As at March 31,	
	2023	2022
Profit before tax	767	605
Adjustments for deviations from JGAAP		
G&A expense-Allocation to External Sale - IFRS	5	(25)
Interest expense on lease liability	1	0
Adjusted profit before tax	773	581
Enacted tax rate in Japan	31%	31%
Income tax expense at tax rates applicable	237	178
Tax effects of:		
- Item not deductible for tax		
Entertainment expenses	1	–
Directors' remuneration and bonus	3	4
Stock-based compensation expenses-directors	1	–
Accrued directors' bonus	1	–
Stock-based compensation expenses-directors	1	–
-Corporate residential tax - per capital basis	3	4
-Special tax credit	(43)	(29)
- Non-deductible foreign tax	6	2
Income tax expense	210	159

The details of income tax assets and income tax liabilities as of are as follows:

(In ¥ million)

Particulars	As at March 31,	
	2023	2022
Income tax assets	–	–
Current income tax liabilities	147	99
Net current income tax assets/ (liability) at the end	(147)	(99)

The gross movement in the current income tax assets/ (liabilities) for the years ended March 31, 2023, and March 31, 2022, is as follows:

(In ¥ million)

Particulars	As at March 31,	
	2023	2022
Net current income tax assets/ (liabilities) at the beginning	(99)	(92)
Income tax paid	166	152
Current income tax expense	(214)	(159)
Net current income tax assets/ (liabilities) at the end	(147)	(99)

The movement in gross deferred income tax asset/ (liabilities) as at March 31, 2023, is as follows:

(In ¥ million)

Particulars	Carrying Value as on March 31, 2022	Changes through Profit & Loss A/c	Carrying Value as on March 31, 2023
Deferred income tax assets / (liabilities)			
Property plant and equipment	4	1	5
Accrued compensation to employees	176	3	179
Total deferred income tax assets/ (liabilities)	180	4	184

The movement in gross deferred income tax asset/ (liabilities) as at March 31, 2022, is as follows:

(In ¥ million)

Particulars	Carrying Value as on March 31, 2021	Changes through Profit & Loss A/c	Carrying Value as on March 31, 2022
Deferred income tax assets/ (liabilities)			
Property plant and equipment	4	–	4
Accrued compensation to employees	175	1	176
Total Deferred income tax assets/ (liabilities)	179	1	180

Note 22: Related party transactions

Name of holding company	Relationship with related party	Country	% of Holding For the year ended March 31,	
			2022	2023
Infosys Consulting Pte Limited (Infosys Singapore)	Parent entity	Singapore	81%	81%
Hitachi Limited (former parent entity)	Shareholder (parent entity)	Japan	15%	15%

Related party transactions

List of related parties:

Name of subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)(1)	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)(1)	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)(1)	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)(1)	China
Infosys Nova Holdings LLC. (Infosys Nova)(1)	U.S.
EdgeVerve Systems Limited (EdgeVerve)(1)	India
Infosys Austria GmbH(1)	Austria
Skava Systems Private Limited (Skava Systems)(1)(26)	India
Infosys Chile SpA(1)	Chile
Infosys Arabia Limited(2)(26)	Saudi Arabia
Infosys Consulting Ltda.(1)	Brazil
Infosys Luxembourg S.a.r.l(1)	Luxembourg
Infosys Americas Inc. (Infosys Americas)(1)(26)	U.S.
Infosys Public Services, Inc. USA (Infosys Public Services)(1)	U.S.
Infosys Canada Public Services Inc(19)(35)	Canada
Infosys BPM Limited(1)(43)	India
Infosys (Czech Republic) Limited s.r.o.(3)	Czech Republic
Infosys Poland Sp z.o.o(3)	Poland
Infosys McCamish Systems LLC(3)	U.S.
Portland Group Pty Ltd(3)	Australia
Infosys BPO Americas LLC.(3)	U.S.
Infosys Consulting Holding AG (Infosys Lodestone)(1)	Switzerland
Infosys Management Consulting Pty Limited(4)	Australia
Infosys Consulting AG(4)	Switzerland
Infosys Consulting GmbH(4)	Germany
Infosys Consulting S.R.L.(1)	Romania
Infosys Consulting SAS(4)	France

Name of subsidiaries	Country
Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.)[4][34]	Czech Republic
Infosys Consulting (Shanghai) Co., Ltd.[4][30]	China
Infy Consulting Company Ltd[4]	U.K.
Infy Consulting B.V.[4]	The Netherlands
Infosys Consulting S.R.L.[45]	Argentina
Infosys Consulting (Belgium) NV[4]	Belgium
Panaya Inc. (Panaya)[1]	U.S.
Panaya Ltd.[6]	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH)[54]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[1][26]	U.K.
Brilliant Basics Limited[7][26]	U.K.
Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)[1]	Singapore
Infosys Middle East FZ LLC[8]	Dubai
Fluido Oy[8]	Finland
Fluido Sweden AB (Extero)[11]	Sweden
Fluido Norway A/S[11]	Norway
Fluido Denmark A/S[11]	Denmark
Fluido Slovakia s.r.o[11]	Slovakia
Infosys Compaz Pte. Ltd[9]	Singapore
Infosys South Africa (Pty) Ltd[8]	South Africa
WongDoody Holding Company Inc. (WongDoody)[1][36]	U.S.
WDW Communications, Inc[10][37]	U.S.
WongDoody, Inc[10][38]	U.S.
Stater N.V.[9]	The Netherlands
Stater Nederland B.V.[12]	The Netherlands
Stater XXL B.V.[12]	The Netherlands
HypoCasso B.V.[12]	The Netherlands
Stater Participations B.V.[12]	The Netherlands
Stater Belgium N.V./S.A.[13]	Belgium
Stater Gmbh[12][28]	Germany
Outbox systems Inc. dba Simplus (US)[15]	U.S.
Simplus North America Inc.[16][27]	Canada
Simplus ANZ Pty Ltd.[16]	Australia
Simplus Australia Pty Ltd[17]	Australia
Sqware Peg Digital Pty Ltd[18][31]	Australia
Simplus Philippines, Inc.[16]	Philippines
Simplus Europe, Ltd.[16][29]	U.K.
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)[11]	U.K.
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[20]	Ireland
Infosys Limited Bulgaria EOOD[1]	Bulgaria
Kaleidoscope Animations, Inc.[15]	U.S.
Kaleidoscope Prototyping LLC[22]	U.S.
GuideVision s.r.o.[14]	Czech Republic
GuideVision Deutschland GmbH[21]	Germany
GuideVision Suomi Oy[21]	Finland
GuideVision Magyarország Kft[21]	Hungary

Name of subsidiaries	Country
GuideVision Polska Sp. z.o.o[21]	Poland
GuideVision UK Ltd[21][26]	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[15]	U.S.
Beringer Capital Digital Group Inc[15][41]	U.S.
Mediotype LLC[23][41]	U.S.
Beringer Commerce Holdings LLC[23][41]	U.S.
SureSource LLC[24][39]	U.S.
Blue Acorn LLC[24][39]	U.S.
Simply Commerce LLC[24][39]	U.S.
iCiDIGITAL LLC[25][40]	U.S.
Infosys BPM UK Limited[3]	U.K.
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[1]	Turkey
Infosys Germany Holding Gmbh[1]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1]	Germany
Infosys Green Forum[1][32]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[33]	Malaysia
Infosys Business Solutions LLC[1][42]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH (“Kristall”)[44]	Germany
oddity GmbH [46]	Germany
oddity (Shanghai) Co., Ltd. [47]	China
oddity Limited (Taipei) [47]	Taiwan
oddity space GmbH [46]	Germany
oddity jungle GmbH [46]	Germany
oddity code GmbH [46]	Germany
oddity code d.o.o [48]	Serbia
oddity waves GmbH [46]	Germany
oddity group services GmbH [46]	Germany
Infosys Public Services Canada Inc. [19][5]	Canda
BASE life science AG [50]	Switzerland
BASE life science GmbH [50]	Germany
BASE life science A/S [49]	Denmark
BASE life science S.A.S [50]	France
BASE life science Ltd. [50]	U.K.
BASE life science S.r.l. [50]	Itlay
Innovisor Inc.[50]	U.S.
BASE life science Inc.[50]	U.S.
BASE life science S.L.[50] [51]	Spain
Panaya Germany GmbH [6][52]	Germany
Infosys Norway [8][53]	Norway
Panasonic Corporation [55]	Japan
Pasona Inc.[55]	Japan
Hitachi, Ltd.[55]	Japan
Hitachi High-Tech Corporation[56]	Japan
Hitachi Industrial Equipment Systems Co,Ltd.[56]	Japan
Hitachi Real Estate Partners, Ltd.[56]	Japan
Hitachi Document Solutions Co., Ltd.[56]	Japan

Name of subsidiaries	Country
Hitachi Systems,Ltd.[56]	Japan
Hitachi Ke Systems, Ltd.[56]	Japan
Hitachi Ict Business Services, Ltd.[56]	Japan
Hitachi Solutions, Ltd.[56]	Japan

(1) Wholly-owned subsidiary of Infosys Limited

(2) Majority-owned and controlled subsidiary of Infosys Limited

(3) Wholly-owned subsidiary of Infosys BPM Limited

(4) Wholly-owned subsidiary of Infosys Consulting Holding AG

(5) Incorporated on July 8, 2022

(6) Wholly-owned subsidiary of Panaya Inc.

(7) Wholly-owned subsidiary of Brilliant Basics Holding Limited.

(8) Wholly-owned subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

(9) Majority-owned and controlled subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

(10) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody)

(11) Wholly-owned subsidiary of Fluido Oy

(12) Wholly-owned subsidiary of Stater N.V

(13) Majority-owned and controlled subsidiary of Stater Participations B.V.

(14) Wholly-owned subsidiary of Infy Consulting Company Limited

(15) Wholly-owned subsidiary of Infosys Nova Holdings LLC

(16) Wholly-owned subsidiary of Outbox Systems Inc.

(17) Wholly-owned subsidiary of Simplus ANZ Pty Ltd

(18) Wholly-owned subsidiary of Simplus Australia Pty Ltd

(19) Wholly-owned subsidiary of Infosys Public Services, Inc.

(20) Wholly-owned subsidiary of Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)

(21) Wholly-owned subsidiary of GuideVision s.r.o.

(22) Wholly-owned subsidiary of Kaleidoscope Animations, Inc.

(23) Wholly-owned subsidiary of Blue Acorn iCi Inc

(24) Wholly-owned subsidiary of Beringer Commerce Holdings LLC

(25) Wholly-owned subsidiary of Beringer Capital Digital Group Inc.

(26) Under liquidation

(27) Liquidated effective April 27,2021

(28) Incorporated on August 4, 2021

(29) Liquidated effective July 20, 2021

(30) Liquidated effective September 1, 2021

(31) Liquidated effective September 2, 2021

(32) Incorporated on August 31, 2021

(33) On December 14, 2021, Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.), a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)

(34) Liquidated effective December 16, 2021

(35) Liquidated effective November 23, 2021

(36) Wholly-owned subsidiary of Infosys Limited, merged with WongDoody Inc, effective December 31, 2021

(37) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody), merged with WongDoody Inc, effective December 31, 2021

(38) Wholly-owned subsidiary of Infosys Limited, effective December 31, 2021

(39) Merged with Beringer Commerce Holdings LLC, effective January 1, 2022

(40) Merged with Beringer Capital Digital Group Inc, effective January 1, 2022

(41) Merged with Blue Acorn iCi Inc, effective January 1, 2022

(42) Incorporated on February 20, 2022

(43) On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

(44) On March 22, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.), a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")).

(45) Infosys Consulting S.R.L. (Argentina) (formerly a wholly-owned subsidiary of Infosys Consulting Holding AG) became the majority owned and controlled subsidiary of Infosys Limited with effect from April 1, 2022

(46) On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.)) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and oddity GmbH.

(47) Wholly-owned subsidiary of oddity GmbH

(48) Wholly-owned subsidiary of oddity code GmbH.

(49) On September 1, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.) (a Wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

(50) Wholly-owned subsidiary of BASE life science A/S

(51) Incorporated on September 6, 2022

(52) Incorporated effective December 15, 2022

(53) Incorporated effective February 7, 2023.

(54) Infosys Financial Services GmbH. (formerly Panaya GmbH) became a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.) with effect from February 23, 2023.

(55) Minority shareholders of HIPUS Co, Ltd.

(56) Subsidiaries of Hitachi, Ltd.

The details of amounts due to or from related parties as at 31 March 2023, and 31 March 2022, are as follows;

(In ¥ million)

Particulars	Years ended March 31,	
	2023	2022
Trade payables		
Payable to EdgeVerve Systems Limited	34	–
Payable to Infosys Limited	17	4
Payable to Infosys China	11	10
Payable to HITACHI	34	48
Payable to Pasona	–	80
Payable to HITACHI HIGH-TECH CORPORATION	22	20
Payable to Hitachi Industrial Equipment Systems Co,Ltd.	17	27
Payable to Hitachi Real Estate Partners, Ltd.	398	396
Payable to HITACHI DOCUMENT SOLUTIONS CO., LTD.	768	572
Payable to HITACHI SYSTEMS,LTD.	548	484
Payable to HITACHI KE SYSTEMS, LTD.	90	76
Payable to HITACHI ICT BUSINESS SERVICES, LTD.	117	75
Payable to HITACHI SOLUTIONS, LTD.	105	212
Trade Receivables		
Receivable to Infosys Limited	3	3
Receivable to HITACHI	5,578	4,944
Receivable to Panasonic	522	325
Receivable to HITACHI HIGH-TECH CORPORATION	511	222
Receivable to Hitachi Industrial Equipment Systems Co, Ltd.	1,349	1,249
Receivable to Hitachi Real Estate Partners, Ltd.	10	184
Receivable to HITACHI SYSTEMS,LTD.	3	3
Receivable to HITACHI KE SYSTEMS, LTD.	6	5
Receivable to HITACHI ICT BUSINESS SERVICES, LTD.	3	–
Receivable to HITACHI SOLUTIONS, LTD.	401	264
Sale of Goods or services (net		
Sales to HITACHI	2,206	1,971
Sales to Panasonic	492	398
Sales to HITACHI HIGH-TECH CORPORATION	510	405
Sales to Hitachi Industrial Equipment Systems Co., Ltd.	194	178
Sales to Hitachi Real Estate Partners, Ltd.	105	111
Sales to HITACHI DOCUMENT SOLUTIONS CO., LTD.	2	2
Sales to HITACHI SYSTEMS,LTD.	7	8
Sales to HITACHI KE SYSTEMS, LTD.	1	1
Sales to HITACHI ICT BUSINESS SERVICES, LTD.	37	–
Sales to HITACHI SOLUTIONS, LTD.	0	43

Particulars	Years ended March 31,	
	2023	2022
Purchase of Goods or services		
Purchase from HITACHI	313	624
Purchase from Pasona	1	213
Purchase from HITACHI HIGH-TECH CORPORATION	66	51
Purchase from Hitachi Industrial Equipment Systems Co., Ltd.	119	154
Purchase from Hitachi Real Estate Partners, Ltd.	4,166	119
Purchase from HITACHI DOCUMENT SOLUTIONS CO., LTD.	1,822	11
Purchase from HITACHI SYSTEMS, LTD.	1,278	59
Purchase from HITACHI KE SYSTEMS, LTD.	902	833
Purchase from HITACHI ICT BUSINESS SERVICES, LTD.	690	242
Purchase from HITACHI SOLUTIONS, LTD.	425	501
Intercompany Revenue		
Services provided to Infosys Limited	–	25
Intercompany Sub-contractors		
Services taken from EdgeVerve Systems Limited	34	–
Services taken from Infosys China	129	112
Loan		
Loan given to Infosys Singapore	6,096	5,419
Interest Accrued		
Interest accrued on Loan given to Infosys Singapore	90	79

Transaction with key management personnel:

The table below describes the compensation to key management personnel which comprise directors and executive officers:

(Amount in ¥ million)

Particulars	Year ended March 31,	
	2023	2022
Salaries and other employee benefits to whole-time directors and executive officers	43	41
Commission and other benefits to non-executive/independent directors	–	–
Total	43	41

Note 23: Segment reporting

The Company is engaged in developing and marketing solutions in a single geography. Its operations are therefore considered to constitute a single segment. Based on the 'management approach' as defined in Ind-AS 108, Segment Reporting, the Chief Operating Decision Maker (CODM) evaluates performance of the Company as a whole. Its operations are, therefore, considered to constitute a single segment in the context of Ind-AS 108, Segment Reporting.

Note 24: Ratios

Particulars	Numerator	Denominator	31st March 2023	31st March 2022	Variance	Reason (If variation is more than 25%)
Current Ratio	Current assets	Current liabilities	1.1	1.0	1.5%	
Debt – Equity Ratio	Total Debt (represents lease liabilities) [1]	Shareholder's Equity	0.3	0.4	-39.5%	Total debt has increased due to lease renewal.
Debt Service Coverage Ratio	Earnings available for debt service[2]	Debt Service[3]	5.2	4.4	18.4%	
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	29%	29%	-	
Trade receivables turnover ratio	Revenue	Average Trade Receivable	0.1	0.1	12.7%	
Trade Payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	0.0	0.0	7.8%	
Net Capital Turnover Ratio	Revenue	Average Working Capital	1.2	1.4	-14.5%	
Net Profit Ratio	Net Profit	Net Sales	9%	9%	-	
Return on Capital Employed	EBIT	Capital Employed[4]	34%	31%	3%	

[1] Debt represents only lease liabilities

[2] Earnings available for debt service represents Net profit after taxes + Non-cash operating expenses + finance cost"

[3] Lease payments for the current year

[4] Tangible net worth + deferred tax liabilities + Lease Liabilities

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Infosys Consulting Ltda.

Independent Auditor's report

To the Members of Infosys Consulting Ltda

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Infosys Consulting Ltda ("the Company"), which comprise the Balance Sheet as at December 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of preparation referred to in Section 1.2 of the special purpose financial statements, of the state of affairs of the Company as at December 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

i) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

iii) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

For Shenoy & Kamath
Chartered Accountants,
Firm Registration Number. 006673S

(M Rathnakar Kamath)
Partner
Membership Number. 202841

UDIN : 232028418GW1UQ1673

Place: Bengaluru

Date: May 20, 2023

Balance Sheet

in BRL

Particulars	Note No.	As at December 31, 2022	As at December 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	9,594,007	5,137,113
Right to use of Asset	2.8	13,504,792	5,123,006
Capital work-in-progress		11,189	–
Financial assets			
Other financial assets		3,632,699	–
Income tax assets (net)	2.14	1,708,519	3,558,498
Total non-current assets		28,451,206	13,818,617
Current assets			
Financial assets			
Trade receivables	2.3	45,184,976	30,713,463
Cash and cash equivalents	2.4	50,152,873	43,188,057
Loans		789,153	832,174
Other financial assets	2.2	42,285,471	18,320,161
Other current assets	2.6	31,574,349	21,460,902
Total current assets		169,986,822	114,514,757
Total assets		198,438,028	128,333,374
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.9	275,071,070	275,071,070
Other equity	2.9	(213,379,355)	(216,250,435)
Total equity		61,691,715	58,820,635
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease Liability	2.8	4,647,118	3,024,130
Other financial liabilities		16,818,529	–
Total non-current liabilities		21,465,647	3,024,130
Current liabilities			
Financial liabilities			
Lease Liability	2.8	11,307,012	3,168,764
Trade payables	2.10	18,852,932	4,439,181
Other financial liabilities	2.11	54,204,777	36,864,930
Other current liabilities	2.12	30,193,320	20,978,751
Provisions	2.13	722,625	1,036,983
Total current liabilities		115,280,666	66,488,609
Total equity and liabilities		198,438,028	128,333,374

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Place: Bengaluru

Date: May 20, 2023

for and on behalf of the Board of Directors of
Infosys Consulting Ltda.

Angelo Mazzocchi
Director

Statement of Profit and Loss

in BRL

Particulars	Note No.	Years ended December 31, 2022	Years ended December 31, 2021
Revenue from operations	2.15	216,018,992	173,392,966
Other income, net	2.16	5,200,573	2,322,195
Total income		221,219,565	175,715,161
Expenses			
Employee benefit expenses	2.17	143,408,530	124,570,993
Cost of technical sub-contractors		25,112,403	22,461,007
Travel expenses		1,260,408	467,181
Communication expenses		4,123,415	3,982,445
Consultancy and professional charges		4,141,136	3,130,594
Depreciation and amortization expenses	2.1	8,225,306	4,396,230
Finance cost		2,119,818	575,249
Other expenses	2.17	16,486,615	8,159,620
Total expenses		204,877,631	167,743,319
Profit/(Loss) before tax		16,341,934	7,971,842
Tax expense			
Current tax	2.14	6,147,642	1,432,660
Previous Year tax	2.14	5,091,723	–
Profit/(Loss) for the year		5,102,569	6,539,182
Total comprehensive income for the year		5,102,569	6,539,182
Earnings per equity share			
Equity shares of par value BRL 1/- each			
Basic and Diluted (BRL)		0.02	0.02
Weighted average equity shares used in computing earnings per equity share			
Basic and Diluted		275,071,070	275,071,070

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Place: Bengaluru
Date: May 20, 2023

for and on behalf of the Board of Directors of
Infosys Consulting Ltda.

Angelo Mazzocchi
Director

Statement Of Changes in Equity

In BRL

Particulars	Equity share capital	Other equity Reserves and Surplus Retained earnings	Other equity Reserves and Surplus Business transfer adjustment reserve	Total equity attributable to equity holders of the Company
Balance as of January 1, 2022	275,071,070	(206,136,959)	(10,113,476)	58,820,635
Changes in equity for the year ended December 31, 2022				
Ind AS 37 Adjustment	–	(2,231,489)	–	(2,231,489)
Profit for the year	–	5,102,569	–	5,102,569
Balance as of December 31, 2022	275,071,070	(203,265,879)	(10,113,476)	61,691,715
Balance as of January 1, 2021	275,071,070	(212,676,141)	(10,113,476)	52,281,453
Changes in equity for the year ended December 31, 2021				
Profit for the year	–	6,539,182	–	6,539,182
Balance as of December 31, 2021	275,071,070	(206,136,959)	(10,113,476)	58,820,635

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Place: Bengaluru

Date: May 20, 2023

for and on behalf of the Board of Directors of
Infosys Consulting Ltda.

Angelo Mazzocchi
Director

Statement of Cash Flows

In BRL

Particulars	Year ended December 31	
	2022	2021
Cash flows from operating activities		
Profit/ (Loss) for the year	5,102,569	6,539,182
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation expense	8,225,306	4,396,230
Income tax expense	8,979,763	(637,645)
Impairment loss recognized / (reversed) under expected credit loss model	618,445	1,123,067
Finance Cost	2,119,818	575,249
Other adjustments	(3,340,320)	3,742
Exchange differences on translation of assets and liabilities	3,685,209	(990,402)
Changes in assets and liabilities		
Trade receivables	(15,420,395)	2,699,553
Other financial assets and other assets	(28,926,707)	7,780,655
Trade payables	12,954,953	(5,602,464)
Other financial liabilities and other liabilities and provisions	26,798,834	3,774,479
Cash generated from operations	20,797,475	19,661,646
Income taxes paid	(2,038,061)	(1,089,176)
Net cash generated in operating activities	18,759,414	18,572,470
Cash flow from investing activities		
Expenditure on property, plant and equipment	(7,845,012)	(5,016,848)
Net cash used in investing activities	(7,845,012)	(5,016,848)
Cash flow from/used in financing activities		
Payment of lease liability	(5,915,620)	(575,249)
Other receipts/ (payments)	1,966,034	(3,709,664)
Net cash used in financing activities	(3,949,586)	(4,284,913)
Net increase in cash and cash equivalents	6,964,816	9,270,709
Cash and cash equivalents at the beginning of the year	43,188,057	33,917,348
Cash and cash equivalents at the end of the year	50,152,873	43,188,057

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Place: Bengaluru

Date: May 20, 2023

for and on behalf of the Board of Directors of
Infosys Consulting Ltda.

Angelo Mazzocchi
Director

Significant accounting policies

Company overview

Infosys Consulting Ltda. is a wholly-owned subsidiary of Infosys Limited w.e.f . August 14, 2018. The Company renders professional management consulting services, thereby enabling its clients to enhance business performance.

1 Significant accounting policies

1.1 Accounting year

The accounting year of the Company is from January 1 to December 31.

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 Limited under the requirements of Section 129 (3) of the Companies Act 2013.

These financial statements are prepared in accordance with Indian Accounting Standards (Ind-AS) under the historical cost convention on the accrual basis. The Ind-AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

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 Presentation currency

The Company's presentation currency is Brazilian real (BRL).

1.4 Use of estimates

The preparation of the financial statements in conformity with Ind-AS requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.5 Revenue recognition

The Company derives revenues primarily from business IT services comprising of software development and related services, consulting and package implementation and from the licensing of software products and platforms across our core and digital offerings ("together called as software related services").

The following is a summary of new and/or revised significant accounting policies related to revenue recognition.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Arrangements with customers for software related services are either on a fixed-price, fixed-timeframe or on a time-and-material basis.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method.

When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

In arrangements for software development and related services and maintenance services, the Company has applied the guidance in Ind-AS 115, Revenue from Contract with Customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company uses the expected cost-plus margin approach in estimating the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period. Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS). The Company has applied the principles under Ind-AS 115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost-plus margin approach. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized ratably over the period in which the services are rendered.

The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts / incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount / incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the Company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The Company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Deferred contract costs are incremental costs of obtaining a contract which are recognized as assets and amortized over the term of the contract.

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.

The Company presents revenues net of indirect taxes in its Statement of Profit and loss.

Rendering of services

Revenue from a contract to provide services is recognized in the period in which the services are provided in accordance with the terms of the contract. At each year end revenue from unbilled services provided are included within accrued income and any amounts invoiced in advance are deferred to the accounting period when those services will be provided.

The stage of completion is determined on the basis of the actual completion of a proportion of the total services to be rendered. An expected loss on a contract is recognized immediately in the Profit and Loss Account.

1.6 Provisions

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.

1.7 Post-sales client support and others

The Company provides its clients with a fixed-period post-sales support for corrections of errors and support on all its fixed-price, fixed-timeframe contracts. Costs associated with such support services are accrued at the time when related revenues are recorded and included in cost of sales. The Company estimates such costs based on historical experience and the estimates are reviewed annually for any material changes in assumptions.

1.8 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.

1.9 Property, plant and equipment

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 lease term

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

(1) Based on technical evaluation, the Management believes that the useful lives as given above best represent the period over which 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.

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 net profit 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.

1.10 Financial instruments

1.10.1 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.

1.10.2 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

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.

(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) Investment in subsidiaries

Investment in subsidiaries is carried at cost in the separate financial statements.

1.11 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.

1.12 Impairment

a. Financial assets

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets, which are not fair valued through profit or loss. Loss allowance for trade receivables 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 profit or loss.

b. Non-financial assets

(i) Property, plant and equipment

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 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 for the 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.

1.13 Employee Benefits

Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

1.14 Foreign currency

Functional currency

The functional currency of the Company is the BRL.

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 net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

1.15 Income taxes

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.

1.16 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.17 Other income

Other income is comprised primarily of interest income, dividend income and exchange gain on translation of other assets and liabilities. Interest income is recognized using the effective interest method.

1.18 Earnings per share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.

1.19 Cash and cash equivalents

The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

1.20 Leases

Ind-AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group 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 group'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 Group has concluded that no changes are required to lease period relating to the existing lease contracts (Refer to Note no. 2.8).

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings and vehicles. 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: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate 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 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 for the 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 asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

1.21 Borrowing Cost

Borrowing cost are charged to the Statement of Profit and Loss in the period in which they were incurred.

2.1 Property, plant and equipment

The changes in the carrying value of property, plant and equipment for the year ended December 31, 2022 are as follows:

In BRL

Particulars	Plant and machinery	Office Equipment	Computer equipment	Furniture and fixtures	Leasehold Improvement	Total
Gross carrying value as of January 1, 2022	1,261,184	274,614	13,409,628	4,827,172	1,818,265	21,590,863
Additions	-	3,623	7,830,200	–	–	7,833,823
Deletions	(2,030)	–	(1,201,020)	(185,253)	–	(1,388,303)
Gross carrying value as of December 31, 2022	1,259,154	278,237	20,038,808	4,641,919	1,818,265	28,036,383
Accumulated depreciation as of January 1, 2022	(1,253,601)	(260,217)	(8,827,552)	(4,744,137)	(1,368,243)	(16,453,750)
Depreciation	(3,862)	(7,723)	(2,866,327)	(48,995)	(450,022)	(3,376,929)
Accumulated depreciation on deletions	–	2,030	1,201,020	185,253	–	1,388,303
Accumulated depreciation as of December 31, 2022	(1,257,463)	(265,910)	(10,492,859)	(4,607,879)	(1,818,265)	(18,442,376)
Carrying value as of December 31, 2022	1,691	12,327	9,545,949	34,040	–	9,594,007
Carrying value as of January 1, 2021	7,583	14,397	4,582,076	83,035	450,022	5,137,113

The changes in the carrying value of property, plant and equipment for the year ended December 31, 2021 are as follows:

In BRL

Particulars	Plant and machinery	Office Equipment	Computer equipment	Furniture and fixtures	Leasehold Improvement	Total
Gross carrying value as of January 1, 2021	1,261,184	274,614	8,425,877	4,827,172	1,753,981	16,542,828
Additions	–	–	4,983,751	–	64,284	5,048,035
Deletions	–	–	–	–	–	–
Gross carrying value as of December 31, 2021	1,261,184	274,614	13,409,628	4,827,172	1,818,265	21,590,863
Accumulated depreciation as of January 1, 2021	(1,249,739)	(249,763)	(8,331,809)	(4,691,026)	(848,721)	(15,371,058)
Depreciation	(3,862)	(10,454)	(495,743)	(53,111)	(519,522)	(1,082,692)
Accumulated depreciation on deletions	–	–	–	–	–	–
Accumulated depreciation as of December 31, 2021	(1,253,601)	(260,217)	(8,827,552)	(4,744,137)	(1,368,243)	(16,453,750)
Carrying value as of December 31, 2021	7,583	14,397	4,582,076	83,035	450,022	5,137,113
Carrying value as of January 1, 2020	11,445	24,851	94,068	136,146	905,260	1,171,770

2.2 Other financial assets

In BRL

Particulars	As at December 31	
	2022	2021
Current		
Unbilled Revenues	42,242,227	18,302,151
Others[1]	43,244	18,010
Total Other Current financial assets	42,285,471	18,320,161
Total Other financial assets	42,285,471	18,320,161
Financial assets carried at amortized cost	42,285,471	18,320,161

[1] Includes Travel advance

2.3 Trade receivables

In BRL

Particulars	As at December 31	
	2022	2021
Current		
Unsecured		
Considered good[1]	50,402,077	36,412,291
	50,402,077	36,412,291
Less: Allowances for credit losses	(5,217,101)	(5,698,828)
Total trade receivables	45,184,976	30,713,463
[1] Includes dues from related parties (refer to Note No.2.18)	13,132,391	5,787,701

Year ended December 31, 2022 and December 31, 2021

In BRL

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	33,594,684	13,675,861	3,131,533	–	–	–	50,402,077
	27,557,084	8,369,273	485,935	–	–	–	36,412,291
Less: Allowance for credit loss							5,217,101
							5,698,828
Total trade receivables							45,184,976
Total trade receivables							30,713,463

2.4 Cash and cash equivalents

In BRL

Particulars	As at December 31	
	2022	2021
Balances with banks		
In current accounts	14,353,873	28,188,057
Fixed Deposit	35,799,000	15,000,000
Total Cash and Cash equivalents	50,152,873	43,188,057

2.5 LOANS

In BRL

Particulars	As at December 31	
	2022	2021
Current		
Unsecured, considered good		
Loans to employees	745,097	832,174
Total current loans	745,097	832,174

2.6 Other current assets

In BRL

Particulars	As at December 31	
	2022	2021
Current		
Advances other than capital advance		
Payment to vendors for supply of goods	–	84,516
Others		
Prepaid Expenses[1]	(10,951)	7,173
Withholding taxes and others	15,131,026	20,828,085
Interest accrued not due	2,620,823	541,128
Others	13,833,451	–
Total current other assets	31,574,349	21,460,902
[1] Includes dues from subsidiaries (Refer to Note 2.18)	10,951	3,409

2.7 Financial instruments

Financial instruments by category

In BRL

Particulars	As at December 31	
	2022	2021
Assets		
Cash and cash equivalents (Refer to Note No.2.4)	50,152,873	43,188,057
Trade receivables (Refer to Note No.2.3)	45,184,976	30,713,463
Loans (Refer to Note No.2.5)	789,153	832,174
Other financial assets (Refer to Note No.2.2)	42,285,471	18,320,161
Total	138,412,473	93,053,855
Liabilities		
Trade payables (Refer to Note No.2.10)	18,852,932	4,439,181
Other financial liabilities (Refer to Note No.2.11)	42,141,369	26,901,632
Total	60,994,301	31,340,813

All the above financial assets and liabilities are carried at amortized cost and the carrying values approximates their fair value.

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 primary market risk to the Company is foreign exchange risk. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

Market risk

The Company operates internationally, and a major portion of the business is transacted in several currencies. Consequently, the Company is exposed to foreign exchange risk through its sales and services in other countries and purchases from overseas suppliers in various foreign currencies.

The following table analyses the foreign currency risk from monetary assets and liabilities as at December 31, 2022:

In BRL

Particulars	US Dollars	Euro	UK Pound Sterling	Swiss Francs	Other currencies	Total
Net Financial Assets	28,736,280	265,543	(9,836)	1,289,244	28,464,198	58,745,429
Net Financial Liabilities	(717,076)	(16,289,413)	–	–	(1,008,827)	(18,015,316)
Net assets / (liabilities)	28,019,204	(16,023,870)	(9,836)	1,289,244	27,455,371	40,730,113

The following table analyses the foreign currency risk from monetary assets and liabilities as at December 31, 2021:

In BRL

Particulars	US Dollars	Euro	UK Pound Sterling	Swiss Francs	Other currencies	Total
Net Financial Assets	17,508,458	2,449,983	–	–	–	19,958,441
Net Financial Liabilities	(101,119)	(2,973,835)	–	(13,711,294)	(1,082,263)	(17,868,511)
Net assets / (liabilities)	17,407,339	(523,852)	–	(13,711,294)	(1,082,263)	2,089,930

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 BRL 45,184,976 and BRL 30,713,463 as of December 31, 2022 and December 31, 2021, respectively and unbilled revenue amounting to BRL 42,242,227 and BRL 18,302,151 as of December 31, 2022 and December 31, 2021, 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. As per 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 and unbilled revenues. 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.

Credit risk exposure

Provision of BRL 618,445 and BRL 1,123,067 for ECL on customer balances was done for the years ended December 31, 2022 and December 31, 2021 respectively.

In BRL

Particulars	Years ended December 31,	
	2022	2021
Balance at the beginning	2,700,088	1,577,021
Impairment loss recognized / reversed	618,445	1,123,067
Amounts written off	–	–
Translation differences	–	–
Balance at the end	3,318,533	2,700,088

Credit risk on cash and cash equivalents is limited as we generally invest in banks with high credit ratings assigned by international and domestic credit rating agencies.

Liquidity risk

The Company's principal source of liquidity are cash and cash equivalents.

As of December 31, 2022 and December 31,2021, the Company had cash and cash equivalents of BRL 50,152,873 and BRL 43,188,057 respectively.

As of December 31, 2022 and December 31, 2021, the outstanding compensated absences were BRL 12,063,408 and BRL 9,963,298 respectively.

2.8 Leases

The weighted average incremental borrowing rate applied to lease liabilities as at January 1, 2022 is 9.0%

The changes in the carrying value of right of use assets for the year ended December 31, 2022 are as follows:

In BRL

Particulars	Category of ROU asset			Total
	Buildings	Vehicles	Computer Equipment	
Balance as of January 1, 2022	4,292,616	830,388	–	5,123,004
Modifications/ Additions	4,549,326	2,802,463	7,282,528	14,634,317
Deletion	–	(58,236)	(1,345,919)	(1,404,155)
Depreciation	(1,838,822)	(1,546,445)	(1,463,107)	(4,848,374)
Balance as of December 31, 2022	7,003,121	2,028,169	4,473,502	13,504,792

The changes in the carrying value of right of use assets for the year ended December 31, 2021 are as follows:

In BRL

Particulars	Category of ROU asset			Total
	Buildings	Vehicles	Computer Equipment	
Balance as of January 1, 2021	5,433,517	2,071,052	–	7,504,569
Additions	655,152	876,229	–	1,531,381
Deletion	(128,164)	(471,245)	–	(599,409)
Depreciation	(1,667,889)	(1,645,648)	–	(3,313,537)
Balance as of December 31, 2021	4,292,616	830,388	–	5,123,004

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, 2022 and December 31, 2021 is as follows:

In BRL

Particulars	As at December 31	
	2022	2021
Current lease liabilities	4,647,118	3,168,764
Non-current lease liabilities	11,307,012	3,024,130
Total	15,954,130	6,192,894

The movement in lease liabilities during the year ended December 31, 2022 and December 31, 2021 is as follows:

In BRL

Particulars	For the year ended December 31,	
	2022	2021
Balance at the beginning	6,192,894	8,970,585
Additions	14,634,317	1,531,381
Deletions	(58,237)	(599,408)
Finance cost accrued during the period	1,100,775	575,249
Payment of lease liabilities	(5,915,620)	(4,284,913)
Balance at the end	15,954,130	6,192,894

The details regarding the contractual maturities of lease liabilities as at December 31, 2022 and December 31, 2021 on an undiscounted basis are as follows:

In BRL

Particulars	As at December 31	
	2022	2021
Less than one year	4,647,118	3,168,764
One to five years	14,244,201	6,650,989
More than five years	–	–
Total	18,891,319	9,819,753

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.

Rental expense recorded for short-term leases was 0 and BRL 181,047 for the years ended December 31,2022 and December 31,2021.

2.9 EQUITY

Equity share capital

in BRL, except as otherwise stated

Particulars	As at December 31,	
	2022	2021
Authorized		
275,071,070 (275,071,070) equity shares of BRL1/- par value, fully paid	275,071,070	275,071,070
Issued, Subscribed and Paid-Up		
275,071,070 (275,071,070) equity shares of BRL1/- par value, fully paid.	275,071,070	275,071,070
(Of the above, 275,071,070 equity shares are held by the holding company, Infosys Limited as at December 31,2022)		
	275,071,070	275,071,070

The details of shareholders holding more than 5% shares as at December 31, 2022 and December 31, 2021 are as follows:

in BRL, except as otherwise stated

Name of the shareholder	As at December 31, 2022		As at December 31, 2021	
	Number of shares	% held	Number of shares	% held
Infosys Limited	27,50,71,070	100	27,50,71,070	100

The reconciliation of the number of shares outstanding and the amount of share capital as at December 31, 2022 and December 31, 2021 is as follows:

in BRL except as stated otherwise

Particulars	As at December 31, 2022		As at December 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Number of shares at the beginning of the period	275,071,070	275,071,070	275,071,070	275,071,070
Issue of shares during the year	–	–	–	–
Number of shares at the end of the period	275,071,070	275,071,070	275,071,070	275,071,070

2.10 Trade payables

In BRL

Particulars	As at December 31,	
	2022	2021
Trade payables *	18,852,932	4,439,181
Total trade payables	18,852,932	4,439,181
*Includes dues to related parties (Refer to Note No.2.18)	596,918	3,518,600

Year ended December 31, 2022 and December 31, 2021

In BRL

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Others	1,996,152	14,818,739	2,038,041	–	–	18,852,932
	1,915,564	2,013,296	–	–	510,321	4,439,181
Total trade payables	1,996,152	14,818,739	2,038,041	–	–	18,852,932
Total trade payables	1,915,564	2,013,296	–	–	510,321	4,439,181

2.11 Other financial liabilities

In BRL

Particulars	As at December 31,	
	2022	2021
Current		
Others		
Accrued compensation to employees*	2,730,255	8,585,720
Accrued expenses [(1)]*	29,417,530	10,586,837
Compensated absences	12,063,408	9,963,298
Other payables [(2)] *	9,993,584	7,729,075
Total current other financial liabilities	54,204,777	36,864,930
* Financial liability carried at amortized cost	42,141,369	26,901,632
[(1)] Includes dues to related parties (Refer to Note No.2.18)	7,213,296	464,111
[(2)] Includes dues to related parties (Refer to Note No.2.18)	9,200,495	7,495,600

2.12 Other current liabilities

In BRL

Particulars	As at December 31,	
	2022	2021
Current		
Unearned revenue	10,089,958	3,195,948
Others		
Withholding taxes and others	20,103,362	17,782,803
Total other current liabilities	30,193,320	20,978,751

2.13 Provisions

In BRL

Particulars	As at December 31,	
	2022	2021
Current		
Others		
Post-sales client support	722,625	1,036,983
Total current Provisions	722,625	1,036,983

2.14 Income taxes

Income tax expense in the Statement of Profit and Loss comprises:

In BRL

Particulars	Years ended December 31,	
	2022	2021
Current taxes	6,147,642	1,432,660
Prior period tax	5,091,723	–
Income tax expense	11,239,365	1,432,660

Income tax expense for the years ended December 31, 2022 and December 31, 2021 includes provisions (net of reversals) amounting to BRL 11,239,365 and reversals amounting to BRL 1,432,660 respectively.

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized as follows:

In BRL

Particulars	Years ended December 31,	
	2022	2021
Profit/(loss) before income tax	16,341,934	7,971,842
Enacted tax rates in Brazil (%)	34.00%	34.00%
Computed expected tax expense	5,556,258	2,710,426
Tax reversals, overseas and domestic	5,091,723	–

Particulars	Years ended December 31,	
	2022	2021
Effect of unrecognized deferred tax assets	553,450	(1,278,152)
Effect of non-deductible expenses	10,199	386
Others	27,735	–
Income tax expense	11,239,365	1,432,660

The applicable Brazil statutory tax rate for years ended December 31,2022 and December 31,2021 is 34%.

The details of income tax assets and income tax liabilities are as follows:

In BRL

	Years ended December 31,	
	2022	2021
Income tax assets	1,708,519	3,789,426
Current income tax liabilities	–	(230,928)
Net current income tax assets / (liability) at the end	1,708,519	3,558,498

The gross movement in the current income tax asset / (liability) is as follows:

In BRL

	Years ended December 31,	
	2022	2021
Net current income tax asset / (liability) at the beginning	3,558,498	1,831,678
Income tax paid/ (set-off)	2,038,061	1,089,176
Forex	(41,020)	44,370
Movement due to customer WHT	2,300,622	2,025,935
Current income tax expense	(6,147,642)	(1,432,660)
Net current income tax asset / (liability) at the end	1,708,519	3,558,498

2.15 Revenue from operations

Revenue from operations for the years ended December 31, 2022 and December 31, 2021 is as follows:

In BRL

Particulars	Years ended December 31,	
	2022	2021
Revenue from software services	215,606,237	173,352,476
Revenue from products and platforms	412,755	40,490
Total revenue from operations	216,018,992	173,392,966

Disaggregate revenue information

The disaggregated revenues from contracts with customers by offerings for the year ended December 31, 2022 are as follows. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

In BRL

Particulars	Years ended December 31,	
	2022	2021
Revenue by offerings		
Core	205,731,669	165,913,153
Digital	10,287,323	7,479,813
Total	216,018,992	173,392,966

Digital Services

Digital Services comprise of service and solution offerings of the company that enable our clients to transform their businesses. These include offerings that enhance customer experience, leverage AI-based analytics and big data, engineer digital products and IoT, modernize legacy technology systems, migrate to cloud applications and implement advanced cyber security systems.

Core Services

Core Services comprise traditional offerings of the company that have scaled and industrialized over a number of years. These primarily include application management services, proprietary application development services, independent validation solutions, product engineering and management, infrastructure management services, traditional enterprise application implementation, support and integration services.

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 (contract asset) is classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

During the year ended December 31, 2022, the company recognized revenue of BRL 2,187,415 arising from opening unearned revenue of BRL 3,195,948 as of January 1, 2022.

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 Group expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Group 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 at December 31, 2022, other than those meeting the exclusion criteria mentioned above, is BRL 38.5 Mn. Out of this, the Group expects to recognize revenue of around 61.3% 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.

2.16 Other income

In BRL

Particulars	Year ended December 31,	
	2022	2021
Interest received on financial assets Carried at amortized cost		
Deposits with banks and others	3,935,010	839,772
Interest received on financial assets fair valued through other comprehensive income		
Exchange gains / (losses) on translation of other assets and liabilities	17,687	1,266,460
Miscellaneous income, net	1,247,876	215,963
Total other income	5,200,573	2,322,195

2.17 Expenses

In BRL

Particulars	Year ended December 31,	
	2022	2021
Employee benefit expenses		
Salaries including bonus	142,873,784	123,753,948
Share based payments to employees	253,238	726,827
Staff welfare	281,508	90,218
Total employee benefit expenses	143,408,530	124,570,993

In BRL

Particulars	Year ended December 31,	
	2022	2021
Other expenses		
Power and fuel	23,662	26,161
Brand and marketing	333,144	330,918
Operating lease payments	-	181,047
Rates and taxes	2,218,281	2,532,606
Repairs and maintenance	2,459,195	1,745,782
Consumables	132,919	25,081
Insurance	672,408	122,113
Provision / (Reversal) for post-sales client support	(2,454,749)	3,742
Cost of software packages and others	11,966,761	1,732,141
Allowances / (Reversals) for credit losses on financial assets	618,445	1,123,067
Others	516,549	336,962
Total other expenses	16,486,615	8,159,620

2.18 Related party transactions

List of related parties:

Name of the holding companies	Country	Holding as at	
		December 31, 2022	December 31, 2021
Infosys Limited	India	100%	100%

Name of the ultimate holding company	Country
Infosys Limited	India

Name of subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)[1]	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)[1]	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)[1]	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)[1]	China
Infosys Nova Holdings LLC. (Infosys Nova)[1]	U.S.
EdgeVerve Systems Limited (EdgeVerve)[1]	India
Infosys Austria GmbH[1]	Austria
Skava Systems Private Limited (Skava Systems)[1][27]	India
Kallidus Inc, (Kallidus)[28]	U.S.
Infosys Chile SpA[1]	Chile
Infosys Arabia Limited[2][27]	Saudi Arabia
Infosys CIS LLC[15]	Russia
Infosys Luxembourg S.a.r.l[1]	Luxembourg
Infosys Americas Inc. (Infosys Americas)[1]	U.S.
Infosys Public Services, Inc. USA (Infosys Public Services)[1]	U.S.
Infosys Canada Public Services Inc[20][39]	Canada
Infosys BPM Limited[1][47]	India
Infosys (Czech Republic) Limited s.r.o.[3]	Czech Republic
Infosys Poland Sp z.o.o[3]	Poland
Infosys McCamish Systems LLC[3]	U.S.
Portland Group Pty Ltd[3]	Australia
Infosys BPO Americas LLC.[3]	U.S.
Infosys Consulting Holding AG (Infosys Lodestone)[1]	Switzerland
Infosys Management Consulting Pty Limited[4]	Australia
Infosys Consulting AG[4]	Switzerland
Infosys Consulting GmbH[4]	Germany
Infosys Consulting S.R.L.[1]	Romania
Infosys Consulting SAS[4]	France
Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.)[4][38]	Czech Republic
Infosys Consulting (Shanghai) Co., Ltd.[4][34]	China
Infy Consulting Company Ltd[4]	U.K.
Infy Consulting B.V.[4]	The Netherlands
Infosys Consulting S.R.L.[2]	Argentina
Infosys Consulting (Belgium) NV[5]	Belgium
Panaya Inc. (Panaya)[1]	U.S.
Panaya Ltd.[6]	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH)[6]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[1][27]	U.K.
Brilliant Basics Limited[7][27]	U.K.
Infosys Consulting Pte. Ltd. (Infosys Singapore)[1]	Singapore
Infosys Middle East FZ LLC[8]	Dubai
Fluido Oy[8]	Finland
Fluido Sweden AB (Extero)[11]	Sweden
Fluido Norway A/S[11]	Norway
Fluido Denmark A/S[11]	Denmark
Fluido Slovakia s.r.o[11]	Slovakia

Name of subsidiaries	Country
Infosys Compaz Pte. Ltd[9]	Singapore
Infosys South Africa (Pty) Ltd[8]	South Africa
WongDoody Holding Company Inc. (WongDoody)[1][40]	U.S.
WDW Communications, Inc[10][41]	U.S.
WongDoody, Inc[10][42]	U.S.
HIPUS Co., Ltd[9]	Japan
Stater N.V.[9]	The Netherlands
Stater Nederland B.V.[12]	The Netherlands
Stater XXL B.V.[12]	The Netherlands
HypoCasso B.V.[12]	The Netherlands
Stater Participations B.V.[12]	The Netherlands
Stater Belgium N.V./S.A.[13]	Belgium
Stater Gmbh[12][32]	Germany
Outbox systems Inc. dba Simplus (US)[16]	U.S.
Simplus North America Inc.[17][31]	Canada
Simplus ANZ Pty Ltd.[17]	Australia
Simplus Australia Pty Ltd[18]	Australia
Sqware Peg Digital Pty Ltd[19][35]	Australia
Simplus Philippines, Inc.[17]	Philippines
Simplus Europe, Ltd.[17][33]	U.K.
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)[11]	U.K.
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[21]	Ireland
Infosys Limited Bulgaria EOOD[1]	Bulgaria
Kaleidoscope Animations, Inc.[16]	U.S.
Kaleidoscope Prototyping LLC[23]	U.S.
GuideVision s.r.o.[14]	Czech Republic
GuideVision Deutschland GmbH[22]	Germany
GuideVision Suomi Oy[22]	Finland
GuideVision Magyarország Kft[22]	Hungary
GuideVision Polska SP.Z.O.O[22]	Poland
GuideVision UK Ltd[22]	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[16]	U.S.
Beringer Capital Digital Group Inc[16][45]	U.S.
Mediotype LLC[24][45]	U.S.
Beringer Commerce Holdings LLC[24][45]	U.S.
SureSource LLC[25][43]	U.S.
Blue Acorn LLC[25][43]	U.S.
Simply Commerce LLC[25][43]	U.S.
iCiDIGITAL LLC[26][44]	U.S.
Infosys BPM UK Limited[3]	U.K.
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[1]	Turkey
Infosys Germany Holding Gmbh[1][29]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1][30]	Germany
Infosys Green Forum[1][36]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[37]	Malaysia
Infosys Business Solutions LLC[1][46]	Qatar

Name of subsidiaries	Country
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[48]	Germany
oddity GmbH [49]	Germany
oddity (Shanghai) Co., Ltd. [50]	China
oddity Limited (Taipei) [50]	Taiwan
oddity space GmbH [49]	Germany
oddity jungle GmbH [49]	Germany
oddity code GmbH [49]	Germany
oddity code d.o.o [51]	Serbia
oddity waves GmbH [49]	Germany
oddity group services GmbH [49]	Germany
Infosys Public Services Canada Inc. [20][52]	Canada
BASE life science AG [54]	Switzerland
BASE life science GmbH [54]	Germany
BASE life science A/S [53]	Denmark
BASE life science S.A.S [54]	France
BASE life science Ltd. [54]	U.K.
BASE life science S.r.l. [54]	Itlay
Innovisor Inc.[54]	U.S.
BASE life science Inc.[54]	U.S.
BASE life science S.L.[54][55]	Spain
Panaya Germany GmbH [6][56]	Germany

(1) Wholly-owned subsidiary of Infosys Limited
(2) Majority-owned and controlled subsidiary of Infosys Limited
(3) Wholly-owned subsidiary of Infosys BPM Limited
(4) Wholly-owned subsidiary of Infosys Consulting Holding AG
(5) Majority-owned and controlled subsidiary of Infosys Consulting Holding AG
(6) Wholly-owned subsidiary of Panaya Inc.
(7) Wholly-owned subsidiary of Brilliant Basics Holding Limited.
(8) Wholly-owned subsidiary of Infosys Consulting Pte. Ltd.
(9) Majority-owned and controlled subsidiary of Infosys Consulting Pte. Ltd.
(10) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody)
(11) Wholly-owned subsidiary of Fluido Oy
(12) Wholly-owned subsidiary of Stater N.V
(13) Majority-owned and controlled subsidiary of Stater Participations B.V.
(14) Wholly-owned subsidiary of Infy Consulting Company Limited
(15) Liquidated effective January 28, 2021.
(16) Wholly-owned subsidiary of Infosys Nova Holdings LLC
(17) Wholly-owned subsidiary of Outbox Systems Inc.
(18) Wholly-owned subsidiary of Simplus ANZ Pty Ltd
(19) Wholly-owned subsidiary of Simplus Australia Pty Ltd
(20) Wholly-owned subsidiary of Infosys Public Services, Inc.
(21) Wholly-owned subsidiary of Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)
(22) Wholly-owned subsidiary of GuideVision s.r.o.
(23) Wholly-owned subsidiary of Kaleidoscope Animations, Inc.
(24) Wholly-owned subsidiary of Blue Acorn iCi Inc
(25) Wholly-owned subsidiary of Beringer Commerce Holdings LLC
(26) Wholly-owned subsidiary of Beringer Capital Digital Group Inc.
(27) Under liquidation
(28) Liquidated effective March 9,2021
(29) Incorporated on March 23, 2021
(30) On March 28, 2021 Infosys Limited and Infosys Germany Holding Gmbh registered Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm.
(31) Liquidated effective April 27,2021

(32) Incorporated on August 4, 2021

(33) Liquidated effective July 20, 2021

(34) Liquidated effective September 1, 2021

(35) Liquidated effective September 2, 2021

(36) Incorporated on August 31, 2021

(37) On December 14, 2021, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)

(38) Liquidated effective December 16, 2021

(39) Liquidated effective November 23, 2021

(40) Wholly-owned subsidiary of Infosys Limited, merged with WongDoody Inc, effective December 31, 2021

(41) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody), merged with WongDoody Inc, effective December 31, 2021

(42) Wholly-owned subsidiary of Infosys Limited, effective December 31, 2021

(43) Merged with Beringer Commerce Holdings LLC, effective January 1, 2022

(44) Merged with Beringer Capital Digital Group Inc, effective January 1, 2022

(45) Merged with Blue Acorn iCi Inc, effective January 1, 2022

(46) Incorporated on February 20, 2022

(47) On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

(48) On March 22, 2022, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))

(49) On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly owned subsidiary of Infosys Consulting Pte. Ltd) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and oddity GmbH.

(50) Wholly-owned subsidiary of oddity GmbH

(51) Wholly-owned subsidiary of oddity code GmbH.

(52) Incorporated on July 8, 2022

(53) On September 1, 2022, Infosys Consulting Pte. Ltd. (a Wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

(54) Wholly-owned subsidiary of BASE life science A/S

(55) Incorporated on September 6, 2022

(56) Incorporated effective December 15, 2022

The details of amounts due to or due from related parties as at December 31, 2022 and December 31, 2021 are as follows :

In BRL

Particulars	As at December 31	
	2022	2021
Trade receivables		
Infosys Consulting S.R.L.	122,277	150
Infosys Consulting AG	1,172,812	1,177,418
Infosys Limited	10,628,240	4,183,478
Infosys BPM Ltd	1,179,892	154,838
Infosys Compaz Pte. Ltd	29,170	271,817
	13,132,391	5,787,701
Trade payables		
Infosys Consulting S.R.L.	153,108	76,584
Infosys Consulting AG	–	3,116,247
Infosys Limited	179,916	86,977
Infosys Technologies China	22,719	–
Infosys (Czech Republic) Ltd	124,729	–
Infosys BPM Ltd	116,446	–
Infosys Management Consulting Pty Ltd	–	238,792
	596,918	3,518,600
Other Financial Liabilities		
Infosys Consulting AG	3,943,340	5,975,082
Infosys Automotive and Mobility	2,683,254	–
Infosys Compaz Pte. Ltd	29,170	–

Particulars	As at December 31	
	2022	2021
Infosys Limited	2,544,731	1,520,518
	9,200,495	7,495,600
Accrued expenses		
Infosys Limited	7,202,345	460,702
Panaya Limited	10,951	3,409
	7,213,296	464111

In BRL

Particulars	For the years ended December 31	
	2022	2021
Purchase of shared services, facilities and personnel		
Infosys Consulting S.R.L.	655,823	1,362,892
Panaya Limited	7,542	502,595
Infosys Management Consulting Pty Ltd	54,857	236,692
Infosys Limited	6,752,118	5,103,341
Infosys Automotive and Mobility	2,537,821	–
Infosys BPM Ltd	212,447	–
Infosys Technologies China	43,721	–
Infosys (Czech Republic) Ltd	243,212	–
	10,507,541	7,205,520
Sale of services		
Infosys Limited	61,147,179	40,375,020
Infosys Consulting S.R.L.	122,127	–
Infosys Compaz Pte. Ltd	135,079	271,707
Infosys BPM Limited	4,688,722	1,038,280
Infosys Consulting AG	–	(22,831)
	66,093,107	41,662,176

2.19 Ratios

The ratios for the years ended December 31, 2022 and December 31, 2021 are as follows:

Particulars	Numerator	Denominator	December 31, 2022	December 31, 2021	Variance
Current Ratio	Current assets	Current liabilities	1.5	1.7	(14.4%)
Debt – Equity Ratio	Total Debt (represents lease liabilities) (1)	Shareholder's Equity	0.26	0.11	15.333%
Debt Service Coverage Ratio	Earnings available for debt service(2)	Debt Service(3)	2.6	20.0	(86.9%)*
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	8.5%	11.8%	-3.3%
Trade receivables turnover ratio	Revenue	Average Trade Receivable	5.7	5.3	7.1%
Trade payables turnover ratio	Purchases of services and other expenses	Average Trade Payables	16.7	23.0	(27.5%)#
Net capital turnover ratio	Revenue	Working Capital	3.9	3.6	9.4%
Net profit ratio	Net Profit	Revenue	2.4%	3.8%	(0.01)
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed(4)	23.8%	13.1%	0.11

(1)Debt represents only 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

* Due to increase in lease payments for the current year

Due to increase in trade payables

2.20 Segment reporting

The Company is engaged in providing consultancy service in a single geography. 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. Its operations are, therefore, considered to constitute a single segment in the context of Ind-AS 108, Segment Reporting.

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Infosys Consulting S.R.L. (Romania)

Independent Auditor's report

To the Members of Infosys Consulting S.R.L

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Infosys Consulting S.R.L ("the Company"), which comprise the Balance Sheet as at December 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of preparation referred to in Section 1.2 of the special purpose financial statements, of the state of affairs of the Company as at December 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

i) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

iii) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

For Shenoy & Kamath
Chartered Accountants,

Firm Registration Number. 006673S

(M Rathnakar Kamath)
Partner

Membership Number. 202841

UIDN: 23202841BGWLUZ397

Place: Bengaluru

Date: May 20,2023

Balance Sheet

(In RON)

Particulars	Note no.	As at December 31, 2022	2021
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	12,121,444	9,479,443
Right to Use of asset	2.13	14,404,523	15,351,332
Income tax assets (net)	2.12	–	2,119,744
Deferred tax asset	2.12	2,386,928	–
Other non-current assets		2,292,452	1,295,099
Total non-current assets		31,205,347	28,245,618
Current assets			
Financial assets			
Trade receivables	2.4	28,029,646	7,002,994
Cash and cash equivalents	2.5	514,109	9,060,626
Loans	2.2	89,379	10,168
Other financial assets	2.3	11,150,538	5,741,302
Other current assets	2.6	9,134,648	9,748,249
Total current assets		48,918,320	31,563,339
Total assets		80,123,667	59,808,957
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.8	9,918,300	9,918,300
Other equity		27,729,928	20,459,627
Total equity		37,648,228	30,377,927
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease Liability	2.13	9,583,147	12,578,950
Total non-current liabilities		9,583,147	12,578,950
Current liabilities			
Financial liabilities			
Trade payables	2.10	206,349	1,770
Borrowings	2.10	1,957,362	–
Lease Liability	2.13	6,948,045	4,439,489
Other financial liabilities	2.9	16,572,039	8,597,023
Other current liabilities	2.11	5,440,750	3,578,256
Income tax liabilities, net	2.12	1,767,747	235,542
Total current liabilities		32,892,292	16,852,080
Total equity and liabilities		80,123,667	59,808,957

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants

Firm Registration Number:006673S

M. Rathnakar Kamath
Partner

Membership No. 202841

Place: Bengaluru

Date: May 20,2023

for and on behalf of the Board of Directors of
Infosys Consulting S.R.L.

Lilly Vasanthini
Director

Statement of Profit and Loss

(In RON, except equity share and per equity share data)

Particulars	Note No.	Years ended December 31,	
		2022	2021
Revenue from operations	2.14	188,864,501	139,094,884
Other income, net	2.15	963,191	163,275
Total income		189,827,692	139,258,159
Expenses			
Employee benefit expenses	2.16	146,539,665	110,351,626
Cost of technical sub-contractors		2,260,542	491,687
Travel expenses		1,081,506	82,840
Communication expenses		1,196,657	1,081,863
Consultancy and professional charges		5,951,426	1,399,104
Depreciation and amortization expenses	2.1	12,499,067	9,725,245
Finance Cost		195,235	120,792
Other expenses	2.16	10,490,204	5,927,621
Total expenses		180,214,302	129,180,778
Profit before tax		9,613,390	10,077,381
Tax expense			
Current tax	2.12	4,730,017	32,636
Deferred tax	2.12	(2,386,928)	–
Profit for the year		7,270,301	10,044,745
Earnings per equity share			
Equity shares of RON 100 par value each			
Basic (RON)		73.30	101.27
Diluted (RON)		73.30	101.27
Weighted average equity shares used in computing earnings per equity share			
Basic		99,183	99,183
Diluted		99,183	99,183

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants

Firm Registration Number:006673S

for and on behalf of the Board of Directors of
Infosys Consulting S.R.L.

M. Rathnakar Kamath
Partner

Membership No. 202841

Lilly Vasanthini
Director

Place: Bengaluru
Date: May 20,2023

Statements of Cash Flows

(In RON)

Particulars	Note No.	Years ended December 31, 2022	2021
Cash flows from operating activities			
Profit for the year		7,270,301	10,044,745
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation expense	2.1	12,499,067	9,725,245
Finance cost		195,235	120,792
Interest Income on prepaid contract cost		(64,074)	–
Income tax expense	2.12	2,343,089	32,636
Currency translation differences		669,468	314,353
Changes in assets and liabilities			
Trade receivables		(21,026,652)	2,739,114
Other financial assets and other assets		(13,696,998)	(11,235,202)
Trade payables		204,579	(404,826)
Other financial liabilities, other liabilities and provisions		9,837,510	2,188,191
Cash (used in)/ generated from operations		(1,768,475)	13,525,048
Income taxes paid		(1,078,068)	(1,905,065)
Net cash generated by operating activities		(2,846,543)	11,619,983
Cash flow from investing activities			
Expenditure on property, plant and equipment net of sale proceeds		(2,849,731)	(124,028)
Net cash used in investing activities		(2,849,731)	(124,028)
Cash flow from financing activities			
Proceeds from borrowings		1,957,363	–
Payment of lease liabilities		(4,807,606)	(4,547,789)
Net cash used in financing activities		(2,850,243)	(4,547,789)
Net decrease in cash and cash equivalents		(8,546,517)	6,948,166
Cash and cash equivalents at the beginning of the year	2.5	9,060,626	2,112,460
Cash and cash equivalents at the end of the year	2.5	514,109	9,060,626

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants

Firm Registration Number:006673S

M. Rathnakar Kamath
Partner

Membership No. 202841

for and on behalf of the Board of Directors of
Infosys Consulting S.R.L.

Lilly Vasanthini
Director

Place: Bengaluru

Date: May 20,2023

Statement of Changes in Equity

(In RON)

Particulars	Equity share capital	Other equity				Total equity attributable to equity holders of the Company
		Reserves and Surplus				
		Securities premium	Retained earnings	General reserve	Other Reserves	
Balance as at January 1, 2021	99,18,300	8,00,000	93,46,995	147,887	120,000	2,03,33,182
Changes in equity for the year ended December 31, 2021						
Profit for the year	–	–	10,044,745	–	–	10,044,745
Balance as at December 31, 2021	9,918,300	8,00,000	1,93,91,740	1,47,887	1,20,000	3,03,77,927
Changes in equity for the year ended December 31, 2022						
Profit for the year	–	–	7,270,301	–	–	7,270,301
Balance as at December 31, 2022	9,918,300	800,000	26,662,041	147,887	120,000	37,648,228

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants

Firm Registration Number:006673S

M. Rathnakar Kamath
Partner

Membership No. 202841

Place: Bengaluru

Date: May 20,2023

for and on behalf of the Board of Directors of
Infosys Consulting S.R.L.

Lilly Vasanthini
Director

Significant accounting policies

Company overview

Infosys Consulting S.R.L. (formerly S.C. Infosys Consulting S.R.L.) (registered in Romania) became a wholly-owned subsidiary of Infosys Limited w.e.f 01 February, 2019. The Company renders professional management consulting services, thereby enabling its clients to enhance business performance.

1 Significant accounting policies

1.1 Accounting year

The accounting year of the Company is from January 1 to December 31.

1.2 Basis of preparation of financial statements

These special purpose financial statements are prepared for inclusion in the annual report of the Ultimate Holding Company Infosys Limited under the requirements of Section 129 (3) of the Companies Act 2013. These financial statements are prepared in accordance with Indian Accounting Standards (Ind-AS) under the historical cost convention on the accrual basis. The Ind-AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant 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 Presentation currency

The Company's presentation currency is Romanian Lei (RON).

1.4 Use of estimates

The preparation of the financial statements in conformity with Ind-AS requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Examples of such estimates include computation of percentage of completion which requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts to be expended, impairment losses on financial assets, future obligations under employee benefit plans, income taxes, post-sales customer support and the useful lives of property, plant and equipment.

1.5 Revenue recognition

The Company derives revenues primarily from consultancy services.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Arrangements with customers for software related services are either on a fixed-timeframe or on a time-and-material basis.

1.5.1 T&M

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

1.5.2 Licenses

Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period. Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS). The Company has applied the principles under Ind-AS 115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost-plus margin approach. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized ratably over the period in which the services are rendered.

1.5.3 Volume Discounts

The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts/ incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the Company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The Company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

1.5.4 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.

1.5.5 Tax

The Company presents revenues net of indirect taxes in its Statement of Profit and Loss.

1.6 Provisions

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.

1.7 Post-sales client support

The Company provides its clients with a fixed-period post-sales support for corrections of errors and support on all its fixed-price, fixed-timeframe contracts. Costs associated with such support services are accrued at the time when related revenues are recorded and included in cost of sales. The Company estimates such costs based on historical experience and the estimates are reviewed annually for any material changes in assumptions.

1.8 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.

1.9 Property, plant and equipment

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	5 years
Office Equipment	5 years
Computer equipment	3-5 years
Furniture and fixtures	5 years
Leasehold Improvements	Over the lease tenure

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which 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.

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 net profit 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.

1.10 Financial instruments

1.10.1 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.

1.10.2 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

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.

(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. 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.

1.11 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.

1.12 Impairment

a. Financial assets

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets, which are not fair valued through profit or loss. Loss allowance for trade receivables 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 profit or loss.

b. Non-financial assets

(i) Property, plant and equipment

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 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 for the 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.

1.13 Employee Benefits

Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

1.14 Foreign currency

Functional currency

The functional currency of the Company is the Romanian Lei. These financial statements are presented in its functional currency.

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 net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

1.15 Income taxes

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.

1.16 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.17 Earnings per share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.

1.18 Other Income

Other income is comprised primarily of interest income, dividend income and exchange gain/loss on forward and options contracts and on translation of other assets and liabilities. Interest income is recognized using the effective interest method.

1.19 Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) 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 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 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 for the 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 asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.1 Property, plant and equipment

The changes in the carrying value of Property, plant and equipment for the year ended 31st December 2022 are as follows:

(In RON)

Particulars	Plant and machinery	Office Equipment	Computer equipment	Furniture and fixtures	Leasehold Improvements	Total
Gross carrying value as at January 1, 2022	–	1,481,362	9,990,971	3,693,217	8,397,769	23,563,319
Additions/Adjustments	84,053	324,654	3,490,193	2,906,757	3,868,873	10,674,530
Other Adjustments	–	–	(56,891)	–	–	(56,891)
Gross carrying value as at December 31, 2022	84,053	1,806,016	13,424,273	6,599,974	12,266,642	34,180,958
Accumulated depreciation as at January 1, 2022	–	701,166	6,086,914	1,830,492	5,465,304	14,083,876
Depreciation	14,662	397,480	3,521,219	1,423,600	2,675,568	8,032,529
Other Adjustments	–	–	(56,891)	–	–	(56,891)
Accumulated depreciation as at December 31, 2022	14,662	1,098,646	9,551,242	3,254,092	8,140,872	22,059,514
Carrying value as at December 31, 2022	69,391	707,370	3,873,031	3,345,882	4,125,770	12,121,444
Carrying value as at January 1, 2022	–	780,196	3,904,057	1,862,725	2,932,465	9,479,443

The changes in the carrying value of property, plant and equipment for the year ended 31 December, 2021 are as follows:

(In RON)

Particulars	Plant and machinery	Office Equipment	Computer equipment	Furniture and fixtures	Leasehold Improvements	Total
Gross carrying value as at January 1, 2021	–	1,481,362	10,098,590	3,693,217	8,397,769	23,670,938
Additions	–	–	124,028	–	–	124,028
Deletions	–	–	(231,647)	–	–	(231,647)
Gross carrying value as at December 31, 2021	–	1,481,362	9,990,971	3,693,217	8,397,769	23,563,319
Accumulated depreciation as at January 1, 2021	–	408,659	3,927,777	1,745,281	2,594,293	8,676,010
Depreciation	–	292,507	2,390,783	85,211	2,871,011	5,639,512
Accumulated depreciation on deletions	–	–	(231,646)	–	–	(231,646)
Accumulated depreciation as at December 31, 2021	–	701,166	6,086,914	1,830,492	5,465,304	14,083,876
Carrying value as at December 31, 2021	–	780,196	3,904,057	1,862,725	2,932,465	9,479,443
Carrying value as at January 1, 2021	–	1,072,703	6,170,813	1,947,936	5,803,476	14,994,928

2.2 Loans

(In RON)

Particulars	As at December 31	
	2022	2021
Current		
Unsecured, considered good		
Other loans		
Loans and advances to employees	89,379	10,168
Total loans	89,379	10,168

2.3 Other financial assets

(In RON)

Particulars	As at December 31,	
	2022	2021
Current		
Rental deposits [2]	2,490,756	1,670,566
Unbilled revenues [2]	5,900,522	1,781,065
Others [1] [2]	2,759,260	2,289,671
	11,150,538	5,741,302
Total	11,150,538	5,741,302
[1] Includes dues from related parties (Refer to Note No.2.17)	21,135	24,354
[2] Financial assets carried at amortized cost (Refer to Note No.2.7)	11,150,538	5,741,302

2.4 Trade receivables

(In RON)

Particulars	As at December 31,	
	2022	2021
Current		
Unsecured		
Considered good[1]	28,029,646	7,002,994
Considered doubtful	1,196,515	23,129
	29,226,161	7,026,123
Less: Allowances for credit loss	(1,196,515)	(23,129)
	28,029,646	7,002,994
[1] Includes dues from related parties (Refer to Note No.2.17)	10,493,613	4,642,916

2.5 Cash and cash equivalents

(In RON)

Particulars	As at December 31,	
	2022	2021
Balances with banks		
In current accounts	514,109	9,060,626
Total Cash and Cash Equivalents	514,109	9,060,626

2.6 Other assets

(In RON)

Particulars	As at December 31	
	2022	2021
Current		
Advances other than capital advance	4,045,524	1,646,081
Others		
Prepaid expenses	716,189	5,120,409
Deferred contract cost	64,075	777,059
Withholding taxes and others	4,308,860	2,204,700
	9,134,648	9,748,249
Total current other assets	9,134,648	9,748,249

2.7 Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories were as follows:

(In RON)

Particulars	As at December 31,	
	2022	2021
Assets		
Cash and cash equivalents (Refer to Note No.2.5)	514,109	9,060,626
Trade receivables (Refer to Note No.2.4)	28,029,646	7,002,994
Loans (Refer to Note No.2.2)	89,379	10,168
Other financial assets (Refer to Note No.2.3)	11,150,538	5,741,302
Total	39,783,672	21,815,090
Liabilities		
Trade payables (Refer to Note No.2.10)	206,349	1,770
Other financial liabilities (Refer to Note No.2.9)	14,447,104	4,641,351
Total	14,653,453	4,643,121

All the above financial assets and financial liabilities are carried at amortized cost and the carrying values approximates their fair value.

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 RON 28,029,646 and RON 7,002,994 as of December 31, 2022 and December 31, 2021, respectively and unbilled revenue amounting to RON 5,900,522 and 1,781,065 as of December 31, 2022 and December 31, 2021, 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 and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes, credit ratings from credit rating agencies and the Company's historical experience for customers.

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents.

As of December 31, 2022, the Company had a working capital of RON 16,026,028, including cash and cash equivalents of RON 514,109. As of December 31, 2021, the Company had a working capital of RON 14,711,259, including cash and cash equivalents of RON 9,060,626.

As of December 31, 2022 and December 31, 2021 the outstanding compensated balances were RON 4,082,297 and RON 3,955,672 respectively.

2.8 Equity

Equity share capital

(In RON, except as stated otherwise)

Particulars	As at December 31,	
	2022	2021
Authorized		
99,183 (99,183) equity shares of RON 100 par value, fully paid	9,918,300	9,918,300
Issued, subscribed and paid up		
99,183 (99,183) equity shares of RON 100 par value, fully paid	9,918,300	9,918,300
	9,918,300	9,918,300

The details of shareholders holding more than 5% shares are as follows :

Name of the shareholder	As at December 31, 2022		As at December 31, 2021	
	Number of shares	% held	Number of shares	% held
Infosys Limited	99,183	100.00	99,183	100.00

The reconciliation of the number of shares outstanding and the amount of share capital as at December 31, 2022 and December 31, 2021 is as follows:

(In RON, except as stated otherwise)

Particulars	As at December 31, 2022		As at December 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Number of shares at the beginning of the period	99,183	9,918,300	99,183	9,918,300
Number of shares at the end of the period	99,183	9,918,300	99,183	9,918,300

2.9 Other financial liabilities

(In RON)

Particulars	As at December 31,	
	2022	2021
Current		
Others		
Accrued compensation to employees [1]	3,619,484	3,073,471
Accrued expenses [1] [2]	2,930,396	778,410
Short-term borrowings	1,957,362	–
Compensated absences	4,082,297	3,955,672
Other payables [1](3)	5,939,862	789,470
	18,529,401	8,597,023
Total financial liabilities	18,529,401	8,597,023
[1] Financial liability carried at amortized cost	14,447,104	4,641,351
[2] Includes dues to related parties (Refer to Note No.2.17)	2,049,265	247,737
[3] Includes dues to related parties (Refer to Note No.2.17)	3,234,285	237,921

2.10 Trade payables

(In RON)

Particulars	As at December 31,	
	2022	2021
Trade payables[1]	206,349	1,770
	206,349	1,770
[1] Includes dues to related parties (Refer to Note No.2.17)	206,349	406,596

2.11 Other liabilities

(In RON)

Particulars	As at December 31,	
	2022	2021
Current		
Unearned revenue	196,621	17,811
Others		
Withholding taxes and others	5,244,129	3,560,445
	5,440,750	3,578,256

2.12 Income taxes

Income tax expense in the Statement of Profit and Loss comprises:

(In RON)

Particulars	Years ended December 31,	
	2022	2021
Current taxes	4,730,017	32,636
Deferred taxes	(2,386,928)	–
Income tax expense	2,343,089	32,636

Current tax expense for the years ended December 31, 2022 and December 31, 2021 includes Income tax cost (net of provisions) amounting to RON 1,892,652 and Nil respectively, pertaining to prior 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 as follows:

(In RON)

Particulars	Years ended December 31,	
	2022	2021
Profit before income tax	9,613,390	10,077,381
Enacted tax rates in Romania (%)	16.00%	16.00%
Computed expected tax expense	1,538,142	1,612,381
Overseas/PE Taxes	29,864	32,637
Others	775,083	(1,612,382)
Income tax expense	2,343,089	32,636

The applicable Romanian statutory tax rate for the years ended December 31 2022 and December 31, 2021 is 16%.

The details of income tax assets and income tax liabilities are as follows :

(In RON)

Particulars	As at December 31,	
	2022	2021
Income tax assets	–	2,119,744
Current income tax liabilities	1,767,747	235,542
Net current income tax assets / (liability) at the end	(1,767,747)	1,884,202

The gross movement in the current income tax asset / (liability) is as follows:

(In RON)

Particulars	Years ended December 31,	
	2022	2021
Net current income tax asset / (liability) at the beginning	1,884,202	11,773
Income tax paid	1,078,068	1,905,065
Current income tax expense	(4,730,017)	(32,636)
Net current income tax asset / (liability) at the end	(1,767,747)	1,884,202

The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

(In RON)

Particulars	As at December 31,	
	2022	2021
Deferred income tax assets		
Accrued compensation to employees	1,733,760	–
Compensated absences	653,168	–
Total Deferred income tax assets	2,386,928	–

2.13 Leases

The changes in the carrying value of right of use assets for the year ended December 31, 2022 are as follows:

(In RON)

Particulars	Category of ROU asset			Total
	Computer	Buildings	Vehicles	
Balance as of January 1, 2022	–	15,316,250	35,082	15,351,332
Additions, Net	3,519,729	–	–	3,519,729
Depreciation	(422,363)	(4,019,263)	(24,912)	(4,466,538)
Balance as of December 31, 2022	3,097,366	11,296,987	10,170	14,404,523

The changes in the carrying value of right of use assets for the year ended December 31, 2021 are as follows:

(In RON)

Particulars	Category of ROU asset			Total
	Computer	Buildings	Vehicles	
Balance as of January 1, 2021	–	19,377,071	59,994	19,437,065
Depreciation	–	(4,060,821)	(24,912)	(4,085,733)
Balance as of December 31, 2021	–	15,316,250	35,082	15,351,332

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 is as follows:

(In RON)

Particulars	As at December 31,	
	2022	2021
Current lease liabilities	6,948,045	4,439,489
Non-current lease liabilities	9,583,147	12,578,950
Total	16,531,192	17,018,439

The movement in lease liabilities during the year ended is as follows:

(In RON)

Particulars	As at December 31,	
	2022	2021
Balance at the beginning	17,018,439	21,131,084
Additions	3,519,729	–
Finance cost accrued during the period	129,397	120,792
Payment of lease liabilities	(4,807,606)	(4,547,790)
Translation Difference	671,233	314,353
Balance at the end	16,531,192	17,018,439

The details regarding the contractual maturities of lease liabilities as at December 31, 2022 and December 31, 2021 on an undiscounted basis are as follows:

(In RON)

Particulars	As at December 31,	
	2022	2021
Less than one year	5,720,921	4,535,177
One to five years	11,421,142	12,698,179
More than five years	–	–
Total	17,142,063	17,233,356

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.

Rental expense recorded for short-term leases was RON 1,357,272 for the year ended December 31,2022.

2.14 Revenue from operations

(In RON)

Particulars	Years ended December 31,	
	2022	2021
Income from consultancy services	188,864,501	139,094,884
	188,864,501	139,094,884

Disaggregate revenue information

The disaggregated revenues from contracts with customers by offerings for the years ended December 31, 2022 and December 31, 2021 . The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

(In RON)

Particulars	Year ended December 31,	
	2022	2021
Revenue by offerings		
Core	129,929,909	121,624,567
Digital	58,934,592	17,470,317
Total	188,864,501	139,094,884

Digital Services

Digital Services comprise of service and solution offerings of the Company that enable our clients to transform their businesses. These include offerings that enhance customer experience, leverage AI-based analytics and big data, engineer digital products and IoT, modernize legacy technology systems, migrate to cloud applications and implement advanced cyber security systems.

Core Services

Core Services comprise traditional offerings of the Company that have scaled and industrialized over a number of years. These primarily include application management services, proprietary application development services, independent validation solutions, product engineering and management, infrastructure management services, traditional enterprise application implementation, support and integration services.

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 Group expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind-AS 115, the Group 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 at December 31, 2022, other than those meeting the exclusion criteria mentioned above, is ₹ NIL. Out of this, the Group expects to recognize revenue of around 100% within the next one year and the remaining thereafter. The contracts can generally be terminated by the customers and typically includes an enforceable termination penalty payable by them.

2.15 Other income

(In RON)

Particulars	Years ended December 31,	
	2022	2021
Miscellaneous income, net	963,191	163,275
	963,191	163,275

2.16 Expenses

(In RON)

Particulars	Years ended December 31, 2022	2021
Employee benefit expenses		
Salaries including bonus	143,231,531	107,660,925
Staff welfare	3,308,134	2,690,701
	146,539,665	110,351,626
Other expenses		
Power and fuel	433,426	282,215
Cost of software packages and others for own use	3,306,144	835,801
Brand and marketing	248,469	159,803
Rental Expenses	1,357,272	595,119
Rates and taxes	21,483	13,668
Repairs and maintenance	1,925,546	1,834,646
Consumables	821,851	790,710
Insurance	277,785	178,827
Others	2,098,228	1,236,832
	10,490,204	5,927,621

2.17 Related party transactions

List of related parties:

Name of the holding companies	Country	Holding as at December 31, 2021	2020
Infosys Limited (w.e.f 01st February 2019)	India	100%	100%

Name of subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)(1)	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)(1)	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)(1)	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)(1)	China
Infosys Nova Holdings LLC. (Infosys Nova)(1)	U.S.
EdgeVerve Systems Limited (EdgeVerve)(1)	India
Infosys Austria GmbH(1)	Austria
Skava Systems Private Limited (Skava Systems)(1)(27)	India
Kallidus Inc, (Kallidus)(28)	U.S.
Infosys Chile SpA(1)	Chile
Infosys Arabia Limited(2)(27)	Saudi Arabia
Infosys Consulting Ltda.(1)	Brazil
Infosys CIS LLC(15)	Russia
Infosys Luxembourg S.a.r.l(1)	Luxembourg
Infosys Americas Inc. (Infosys Americas)(1)	U.S.
Infosys Public Services, Inc. USA (Infosys Public Services)(1)	U.S.
Infosys Canada Public Services Inc(20)(39)	Canada
Infosys BPM Limited(1)(47)	India
Infosys (Czech Republic) Limited s.r.o.(3)	Czech Republic
Infosys Poland Sp z.o.o(3)	Poland

Name of subsidiaries	Country
Infosys McCamish Systems LLC[3]	U.S.
Portland Group Pty Ltd[3]	Australia
Infosys BPO Americas LLC.[3]	U.S.
Infosys Consulting Holding AG (Infosys Lodestone)[1]	Switzerland
Infosys Management Consulting Pty Limited[4]	Australia
Infosys Consulting AG[4]	Switzerland
Infosys Consulting GmbH[4]	Germany
Infosys Consulting SAS[4]	France
Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.)[4](38)	Czech Republic
Infosys Consulting (Shanghai) Co., Ltd.[4](34)	China
Infy Consulting Company Ltd[4]	U.K.
Infy Consulting B.V.[4]	The Netherlands
Infosys Consulting S.R.L.[2]	Argentina
Infosys Consulting (Belgium) NV[5]	Belgium
Panaya Inc. (Panaya)[1]	U.S.
Panaya Ltd.[6]	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH)[6]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[1](27)	U.K.
Brilliant Basics Limited[7](27)	U.K.
Infosys Consulting Pte. Ltd. (Infosys Singapore)[1]	Singapore
Infosys Middle East FZ LLC[8]	Dubai
Fluido Oy[8]	Finland
Fluido Sweden AB (Extero)[11]	Sweden
Fluido Norway A/S[11]	Norway
Fluido Denmark A/S[11]	Denmark
Fluido Slovakia s.r.o[11]	Slovakia
Infosys Compaz Pte. Ltd[9]	Singapore
Infosys South Africa (Pty) Ltd[8]	South Africa
WongDoody Holding Company Inc. (WongDoody)[1](40)	U.S.
WDW Communications, Inc[10](41)	U.S.
WongDoody, Inc[10](42)	U.S.
HIPUS Co., Ltd[9]	Japan
Stater N.V.[9]	The Netherlands
Stater Nederland B.V.[12]	The Netherlands
Stater XXL B.V.[12]	The Netherlands
HypoCasso B.V.[12]	The Netherlands
Stater Participations B.V.[12]	The Netherlands
Stater Belgium N.V./S.A.[13]	Belgium
Stater Gmbh[12](32)	Germany
Outbox systems Inc. dba Simplus (US)[16]	U.S.
Simplus North America Inc.[17](31)	Canada
Simplus ANZ Pty Ltd.[17]	Australia
Simplus Australia Pty Ltd[18]	Australia
Sqware Peg Digital Pty Ltd[19](35)	Australia
Simplus Philippines, Inc.[17]	Philippines
Simplus Europe, Ltd.[17](33)	U.K.

Name of subsidiaries	Country
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)[11]	U.K.
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[21]	Ireland
Infosys Limited Bulgaria EOOD[1]	Bulgaria
Kaleidoscope Animations, Inc.[16]	U.S.
Kaleidoscope Prototyping LLC[23]	U.S.
GuideVision s.r.o.[14]	Czech Republic
GuideVision Deutschland GmbH[22]	Germany
GuideVision Suomi Oy[22]	Finland
GuideVision Magyarország Kft[22]	Hungary
GuideVision Polska SP.Z.O.O[22]	Poland
GuideVision UK Ltd[22]	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[16]	U.S.
Beringer Capital Digital Group Inc[16](45)	U.S.
Mediotype LLC[24](45)	U.S.
Beringer Commerce Holdings LLC[24](45)	U.S.
SureSource LLC[25](43)	U.S.
Blue Acorn LLC[25](43)	U.S.
Simply Commerce LLC[25](43)	U.S.
iCiDIGITAL LLC[26](44)	U.S.
Infosys BPM UK Limited[3]	U.K.
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[1]	Turkey
Infosys Germany Holding Gmbh[1](29)	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1](30)	Germany
Infosys Green Forum[1](36)	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[37]	Malaysia
Infosys Business Solutions LLC[1](46)	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[48]	Germany
oddity GmbH [49]	Germany
oddity (Shanghai) Co., Ltd. [50]	China
oddity Limited (Taipei) [50]	Taiwan
oddity space GmbH [49]	Germany
oddity jungle GmbH [49]	Germany
oddity code GmbH [49]	Germany
oddity code d.o.o [51]	Serbia
oddity waves GmbH [49]	Germany
oddity group services GmbH [49]	Germany
Infosys Public Services Canada Inc. [20](52)	Canda
BASE life science AG [54]	Switzerland
BASE life science GmbH [54]	Germany
BASE life science A/S [53]	Denmark
BASE life science S.A.S [54]	France
BASE life science Ltd. [54]	U.K.
BASE life science S.r.l. [54]	Itlay
Innovisor Inc.[54]	U.S.
BASE life science Inc.[54]	U.S.
BASE life science S.L.[54](55)	Spain
Panaya Germany GmbH [6](56)	Germany

[1] Wholly-owned subsidiary of Infosys Limited
[2] Majority owned and controlled subsidiary of Infosys Limited
[3] Wholly-owned subsidiary of Infosys BPM Limited
[4] Wholly-owned subsidiary of Infosys Consulting Holding AG
[5] Majority owned and controlled subsidiary of Infosys Consulting Holding AG
[6] Wholly-owned subsidiary of Panaya Inc.
[7] Wholly-owned subsidiary of Brilliant Basics Holding Limited.
[8] Wholly-owned subsidiary of Infosys Consulting Pte. Ltd.
[9] Majority owned and controlled subsidiary of Infosys Consulting Pte. Ltd.
[10] Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody)
[11] Wholly-owned subsidiary of Fluido Oy
[12] Wholly-owned subsidiary of Stater N.V
[13] Majority owned and controlled subsidiary of Stater Participations B.V.
[14] Wholly-owned subsidiary of Infy Consulting Company Limited
[15] Liquidated effective January 28, 2021.
[16] Wholly-owned subsidiary of Infosys Nova Holdings LLC
[17] Wholly-owned subsidiary of Outbox Systems Inc.
[18] Wholly-owned subsidiary of Simplus ANZ Pty Ltd
[19] Wholly-owned subsidiary of Simplus Australia Pty Ltd
[20] Wholly-owned subsidiary of Infosys Public Services, Inc.
[21] Wholly-owned subsidiary of Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)
[22] Wholly-owned subsidiary of GuideVision s.r.o.
[23] Wholly-owned subsidiary of Kaleidoscope Animations, Inc.
[24] Wholly-owned subsidiary of Blue Acorn iCi Inc
[25] Wholly-owned subsidiary of Beringer Commerce Holdings LLC
[26] Wholly-owned subsidiary of Beringer Capital Digital Group Inc.
[27] Under liquidation
[28] Liquidated effective March 9,2021
[29] Incorporated on March 23, 2021
[30] On March 28, 2021 Infosys Limited and Infosys Germany Holding Gmbh registered Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm.
[31] Liquidated effective April 27,2021
[32] Incorporated on August 4, 2021
[33] Liquidated effective July 20, 2021
[34] Liquidated effective September 1, 2021
[35] Liquidated effective September 2, 2021
[36] Incorporated on August 31, 2021
[37] On December 14, 2021, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)
[38] Liquidated effective December 16, 2021
[39] Liquidated effective November 23, 2021
[40] Wholly-owned subsidiary of Infosys Limited, merged with WongDoody Inc, effective December 31, 2021
[41] Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody), merged with WongDoody Inc, effective December 31, 2021
[42] Wholly-owned subsidiary of Infosys Limited, effective December 31, 2021
[43] Merged with Beringer Commerce Holdings LLC, effective January 1, 2022
[44] Merged with Beringer Capital Digital Group Inc, effective January 1, 2022In RON
[45] Merged with Blue Acorn iCi Inc, effective January 1, 2022
[46] Incorporated on February 20, 2022
[47] On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.
[48] On March 22, 2022, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))
[49] On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly owned subsidiary of Infosys Consulting Pte. Ltd) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and oddity GmbH.
[50] Wholly-owned subsidiary of oddity GmbH
[51] Wholly-owned subsidiary of oddity code GmbH.
[52] Incorporated on July 8, 2022
[53] On September 1, 2022, Infosys Consulting Pte. Ltd. (a Wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.
[54] Wholly-owned subsidiary of BASE life science A/S
[55] Incorporated on September 6, 2022
[56] Incorporated effective December 15, 2022

Particulars	As at December 31,	
	2022	2021
Trade receivables		
Infosys Consulting AG	133,905	–
Infosys Consulting Sp. z.o.o	76,281	88,425
Infosys Consulting GmbH	97,121	56,009
Infy Consulting B.V.	–	–
Infosys Limited	10,186,306	4,463,361
	10,493,613	4,607,795
Prepaid and other financial assets		
Infosys Limited	–	20,836
Infosys Consulting AG	–	–
Infosys Poland Sp. Z.o.o	12,321	–
Infy Consulting B.V.	–	–
Infosys Consulting GmbH	8,813	3,518
	21,135	24,354
Trade payables		
Infy Consulting Company Ltd	–	1,626
Infosys (Czech Republic) Limited s.r.o.	105,305	–
Infosys Technologies (China) Co. Limited (Infosys China)	8,980	–
Infosys BPM Limited	92,064	–
Infosys Consulting AG	–	404,970
	206,349	406,596
Other payables & Financial liabilities		
Infosys Limited	97,815	76
Infosys BPO Ltd.	116,571	–
Infosys Consulting Holding AG (Infosys Lodestone)	1,957,362	–
Infosys Automotive and Mobility GmbH & Co. KG	864,641	–
Infosys Turkey Bilgi Teknolojileri Limited Sirketi	197,896	–
Infosys Consulting Sp. z.o.o.	–	35,660
	3,234,285	35,736
Accrued expenses		
Infosys Limited	2,049,265	41,279
Infosys Technologies (China) Co.Limited	–	–
Infosys (Czech Republic) Ltd	–	–
Infosys BPM Limited	–	–
	2,049,265	41,279

(In RON)

Particulars	Years ended December 31,	
	2022	2021
Capital transactions		
Financing transactions		
Equity		
Infosys Limited	9,318,300	9,318,300
	9,318,300	9,318,300
Revenue transactions		
Purchase of shared services including facilities and personnel		
Infy Consulting Company Ltd	–	2,723
Infosys Limited	1,534,733	32,427
Infosys Technologies (China) Co.Limited	31,446	–
Infosys (Czech Republic) Ltd	200,043	–
Infosys BPM Limited	181,357	–
Infy Consulting B.V.	–	51,793
Infosys Consulting AG	–	1,519,483
	1,947,578	1,606,426
Sale of services		
Infosys Consulting AG	1,179,961	649,089
Infosys Luxembourg S.à.r.l	–	–
Infosys Consulting SAS	–	–
Infy Consulting Company Ltd	–	7,657,966
Infosys Consulting Sp. z.o.o	480,361	323,812
Infosys Consulting GmbH	1,090,932	1,578,635
Infosys Limited	140,614,709	82,046,627
	143,365,962	92,256,129
Interest expense		
Infosys Consulting Holding AG (Infosys Lodestone)	1,762	–
Infosys Limited	–	180,822
	1,762	180,822

2.18 Segment reporting

The Company is engaged in providing consultancy service in a single geography. 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. Its operations are, therefore, considered to constitute a single segment in the context of Ind-AS 108 Segment Reporting.

2.19 Trade receivables

(In RON)

Particulars	As at December 31,	
	2022	2021
Current		
Trade Receivable considered good - Unsecured	29,226,161	7,026,123
Less: Allowance for expected credit loss	1,196,515	23,129
Trace Receivable considered good - Unsecured	28,029,646	7,002,994
Total trade receivables(1)		
(1) Includes dues from subsidiaries	–	–

Years ended December 31, 2022 and December 31, 2021

(In RON)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	8,547,952	19,178,926	1,492,134	7,149	–	–	29,226,161
	1,741,327	5,215,090	69,706	–	–	–	7,026,123
Undisputed Trade receivables – credit impaired	–	–	–	–	–	–	–
	–	–	–	–	–	–	–
Less: Allowance for credit loss							1,196,515
							23,129
Total trade receivables							28,029,646
							7,002,994

2.10 Trade payables

(In RON)

Particulars	As at December 31,	
	2022	2021
Trade payables[1]	206,349	1,770
Total trade payables	206,349	1,770
[1] Includes dues to subsidiaries	206,349	1,770

Trade payables ageing schedule

Years ended December 31, 2022 and December 31, 2021

(In RON)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Others	105,378.10	100,971	–	–	–	206,349
	151	–	1,619	–	–	1,770
Total trade payables	105,378.10	100,970.65	–	–	–	206,349
Total trade payables	151	–	1,619	–	–	1,770

2.19 Ratios

The ratios for the years ended December 31, 2022 and December 31, 2021 are as follows:

Particulars	Numerator	Denominator	December 31, 2022	December 31, 2021	Variance
Current Ratio	Current assets	Current liabilities	1.5	1.9	(20.6%)
Debt – Equity Ratio	Total Debt (represents lease liabilities) [1]	Shareholder's Equity	0.4	0.6	(12.1%)
Debt Service Coverage Ratio	Earnings available for debt service[2]	Debt Service[3]	4.2	4.4	(5.1%)
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	21.4%	39.6%	(18.2%)
Trade receivables turnover ratio	Revenue	Average Trade Receivable	10.8	16.6	(35.1%)*
Trade payables turnover ratio	Purchases of services and other expenses	Average Trade Payables	181.5	37.9	378.3%#
Net capital turnover ratio	Revenue	Working Capital	11.8	9.5	24.6%

Particulars	Numerator	Denominator	December 31, 2022	December 31, 2021	Variance
Net profit ratio	Net Profit	Revenue	5.1%	7.2%	(2.2%)
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed[(4)]	18.9%	21.5%	(2.6%)

(1) Debt represents only 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

* Trade receivable turnover ratio has increased as a result of increase in revenue.

\# Trade payable turnover ratio has increased as a result of increased purchases of cost of software packages.

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Panaya Ltd.

Independent Auditors' Report

To the shareholders of Panaya Ltd.

We have audited the accompanying Statement of Financial Position of Panaya Ltd. ("the Company") as of December 31, 2022 and 2021, and the related Statement of Comprehensive Income (loss), changes in shareholders' deficiency and cash flows for the years then ended. These financial statements are the responsibility of the Company's Board of Directors and management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with generally accepted auditing standards, including those prescribed by the Auditors' Regulations (Auditor's Mode of Performance) - 1973. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the principles used and significant estimates made by the Board of Directors and management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in Israel (Israeli GAAP).

Brightman Almagor Zohar & Co.
Certified Public Accountants
A Firm in the Deloitte Global Network

April 25, 2023

Tel-Aviv, Israel

Statement of Financial Position

NIS in thousands

Particulars	Note	As at December 31, 2022	As at December 31, 2021
ASSETS			
Current assets:			
Cash and cash equivalents		10,309	14,387
Trade receivables		3,309	556
Trade receivables - Related parties		176	329
Other receivables - Related parties		844	920
Other current assets		2,690	4,218
Total current assets		17,328	20,410
Property and equipment, net	3	3,381	4,081
Total assets		20,709	24,491
LIABILITIES AND SHAREHOLDERS' DEFICIENCY			
Current Liabilities:			
Trade payables		4,776	6,490
Trade payables - Related parties		121,560	107,837
Other payables - Related parties		773	321
Other payables		5,896	8,467
Employee related payables		13,753	12,742
Loan – Related parties	4	50,539	44,989
Deferred revenue		101,302	105,770
Total current liabilities		298,599	286,616
Accrued severance pay, net of severance fund	5	165	325
Commitments and contingent liabilities	6	–	–
Total shareholders' deficiency		(278,055)	(262,450)
Liabilities and shareholders' deficiency		20,709	24,491

The accompanying notes are an integral part of the financial statements.

Place: Tel-Aviv, Israel
Date: April 25, 2023

David Binny
Director

Statements of Comprehensive Income (loss)

NIS in thousands

Particulars	Note	Years ended December 31, 2022	2021
Revenues	2H	132,502	126,243
Cost of revenues		34,657	31,971
Gross profit		97,845	94,272
Operating expenses:			
Research and development	2C, 9A	36,351	36,888
Selling and marketing expenses	9B	34,872	29,952
General and administrative expenses	9C	12,891	11,425
Operating profit		13,731	16,007
Financial (expenses) income, net		(29,336)	5,071
Net income (loss) and comprehensive income (loss)		(15,605)	21,078

The accompanying notes are an integral part of the financial statements.

Place: Tel-Aviv, Israel
Date: April 25, 2023

David Binny
Director

Statement of Changes in Shareholders' Deficiency

NIS in thousands

Particulars	Share capital	Additional paid in capital	Share based payment capital fund	Payments on account of Shares to be allotted	Accumulated Deficit	Total shareholders' deficiency
Balance at January 1, 2021	6	79,932	15,863	68,798	(448,127)	(283,528)
Net income	–	–	–	–	21,078	21,078
Balance at December 31, 2021	6	79,932	15,863	68,798	(427,049)	(262,450)
Net loss	–	–	–	–	(15,605)	(15,605)
Balance at December 31, 2022	6	79,932	15,863	68,798	(442,654)	(278,055)

The accompanying notes are an integral part of the financial statements.

Place: Tel-Aviv, Israel

Date: April 25, 2023

David Binny
Director

Statements of Cash Flows

NIS in thousands

Particulars	Year ended December 31, 2022	2021
Cash flows from operating activities:		
Net income (loss)	(15,605)	21,078
Adjustment required to reconcile net income (loss) to cash used in operating activities:		
Depreciation and amortization	1,115	1,350
Increase in trade, other receivables, and other assets	(996)	(30)
Increase (decrease) in trade and other payables	9,890	(72,597)
Increase in employee related payables	1,011	110
Decrease in deferred revenue	(4,468)	(1,063)
Increase (decrease) in accrued severance pay, net	(160)	34
Increase (decrease) in interest of loan and exchange rate impact	5,550	(2,054)
Net cash used in operating activities	(3,663)	(53,172)
Cash flows from investing activities:		
Acquisition of property and equipment	(415)	(373)
Net cash used in investing activities	(415)	(373)
Cash flows from financing activities:		
Loan – related parties	–	47,043
Net cash provided by financing activities	–	47,043
Decrease in cash and cash equivalents	(4,078)	(6,502)
Cash and cash equivalents at the beginning of the year	14,387	20,889
Cash and cash equivalents at the end of the year	10,309	14,387

The accompanying notes are an integral part of the financial statements.

Place: Tel-Aviv, Israel

Date: April 25, 2023

David Binny
Director

Notes to the Financial Statements

Note 1- General

A. Panaya Ltd. (the "Company") was incorporated and commenced operations on January 2, 2006, as a wholly-owned subsidiary of Panaya Inc. ("the Parent Company"), which is incorporated in Delaware, U.S.

B. The Company develops and markets solutions for ERP systems, by identifying the changes on the ERP system through automated analysis.

C. The Company has incurred losses since its inception and its continued operations as a going concern are dependent on financing from the Parent Company, until it reaches sufficient profitability.

D. Related parties - Within their meaning in Opinion No. 29 of the Institute of Certified Public Accountants in Israel.

E. The functional currency of the Company is the NIS, as the NIS is the primary currency of the economic environment in which the Company has operated and expects to continue to operate in the foreseeable future.

Note 2- Significant Accounting Policies

The significant accounting policies applied are as follows:

A. Use of estimates:

The preparation of financial statements in accordance with generally accepted accounting principles in Israel requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of expenses during the reported periods. Actual results could differ from those estimates.

B. Cash equivalents:

The Company considers all highly liquid investments, which include short-term bank deposits (up to three months from date of deposit) that are not restricted as to withdrawal or use, to be cash equivalents.

C. Research and development:

Costs incurred in connection with the research of the Company's products are expensed as incurred.

D. Property and equipment

Property and equipment are stated at cost. Depreciation is computed by the straight-line method over the estimated useful life of the assets.

Annual rates of depreciation are as follows:

Particulars	%
Computers and software	33
Office furniture and equipment	7
Leasehold improvements	10
Communications equipment	15

Leasehold improvements are amortized by the straight-line method over the term of the lease, which is shorter than the estimated useful life of the improvements.

E. Intangible assets

These assets that represent acquired domains, copyrights, licenses and trademarks are stated at cost and amortized using the straight-line method over their estimated useful lives of 3 to 4 years.

F. Fair value of financial instruments

The carrying amount of some of the Company's financial instruments, including cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate their fair value, due to their short maturities.

G. Income taxes

Income taxes are accounted for using the asset and liability approach. The asset and liability approach requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequences of events that have been recognized in the Company's financial statements or tax returns. The measurement of current and deferred tax liabilities and assets is based on provisions of the relevant tax law. The measurement of deferred tax assets is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realized.

H. Revenues

The Company derives its revenue principally from the sale of its ERP systems analysis services, including activation and monthly service fees. Revenues from services are recognized as services are performed or on a straight-line basis if service is ongoing. Revenue is recognized provided that an arrangement (usually in the form of a purchase order) exists, the fee is fixed and determinable and collection is reasonably assured. If uncertainties exist, revenue is recognized when the uncertainties are resolved.

Note 3- Property and Equipment, net

The composition:

NIS in thousands

Particulars	As at December 31, 2022	2021
Cost:		
Furniture and fixtures	2,147	2,130
Computers and software	11,444	11,087
Leasehold improvements	11,337	11,338
Communication equipment	432	390
	25,360	24,945
Less - Accumulated depreciation	21,979	20,864
Net book value	3,381	4,081

Note 4 -Loan – Related parties

On March 9, 2021, the Company received a loan of NIS 52.7 Million (USD 16 Million) from related party. The loan will be repayable on demand with annual interest of Libor + 2.75%.

The Company repaid NIS 2.53 million (USD 0.74 million) and 6.65 million (USD 2.1 million), including accrued interest in 2022 and 2021 respectively.

Note 5- Liability for Severance Pay

On February 28, 2015, the Company's employees have signed off on Section 14 of the Severance Pay law - 1963, pursuant to which the Company's regular deposits with pension funds and/or insurance companies release it from any further liability to the employees for whom such deposits are made. Therefore, the financial statements do not include a liability in respect of the amounts that were deposited from that date to cover that liability. As regards to severance pay liability until the sign off, a liability is recognized in the financial statements in respect of the employer's obligation to pay severance pay, which is calculated on the basis of their most recent salary as at balance sheet date, multiplied by the employee's years of employment until February 28, 2015, and is presented net of the amounts deposited for severance pay as aforesaid.

Note 6- Commitments and Contingent Liabilities-

Lease agreements:

A. In March 2015, the Company entered into a lease agreement for new premises to be used by the Company from 2016 for a period of five years with an optional extension of additional five years. During 2016, the Company moved to the new location.

In January 2020, the Company utilized the option and extended the lease agreement until December 2025.

Future minimum lease payments under the lease agreement for the new premises are NIS 197 thousand per month, for a period of 24 months commencing January 2023.

B. The Company entered into several operating lease agreements in respect of vehicles that it uses. The leases are for a period of three years.

Note 7- Stockholders' Equity

Common Stock:

Particulars	As at December 31, 2022 Authorized	2022 Issued and fully paid
	Number of shares	
Ordinary shares NIS 1.00 par value each	10,000	6,000

Each ordinary share is entitled to one vote and to receive dividends as declared by the Board of Directors.

Note 8- Taxes on Income

A. The tax rate relevant to the Company in 2022 and 2021 is 23%.

Tax benefits under the Law for the Encouragement of Capital Investments, 1959 (hereinafter - "the Law")

Under the Law, including Amendment No. 60 to the Law that as published in April 2005, by virtue of the "benefited enterprise" if the status is granted to some facilities of the Israeli subsidiary, it will be entitled to various tax benefits.

The main tax benefits available are:

In respect of income derived from the benefited enterprise, the Company is entitled to reduced tax rates during a period of up to ten years from the year in which such enterprise first earns taxable income (limited to twelve years from commencement of production or fourteen years from the date of approval, whichever is earlier).

Income derived from the benefited enterprise is tax exempt during the first two years of the seven to ten year tax benefit period as above, and is subject to a reduced tax rate of 10%- 25% during the remaining years of benefits.

In the event of distribution of a cash dividend from income, which was tax exempt as above, the Company would have to pay the 25% tax in respect of the amount distributed.

The Company is entitled to claim accelerated depreciation in respect of equipment used by approved enterprises during the first five years of the operation of these assets.

The entitlement to the above benefits is conditional upon the Israeli subsidiary's fulfilling the conditions stipulated by the above Law, regulations published there under and the certificate of approval for the specific investments in benefited enterprises. In the event of failure to comply with these conditions, the benefits may be cancelled and the Company may be required to refund the amount of the benefits, in whole or in part, with the addition of linkage differences to the Israeli CPI and interest.

The Company elected 2008, as its implementation year as stipulated in the Law and 2012, as its expansion year as stipulated in the Law.

The Law was amended as part of the Economic Policy Law for the years 2011-2012, which was passed in the Knesset on December 27, 2010 (hereinafter - "the Amendment").

The Amendment sets alternative benefit tracks to the ones currently in place under the provisions of the Law, as follows: investment grants track designed for enterprises located in national development zone A and two new tax benefits tracks (preferred enterprise and a special preferred enterprise), which provide for application of a unified tax rate to all preferred income of the Company, as defined in the Law.

The benefits granted to the preferred enterprises will be unlimited in time, unlike the benefits granted to special preferred enterprises, which will be limited for a period of 10 years. The benefits shall be granted to companies that will qualify under criteria set in the law; for the most part, those criteria are similar to the criteria that were set in the Law prior to its amendment.

Company's management believes that the Company is in compliance with the conditions stipulated by the above law.

B. The Company has received final tax assessments through tax year 2017.

C. As of December 31, 2022, the Company had a net carryforward tax loss of approximately NIS 324 million. Under Israeli tax laws, the carryforward tax losses of the Company can be utilized indefinitely.

D. Deferred tax assets were not created since the realization of any future benefit from deductible temporary differences, net operating loss and tax credit carryforwards cannot be sufficiently assured as of December 31, 2022.

Note 9- Supplementary Statements of Operations Information

A. Research and development costs:

NIS in thousands

Particulars	Year ended December 31,	
	2022	2021
Payroll and related expenses	23,114	25,220
Consultants and related expenses	8,189	6,737
Depreciation and amortization	457	526
Other	4,591	4,405
	36,351	36,888

B. Selling and marketing expenses:

NIS in thousands

Particulars	Year ended December 31,	
	2022	2021
Payroll and related expenses	16,966	14,112
Consultants and related expenses	3,268	2,763
Marketing	4,706	5,400
Travel and office expenses	1,111	449
Other	6,522	5,359
Related Parties - subcontractors	2,299	1,869
	34,872	29,952

C. General and administrative expenses:

NIS in thousands

Particulars	Year ended December 31,	
	2022	2021
Payroll and related expenses	10,131	9,491
Consultants and related expenses	806	563
Doubtful debts	88	(287)
Other	1,866	1,658
	12,891	11,425

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Portland Group Pty. Ltd.

Independent Auditor's Report

To the Board of Directors of Portland Group Pty. Ltd.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Portland Group Pty Ltd (the "Company") which comprises the statement of financial position as at 31 March 2023, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Company's financial position as at 31 March 2023 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 March 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DELOITTE TOUCHE TOHMATSU

Harsh Shah
Partner

Chartered Accountants

Place: Sydney

Date: May 31, 2023

Directors' Report

For the year ended March 31, 2023

The Directors present their report together with the financial report of Portland Group Pty Ltd (the Company), for the financial year ended March 31, 2023 and the Auditor's Report thereon.

1. Directors

The directors of the Company at any time during or since the end of the financial year are:

Mr. Andrew James Jarvis

Mr. Andrew Stewart Groth

Mr. Abhay Harigobind Das Chauhan

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

2. Principal activities

The principal activities of the Company include provision of sourcing and category management service, project-based consultancy support and ongoing management services. The Company offers complete client procurement and supply chain functions from innovative, high-end strategy to effective, low cost transactional processing and resale of software.

3. Dividends

The Board of Directors, in their meeting on April 12, 2023, declared and paid a final dividend of $9,772,000 for the financial year ended March 31, 2023.

4. Operating and financial review

The profit after tax for the year ended March 31, 2023 amounted to $4,951,223 (2022: profit after tax of $2,806,543). This was primarily a result of increase of revenue from $36,759,629 for the year ended March 31, 2022 to $56,033,417 for the year ended March 31, 2023.

5. Environmental regulation

The Company's operations are not regulated by any significant environmental regulation under a law of the commonwealth or of a state or territory. However, the Board believes that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Company.

6. Events subsequent to reporting date

No matters or circumstances, except as mentioned in note 26 have arisen since the end of the financial year and the date of this report, which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

7. Likely developments

The Company will continue to pursue its policy of increasing the profitability and market share of its major business sectors during the next financial year.

Further information about likely developments in the operations of the Company and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Company.

8. Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Company.

9. Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 29 and forms part of the directors' report for the financial year ended March 31, 2023.

10. Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19)

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of financial statements, including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

The Directors are not aware of any other matter or circumstance that has occurred since the end of the financial period that has significantly affected or may affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

This report is made with a resolution of the directors:

Abhay Chauhan
Director

Dated at Sydney this 31st day of May 2023

Statement of Financial Position

(In AUD)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
Assets			
Current assets			
Cash and cash equivalents	12a	22,564,144	14,851,954
Trade and other receivables	10	14,226,385	11,589,835
Other current assets	11c	113,919	67
Prepayments	11a	1,046,486	1,444,932
Total current assets		37,950,933	27,886,788
Non-current assets			
Deferred tax assets	16a	514,072	576,973
Property, plant and equipment	13	157,264	76,264
Right-of-use assets	19	1,132,761	1,313,578
Other non-current assets	11d	349,679	–
Trade and other receivables	10	870,606	1,819,761
Prepayments	11b	1,344	406,107
Total non-current assets		3,025,726	4,192,683
Total assets		40,976,659	32,079,471
Liabilities			
Current liabilities			
Trade and other payables	14	3,260,648	803,695
Lease liabilities	19	555,565	377,412
Other current liabilities	15	12,298,506	12,422,372
Current tax liabilities (net)		119,450	16,236
Provisions	17	24,770	25,935
Employee benefit obligations	18	4,847,892	2,909,680
Total current liabilities		21,106,831	16,555,330
Non-current liabilities			
Lease liabilities	19	997,637	996,791
Employee benefit obligations	18	549,847	586,084
Other non-current liabilities	15	1,842,169	2,412,314
Total non-current liabilities		3,389,653	3,995,189
Total liabilities		24,496,484	20,550,519
Net Assets		16,480,175	11,528,952
Equity			
Share capital	25a	3,389,049	3,389,049
Retained earnings		13,091,126	8,139,903
Total equity		16,480,175	11,528,952
Total liabilities and equity		40,976,659	32,079,471

The notes on page 9 to 27 are an integral part of these financial statements

Statement of Profit or Loss and Other Comprehensive Income

(In AUD)

Particulars	Note	Years ended March 31, 2023	2022
Revenue	5	56,033,417	36,759,629
Cost of sales	6	(47,364,332)	(31,255,875)
Gross profit		8,669,085	5,503,754
Selling and distribution expenses		(115,739)	(28,274)
Administrative expenses		(1,705,528)	(1,380,102)
Operating profit		6,847,818	4,095,378
Finance income	7	306,831	68,389
Finance costs	9	(79,416)	(63,972)
Net finance income		227,415	4,417
Profit before tax		7,075,233	4,099,795
Income tax expense	16b & c	(2,124,010)	(1,293,252)
Profit after tax		4,951,223	2,806,543
Other comprehensive income			
Items that will never be reclassified to profit or loss:		–	–
Items that are or may be reclassified subsequently to profit or loss:		–	–
Other comprehensive income, net of tax		–	–
Total comprehensive income		4,951,223	2,806,543

The notes on page 9 to 27 are an integral part of these financial statements

Statement of Changes in Equity

For the year ended March 31, 2023 and March 31, 2022

(In AUD)

Particulars	Share capital	Retained earnings	Total equity
Balance as on April 1, 2021	3,389,049	23,333,360	26,722,409
Total other comprehensive income	–	–	–
Profit for the year	–	2,806,543	2,806,543
Total Comprehensive Income	–	26,139,903	29,528,952
Transactions with owners of the Company	–		
Issue of ordinary shares	–	–	–
Dividends	–	(18,000,000)	(18,000,000)
Total transactions with owners of the Company	–	(18,000,000)	(18,000,000)
Balance at March 31, 2022	3,389,049	8,139,903	11,528,952
Balance as on April 1, 2022	3,389,049	8,139,903	11,528,952
Total other comprehensive income	–	–	–
Profit for the year	–	4,951,223	4,951,223
Total comprehensive income	3,389,049	13,091,126	16,480,175
Transactions with owners of the Company			
Issue of ordinary shares	–	–	–
Dividends	–	–	–
Total transactions with owners of the Company	–	–	–
Balance at March 31, 2023	3,389,049	13,091,126	16,480,175

The notes on page 9 to 27 are an integral part of these financial statements

Statement of Cash Flows

(In AUD)

Particulars	Note	Years ended March 31, 2023	Years ended March 31, 2022
Cash flows from Operating activities			
Cash receipts from customers (inclusive of GST)		59,000,211	35,327,662
Cash paid to suppliers and employees		(49,669,924)	(31,083,358)
Cash generated from Operations		9,330,287	4,244,304
Interest received		306,831	23,552
Net Income taxes paid		(1,957,898)	(1,785,600)
Net cash from operating activities	12b	7,679,220	2,482,256
Cash flows from Investing activities			
Interest received on deposit with bank	7	146,310	–
Interest Income on loan to Subsidiary	7	115,807	–
Finance Income under revenue deals	7	5,587	–
Purchase of plant equipment	13	(154,362)	(66,651)
Net cash used in investing activities		113,342	(66,651)
Cash flows from Financing Activities:			
Payment of lease liability	19	(80,372)	(377,863)
Dividends paid		–	(18,000,000)
Net cash used in financing activities		(80,372)	(18,377,863)
Net increase/(decrease) in cash and cash equivalents		7,712,190	(15,962,258)
Cash and cash equivalents at April 1		14,851,954	30,814,212
Cash and cash equivalents as at March 31	12a	22,564,144	14,851,954

The notes on page 9 to 27 are an integral part of these financial statements

Notes to the financial statements

1. Reporting entity

Portland Group Pty Ltd (the "Company") is domiciled in Australia. The Company's registered office and principal place of business is Suite 9.01,Level 9, 130 Pitt Street, Sydney NSW 2000, Australia. The parent of the Company is Infosys BPO Ltd. India and the ultimate parent is Infosys Ltd., India. The Company is a for-profit entity and primarily is involved in provision of project based consultancy support and ongoing management services to improve the Company's profitability in the long term.

2. Basis of preparation

(a) Statement of Compliance

The Company is for profit entity and the financial statements have been prepared as a general purpose financial report to satisfy the directors' reporting requirements under Corporations Act 2001. Simplified disclosure regime (SDR) has been adopted in the preparation of these financial statements.

In the opinion of the directors, the Company is not publicly accountable nor a reporting entity. The financial report of the Company has been drawn up as a financial report for distribution to the members and for the purpose of fulfilling the requirements of the Corporations Act 2001.

The financial report has been prepared in accordance with the recognition, measurement and classification aspects of all applicable Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB).

The annual financial statements were approved by the Board of Directors on the date of signing of the directors report.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis, unless otherwise stated.

(c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company's functional currency.

(d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

(e) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the year ending March 31, 2023 are:

(i) Recognition of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

(ii) AASB 16 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts (Refer to Note no. 19).

(iii) The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of financial statements, including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

3. Significant accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

(a) Revenue

The Company's main source of income is from provision of sourcing and category management service, project-based consultancy support and ongoing management services.

Fixed Price

Revenue from fixed-price, fixed-time frame contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method using input method such as efforts expended, time elapsed or costs incurred.

(a) Maintenance

Maintenance revenue is recognised ratably over the term of the underlying maintenance arrangement.

(b) Non-Maintenance

Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

(i) Licenses

Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS). The Company has applied the principles under AASB15 to account for revenues from these performance obligations. ATS revenue is recognised ratably over the period in which the services are rendered.

(ii) Agency Revenue

Where the company acts as an agent on behalf of any group company, the revenue is recognized on net basis– Revenue less costs. (Refer Note 5).

Time & Material

Revenue on time-and-material contracts are recognised using output method such as hours of service provided or units delivered or serviced. Revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue.

Uncertainty

When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Contract Modification

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Unbilled/Unearned

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

Tax

The Company presents revenues net of indirect taxes in its Statement of Profit and loss and other comprehensive income.

(b) Contracts in progress

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. When the outcome of a contract can be estimated reliably, contract revenue is recognized in profit or loss in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to surveys of work performed. When the outcome of a contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.

Contract expenses are recognized as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognized immediately in profit or loss.

Contracts in progress represents the gross amount expected to be collected from customers for contract work performed to date. It is measured at costs plus profits recognized to date less progress billings and recognized losses.

Contracts in progress are presented as part of trade and other receivables in the statement of financial position for all contracts in which costs incurred plus recognized profits exceed progress billings and recognized losses. If progress billings and recognized losses exceed costs incurred plus recognized profits, then the difference is presented as deferred income in the statement of financial position. Customer advances are presented as deferred income in the statement of financial position.

(c) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognized in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

(d) Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(iii) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. The discount rate is the yield at the repay date on Australian corporate bonds that have maturity dates approximately the term of the Company's obligations. Remeasurements are recognized in profit or loss in the period in which they arise.

(iv) Termination benefits

Termination benefits are expensed at the earlier of when the company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

(e) Income tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

(ii) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(iii) Tax exposures

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

(f) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain and loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated to write off the cost of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives, and is generally recognized in profit or loss. The estimated useful lives of property, plant and equipment are as follows:

Particulars	2023
Plant and machinery	5 years
Computer equipment	3-5 years
Furniture and fixtures	5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(g) Financial instruments

AASB 9 Financial Instruments: Classification and Measurement (effective for annual periods beginning on or after January 1, 2018) – AASB 9 was issued by the IASB in November 2009 and amended in November 2013 to include the new requirements for general hedge accounting. Another revised version of AASB 9 was issued in July 2014 mainly to include, a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments. In relation to the impairment of financial assets, AASB 9 requires an expected credit loss model. This standard has not impacted the Company's financial position or performance, as the Company does not have any financial instruments which are designated through profit or loss category.

The Company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables.

The Company classifies non-derivative financial liabilities into the other financial liabilities category

(i) Non-derivative financial assets and financial liabilities – recognition and derecognition

The Company initially recognizes loans and receivables issued on the date that they are originated. All other financial assets and financial liabilities are recognized initially on the trade date.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire. Any interest in such transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(ii) Non-derivative financial assets – measurement

Financial assets at fair value through profit or loss:

A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, which take into account any dividend income, are recognized in profit or loss.

Held-to-maturity financial assets:

These are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

Loans and receivables:

These assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

Cash and cash equivalents:

In the Statement of Cash Flows, cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

(iii) Non-derivative financial liabilities – measurement

Non-derivative financial liabilities are initially recognized at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest rate method.

(iv) Share capital

Ordinary shares:

Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognized as a deduction from equity.

(h) Impairment

(i) Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss, including an interest in an equity-accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Company on terms that the Company would not consider otherwise;"
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security.

(ii) Financial assets measured at amortized cost

The Company considers evidence of impairment for these assets measured at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

(iii) Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated to reduce the carrying amount of any goodwill allocated to the CGU (or group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (or group of CGUs) on a pro rata basis An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(i) Other Current Assets

Other Current Assets include Rental deposits made to lease vendors as per lease agreement and Interest accrued but not due on fixed deposits made to bank. Once the interest amount is received, the asset account is decreased.

(j) Prepayments

Prepaid expenses are future expenses that are paid in advance and hence recognized initially as an asset. As the benefits of the expenses are recognized, the related asset account is decreased and expensed.

(k) Trade and Other Payables

Trade payables are obligations to pay for goods or services that have been acquired from suppliers in the ordinary course of business. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. The average credit period on purchases is 30 days from the date of invoice. No interest is charged on overdue payables. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

(l) Other current and non-current liabilities

Other current and non-current liabilities consist of accrued expenses and deferred revenue relating to contract revenue majorly. Other liabilities are classified as current if payment is due within 12 months.

(m) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance cost.

Post sales client support

A provision for post sales client support is recognized when the underlying services are sold, based on historical post sales client support data and a weighting of all possible outcomes against their associated probabilities.

(n) Capital Management

The Directors' policy is to maintain strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. There were no changes to the Company's capital management during the year.

(o) Goods and service tax

Revenue, expenses and assets are recognized net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognized as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Balance Sheet.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(p) Leases

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contact involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined as Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and Right-of-use assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(q) Finance income

Finance income comprises interest income on funds invested, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, and reclassification of amounts previously recognized in other comprehensive income. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(r) Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Trade and other receivables

The fair value of trade and other receivables, excluding construction contracts in progress is estimated as the present value of future cash flows, discounted at the market rate of interest. For trade and other receivables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(ii) Other non-derivative financial liabilities

Fair value, which is calculated based on the present value of future principal and interest cash flows, is discounted at the market rate of interest at the reporting date.

(s) Comparatives

Comparatives have been reclassified for consistency with the current period presentation.

4. New standards and interpretations not yet adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended March 31, 2023. The Company has not yet assessed any material impact of these the new or amended Accounting Standards and Interpretations.

(i) New and revised IFRS Standards in issue but not yet effective

Date issued	Standard/Amendment	Effective for annual reporting periods beginning on or after
Jul-17	AASB 17 Insurance Contracts (as amended)	April 1, 2023
Various	AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128, AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections	April 1, 2023
March 2020 / August 2020	AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current and AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date	April 1, 2023
Mar-21	AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	April 1, 2023
Jun-21	AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	April 1, 2023
Mar-23	AASB 2022-1 Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information	April 1, 2023

5. Revenue

(In AUD)

Particulars	As at March 31, 2023	As at March 31, 2022
Related party revenue	18,205,719	6,106,974
Third party revenue (Principal)	37,827,698	30,652,655
Third party revenue (Agent)	–	–
	56,033,417	36,759,629

At March 31, 2023 the Company has deferred revenue of $1,684,513 (2022: $2,425,488), which represents the fair value of that portion of the revenue and the Company has unbilled revenue of $5,548,243 (2022: $7,684,907).

Disaggregate revenue Information

The table below presents disaggregated revenues from contracts with customers by contract-type for each of our business segments. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Revenues by Contract type

(In AUD)

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed Price	25,808,606	25,730,128
Time & Materials	30,224,811	11,029,501
Total	56,033,417	36,759,629

Revenues by period of recognition

(In AUD)

Particulars	As at March 31, 2023	As at March 31, 2022
Over the period	40,495,843	26,840,901
Point in time	15,537,574	9,918,728
Total	56,033,417	36,759,629

Trade receivables and Contract Balances

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognized as related service are performed. Revenue for fixed price maintenance contracts is recognized on a straight-line basis over the period of the contract. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time .

Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

Trade receivables and unbilled revenues are presented net of impairment in the Balance Sheet."

6. Cost of sales

(In AUD)

Particulars	As at March 31, 2023	As at March 31, 2022
Employee benefit expense	23,076,099	11,376,254
Cost of third party software	19,415,511	16,879,908
External contractor expense and others	4,872,722	2,999,713
	47,364,332	31,255,875

7. Finance Income

(In AUD)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest income from deposits with banks	146,310	–
Interest income on prepaid contract cost	39,127	23,552
Interest Income on loan to Subsidiary	115,807	–
Finance Income under revenue deals	5,587	–
Miscellaneous Income	–	44,837
	306,831	68,389

8. Auditors' remuneration

(In AUD)

Particulars	As at March 31, 2023	As at March 31, 2022
Audit of financial statements – Deloitte Touche Tohmatsu	28,350	23,650
	28,350	23,650

9. Expenses by nature

(In AUD)

Particulars	As at March 31, 2023	As at March 31, 2022
Depreciation	73,361	65,166
Employee benefits	24,010,430	12,084,403
Rental expenses	–	1,342
Amortisation on ROU assets	399,900	333,667
Interest expenses on leases liability	40,289	40,421
Finance Expense under revenue deals	39,127	–

10. Trade and other receivables

(In AUD)

Particulars	As at March 31, 2023	2022
Current		
Trade receivables	3,211,400	5,279,102
Unbilled revenue	5,857,505	5,865,146
	9,068,905	11,144,248
Amounts due from related party (Trade receivables, Other receivables & Unbilled revenue - Note 23)	5,157,480	445,587
	14,226,385	11,589,835
Non-Current		
Unbilled revenue	870,606	1,819,761
	870,606	1,819,761

The average credit period is 30 days. No interest is charged on trade receivables. Based on the management's best estimate, impairment in trade receivables amounting to nil and AUD 8,307 exist as on March 31, 2023 and March 31, 2022 respectively. Also, an exposure to credit risk from trade receivables and unbilled revenue amounting to AUD 53,787 and AUD 164,079 exist as on March 31, 2023 and March 31, 2022 respectively.

11.a. Prepayments (current)

(In AUD)

Particulars	As at March 31, 2023	2022
Prepaid expenses	584,257	892,448
Loans and advances to employees	44,811	11,008
Prepaid contract cost	417,417	541,476
	1,046,485	1,444,932

11.b. Prepayments (non-current)

(In AUD)

Particulars	As at March 31, 2023	2022
Prepaid expenses	1,344	–
Prepaid Contract cost	–	406,107
	1,344	406,107

11.c. Other current assets

(In AUD)

Particulars	As at March 31, 2023	2022
Advances to PF trust	–	67
Interest Accrued not Due FD	5,622	–
GST Payable	76,046	–
Other current assets	32,251	–
	113,919	67

11.d. Other non-current assets

(In AUD)

Particulars	As at March 31, 2023	2022
Investment in lease	349,679	–
	349,679	–

12.a. Cash and cash equivalents

(In AUD)

Particulars	As at March 31, 2023	2022
Cash at Bank	22,564,144	14,851,954
	22,564,144	14,851,954

12.b. Cash flows from operating activities

(In AUD)

Particulars	As at March 31, 2023	2022
Reconciliation of Cash flow from Operations with Profit after Income Tax	4,951,223	2,806,543
Adjustments for:		
Depreciation & Amortization	473,261	398,833
Deferred tax assets	62,902	(32,551)
Net tax assets (liabilities)	103,214	(459,797)
Finance cost	79,416	63,972
	5,670,016	2,777,000
Changes in:		
Trade and other receivables	(2,636,550)	(5,107,931)
Other current and non-current assets	485,624	538,613
Prepayments	803,208	(1,528,570)

Particulars	As at March 31,	
	2023	2022
Trade and other payables	2,456,954	465,839
Other Current and non-current liabilities	(694,012)	5,045,227
Provisions	(1,165)	(50,098)
Employee benefits obligation	1,901,975	363,729
Finance Income	(306,831)	(23,552)
Loss on sale of assets	–	1,999
Net cash from operating activities	7,679,220	2,482,256

13. Property, plant and equipment

(In AUD)

Particulars	Plant and machinery	Furniture and fixtures	Computer equipment	Total
Cost				
Balance at April 1, 2021	22,459	92,417	570,004	684,880
Additions	5,534	–	61,117	66,651
Disposals	(1,479)	(31,810)	(1,648)	(34,937)
Balance at March 31, 2022	26,514	60,607	629,473	716,594
Balance at April 1, 2022	26,514	60,607	629,473	716,594
Additions	–	–	154,361	154,362
Disposals	(2,591)	(7,550)	(265,464)	(275,605)
Balance at March 31, 2023	23,923	53,057	518,370	595,351
Accumulated Depreciation				
Balance at April 1, 2021	19,163	89,862	499,076	608,101
Depreciation	1,499	1,046	62,621	65,166
Disposals	(988)	(30,301)	(1,648)	(32,937)
Balance at March 31, 2022	19,674	60,607	560,049	640,330
Balance at April 1, 2022	19,674	60,607	560,049	640,330
Depreciation	1,748	–	71,614	73,362
Disposals	(2,591)	(7,550)	(265,464)	(275,606)
Balance at March 31, 2023	18,831	53,057	366,199	438,086
Carrying Amounts				
At March 31, 2022	6,840	–	69,424	76,264
At March 31, 2023	5,092	–	152,171	157,264

14. Trade and other payables

(In AUD)

Particulars	As at March 31,	
	2023	2022
Trade payables	811,758	667,785
Amounts due to related party	2,448,890	135,910
	3,260,648	803,695

15. Other current liabilities

(In AUD)

Particulars	As at March 31, 2023	2022
Accrued expenses - cost of third-party software	9,076,469	8,008,164
Accrued expenses - others	693,320	922,859
Deferred revenue	1,684,513	2,425,488
Withholding taxes payable	54,077	403,232
Accrued expenses - Inter-Company	394,147	295,994
Financial Liabilities under revenue deals (current)	395,137	366,635
Loans and Advances to Employees	843	–
	12,298,506	12,422,372
Non-Current		
Accrued expenses - cost of third-party software	1,562,627	1,732,214
Financial Liabilities under revenue deals (non-current)	279,541	680,100
	1,842,168	2,412,314

16. Tax assets and liabilities

(a) Deferred tax assets

(In AUD)

Particulars	As at March 31, 2023	2022
Deferred tax assets due to timing differences:		
Provision for doubtful debts	16,792	52,152
Provision for Employee benefits	492,446	517,224
Provision for post-sale customer support	7,431	7,597
Deferred tax liabilities	(2,597)	–
Net Deferred tax assets	514,072	576,973

(b) Reconciliation of effective tax rate

(In AUD)

Particulars	As at March 31, 2023	2022
Profit before tax	7,075,233	4,099,795
Tax using the Company's domestic tax rate of 30% (2021: 30%)	2,122,570	1,229,939
Adjustments in respect of prior years	(49,335)	45,643
Non-deductible expenses	50,775	17,670
Income tax expense for the period	2,124,010	1,293,252

(c) Income tax expense

(In AUD)

Particulars	As at March 31, 2023	2022
Corporation income tax		
Current year	2,110,446	1,280,159
Adjustments in respect of prior years	(49,335)	45,643
	2,061,111	1,325,802
Deferred tax expense		
Origination and reversal of temporary differences	62,899	(32,550)
Write down of previously recognized deferred tax assets	–	–
Income tax expense for the period	62,899	(32,550)
Total income tax expense	2,124,010	1,293,253

17. Provisions

(In AUD)

Particulars	As at March 31, 2023	2022
Provision for post service client support	24,770	25,935
	24,770	25,935
The movement in provisions is as follows :	2023	2022
Balance at the beginning	25,935	76,033
Provision recognized/ (reversed)	(1,165)	(50,098)
Balance at the end	24,770	25,935

18. Employee Benefit Obligations

(In AUD)

Particulars	As at March 31, 2023	2022
Current		
Provision for employee bonuses	3,756,250	1,771,688
Annual leave	781,158	835,021
Long service leave	310,484	302,971
	4,847,892	2,909,680
Non-Current		
Long service leave	549,847	586,084
	549,847	586,084

19. Leases

Leases as lessee

Following are the changes in the carrying value of right-of-use assets

(In AUD)

Particulars	As at March 31,	
	2023	2022
Opening Balance	1,313,578	704,720
Additions	308,509	942,525
Deletions	(89,426)	–
Amortization	(399,900)	(333,667)
Closing Balance	1,132,761	1,313,578

The following is the movement in lease liabilities during the year

Particulars	As at March 31,	
	2023	2022
Opening Balance	1,374,203	769,120
Additions	308,509	1,302,120
Deletions	(89,426)	(359,595)
Finance cost accrued during the year	40,289	40,421
Payment of lease liabilities	(80,372)	(377,863)
Closing Balance	1,553,203	1,374,203

The following is the break-up of current and non-current lease liabilities:

(In AUD)

Particulars	As at March 31,	
	2023	2022
Current lease liabilities	555,565	377,412
Non-current lease liabilities	997,638	996,791
Total	1,553,203	1,374,203

The details regarding the contractual maturities of lease liabilities as at March 31, 2023 and March 31,2022 on an undiscounted basis are as follows:

(In AUD)

Particulars	As at March 31,	
	2023	2022
Less than one year	528,587	367,832
One to five years	1,009,346	1,035,327
More than five years	–	–
Total	1,537,933	1,403,159

20. Key management personal compensation

Key Management personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling activities of the Company. The directors of the Company are considered as Key management personnel of the Company. Further, the amounts disclosed does not include employment benefits recognized based on the actuarial valuation since they are computed for the Company as a whole and not at individual basis.

The employee compensation is as follows :

(In AUD)

Particulars	As at March 31,	
	2023	2022
Short-term employee benefits	794,205	564,001

21. Financial instruments

Financial instruments by Category

(In AUD)

Particulars	As at March 31,	
	2023	2022
Financial Assets		
Cash and cash equivalents	22,564,144	14,851,954
Trade and other receivables	14,787,729	13,409,596
Other current assets	113,919	67
	37,465,792	28,261,618
Financial liabilities		
Lease Liability	1,553,202	1,374,203
Trade and other payables	3,260,648	803,695
Other financial liabilities	11,386,484	11,066,468
	16,200,335	13,244,366

22. Contingent liabilities and Financing facilities

a. Contingent liabilities

In the opinion of the management, there are no contingent liabilities as at March 31, 2023 (2022 - Nil)

b. Financing facilities

(In AUD)

Particulars	As at March 31,	
	2023	2022
Unsecured bank guarantee facility reviewed annually and payable		
at call-Amount used	293,432	293,432
	293,432	293,432

23. Related party transactions

The details of the related party transactions entered into by the Company during the year ended 31st March 2023 and 31st March 2022 are as follows:

(In AUD)

Particulars	As at March 31,	
	2023	2022
Purchase of services		
Infosys Limited	102,096	583,838
Infosys BPM Limited	1,057,342	601,922
Infosys (Czech Republic) Ltd	93,168	–
Infosys Technologies China	15,027	–
	1,267,633	1,185,760

Particulars	As at March 31,	
	2023	2022
Sale of services		
Infosys Limited	17,006,637	3,799,383
Infosys BPM Limited	1,199,082	2,305,546
Hipus Co., Ltd	–	2,045
	18,205,719	6,106,974
Purchase of shared services		
Infosys Limited	132,960	134,678
	132,960	134,678
Sale of shared services		
Infosys Limited	60,464	70,205
Infosys Management Consulting Pty Limited	–	1,948
	60,464	72,153

The details of the amount due to or due from the related parties as at March 31, 2023 and March 31, 2022 are as follows

(In AUD)

Particulars	As at March 31,	
	2023	2022
Trade receivables		
Infosys Limited	5,014,219	237,888
Infosys BPM Limited	109,366	202,157
	5,123,585	440,045
Other receivables		
Infosys Limited	5,543	5,542
Infosys BPM Limited	28,353	–
	33,896	5,542
Trade payables		
Infosys BPM Limited	182,762	59,213
Infosys (Czech Republic) Ltd	61,025	–
Infosys Technologies China	9,017	–
	252,804	59,213
Other payables		
Infosys Limited	91,640	76,697
Infosys Automotive and Mobility	2,104,447	–
	2,196,087	76,697
Accrued Expense		
Infosys Limited	394,147	295,994
	394,147	295,994

Other receivables and other payables consist of Cross charges from the related parties mentioned above.

24. Capital risk management

The Company manages its capital to ensure it continues as a going concern. The capital structure comprises issued capital, cash and retained earnings. There are no externally imposed capital requirements on the Company.

25. Capital and reserves

(a) Share capital

Ordinary shares

(In AUD)

Particulars	As at March 31,	
	2023	2022
On issue at April 1 (17,450,000 number of shares)	3,389,049	3,389,049
Issued for cash	–	–
On issue at March 31 (17,450,000 number of shares)	3,389,049	3,389,049

All shares rank equally with regard to the Company's residual assets.

Ordinary shares

The Company does not have authorized capital or par value in respect of its issued shares. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

(b) Dividends

(In AUD)

Particulars	As at March 31,	
	2023	2022
Dividend Declared and Paid	–	18,000,000
	–	–

Dividend franking account

(In AUD)

Particulars	As at March 31,	
	2023	2022
30 per cent franking credits available to shareholders of Portland Group Pty Ltd for subsequent financial years	5,215,875	3,022,102
	5,215,875	3,022,102

The above available amounts are based on the balance of the dividend franking account at year-end adjusted for:

a. franking credits/ debits that will arise from the payment/ receipts of the current tax liabilities/ assets;

b. franking debits that will arise from the payment of dividends recognised as a liability at the year-end;

c. franking credits that will arise from the receipt of dividends recognised as receivables by the tax consolidated Company at the year-end; and"

d. franking credits that the entity may be prevented from distributing in subsequent years.

The ability to utilize the franking credits is dependent upon there being sufficient available profits to declare dividends.

26. Events subsequent to reporting date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years, other than above. Please refer note 2 (e) 'Assumptions and estimation uncertainties' for the COVID 19 pandemic disclosure. The Board of Directors, in their meeting on April 12, 2023, declared a final dividend of $9,772,000 (not franked) for the financial year ended March 31, 2023.

The Directors are not aware of any other matter or circumstance that has occurred since the end of the financial period that has significantly affected or may affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Directors' declaration

In the opinion of the directors of the Portland Group Pty Ltd ("the Company"):

(a) The Company is not publicly accountable nor a reporting entity;

(b) The financial statements and notes, set out on page 5 to 27, are in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the financial position of the Company as at 31st March 2023 and of its performance for the financial year ended on that date; and

   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) to the extent described in Note 2, and the Corporations Regulations 2001; and

(c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.

Abhay Chauhan
Director

Dated at Sydney this 31st day of May 2023

Fluido Oy

Auditor's Report

To the Annual General Meeting of Fluido Oy

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Fluido Oy for the year ended 31 December 2022. The financial statements comprise the balance sheet, income statement, cash flow statements and notes for the group as well as the parent company.

In our opinion, the financial statements give a true and fair view of the group´s and the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of my report. We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we fulfill my other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine 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 Board of Directors and the Managing Director are responsible for assessing the parent company's and the group´s ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of Financial Statements

Our objective is to obtain reasonable assurance on 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 good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, 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 parent company's or the group´s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director'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 parent company's or the group´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 so that the financial statements give a true and fair view.

- Obtain sufficient appropriate audit evidenced regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 my audit.

Other Reporting Requirements

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises information included in the report of the Board of Directors. 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 information included in the report of the Board of Directors and, in doing so, consider whether the information included in the report of the Board of Directors is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the report of the Board of Directors, 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.

Auditia Oy
Authorised Public Accountants

Jani Käsnänen
Authorised Public Accountant

Helsinki,

May 24, 2023

Information about the year

Fluido Group is a provider of digital transformation services to companies in Finland, Sweden, Norway, Denmark, Germany, UK, Ireland and Benelux. Group revenue in 2022 was € 6,41,49,710 and profit before tax € 43,40,266. Group revenue grew by 27.8% in 2022 and the company strengthened its market position as leading service provider in the Nordics in Salesforce technology area. Parent company Fluido Oy's revenue was € 3,47,36,096 and profit before tax € 12,39,602.

Temporary changes in business took place due to crisis in Ukraine. However, Fluido's business has continued steady and profitable growth and we have been able to deliver digital transformation services to our customers normally.

Company shares

Fluido Group shares are 100% owned by Infosys Group. Number of shares is 1,57,116. Infosys Group is based in Bangalore and is listed in New York and Mumbai stock exchanges and has over 3,40,000 employees. Infosys Group revenue for fiscal year ending March 2023 was US$ 18 billion and profit US$ 3 billion. Fluido Oy shares are divided into two class in such a way, that A-shares are 99,521 and B-shares 57,595. B-series has preference over assets up to the price paid for them in the way described in the Articles of Association.

Branches

Fluido Oy has branches in Germany (reg.number HRB 252914) and in Netherlands (reg.number 80799140)

Estimate of risks and uncertainties

Business risks mainly relate to general global economic situation and the impact of economic fluctuations to companies investments.

The company has managed to hire competent employees and invest into Fluido being an interesting and attracting workplace also in the future. Fluido has no major customer risk. The revenue split among customers is such, that no single customer represents over 10% of revenue.

Estimate of future developments

2023 has started as expected. Group will aim to grow revenue and profit according to its business plan.

Key ratios

(In € Thousands)

Parent company	For the period between January 1 to December 31,		
	2022	2021	2020
Revenue	34,736	28,247	24,787
Ebitda	1,349	2,779	4,189
Profit before tax	1,240	2,698	4,008
EBIT-%	3.5%	9.3%	16.4%
Equity Ratio (%)	62.6%	68.4%	63.7%
ROE (%)	6.8%	16.8%	35.7%

Group	**For the period between January 1 to December 31,**		
	2022	**2021**	**2020**
Revenue	64,150	50,164	40,099
Ebitda	5,130	5,061	4,826
Profit before tax	4,340	4,164	4,091
EBIT-%	6.8%	8.4%	10.0%
Equity Ratio (%)	56.2%	54.9%	49.8%
ROE (%)	22.5%	26.7%	48.0%

Personnel

On an average, 458 employees worked at Fluido Group during the year. The salaries and bonuses paid to personnel during the year were € 38.7 million.

Personnel in average

Particulars	2022	2021	2020
Group	458	382	329
Parent	205	194	186

Related party guarantees and loans

The parent company has issued a letter of support providing the Fluido Denmark A/S with sufficient liquidity to meet its current and future liabilities as they fall due.

Fluido Oy has additionally given guarantee to support its fully owned subsidiary Fluido UK Limited in such a way, that Fluido UK is able to meet all its liabilities as they fall due for at least 12 months from the date of signing of the Annual Accounts.

Fluido Oy has granted to its 100% owned subsidiaries the following loans without collateral :

Fluido Sweden AB € 5,14,868.67 and Fluido UK Limited € 28,59,004.92. Arm's length interest tied to euribor and libor is charged on both loans. Rates have varied between 1.4-1.8%. Loan capital will be repaid, when cash flow of the companies is at sufficient level.

Fluido Oy has also granted a capital loan of SEK 53,33,203.10 to Fluido Sweden Ab. The loan is considered equity in Fluido Sweden AB. Repayment of loan is subject to increase of equity at Fluido Sweden to a level that would allow repayment. Capital loan is interest free.

Fluido Oy has granted Infosys Automotive and Mobility GmbH & Co.KG:lle € 60,00,000 loan of which € 34,87,668.49 eur has been drawn. Market interest rate is applied which is 12-month euribor + 2.5%.

Fluido Norway AS has granted Infosys Automotive and Mobility GmbH & Co.KG:lle € 50,00,000 loan, of which € 26,00,000 has been drawn. Market interest rate is applied which is 12-month euribor + 2.5%.

Board proposal for dividend distribution

Board proposes to Annual General Meeting no dividend is distributed.

Consolidated Balance Sheet

(In €)

Particulars	As at December 31, 2022	2021
Assets		
Non-current assets		
Intangible assets		
Other long-term assets	16 193,60	19 106,82
Goodwill	548 560,53	1 107 803,52
Intangible total	564 754,13	1 126 910,34
Tangible assets		
Machinery and equipment	505 737,88	513 837,23
Tangible total	505 737,88	513 837,23
Total non-current assets	1 070 492,01	1 640 747,57
Current assets		
Long-term receivables – Long-term loans	6 158 066,06	-
Other long-term receivables	205 155,82	185 085,60
Total long-term receivables	6 363 221,88	185 085,60
Short-term receivables		
Trade debtors	8 206 752,16	9 926 607,66
Other debtors	981 924,54	424 570,04
Prepayments and accrued income	3 912 172,60	2 997 272,56
Total short-term receivables	13 100 849,30	13 348 450,26
Cash	6 741 963,41	7 385 101,74
Total current assets	26 206 034,59	20 918 637,60
Assets total	27 276 526,60	22 559 385,17
Equity and liabilities		
Capital and reserves		
Share capital	2 500,00	2 500,00
Other reserves	5 508 279,64	5 508 280,03
Retained earnings	6 888 045,76	3 976 120,61
Profit / (loss) of the financial year	3 121 230,69	2 911 925,15
Translation difference	(177 385,74)	(9 963,93)
Total capital and reserves	15 342 670,35	12 388 861,86
Provisions	13 728,00	94 432,50
Creditors		
Long-term creditors	13 301,51	11 506,00
Short-term creditors		
Advances received	207 186,46	155 470,96
Trade creditors	1 041 101,88	422 641,55
Other creditors	3 313 491,44	3 350 736,58
Accruals and deferred income	7 345 046,96	6 135 735,72
Total short-term creditors	11 906 826,74	10 064 584,81
Total creditors	11 920 128,25	10 076 090,81
Total equity and liabilities	27 276 526,60	22 559 385,17

Consolidated statement of Profit and Loss

(In €)

Particulars	January 1 to December 31, 2022	2021
Revenue	64 149 710,89	50 163 868,27
Other income	164 264,92	26 260,31
Materials and services		
Materials		
Purchases during year	(196 208,79)	(162 302,15)
Materials total	(196 208,79)	(162 302,15)
External services		
External services	(4 582 903,62)	(2 521 531,72)
Materials and services in total	(4 779 112,41)	(2 683 833,87)
Personnel costs		
Salaries	(38 742 496,63)	(30 611 881,68)
Personnel related costs		
Pension costs	(4 766 014,74)	(3 810 889,87)
Other social costs	(4 595 774,34)	(3 097 656,94)
Total personnel related costs	(9 361 789,08)	(6 908 546,81)
Total personnel costs	(48 104 285,71)	(37 520 428,49)
Other expenses	(6 300 330,69)	(4 924 823,97)
EBITDA	5 130 247,00	5 061 042,25
Depreciation		
Depreciation according to plan	(763 864,30)	(855 043,58)
Depreciation total	(763 864,30)	(855 043,58)
EBIT	4 366 382,70	4 205 998,67
Financial income and cost		
Other interest income		
Other	566 818,80	72 850,52
Total other financial income	566 818,80	72 850,52
Interest expenses & other financial costs		
To others	(592 935,24)	(115 333,42)
Total interest expense & other costs	(592 935,24)	(115 333,42)
Total financial income and cost	(26 116,44)	(42 482,90)
Profit before tax	4 340 266,26	4 163 515,77
Income tax	(1 219 035,57)	(1 251 590,62)
Net profit	3 121 230,69	2 911 925,15

Consolidated Statement of Cash Flow

(In €)

Particulars	January 1 to December 31	
	2022	2021
Operations cash flow		
Profit before tax	4 340 266,26	4 163 515,76
Corrections :		
Depreciations	763 864,30	855 043,58
Financial income	26 116,44	42 482,00
Cash flow before change in working capital	5 130 247,00	5 061 041,34
Change in working capital :		
Addition to short-term receivables	227 530,74	(4 604 428,01)
Additions to short-term debt	1 585 288,61	311 613,50
Operations cash flow before financial items and tax	6 943 066,35	768 226,83
Paid direct taxes	(1 156 130,84)	(776 985,48)
Business interests	(8 753,20)	(42 482,00)
Operations cash flow	5 778 182,31	(51 240,65)
Investments cash flow		
Investments to tangible and intangible	(193 608,74)	(280 647,52)
Long-term loans to group companies	(6 000 000,00)	–
Investments cash flow	(6 193 608,74)	(280 647,52)
Funding cash flow		
Change in long-term receivables	–	–
Change in long-term debt	–	–
Funding cash flow	–	–
Change of cash position	(415 426,43)	(331 888,17)
Impact of currencies	(227 711,90)	37 272,57
Cash 1.1	7 385 101,74	7 679 717,34
Cash 31.12	6 741 963,41	7 385 101,74

Parent Company Balance Sheet

(In €)

Particulars	As at December 31, 2022	2021
Assets		
Non-current assets		
Tangible assets		
Machinery and equipment	338 599,47	355 536,24
Total tangible assets	338 599,47	355 536,24
Investments		
Investment in group companies	4 482 574,96	4 482 574,96
Receivables from group companies	3 373 873,59	2 564 370,27
Total investments	7 856 448,55	7 046 945,23
Total non-current assets	8 195 048,02	7 402 481,47
Current assets		
Long-term loans to group companies	3 487 668,49	–
Deferred tax asset	158 254,60	129 827,19
Long-term receivables total	3 645 923,09	129 827,19
Short-term receivables		
Trade debtors	3 973 294,62	2 834 618,84
Receivables from Group companies	2 861 524,10	5 110 482,52
Other receivables	454 770,31	328 409,66
Prepayments and accrued income	2 435 427,82	1 618 459,53
Short-term receivables Total	9 725 016,85	9 891 970,55
Total receivables	13 370 939,94	10 021 797,74
Cash	2 330 803,42	3 004 195,55
Total current assets	15 701 743,36	13 025 993,29
Total assets	23 896 791,38	20 428 474,76
Equity and liabilities		
Equity		
Share capital	2 500,00	2 500,00
Other reserves	5 499 123,10	5 499 123,10
Retained earnings	8 472 076,03	6 311 296,06
Profit / (loss) of the financial year	982 982,37	2 160 779,97
Equity total	14 956 681,50	13 973 699,13
Provisions	13 728,00	94 432,50
Creditors		
Short-term creditors		
Received advances	207 186,46	155 470,96
Accounts payable	558 555,40	212 644,09
Group creditors	2 318 888,87	1 015 208,63
Other creditors	1 554 374,91	1 405 407,43
Accruals and deferred income	4 287 376,24	3 571 612,02
Total short-term creditors	8 926 381,88	6 360 343,13
Total creditors	8 926 381,88	6 360 343,13
Total equity and liabilities	23 896 791,38	20 428 474,76

Parent Company's Statement of Profit and Loss

(In €)

Particulars	For the period between January 1 to December 31, 2022	2021
Revenue	34 736 096,07	28 246 703,34
Other income	31 653,71	26 260,31
Materials and services		
Materials		
Purchases during year	(117 155,00)	(162 302,15)
Materials total	(117 155,00)	(162 302,15)
External services		
External services	(5 256 110,95)	(2 309 953,53)
Materials and services total	(5 373 265,95)	(2 472 255,68)
Personnel costs		
Salaries	(19 745 913,57)	(16 526 046,29)
Other personnel related costs		
Pension costs	(3 032 568,60)	(2 603 493,47)
Other Personnel related costs	(1 154 100,21)	(837 876,30)
Other personnel related costs total	(4 186 668,81)	(3 441 369,77)
Total personnel costs	(23 932 582,38)	(19 967 416,06)
Other expenses	(4 112 802,38)	(3 053 904,89)
EBITDA	1 349 099,07	2 779 387,02
Depreciation		
Depreciation according to plan	(131 361,98)	(149 449,67)
Total depreciation	(131 361,98)	(149 449,67)
EBIT	1 217 737,09	2 629 937,35
Financial income and cost		
Other interest income	195 607,43	29 091,98
Other	3 176,07	59 121,14
Total other financial income	198 783,50	88 213,12
Interest expenses & other financial costs		
Total others	(176 918,31)	(19 695,35)
Total interest expense & other costs	(176 918,31)	(19 695,35)
Total financial income and cost	21 865,19	68 517,77
Profit before tax	1 239 602,28	2 698 455,12
Income tax	(256 619,91)	(537 675,15)
Net profit	982 982,37	2 160 779,97

Parent Company's Statement of Cash Flow

(In €)

Particulars	For the period between January 1 to December 31, 2022	2021
Operations cash flow		
Profit before tax	1 239 602,28	2 698 455,12
Corrections:		
Depreciations	131 361,98	149 449,67
Change in accruals	(80 704,50)	0
Financial income and cost	(21 865,19)	(68,517,77)
Other non-cash items	(63 473,05)	
Cash flow before change in working capital	1 204 921,52	2 779 387,02
Change in working capital:		
Addition to short-term receivables	196 507,13	(1 701 716,61)
Additions to short-term debt	2 661 204,66	539 070,03
Operations cash flow before financial items and tax	4 062 633,31	1 616 740,44
Business interests	(1 587,54)	39 425,79
Paid direct taxes	(809 171,75)	(573 575,60)
Operations cash flow	3 251 874,02	1 082 590,63
Investments cash flow		
Investments to tangible and intangible	(114 425,21)	(197 747,42)
Long-term loans to group companies	(3 400 000,00)	(802 868,65)
Change in subsidiary receivables	(410 840,94)	(1 497 381,32)
Interest income from subsidiaries	–	29 091,98
Investments cash flow	(3 925 266,15)	(2 468 905,41)
Funding cash flow		
Paid increase of equity	–	–
Change in long-term receivables	–	–
Funding cash flow	–	–
Change in cash position	(673 392,13)	(1 386 314,78)
Cash 1.1	3 004 195,55	4 390 510,33
Cash 31.12	2 330 803,42	3 004 195,55

Notes to Annual Accounts

Principles for accounting

Annual Accounts have been prepared according to current legislation and other stipulations regarding preparations of the Accounts.

All subsidiaries, Fluido Sweden AB, Fluido Norway A/S, Fluido Denmark A/S ja Fluido Slovakia s.r.o, Infosys Fluido UK Ltd ja Infosys Fluido Ireland Ltd have been consolidated into the consolidated accounts. Consolidations have been done according to acquisition method in accounting. All intra group ownership, receivables, debts, internal margins and other transactions have been eliminated. The foreign currency income statements of the subsidiaries have been combined with the average exchange rate of the Bank of Finland for 2022, and the balance sheets with the exchange rate of the balance sheet date of December 31, 2022.

Valuation principles for assets

Non-current assets are valued at cost minus depreciation.

Receivables and other financial assets have been valued as per Accounting Act Chapter 5 Section 2.

Depreciation methods

Asset are depreciated according to plan.

Depreciation schedule is :

Intangibles	5 years
Tangibles	25% residual depreciation
Goodwill	5 years

Statement of Profit and Loss – Additional information

Revenue by region

(In €)

Particulars	Group		Parent	
	2022	2021	2022	2021
Finland	21 138 206,86	19 276 514,14	21 138 206,86	19 276 514,14
Europe	20 345 176,63	17 925 697,56	5 971 243,79	3 862 191,88
Other	22 666 327,40	12 961 656,42	7 626 645,42	5 107 997,23
Total	64 149 710,89	50 163 868,27	34 736 096,07	28 246 703,34

Audit fees

(In €)

Particulars	Group		Parent	
	2022	2021	2022	2021
Audit	91 499,81	55 046,00	42 290,00	20 600,00
Other	1 924,46	1 675,00	–	–
Total	93 424,27	56 721,00	42 290,00	20 600,00

Balance Sheet – Additional information

Details of non-current assets

(In €)

Particulars	Group		Parent	
	2022	2021	2022	2021
Non-current assets				
Acq. cost at beginning of year	189 060,34	189 060,34	160 856,70	160 856,70
Additions	–	–	–	–
Acq cost December 31	189 060,34	189 060,34	160 856,70	160 856,70
Accumul. depreciation January 1	(170 359,50)	(138 951,23)	(160 856,70)	(131 000,60)
Depreciation cur. Year	(1 481,57)	(31 408,27)	–	(29 856,10)
Accumul. depreciation December 31	(171 841,07)	(170 359,50)	(160 856,70)	(160 856,70)
Currency difference	(1 025,67)	405,98	–	–
Accounting value December 31	16 193,60	19 106,82	–	–
Goodwill				
Acq. cost at beginning of year	3 297 388,62	3 297 388,62	–	–
Additions	–	–	–	–
Acq cost December 31	3 297 388,62	3 297 388,62	–	–
Accumul. depreciation January 1	(2 237 485,11)	(1 601 374,56)	–	–
Depreciation cur. Year	(544 412,79)	(636 110,55)	–	–
Accumul. depreciation December 31	(2 781 897,90)	(2 237 485,11)	–	–
Currency difference	33 069,81	47 900,01	–	–
Accounting value December 31	548 560,53	1 107 803,52	–	–
Machinery & equipment				
Acq. cost at beginning of year	1 130 165,74	834 946,92	795 007,85	597 260,43
Additions	218 440,62	295 218,82	114 425,21	197 747,42
Acq cost December 31	1 348 606,36	1 130 165,74	909 433,06	795 007,85
Accumul. depreciation January 1	(618 262,29)	(430 737,53)	(439 471,61)	(319 878,04)
Depreciation cur. year	(217 969,94)	(187 524,76)	(131 361,98)	(119 593,57)
Accumul. depreciation December 31	(836 232,23)	(618 262,29)	(570 833,59)	(439 471,61)
Currency difference	(6 636,25)	1 933,78	–	–
Accounting value December 31	505 737,88	513 837,23	338 599,47	355 536,24
Investments				
Acq. cost at beginning of year	–	–	3 679 706,31	3 679 706,31
Additions	–	–	802 868,65	–
Acq cost December 31	–	–	4 482 574,96	3 679 706,31

Prepayments and accrued income

(In €)

Particulars	Group		Parent	
	2022	2021	2022	2021
Unbilled sales	2 773 534,31	2 527 190,16	1 652 176,38	1 317 206,13
Tax related receivables	428 958 ,52	_	428 958 ,52	_
Other receivables	709 679,77	470 082,40	354 292,92	301 253,40
Total	3 912 172,60	2 997 272,56	2 435 427,82	1 618 459,53

Group structure

Fluido group ultimate parent is Infosys Ltd, domiciled in Bangalore, India. Infosys financial statements are available at Infosys Ltd web page www.infosys.com.

Ownership in other entities

(In €)

Name and residence	Ownership (%)
Fluido Sweden AB	100 %
Fluido Denmark A/S	100 %
Fluido Norway AS	100 %
Fluido Slovakia s.r.o	100 %
Infosys Fluido UK, Ltd	100 %
Infosys Fluido Ireland Ltd	100%

Receivables from group companies

(In €)

Particulars	2022	2021
Long term		
Capital loans	514 868,67	514 868,57
Other long-term loans	2 859 004,92	2 049 501,60
Infosys group	3 487 668,49	_
Total	6 861 542,08	2 564 370,17
Short term		
Trade receivables	2 861 524,10	4 647 604,38
Other receivables	–	462 878,14
TOTAL	2 861 524,10	5 110 482,52

Deferred taxes

Deferred tax is booked from temporary differences related to cost accruals. In group statements there are deferred tax bookings related to losses.

(In €)

Particulars	2022		2021	
	Group	Parent	Group	Parent
Tax for the year	1 248 135,57	284 884,44	1 130 345,42	573 575,60
Change in deferred taxes	(29 099,99)	(28 264,53)	121 245,20	(35 900,45)
TOTAL	1 219 035,58	256 619,91	1 251 590,62	537 675,15

Changes in equity

(In €)

Particulars	2022		2021	
	Group	Parent	Group	Parent
Share capital	2 500,00	2 500,00	2 500,00	2 500,00
Other reserves	5 508 279,64	5 499 123,10	5 508 280,03	5 499 123,10
Translation difference	(177 385,74)	–	(9 963,93)	–
Retained earnings	6 888 045,76	8 472 076,03	3 976 120,61	6 311 296,06
Dividends	–	–	–	–
Own share purchase	–	–	–	–
Profit for the year	3 121 230,69	982 982,37	2 911 925,15	2 160 779,97
Total available equity	15 340 170,35	14 954 181,50	12 386 361,86	13 971 199,13
Total equity	15 342 670,35	14 956 681,50	12 388 861,86	13 973 699,13

Calculation of distributable equity according to Company Act 13:5§ :

(In €)

Other reserves	5 499 123,10
Retained earnings	8 472 076,03
Profit for the year	982 982,37
Total available equity	14 954 181,50
Capitalised development costs	–
Total available equity for dividend	14 954 181,50

Debts to group companies

(In €)

Particulars	2022	2021
Creditors	2 318 888,87	1 015 208,63
Other group debt	–	–
Total	2 318 888,87	1 015 208,63

Other accrued debts

(In €)

Particulars	Group		Parent	
	2022	2021	2022	2021
Salary related	6 237 450,26	5 584 767,45	3 948 953,39	3 337 727,47
Tax related	722 379,18	95 165,55	(0,36)	95 165,55
Other	385 217,50	455 802,72	338 423,21	138 719,00
Total	7 345 046,94	6 135 735,72	4 287 376,24	3 571 612,02

Group transactions with related party

During the financial year, Fluido Oy had group sales worth € 1,22,13,252.36 and group purchases of € 33,60,177.89. Sales and purchases have been carried out at normal commercial terms.

Personnel

Average personnel

(In €)

Group		Parent	
2022	2021	**2022**	2021
458	382	**205**	194

Other liabilities

Keva (facilities landlord), rental guarantee for Espoo office € 1,22,541.81. Lease will end on February 28,2023. Fluido Oy can end lease by giving notice of three months and paying five months' rent. Future rent liability to Keva is € 1,99,036.30 eur and to others € 13,769.40. Company renewed lease and liability related to new lease is € 6,29, 950.08 from March 1,2023 onwards.

Guarantees and related party loans

The parent company has issued a letter of support providing the Fluido Denmark A/S with sufficient liquidity to meet its current and future liabilities as they fall due.

Fluido Oy has additionally given guarantee to support its fully owned subsidiary Fluido UK Limited in such a way, that Fluido UK is able to meet all its liabilities as they fall due for at least 12 months from the date of signing of the Annual Accounts.

Fluido Oy has granted to its 100% owned subsidiaries the following loans without collateral :

Loan to Fluido Sweden AB was € 5,14,868.67 and to Fluido UK Limited was € 28,59,004.92. Arm's length interest tied to Euribor and Libor is charged on both loans. Rates have varied between 1.4-1.8%. Loan capital will be repaid, when cash flow of the companies is at sufficient level.

Fluido Oy has also granted a capital loan of SEK53,33,203.10 to Fluido Sweden AB. The loan is considered equity in Fluido Sweden AB. Repayment of loan is subject to increase of equity at Fluido Sweden to a level that would allow repayment. Capital loan is interest free.

Fluido Oy has granted Infosys Automotive and Mobility GmbH & Co.KG:an unsecured loan € 60,00,000 no collateral loan, of which € 34,87,668.49 has been drawn. Market interest rate is applied which is 12-month euribor + 2.5%.

Fluido Norway AS has granted Infosys Automotive and Mobility GmbH & Co.KG:lle € 50,00,000 no collateral loan, of which € 26,00,000 has been drawn. Market interest rate is applied which is 12- month euribor + 2.5%.

Thomas Johanson
CEO

Dinesh Ramakrishna
Chairman of the Board

Jasmeet Singh
Board Member

Auditor signature

Audit statement has been given with this date

Jani Käsnänen, KHT
Auditia Oy, publicly certified auditing firm

List of Accounting Materials

Daily ledger	Electronic
General ledger	Electronic
Annual Accounts	Electronic / physical
Balance Sheet specifications	Electronic / physical

Various accounting material types and method of preserving

Sales invoices	Electronic
Purchase invoices	Electronic
E-invoices	Electronic
Travels expense claims	Electronic
Salaries	Electronic
Bank statements	Electronic
VAT calculations	Electronic
Periodical tax returns	Electronic

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Kaleidoscope Animations, Inc.

Independent Auditor's Report

To the Board of Directors of Kaleidoscope Animations, Inc.:

Opinion

We have audited the consolidated financial statements of Kaleidoscope Animations, Inc. and subsidiary (the "Company"), which comprises the consolidated Balance Sheets as of December 31, 2022 and 2021, and the related consolidated Statements of Income and Comprehensive Income, Changes in Stockholder's Equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, 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 for 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.

Emphasis of Matter

As discussed in Note 1 of the accompanying financial statements, the Company adopted Accounting Standard Update 2016-02—Leases (Topic 842), on January 1, 2022. Our opinion is not modified with respect to this matter.

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 one year after the date that the financial statements are available to be issued.

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 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.

Deloitte & Touche LLP

Date: May 25, 2023

Consolidated Balance Sheet

(In US$)

Particulars	As at December 31, 2022	2021
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	6,326,896	4,724,630
Contract receivables	8,951,250	7,004,060
Prepaid expenses and other current assets	386,572	268,191
Total current assets	15,664,718	11,996,881
PROPERTY AND EQUIPMENT—Net	940,748	1,061,073
OTHER ASSETS:		
Deposits	46,198	27,540
Deferred taxes—net	115,953	318,645
Operating lease right-of-use asset—net	1,803,085	–
Total other assets	1,965,236	346,185
TOTAL ASSETS	18,570,702	13,404,139
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES:		
Accounts payable	286,550	253,746
Accrued expenses	646,732	685,295
Short-term operating lease liability	461,619	–
Other short-term payable	18,360	108,212
Unearned revenue	1,312,072	818,033
Total current liabilities	2,725,333	1,865,286
LONG-TERM LIABILITIES—		
Operating lease liabilities—net of current portion	1,353,214	–
Total long-term liabilities	1,353,214	–
Total liabilities	4,078,547	1,865,286
STOCKHOLDER'S EQUITY:		
Common stock—authorized 429,150 shares, no par value; 429,150 shares issued and outstanding		
Additional paid-in capital	4,512,008	4,512,008
Retained earnings	9,980,147	7,026,845
Total stockholder's equity	14,492,155	11,538,853
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	18 570 702	13,404,139

See notes to consolidated financial statements.

Consolidated Statements of Income and comprehensive income

(In US$)

Particulars	For years ended December 31,			
	2022		2021	
	Amount	% of Revenue	Amount	% of Revenue
REVENUE	35,700,693	100.0 %	33,316,819	100.0 %
COST OF REVENUE	25,672,366	71.9	21,874,488	65.7
GROSS PROFIT	10,028,327	28.1	11,442,331	34.3
OPERATING EXPENSES:				
Salaries and related expenses	2,873,026	8.0	2,543,264	7.6
Occupancy and office expenses	1,113,460	3.3	781,641	2.3
Real estate and other taxes expenses	144,244	0.4	208,355	0.6
Travel, meals, and entertainment expenses	383,299	1.1	299,653	0.9
Information technology expenses	608,966	1.7	512,132	1.5
Insurance expenses	5,265		56,396	0.2
Departmental and other staff-related expenses	335,393	0.9	309,145	0.9
Professional fees	702,969	2.0	788,150	2.4
Total operating expenses	6,166,622	17.5	5,498,736	16.5
OPERATING INCOME	3,861,705	10.6	5,943,595	17.8
OTHER INCOME (EXPENSES):				
Other income	31,931	0.1		
Interest expenses			(3,507)	
Depreciation and amortization	(323,561)	(0.9)	(256,533)	(0.8)
Provision for income taxes	(616,773)	(1.7)	(424,166)	(1.3)
Total other income (expenses)	(908,403)	(2.6)	(684,206)	(2.1)
NET INCOME AND TOTAL COMPREHENSIVE INCOME	2,953,302	8.0 %	5,259,389	15.8 %

Consolidated Statements of Changes in Stockholder's Equity

(In US$)

Particulars	Paid In Capital	Retained Earnings	Total
Balance—January 1, 2021	4,512,008	1,767,456	6,279,464
Plus: net income and total comprehensive income		5,259,389	5,259,389
Balance—December 31, 2021	4,512,008	7,026,845	11,538,853
Plus: net income and total comprehensive income		2,953,302	2,953,302
Balance—December 31, 2022	4,512,008	9,980,147	14,492,155
See notes to consolidated financial statements.			

Consolidated Statements of Cash Flows

(In US$)

Particulars	For years ended December 31, 2022	2021
Cash flows from operating activities:		
Net income	2,953,302	5,259,389
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	323,561	256,533
Non-cash operating lease expense	11,748	–
Deferred income tax expense	202,692	(331,144)
Changes in operating assets and liabilities:		
Contract receivables	(1,947,189)	(1,104,663)
Other current assets	(118,381)	87,074
Change in deposits	(18,658)	(3,900)
Accounts payable	32,804	(234,056)
Accrued expenses	(38,563)	(153,443)
Other short-term payable	(89,852)	83,212
Unearned revenue	494,039	(25,975)
Net cash provided by operating activities	1,805,503	3,833,027
Cash flows from investing activities:		
Purchase of fixed assets	(203,237)	(286,787)
Proceeds from sales of fixed assets		
Net cash used in investing activities	(203,237)	(286,787)
Net increase in cash and cash equivalents	1,602,266	3,546,240
Beginning cash and cash equivalents	4,724,630	1,178,390
Ending cash and cash equivalents	6,326,896	4,724,630
Interest paid	–	3,507
Income taxes paid	692,428	818,473
Noncash financing and investing activities consist of:		
Operating lease right-of-use assets and liabilities	2,122,341	–

See notes to consolidated financial statements.

Notes to consolidated financial statements

1. Basis of presentation and summary of significant accounting policies

General Information

Kaleidoscope Animations, Inc. ("Animations" or the "Company") is a full-service insights, design, and development firm innovating across medical, consumer, and industrial markets.

These consolidated financial statements include the accounts of its wholly-owned subsidiary Kaleidoscope Prototyping ("Prototyping"), which manufacturers prototypes based on specifications requested by customers. All intercompany transactions have been eliminated. Animations and Prototyping are headquartered in Cincinnati, Ohio, with customer bases concentrated in southwest Ohio.

On October 9, 2020, Animations was purchased by Infosys Nova Holdings, LLC. However, Animations elected not to apply push-down accounting. Accordingly, the consolidated financial statements are presented at the Company's historical carrying amounts.

Basis of Accounting

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America using the accrual method of accounting.

Accounting Principles Adopted

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, Leases (Topic 842), which supersedes existing guidance for accounting for leases under Topic 840, Leases. FASB also subsequently issued the following additional ASUs, which amend and clarify Topic 842: ASU 2018-01, Land Easement Practical Expedient for Transition to Topic 842; ASU 2018-10, Codification Improvements to Topic 842, Leases; ASU 2018 11, Leases (Topic 842): Targeted Improvements; ASU 2018-20, Narrow-scope Improvements for Lessors; and ASU 2019-01, Leases (Topic 842): Codification Improvements. The most significant change in the new leasing guidance is the requirement to recognize right-of-use (ROU) assets and lease liabilities for operating leases on the Balance Sheet.

The Company adopted this ASU effective January 1, 2022, using the modified retrospective approach, and utilized the practical expedient to not recognize ROU assets and lease liabilities for leases within an initial term of 12 months or less on the Balance Sheets. In addition, the Company elected the transition package of three practical expedients permitted within the standard, which eliminated the requirements to reassess prior conclusions about lease identification, lease classification and initial direct costs. The adoption had a material impact on the Company's Balance Sheet but did not have a material impact on the statement of income. Upon adoption on January 1, 2022, the Company recognized ROU assets and lease liabilities of $1,882,927.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, amounts on deposit, and a certificate of deposit with an original maturity of less than three months at financial institutions.

Contract Receivables

Contract receivables are stated at their contractual outstanding balances, net of any allowance for doubtful accounts. Accounts are considered past due if any portion of an account has not been paid in full within the contractual terms of the account. Contract receivables are generally based on amounts billed and currently due from customers and amounts currently due but unbilled.

The Company begins to assess its ability to collect receivables that are more than 120 days past due and provides for an adequate allowance for doubtful accounts based on the Company's collection history, the financial stability and recent payment history of the customer, and other pertinent factors. Receivables are written off as uncollectible after the Company has used reasonable collection efforts and deems them uncollectible. Based on these criteria, no allowance for doubtful accounts has been provided at December 31, 2022 and 2021.

It is management's policy not to accrue interest on past-due accounts as they are typically difficult to collect. There was no bad debt expense for the years ended December 31, 2022 and 2021.

Property and Equipment

Property and equipment are presented at cost less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which range from 3 to 15 years for furniture and equipment and software and 15 years for leasehold improvements. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in the income statement for the period. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized.

Leases

The Company leases certain buildings and equipment. The determination of whether an arrangement is a lease is made at the lease's inception. Under Accounting Standards Codification (ASC) 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Operating leases are included in operating lease right-of-use assets, net, short-term operating lease liability, and operating lease liabilities, net of current portion in the Balance Sheet.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Company uses the implicit rate when it is readily determinable. As most of the Company's leases do not provide an implicit rate, the Company adopted the accounting policy election to use the risk-free rate for a term similar to the related lease term. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise those options.

The Company has lease agreements with lease and non-lease components, which are generally accounted for separately with amounts allocated to the lease and non-lease components based on stand-alone prices.

Certain building lease agreements include provisions for variable rent payments, which relate to real estate taxes paid under two leases. As these amounts vary from year-to-year, these variable costs are expensed as incurred. None of the Company's lease agreements contain any material residual value guarantees.

The Company has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right-of-use assets on the Balance Sheets.

Revenue, Cost Recognition and Contract Assets and Liabilities

The Company follows the practical expedient whereby costs incurred to obtain a contract are expensed as incurred when the amortization period is one year or less. All of the Company's revenue is recognized over time as the Company satisfies its performance obligations by performing consulting services, on-site services to customers, or prototyping work. There are no performance obligations satisfied at a point in time.

For contracts based on time and materials, revenue is recorded as the hours are incurred. For fixed rate contracts, the Company recognizes revenue over time as performance obligations progress under statements of work or purchase orders primarily based on labor hours incurred or milestones reached. The revenue earned in a period is based on the ratio of hours incurred to total estimated hours required by the contract, as the Company believes this output method best depicts the transfer of value to the customer. The majority of the projects do not contain variable consideration.

Contracts are billed as work progresses in accordance with agreed-upon contractual terms at periodic intervals or upon achievement of contractual milestones. Billings do not necessarily correlate with revenues recognized under the labor hours output method. The Company records contract assets and contract liabilities to account for these differences in timing.

Income Taxes

Through October 8, 2020, the Company was an S corporation for income tax purposes. In lieu of corporate federal and state income taxes, the owners are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal or state income taxes related to the Company has been included in these consolidated financial statements through October 8, 2020.

In conjunction with Animation's acquisition by Infosys Nova, LLC on October 9, 2020, the Company changed its status from an S corporation to a C corporation. Provisions for income taxes are based on taxes payable or refundable for the current year and deferred taxes on temporary differences between the amount of taxable income and pretax financial income and between the tax bases of assets and liabilities and their reported amounts in the financial statements. Deferred tax assets and liabilities are included in the consolidated financial statements at currently enacted income tax rates applicable to the period in which the deferred tax assets and liabilities are expected to be realized or settled as prescribed in FASB ASC 740, Income Taxes. As changes in the tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes.

In assessing the realizability of deferred tax assets, management considers the likelihood that some or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of temporary differences and projected future taxable income in making this assessment.

Uncertain Tax Positions

The Company is required to recognize, measure, classify, and disclose in the consolidated financial statements uncertain tax positions taken or expected to be taken in the Company's tax returns. Management has determined that the Company does not have any uncertain tax positions and associated unrecognized benefits that materially impact the consolidated financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Company's tax returns will not be challenged by the taxing authorities and that the Company will not be subject to additional tax, penalties, and interest as a result of such challenge. The Company believes it is no longer subject to income tax examinations for years ended prior to December 31, 2018. The Company's policy with regard to interest and penalty, if incurred, is to recognize interest through interest expense and penalties through other expenses.

Advertising Costs

Advertising is expensed as incurred. Advertising costs for the year ended December 31, 2022, were $169,041 (2021—$10,129) and are included in occupancy and office expenses in the consolidated statement of income and comprehensive income.

Impairment of Long-Lived Assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by 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 amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less the costs to sell. Management has determined that no impairment exists at December 31, 2022 or 2021.

Recently Issued Significant Accounting Standards

In June 2016, the FASB issued its final standard on measurement of credit losses on financial instruments. This standard, issued as ASU 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, requires that an entity measure impairment of certain financial instruments, including trade receivables, based on expected losses rather than incurred losses. This update is effective for financial statement periods beginning after December 15, 2022, with early adoption permitted. The Company is currently in the process of evaluating the impact of adoption of this ASU on its consolidated financial statements.

2. Contract receivables and contract liabilities

Contract Receivables, net on the Balance Sheet consist of the following:

(In US$)

Particulars	As at December 31,	
	2022	2021
Contracts in progress—billed	8,304,156	6,682,483
Contracts in progress—unbilled	647,094	321,577
	8,951,250	7,004,060

The Company's only contract liability is unearned revenue, which represents payments received in advance of services performed. The following table depicts activities for contract liabilities:

(In US$)

Balance at December 31, 2020	Refunds Issued	Revenue Recognized Included in December 31, 2020 Balance	Cash Received in Advance of Performance	Balance at December 31, 2021
844,088	–	844,088	818,033	818,033

Balance at December 31, 2021	Refunds Issued	Revenue Recognized Included in Dec. 31, 2021 Balance	Cash Received in Advance of Performance	Balance at December 31, 2022
818,033	–	818,033	1,312,072	1,312,072

The Company expects to recognize the balance in unearned revenue as revenue within the next year.

3. Property and equipment

At year-end, property and equipment consisted of:

(In US$)

Particulars	As at December 31,	
	2022	2021
Furniture and equipment	1,906,899	1,703,663
Leasehold improvements	36,510	36,510
Software	8,870	8,870
Subtotal	1,952,279	1,749,043
Less: accumulated depreciation	(1,011,531)	(687,970)
Net book value	940,748	1,061,073

Depreciation expense for the years ended was $323,561 and $256,533, for 2022 and 2021, respectively.

4. Income taxes

As discussed in Note 1, Animations was purchased by Infosys Nova, LLC on October 9, 2020, and the Company changed its status from a S corporation to a C corporation. At that time, the Company became subject to and pays taxes as a C corporation. The Company recognized a net deferred tax liability in the amount of $87,392 for existing temporary differences at the time of the change in tax status.

The provision for taxes on income consists of the following:

(In US$)

Particulars	As at December 31,	
	2022	2021
Current tax expense:		
Federal	288,195	659,502
State	125,886	95,808
	414,081	755,310
Deferred tax benefit (expense):		
Federal	178,312	(286,528)
State	24,380	(44,616)
	202,692	(331,144)
Total provision for income taxes	616,773	424,166

FASB ASC requires the following disclosure of the Company's total deferred tax assets and liabilities at year-end:

(In US$)

Particulars	As at December 31,	
	2022	2021
Deferred tax asset:		
Accrued expenses	21,946	92,053
Rou liabilities	453,708	
Intangibles	1,022,654	764,585
	1,498,308	856,638
Deferred tax liability:		
Property and equipment, net	(235,187)	(257,522)
Goodwill	(683,500)	(273,965)
Rou assets	(450,771)	
Other current assets	(12,897)	(6,506)
	(1,382,355)	(537,993)
Net deferred tax asset	115,953	318,645

There were no valuation allowances for deferred tax assets at December 31, 2022 and 2021. There are no net operating loss carryforwards. Management does not believe that any reasonably possible changes will occur within the next 12 months that will have a material impact on the consolidated financial statements.

5. Concentrations, risks and uncertainties

The Company maintains cash balances at one financial institution. At times, the cash account may exceed federally insured limits of $250,000. At December 31, 2022, the amount uninsured was $3,928,269 (2021—$4,355,492).

The Company generated approximately 59% of its external sales from three customers during 2022 (2021—56% from three customers). The top three customers represent 34%, 13%, and 12% of external sales (2021—28%, 15%, and 13%). At December 31, 2022, approximately 75% of Contract Receivables are due from three customers (2021—71% from three customers). The top three customers represent 62%, 8%, and 6% of Contract Receivables (2021—50%, 16%, and 5%).

6. Retirement plan

The Company sponsors a 401(k) retirement plan covering all employees who are 21 years old and have completed at least one year of service based on employment status of at least 1,000 service hours per year. Employees may enter the plan on either January 1, April 1, July 1, or October 1. Participants are vested over a six-year period at 20% per year beginning in year two. There is also a discretionary employer match in which the Company has the discretion to make a matching contribution to the plan in a pro rata formula based on compensation. There was $213,281 of discretionary contributions expensed in the consolidated statement of income and comprehensive income in cost of revenue and salaries and related expenses on behalf of the Company's employees in 2022 (2021—$169,899).

7. Leasing activities

Other than short-term leases, the Company is a party to five operating leases, with lease terms ranging from two to eight years. The Company leases its corporate headquarters and the buildings in which it operates and also leases equipment for use in its labs.

The quantitative information concerning the Company's operating leases for the year ended December 31, 2022 is as follows:

(In US$)

Lease costs included in occupancy and office expenses:	
Operating lease cost	380,325
Short-term lease cost	19,600
Variable lease cost	60,100
Net lease costs	460,025
Other information:	
Operating lease—operating cash flows (fixed payments)	444,378
Operating lease—operating cash flows (liability reduction)	383,309

The weighted average remaining lease term and discount rate as of December 31, 2022 is as follows:

Weighted average lease term—operating leases	4.87 years
Weighted average discount rate—operating leases	4.00 %

Maturities of Lease Liabilities as of December 31, 2022 were as follows:

	(In US$)
2023	511,394
2024	409,254
2025	269,298
2026	264,012
2027	271,001
Thereafter	230,689
Total lease payments	1,955,648
Less: interest	(140,815)
Present value of lease payments	1,814,833

8. Related party transactions

During the year ended December 31, 2022, the Company generated $4,213,891 (2021—$1,505,025) of revenue from entities affiliated with Infosys Nova Holdings, LLC. Included in contract receivables at December 31, 2022 is $693,255 (2021—$373,131) due from Infosys. The Company provided product development, design and engineering services as part of various medical technology and industrial customer solutions.

Related party payables due to Infosys were $75,241 at December 31, 2022 (2021—$0).

9. Subsequent events

In preparing these consolidated financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through May 25, 2023, the date the consolidated financial statements were available to be issued. Management has determined that there were no events that occurred that require additional disclosure.

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Infosys Technologies (Sweden) AB

Independent Auditor's Report

To the general meeting of the shareholders of Infosys Technologies (Sweden) AB corporate identity number 556779-1040

Report on the annual accounts

Opinions

We have audited the annual accounts of Infosys Technologies (Sweden) AB for the financial year 2022-01-01 - 2022-12-31.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Infosys Technologies (Sweden) AB as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Infosys Technologies (Sweden) AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

Responsibilities of the Board of Directors

The Board of Directors are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, The Board of Directors are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors intends to liquidate the company, to cease operations, or has no realistic alternative but to do so. The going concern basis of accounting is however not applied if the Board of Directors intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden 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 annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, 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 opinions. 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 the company's internal control relevant to our 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 Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any 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 annual accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts. 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 annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors of Infosys Technologies (Sweden) AB for the financial year 2022-01-01 - 2022-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Infosys Technologies (Sweden) AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors in any

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Östersund, 2023

Deloitte AB

Signature on Swedish original

Jonas Lindgren

Authorized Public Accountant

Date: May 26, 2023

Directors' Report

Information about the company

The company offers comprehensive technical solutions where the company's customers can improve their business results. The company's business is to provide solutions that covers the entire software lifecycle regarding technical consulting, design, development, change, maintenance, system integration, package evaluation and implementation, testing and infrastructure management.

The company is headquartered in Stockholm.

Significant events during the financial year

No significant events during the financial year.

Expected future prospects and significant risks and uncertainties.

The impact of Covid-19 has come to an end from financial year 2022 and the company is forecasting stable growth in the future.

(in SEK '000)

Multi-year overview (Tkr)	2022	2021	2020	2019	2018
Net turnover	256,566	225,745	143,030	74,056	82,170
Profit / loss after financial items	62,472	41,292	19,041	6,596	2,817
Balance Sheet total	257,797	172,495	145,895	55,530	49,557
Equity / assets ratio (%)	59.41%	58.48%	41.58%	74.98%	70.70%
Number of employees	37	34	31	44	52

Changes in equity

(In SEK)

Particulars	Share capital	Retained Profit / loss	Profit / loss this year	Total
Amount at the opening of the year	100,000	60,575,487	40,207,972	100,883,459
	–	40,207,972	(40,207,972)	–
Profit / loss for the year	–	–	52,287,174	52,287,174
Amount at the closing of the year	100,000	100,783,459	52,287,174	153,170,633

Proposals for profit allocation

The Board of Directors recommends that the profit / loss and brought forward profits available for disposition (SEK):

(In SEK)

Profit carried forward	100,783,459
Profit for the year	52,287,174
	153,070,633
Be distributed so that they are:	
Carried over	153,070,633

The company's earnings and financial position in general are indicated in the following income statement and Balance Sheet as well as the cash flow analysis with notes.

Income statement

(In SEK)

Particulars	Note	Years ended December 31,	
		2022	2021
Net turnover	2	256,556,365	225,744,823
Total operating income		256,556,365	225,744,823
Operating expenses			
Other external costs	3, 4	(128,070,313)	(128,593,880)
Personnel costs	5	(58,999,726)	(53,599,132)
Depreciation / amortization and impairment of property, plant and equipment and intangible assets		(33,604)	(33,604)
Total operating expenses		(187,103,643)	(182,226,616)
Operating profit / loss	6	69,452,722	43,518,207
Fnancial items			
Other interest income and similar profit / loss items	7	204,054	–
Interest expense and similar profit / loss items	8	(4,184,055)	(2,226,467)
Total financial items		(3,980,001)	(2,226,467)
Profit / (loss) before tax		65,472,721	41,291,740
Tax on profit for the year	9	(13,185,547)	(1,083,768)
Net profit / loss for the year		52,287,174	40,207,972

Balance Sheet

(In SEK)

Particulars	Note	As at December 31, 2022	2021
Assets			
Fixed assets			
Tangible fixed assets			
Equipment, tools and installations	10	61,238	94,842
		61,238	94,842
Financial assets			
Deferred tax assets	11	55,671	49,067
Other long-term receivables	12	6,196,842	400,000
		6,252,513	449,067
Total fixed assets		6,313,751	543,909
Current assets			
Current receivables			
Accounts receivable		45,241,540	22,707,509
Receivables from group companies		108,158,417	76,733,229
Current tax assets		–	579,689
Deferred expenses and accrued income	13	24,259,683	19,535,517
		177,659,640	119,555,944
Cash on hand and in bank		66,095,780	52,394,850
Total current assets		243,755,420	171,950,794
Total assets		250,069,171	172,494,703
Equity and liabilities			
Equity	14, 20		
Restricted reserves			
Share capital		100,000	100,000
		100,000	100,000
Non-restricted equity			
Retained earnings or losses		100,783,459	60,575,487
Profit / loss for the year		52,287,174	40,207,972
		153,070,633	100,783,459
Total equity		153,170,633	100,883,459
Current liabilities			
Accounts payable		2,749,907	898,929
Liabilities to group companies		33,678,603	16,460,577
Current tax liabilities		3,806,444	–
Other liabilities		19,291,910	14,764,189
Accrued expenses and deferred income	15	37,371,674	39,487,549
Total current liabilities		96,898,538	71,611,244
Total equity and liabilities		250,069,171	172,494,703

Cash flow analysis

(In SEK)

Particulars	Note	Years ended December 31, 2022	2021
Current activities			
Profit / loss after financial items		65,472,721	41,291,740
Adjustments for items not included in the cash flow	16	4,217,659	2,260,072
Tax paid		(8,806,018)	(3,386,169)
Cash flow from operating activities before change in working capital		60,884,362	40,165,643
Cash flow from change in the working capital			
Change in customers' accounts receivable		(22,534,031)	39,407,225
Change in current receivables		(36,149,354)	(56,360,697)
Change in current liabilities		17,296,795	(14,161,357)
Cash flow from operating activities		19,497,772	9,050,814
Investment activities			
Investments in financial assets		(5,796,842)	–
Cash flow from investment activities		(5,796,842)	–
Change in cash and cash equivalents		13,700,930	9,050,814
Cash and cash equivalents at beginning of year	17	52,394,850	43,344,036
Cash and cash equivalents at year-end		66,095,780	52,394,850

Notes

Note 1 Accounting and valuation principles

General information

The Annual Report is prepared in accordance with the Swedish Annual Accounts Act and BFNAR 2012:1 Annual Reporting and consolidated reports (K3).

Receivables and liabilities in foreign currencies have been valued at the closing rate of exchange. Profit on exchange and exchange loss on operating receivables and liabilities are reported in the operating result.

The accounting principles remain unchanged as compared to the previous year.

Revenue recognition

Revenue has been raised to the fair value of consideration received or receivable, and is recognized to the extent that it is probable that the economic benefits will be available to be used by the company and the revenue can be measured reliably.

Fixed assets

Intangible and tangible fixed assets are posted at the acquisition value less accumulated depreciation and any write-downs.

Depreciation is done on a straight-line basis over the estimated useful life of the asset, taking the significant residual value into account. The following depreciation percentage is applied:

Tangible fixed assets

Equipment, tools and installations	20%

Financial instruments

Receivables are reported as current assets with the exception of items with a due date of more than 12 months after the Balance Sheet date, which are classified as fixed assets.

Claims are taken into account to the expected amount to be paid after deduction for individually assessed bad debts.

Leasing agreements

When the risks and rewards related to the leased assets are transferred to the lessee, the agreements are classified as finance leases. On initial recognition, it is accounted as receivable in the Balance Sheet. Direct expenditure incurred in connection with the company include finance lease, which are distributed over the entire term of the lease. On subsequent reporting opportunity, the finance income is distributed, attributable to the agreement, over the lease period so that an equal remuneration is obtained.

When the risks and rewards associated with the asset have not been transferred to the lessee, the lease are classified as an operating lease. The assets of the company are the lessor is accounted for as fixed assets or current assets dependent on when the lease term expires. The leasing fee is determined annually and is reported on a straight-line basis over the lease term.

Income taxes

Total tax consists of current tax and deferred tax. Taxes are reported in the income statement, except when the underlying transaction is reported directly in equity, whereby the associated tax effects are reported in equity.

Current tax

Current tax refers to income tax for the current financial year and the part of the income tax that has not yet been reported. Current tax is calculated based on the tax s as per Balance Sheet date.

Employee remuneration

Remuneration to employees in the form of wages, bonuses, paid vacation, sick leave etc. is reported in line with earnings.

Cash flow analysis

Cash flow statement is prepared using the indirect method. The reported cash flow includes only transactions that involve receipts or disbursements.

Definition of key business ratios

Net turnover

Main operating revenues, invoiced expenses, side income and revenue adjustments.

Profit/loss after financial items

Profits after financial items and costs but before appropriations and taxes.

Balance Sheet total

Company's gathered assets.

Equity / assets ratio (%)

Adjusted equity (equity and untaxed reserves with deductions for deferred tax) as a percent of the Balance Sheet total.

Number of employees

Average number of employees during the financial year.

Note 2 Net turnover distribution

(In SEK)

Particulars	Years ended December 31,	
	2022	2021
Net turnover per line of business		
Sweden	252,467,400	220,991,562
United Kingdom	7,315	3,558,485
Rest of Europe	4,046,862	1,194,776
USA	560	–
Brazil	34,228	–
	256,556,365	225,744,823

Note 3 Leasing agreement

Leasing costs for the year pursuant to lease agreements amount to SEK 1,989,403 (SEK 3,215,328).

Future leasing fees that mature, as regards non-terminable leasing agreements, are as follows:

(In SEK)

Particulars	Years ended December 31,	
	2022	2021
Within 1 year	2,632,212	2,647,456
Later than one year, but within five years	219,351	2,202,814
	2,851,563	4,850,270

Note 4 Remuneration to auditors

Audit assignment refers to inspection of the Annual Report and the accounting as well as the reports of the Board of Directors, other tasks fulfilled by the company auditor, as well as counselling or other assistance deriving from observations made in the course of the inspection or fulfilment of such other tasks.

(In SEK)

Particulars	Years ended December 31,	
	2022	2021
Deloitte AB		
Audit engagement	159,000	159,000
	159,000	159,000

Note 5 Employees and personnel costs

(In SEK)

Particulars	Years ended December 31,	
	2022	2021
Average number of employees		
Women	7	7
Men	30	27
	37	34
Salaries and other remunerations		
Other employees	41,990,182	36,238,104
	41,990,182	36,238,104
Social security expenses		
Pension costs for other employees	6,808,472	6,459,761
Other social security expenses pursuant to law and contracts	10,201,072	10,901,267
	17,009,544	17,361,028
Total salaries, remunerations, social security expenses and pension costs	58,999,726	53,599,132

Particulars	Years ended December 31,	
	2022	2021
Sex distribution among leading clerks		
Proportion of men in the Board of Directors	100 %	100 %
Proportion of men among managing clerks	100 %	100 %

Note 6 Purchases and sales between group companies

(In SEK)

Particulars	Years ended December 31,	
	2022	2021
Share of the total acquisitions for the year made by other companies within the group	57.25 %	60.80 %
Share of the total sales for the year made to other companies within the group	25.56 %	24.50 %

Note 7 Other interest income and similar profit / loss items

(In SEK)

Particulars	Years ended December 31,	
	2022	2021
Other interest income	204,054	–
	204,054	–

Note 8 Other interest income and similar profit / loss items

(In SEK)

Particulars	Years ended December 31,	
	2022	2021
Exchange differences	(4,184,055)	(2,226,467)
	(4,184,055)	(2,226,467)

Note 9 Current and deferred tax

(In SEK)

Particulars	Years ended December 31,	
	2022	2021
Tax on profit for the financial year		
Current tax	(13,292,811)	(1,132,835)
Adjustment for the previous year	100,660	–
Deferred tax	6,604	49,037
Total tax expense	(13,185,547)	(1,083,798)

Reconciliation of effective tax

(In SEK)

Particulars	2022		2021	
	Percent	Amounts	Percent	Amounts
Reported profit before tax		65,472,720		41,291,740
Tax at applicable tax rate	20.6%	(13,487,380)	20.6%	(8,506,098)
Non-deductible expenses	–	–	–	(8,495)
Adjustment for taxes for the previous year	(0.5%)	301,833	–	–
During the year utilization of prior year tax loss carryforwards, which value is not recognized as an asset	–	–	(18%)	7,450,060
Other	–	–	–	(19,235)
Reported effective tax	20.1%	(13,185,547)	2.6%	(1,083,768)

Note 10 Equipment, tools and installations

(In SEK)

Particulars	As at December 31,	
	2022	2021
Acquisition value, opening balance	167,980	167,980
Accumulated acquisition value, closing balance	167,980	167,980
Depreciation, opening balance	(73,138)	(39,533)
Depreciation for the year	(33,604)	(33,605)
Accumulated depreciation, closing balance	(106,742)	(73,138)
Book value, closing balance	61,238	94,842

Note 11 Deferred tax liability

(In SEK)

Particulars	As at December 31,	
	2022	2021
Balance at beginning of year	49,067	–
Provisions for the year	6,604	49 067
Uncommitted amount during the year	–	–
Balance at the end of the year	55,671	49 067

Note 12 Other long-term receivables

(In SEK)

Particulars	As at December 31,	
	2022	2021
Acquisition value, opening balance	400,000	400,000
Incoming accounts	5,796,842	–
Accumulated acquisition value, closing balance	6,196,842	400,000
Book value, closing balance	6,196,842	400,000

Note 13 Deferred expenses and accrued income

(In SEK)

Particulars	As at December 31,	
	2022	2021
Other prepaid expense	6,094,642	2,543,292
Accrued income	18,165,041	16,992,225
	24,259,683	19,535,517

Note 14 Number of shares and the ratio value

(In SEK)

Name	Number of shares	Quota value
Number of A-shares	1,000	100
	1,000	–

Note 15 Accrued expenses and deferred income

(In SEK)

Particulars	Years ended December 31,	
	2022	2021
Salaries	4,926,414	2,661,773
Holiday salaries	4,471,436	6,199,396
Other expenses	13,537,541	7,587,344
Prepaid income	14,436,283	23,039,036
	37,371,674	39,487,549

Note 16 Adjustments for items not included in the cash flow

(In SEK)

Particulars	Years ended December 31,	
	2022	2021
Profit on exchange	33,605	33,605
Exchange loss	4,184,055	2,226,467
	4,217,660	2,260,072

Note 17 Liquid assets

(In SEK)

Particulars	Years ended December 31, 2022	2021
Liquid assets		
Bank deposits	**66,095,780**	52,394,850
	66,095,780	52,394,850

Note 18 Information on the parent company

Infosys Technologies (Sweden) AB is a subsidiary to Infosys Ltd. (L85110KA1981PLC013115), with headquarters in India.

The parent company prepare consolidated accounts in which Infosys Technologies (Sweden) AB is included.

Note 19 Significant events after the financial year

No significant events after the financial year.

Note 20 Appropriation of profit or loss

(In SEK)

Particulars	Year ended December 31, 2022
Proposals for profit allocation	
The Board of Directors recommends that the profit / loss and brought forward profits available for disposition:	
profit carried forward	100,783,459
profit for the year	52,287,174
	153,070,633
be distributed so that they are: carried over	153,070,633

Stockholm 2023

Karmesh Gul Vaswani
Chairman

Ruchir Budhwar
Board Memeber

Our audit report was submitted May 26, 2023

Deloitte AB

Jonas Lindgren
Authorized Public Accountant

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Infosys Management Consulting Pty Ltd

Independent Auditor's Report

To the Members of Infosys Management Consulting Pty Limited

Opinion

We have audited the financial report of Infosys Management Consulting Pty Limited (the "Entity") which comprises the statement of financial position as at 31 December 2022, 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 a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of the Entity is in accordance with the Corporations Act 2001, including:

- Giving a true and fair view of the Entity's financial position as at 31 December 2022 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards – Simplified Disclosure Requirements and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Entity 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.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Entity's annual report for the year ended 31 December 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosure Requirements and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Entity 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 Entity 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte Touche Tohmatsu

Rajnil Kumar
Partner

Chartered Accountants

Paramatta

May 23, 2023

Directors report

The Directors present their report together with the Financial Report of Infosys Management Consulting Pty Ltd (the Company), for the financial year ended December 31, 2022 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. Geoffrey Anton Leong	Appointed 16 May 2016
Mr. Roger Gibson	Resigned 17 December 2021

2. Company secretary

Mr. Roger Gibson was appointed as Company Secretary on August 9, 2019 and resigned with effect from December, 17 2021.

3. Principal activities

Infosys Management Consulting Pty Ltd. supports clients in designing and delivering simple and pragmatic solutions to their complex business problems. The focus is set on processes, data and systems, enabling operating models, which work pragmatically and efficiently in today's complex and global business environment.

The strategy of the business is remaining cost competitive and to increase the market share by owning our client's business challenges, identifying new opportunities, and reimagine business solutions to help create new markets and disrupt existing ones.

There were no significant changes in the nature of the activities of the Company during the year.

4. Dividends

During the financial year ended December 31, 2022, a dividend of $2,800,000 at 30% corporate income tax rate was paid to the holders of fully paid ordinary shares on June 14, 2022.

5. Operating and financial review

The profit after tax for the year ended December 31, 2022 amounted to $1,811,404 (2021 Profit after tax of 1,695,546). This was primarily a result of an increase of revenue from $33,450,435 in year 2021 to $36,272,899 in year 2022. Gross margin has remained consistent at 13%.

6. 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.

7. Events subsequent to reporting date

No matters or circumstances have arisen since the end of the financial year and the date of this report, which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

8. Likely developments

The Company will continue to pursue its policy of 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.

9. 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.

10. Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 29 and forms part of the directors' report for the financial year ended 31 December 2022.

11. Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19)

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. The Company expects to recover the carrying amount of the assets and will continue to closely monitor any material changes to future economic conditions.

The Company has concluded that the impact is not material on any of the estimates, including the revenue forecast, in preparing the financial statements.

This report is made with a resolution of the directors:

Geoffrey Leong

Director

Dated in Sydney this 23rd day of May 2023.

Statement of financial position

(In AUD)

Particulars	Note	As at December 31, 2022	As at December 31, 2021
Assets			
Current assets			
Cash and cash equivalents	8	6,544,487	8,010,038
Trade and other receivables	9	3,677,931	2,723,850
Current tax Assets		454,617	240,914
Other assets		32,527	14,240
Total current assets		10,709,562	10,989,042
Non-current assets			
Property, plant and equipment	10	148,869	84,758
Other assets	7a	837,750	988,372
Total non-current assets		986,619	1,073,130
Total assets		11,696,181	12,062,172
Liabilities			
Current liabilities			
Trade payables	11	(264,127)	(410,217)
Other payables	12	(2,222,287)	(1,334,654)
Provisions	13	(2,503,965)	(2,596,430)
Total current liabilities		(4,990,379)	(4,341,301)
Non-current liabilities			
Provisions	13	(366,266)	(392,739)
Total non-current liabilities		(366,266)	(392,739)
Total liabilities		(5,356,645)	(4,734,040)
Net assets		6,339,536	7,328,132
Equity			
Issued capital	14	3,500,300	3,500,300
Retained earnings		2,839,236	3,827,832
Total equity		6,339,536	7,328,132

The notes on pages 582 to 594 are an integral part of these financial statements.

Statement of Profit and Loss and other comprehensive income

(In AUD)

Particulars	Note	As at December 31,	
		2022	2021
Revenue	5	36,272,899	33,450,435
Cost of sales	6b	(31,464,494)	(28,988,695)
Gross profit		4,808,405	4,461,740
Administrative expenses	6d	(853,148)	(791,573)
Other expenses	6c	(1,349,010)	(1,193,092)
Operating profit		2,606,247	2,477,075
Investment Income	6a	9,953	–
Other gains and losses	6f	(18,170)	(27,142)
Net finance costs		(8,217)	(27,142)
Profit before tax		2,598,030	2,449,933
Income tax expense	7b	(786,626)	(754,387)
Profit for the year		1,811,404	1,695,546
Other comprehensive income, net of tax		–	–
Total comprehensive income		1,811,404	1,695,546

The notes on pages 582 to 594 are an integral part of these financial statements.

Statement of changes in equity

(In AUD)

Particulars	Share capital	Retained earnings	Total Equity
Balance at January 1, 2021	3,500,300	2,132,286	5,632,586
Total other comprehensive income	–	–	–
Profit for the year	–	1,695,546	1,695,546
Total comprehensive income for the year	–	1,695,546	1,695,546
Transactions with owners of the Company	–		
Issue of ordinary shares	–	–	–
Total transactions with owners of the Company	–	–	–
Balance at December 31, 2021	3,500,300	3,827,832	7,328,132
Balance at January 1, 2022	3,500,300	3,827,832	7,328,132
Total other comprehensive income	–	–	–
Profit for the year	–	1,811,404	1,811,404
Total comprehensive income for the year	–	1,811,404	1,811,404
Transactions with owners of the Company	–		
Dividends paid to owners of the Company (Refer to Note 23)	–	(2,800,000)	(2,800,000)
Total transactions with owners of the Company	–	(2,800,000)	(2,800,000)
Balance at December 31, 2022	3,500,300	2,839,236	6,339,536

The notes on pages 582 to 594 are an integral part of these financial statements.

Statement of cash flows

(In AUD)

Particulars	Note	As at December 31, 2022	2021
Cash flows from operating activities			
Cash receipts from customers		35,300,531	32,718,039
Cash paid to suppliers and employees		(32,990,534)	(31,440,295)
Cash (used in)/generated from operations		2,309,997	1,277,744
Interest (paid)/received net		(8,973)	(15,813)
Income tax (paid)/refund received		(849,708)	(1,131,172)
Net cash from operating activities	16	1,451,316	130,759
Cash flows from investing activities			
Purchase of property, plant and equipment		(116,867)	(96,057)
Net cash used in investing activities		(116,867)	(96,057)
Cash flows from financing activities			
Dividends paid to owners of the Company	23	(2,800,000)	–
Net cash used in financing activities		(2,800,000)	–
Net increase/(decrease) in cash and cash equivalents		(1,465,551)	34,702
Cash and cash equivalents at January 1		8,010,038	7,975,336
Cash and cash equivalents as at December 31		6,544,487	8,010,038

The notes on pages 582 to 594 are an integral part of these financial statements.

Notes to the financial statements

1. Reporting entity

Infosys Management Consulting Pty Ltd (the "Company"), is a Company domiciled in Australia. The address of the Company's registered office is Level 3, 100 Arthur Street, PO Box 1885, North Sydney, NSW 2060 with effective from May 1, 2020. The financial statements of the Company are as at and for the year ended December 31, 2022. The Company is a for-profit entity and is primarily involved in specialized IT consulting service.

2. Basis of preparation

(a) Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with Corporations Act 2001 and Australian Accounting Standards – Simplified Disclosure Requirements ("SDR") and comply with other requirements of the law.

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) under the SDR framework.

The annual financial statements were authorized by the directors on May 23, 2023.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis, unless otherwise indicated.

(c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with AASB requires management to make judgements, estimates and assumptions that affect the application of 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 estimates are revised and in any future periods affected.

(e) Assumptions and estimation uncertainties

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. The Company expects to recover the carrying amount of the assets and will continue to closely monitor any material changes to future economic conditions.

The Company has concluded that the impact is not material on any of the estimates, including the revenue forecast, in preparing the financial statements.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Company.

(a) Foreign currency

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 retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the year. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Exchange differences arising on the translation of non-monetary items are recognized directly in equity to the extent that the gain or loss is directly recognized in equity, otherwise the exchange difference is recognized in profit or loss.

(b) Financial Instruments

AASB 9 Financial Instruments: Classification and Measurement (effective for annual periods beginning on or after January 1, 2018) – AASB 9 was issued by the IASB in November 2009 and amended in November 2013 to include the new requirements for general hedge accounting. Another revised version of AASB 9 was issued in July 2014 mainly to include, a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments. In relation to the impairment f financial assets, AASB 9 requires an expected credit loss model.

(i) Financial assets

The Company initially recognizes loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and 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 on a net basis or to realize the asset and settle the liability simultaneously.

The Company has the following financial assets:

Financial Assets

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Company in the management of its short-term commitments in the current liabilities on the Balance sheet.

(ii) Financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company classifies financial liabilities into the other financial liabilities category. Such financial liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest rate method. Other financial liabilities comprise loans and borrowings and trade and other payables.

(c) Share Capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effect.

(d) 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.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

When 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 gains and losses on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part 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

Items of property, plant and equipment are depreciated on a straight-line basis in profit or loss over the estimated useful lives of each component.

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative periods are as follows:

Leasehold improvement/ installation	5 years or lease term, whichever is earlier
IT equipment	3 years
Office machine	2 years
Furniture	5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

(e) Intangible assets

(i) Other intangible assets – software

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Intangible assets are amortized on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

The estimated useful lives for the current and comparative periods are as follows:

Software	3 years

Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(f) Impairment

(i) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Indefinite life intangible assets are tested annually for impairment. An impairment loss is recognized if the carrying amount of an asset or its related Cash Generating Unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are 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. 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.

Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first 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 in respect of goodwill is not reversed. For other assets, 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.

(ii) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired.

A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event had an impact on the estimated future cash flows of that asset that can be estimated reliably.

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, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Company considers evidence of impairment for financial assets measured at amortized cost (loans and receivables and held-to-maturity financial assets) 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 trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether 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 in respect of a financial asset measured at amortized cost is calculated as the difference between its 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 against receivables.

Interest on the impaired asset continues to be recognized through the unwinding of the discount. When an event occurring after the impairment was recognized causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(g) Employee benefits

(i) 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 an employee expense in profit and loss when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Long term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on corporate bond rates that have maturity dates approximating the terms of the Company's obligations.

(iii) Termination benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(iv) Short term benefits

Short-term employee benefit obligations are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

If the amount of the leave is expected to be settled beyond 12 months from the reporting date, the amount is measured in accordance with a long-term benefit as noted above (note 3(f)(ii)).

(v) Employee stock compensation

The employees of the Company are given stock options of the ultimate parent entity and the cost is charged to the Profit & Loss account based on the recharges from the ultimate parent entity.

(h) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance cost.

(i) Onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its 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 the contract.

(j) Services – Revenue recognition

The Company derives revenues primarily from Information Technology ("IT") consultancy services. Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration we expect to receive in exchange for those services. Revenue is measured as the value of the consideration received or receivable, excluding discounts, value added tax and other sales taxes.

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. 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 from a contract to provide services is recognized in the period in which the services are provided in accordance with the terms of the contract. In service arrangements, the Company satisfies the performance obligation and recognizes revenue over time. The Company recognizes revenue on the basis of contractually agreed mark up on costs incurred for Intercompany revenue. In fixed-priced contracts, revenue is recognized based on progress towards completion of performance obligation using a percentage of completion method. Efforts or costs expensed have been used to measure progress towards completion as there is a direct relationship between input and productivity. Revenue in excess of invoicing are classified as unbilled revenue, while invoicing in excess of revenues are classified as unearned revenue. Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

(k) Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

In the case of the Company, all leases are short term leases and hence are exempted from the recognition and measurement requirements of AASB 16 Leases.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under AASB 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in profit or loss.

As a practical expedient, AASB 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components.

(l) Tax

Tax expense comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or 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.

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. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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.

(m) 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.

(n) New standards and interpretations

(i) There are no new standards, amendments to standards and interpretations effective for annual periods beginning after January 1, 2022 that have any significant effect on the financial statements of the Company for the year ended December 31, 2022.

(ii) The Company adopted AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (AASB 1060) in the current year. There has been no significant impact on the financial statements from the transition from Australian Accounting Standards – Reduced Disclosure Requirements to AASB 1060.

(iii) At the date of authorization of these financial statements, the Company has not applied the following new and revised changes that have been issued but are not yet effective. The Company does not plan to adopt these standards early.

Date issued	Pronouncement	Effective for annual reporting periods beginning on or after
July 2017	AASB 17 Insurance Contracts (as amended)	January 1, 2023
Various	AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128, AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections, AASB 2021-7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and and AASB 128 and Editorial Corrections	January 1, 2023 and January 1, 2025
March 2020 August 2020/ (October 2022)	AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current, AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date and IASB amendment Non-current Liabilities with Covenants (Amendments to IAS 1)	January 1, 2024
March 2021	AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	January 1, 2023
June 2021	AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023
March 2023	AASB 2022-1 Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information	January 1, 2023

Determination of fair values

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the 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 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.

5. Revenue

(In AUD)

Particulars	As at December 31,	
	2022	2021
Primary geographical markets		
India	35,846,389	33,391,488
Australia and Singapore	411,921	–
Brazil	14,589	58,947
	36,272,899	33,450,435
Major products/service lines		
IT Consultancy services	36,272,899	33,450,435
Timing of revenue recognition		
Services transferred over time	36,272,899	33,450,435
Revenue from contracts with Group companies	36,272,899	33,450,435

6a. Investment income

(In AUD)

Particulars	As at December 31,	
	2022	2021
Interest on financial assets measured at amortized Cost		
Interest received from bank	9,953	–
Net Investment Income	9,953	–

6b. Cost of sales

(In AUD)

Particulars	As at December 31,	
	2022	2021
Travel	263,924	278,309
Employee benefits expense	23,783,564	21,352,368
External contractor expense	7,417,006	7,358,018
	31,464,494	28,988,695

6c. Other expenses

(In AUD)

Particulars	As at December 31,	
	2022	2021
Depreciation expense	52,756	20,567
Bank charges	18,926	15,813
Other expense	1,277,328	1,156,712
	1,349,010	1,193,092

6d. Administrative expenses

(In AUD)

Particulars	As at December 31,	
	2022	2021
Communications	111,107	127,860
Legal and accounting	62,585	49,994
Back office expense	(1,369)	171
Employee benefit expense	680,825	613,548
	853,148	791,573

6e. Employee expense

(In AUD)

Particulars	As at December 31,	
	2022	2021
Employee salary	19,648,651	18,361,871
Employee bonus	1,326,299	554,645
Annual leave and long service leave	(110,051)	21,527
Superannuation	2,111,027	1,877,796
Other employee related expenses	1,488,463	1,139,787
	24,464,389	21,955,626

6f. Other gains and losses

(In AUD)

Particulars	As at December 31,	
	2022	2021
Net foreign exchange gains/(losses)	(18,170)	(27,142)
	(18,170)	(27,142)

7. Tax expense

(a) Deferred tax asset

(In AUD)

Particulars	January 1, 2021	Charged to P&L FY21	December 31, 2021	Charged to P&L FY22	December 31, 2022
Sundry Debtors	-	(1)	1	(2)	3
Other assets	(16,305)	(17,165)	859	(1,400)	2,260
Unavailed leave	549,933	(6,458)	556,392	33,015	523,377
Accrued compensation	526,025	94,905	431,120	119,009	312,110
Total	1,059,653	71,281	988,372	150,622	837,750

(b) Reconciliation of effective tax rate

(In AUD)

Particulars	As at December 31,	
	2022	2021
Profit before tax	2,598,030	2,449,933
Tax using the Company's domestic tax rate of 30% (2021: 30%)	779,409	734,980
Catch-up deferred tax accounted	(15,390)	(7,287)
Non-deductible tax expenses	22,607	14,452
Others	–	12,242
Income tax expense for the year	786,626	754,387

(c) Income tax expenses

(In AUD)

Particulars	As at December 31,	
	2022	2021
Current Tax	651,394	670,930
Prior Year	(15,390)	12,176
Deferred tax expenses		
Origination & reversal of temporary difference	150,622	71,281
	786,626	754,387

8. Cash and cash equivalents

(In AUD)

Particulars	As at December 31,	
	2022	2021
Cash and cash equivalents	6,544,487	8,010,038

9.Trade and other receivables

(In AUD)

Particulars	As at December 31,	
	2022	2021
Trade receivable due from related party	3,564,223	2,637,543
Other receivables	113,708	86,307
	3,677,931	2,723,850

No allowance is recognized for expected credit losses. Based on management's best estimate, there is no impairment of receivables and exposure to credit risk from trade receivables. The average credit period on sale is 30 days. No interest is charged on trade receivables.

10. Property, plant and equipment

(In AUD)

Particulars	Leasehold improvement/ installation	IT Equipment / Office machines	Furniture	Total
Cost				
Balance at January 1, 2021	205,163	243,803	39,026	487,992
Additions	–	96,057	–	96,057
Balance at December 31, 2021	205,163	339,860	39,026	584,049
Depreciation and impairment losses				
Balance at January 1, 2021	(205,163)	(236,336)	(37,224)	(478,723)
Depreciation for the year	–	(18,766)	(1,802)	(20,568)
Balance at December 31, 2021	(205,163)	(255,102)	(39,026)	(499,291)
Carrying amounts				
As at January 1, 2021	–	7,467	1,802	9,269
As at December 1, 2021	–	84,758	–	84,758

(In AUD)

Particulars	Leasehold improvement/ installation	IT Equipment / Office machines	Furniture	Total
Cost				
Balance at January 1, 2022	205,163	339,860	39,026	584,049
Additions	–	116,867	–	116,867
Disposals/write off	(11,802)	(7,879)	(13,833)	(33,514)
Balance at December 31, 2022	193,361	448,848	25,193	667,402
Depreciation and impairment losses				
Balance at January 1, 2022	(205,163)	(255,102)	(39,026)	(499,291)
Depreciation for the year	–	(52,756)	–	(52,756)
Disposals/write off	11,802	7,879	13,833	33,514
Balance at December 31, 2022	(193,361)	(299,979)	(25,193)	(518,533)
Carrying amounts				
at January 1, 2022	–	84,758	–	84,758
at December 31, 2022	–	148,869	–	148,869

11. Trade payables

(In AUD)

Particulars	As at December 31,	
	2022	2021
Trade payables due to related party	–	32,409
Other trade payables	264,127	377,808
	264,127	410,217

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.

12. Other payables

(In AUD)

Particulars	As at December 31, 2022	2021
Accrued superannuation expense	–	396,918
Accrued subcontractor expenses	1,457,407	619,591
Other accruals	618,694	208,332
Other accruals due to related party	146,186	109,813
	2,222,287	1,334,654

13. Provisions

Carrying amount

Employee benefits

(In AUD)

Particulars	As at December 31, 2022	2021
Current		
Annual leave	1,196,448	1,323,403
Long service leave outstanding	181,875	138,498
Incentive provision	96,044	49,668
Accrued bonus	1,029,598	1,084,861
Total current	2,503,965	2,596,430
Non-current		
Long service leave outstanding	366,266	392,739
Total non-current	366,266	392,739
Total employee provisions	2,870,231	2,989,169

Movements in provisions

(In AUD)

Particulars	Annual Leave	Long Service Leave Outstanding	Incentive Provision	Accrued Bonus	Total
Carrying amount as at January 1, 2022	1,323,403	531,237	49,668	1,084,861	2,989,169
(+) Additions	–	16,904	96,044	1,128,452	1,241,400
(-) Amounts Charged	(126,955)	–	(49,668)	(1,183,715)	(1,360,338)
Carrying amount as at December 31, 2022	1,196,448	548,141	96,044	1,029,598	2,870,231

14. Capital and reserves

Share capital

(In shares)

Particulars	As at December 31, 2022	2021
On issue at January 1	3,500,300	3,500,300
Add: shares issued during the year	–	–
On issue at December 31	3,500,300	3,500,300

Ordinary shares

The Company does not have authorized capital or par value in respect of its issued shares. All issued shares are fully paid. All shares rank equally with regard to the Company's residual assets, except that preference shareholders participate only to the extent of the face value of the shares.

The holders of ordinary shares are entitled to receive dividends as declared from time-to-time and are entitled to one vote per share at meetings of the Company. In respect of the Company's shares that are held by the Company, all rights are suspended until those shares are reissued.

Dividend franking account

(In AUD)

Particulars	As at December 31, 2022	2021
30 per cent franking credits available to shareholders of Infosys Management Consulting Pty Ltd for subsequent financial years	3,060,900	3,411,192
	3,060,900	3,411,192

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 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.

15. 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.

The employee compensation is as follows:

(In AUD)

Particulars	As at December 31, 2022	2021
Short term employee benefits*	563,532	1,130,009

* 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.

16. Reconciliation of cash flow from operating activities

(In AUD)

Particulars	As at December 31, 2022	2021
Reconciliation of Cash Flow from Operations with Profit after Income Tax paid		
Profit for the year after tax	1,811,404	1,695,546
Adjustments for:		
Depreciation expense	52,756	20,567
Income tax expense	786,626	754,387
Operating profit before changes in working capital	2,650,786	2,470,500
Decrease/(increase) in trade and other receivables	(972,369)	(722,462)
(Decrease)/increase in trade and other payables	741,263	(68,365)
(Decrease)/increase in provision and employee benefits	(118,938)	(417,968)
Increase/(decrease) in deferred income	282	226
Income tax paid	(849,708)	(1,131,172)
Net cash from operating activities	1,451,316	130,759

17. Related party transactions

The details of the related party transactions entered into by the Company during the years ended December 31, 2022 and December 31, 2021 are as follows:

(In AUD)

Particulars	As at December 31, 2022	2021
Revenue Transactions		
Sale of services		
Infosys Limited	35,846,389	33,391,488
Infosys Consulting Ltda	14,589	58,947
Infosys Compaz Pte Ltd	105,453	–
Simplus Australia Pty Ltd	265,660	–
	36,232,091	33,450,435
Purchase of services		
Infosys Consulting Pte Ltd	124,084	128,596
Infosys Consulting BV	–	184
Infosys Consulting AG	113,079	118,878
	237,163	247,658
Employee stock compensation – Cross		
Charge by Infosys Limited	18,306	(28,233)

The details of the amount due to or due from related parties as at December 31, 2022 and December 31, 2021 are as follows:

(In AUD)

Particulars	As at December 31, 2022	2021
Trade receivables		
Infosys Limited	3,127,402	2,558,003
Infosys Consulting Ltda	–	58,947
Infosys compaz pte ltd	17,583	–
Infy Consulting BV	–	20,593
Simplus Australia Pty Ltd	292,226	–
Infosys Consulting AG	66,518	–
Infosys Consulting Pte Ltd	60,494	–
	3,564,223	2,637,543
Trade Payables		
Infosys Consulting Pte Ltd	–	11,238
Infosys Consulting AG	–	11,010
Infosys Consulting GmbH	–	7,865
Infosys compaz pte ltd	–	2,296
	–	32,409
Provision expense		
Employee stock compensation - Cross Charge by Infosys Limited	146,186	109,813

18. Financial instruments

Financial instruments by category

(In AUD)

Financial assets	As at December 31, 2022	2021
Cash and cash equivalents	6,544,487	8,010,038
Receivables	3,677,931	2,723,850
Financial liabilities At amortized cost:		
Trade payables	(264,127)	(410,217)
Other payables	(2,222,287)	(1,334,654)

19. Auditors' remuneration

(In AUD)

Particulars	As at December 31, 2022	2021
Audit of financial reports*	35,000	27,500
Total	35,000	27,500

* The audit fees for 2021 and 2022 are payable to Deloitte Touche Tohmatsu.

20. Ultimate parent entity

As at, and throughout the financial year ending December 31, 2022, the parent entity of the Company was Infosys Consulting Holding AG, incorporated in Switzerland, and the ultimate parent is Infosys Ltd., India.

21. Events subsequent to reporting date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years, other than above.

22. Capital management

The Board's policy is to improve its capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors will continue to monitor the return on capital, and level of dividends to ordinary shareholders.

The Board seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security offered by a sound capital position. There were no changes to the Company's approach to capital management during the year.

The Company is not subject to externally imposed capital requirements, other than any requirements that exist by way of arrangements entered into by the Company's ultimate parent entity.

23. Dividend paid to owners of the Company

During the year ended December 31, 2022, on account of the dividend declaration to the parent entity, the Company has incurred a net cash outflow of $2,800,000 which is equivalent to $0.80 dividend per share. (2021 $nil).

In the opinion of the directors of Infosys Management Consulting Pty Ltd ("the Company"):

(a) the Company is not publicly accountable nor a reporting entity;

(b) the financial statements and notes, set out on pages 8 to 27 are in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the financial position of the Company as at December 31, 2022 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date in accordance with the statement of compliance and basis of preparation described in Note 2;

  (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 the directors:

Dated at Sydney 23rd day of May 2023.

Geoffrey Leong

Director

GuideVision s.r.o.

Independent Auditor's Report

To the Shareholder of

GuideVision, s.r.o.

Having its registered office at: Türkova 2319/5 b, Chodov, 149 00 Prague 4

Opinion

We have audited the accompanying financial statements of GuideVision, s.r.o. (hereinafter also the "consolidation group") prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the consolidated balance sheet as at 31 December 2022, the consolidated profit and loss account and notes to these consolidated 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 the consolidation group as at 31 December 2022, and of its consolidated financial performance 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 Consolidated Financial Statements section of our report. We are independent of the Group 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 Consolidated Annual Report

Pursuant to Section 2(b) of the Auditors Act, other information is information in the annual report other than the consolidated financial statements and our Auditor's report. Other information is the responsibility of the Company's statutory executives.

Our opinion on the consolidated financial statements does not relate to other information. Nevertheless, part of our responsibility in relation to the audit of the consolidated financial statements is to read the other information and to assess whether the other information is materially consistent with the consolidated financial statements or our knowledge of the entity and the consolidation group obtained in the course of the audit of the consolidated financial statements or otherwise appears to be materially misstated. We also consider whether the other information has been prepared, in all material respects, in accordance with applicable legislation. This assessment means whether the other information complies with the legal requirements for the form and preparation of other information in the context of materiality, i.e. whether any failure to comply with those requirements would be likely to affect the judgement made on the basis of the other information.

On the basis of the procedures performed, to the extent that we are able to assess, we conclude that:

- The other information, which describes the facts that are also presented in the consolidated financial statements, is consistent in all material respects with the consolidated financial statements.
- The other information has been prepared in accordance with applicable legislation.

We are also required to state whether, based on our knowledge and understanding of the Company obtained in the course of our audit, the other information is free from material misstatement. As part of those procedures, we did not identify any material misstatements in the other information received.

Responsibilities of the Company's statutory executives for the Consolidated Financial Statements

The statutory executives are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Czech Auditing Standards and for such internal control as the statutory executives determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the statutory executives are responsible for assessing the Group'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 executives either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the statutory executives.
- Conclude on the appropriateness of the statutory executives' 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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the statutory executives regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

In Prague on May 19, 2023

Audit firm:
Deloitte Audit s.r.o.
registration no. 079

Statutory auditor:
Miroslav Zigáček
registration no. 2222

General information

GuideVision, s.r.o. has prepared a consolidated annual report for 2022 pursuant to Section 22b of Act No. 563/1991 Coll., on Accounting.

1.1 Definition of the Consolidation Group

GuideVision, s.r.o., together with its fully owned subsidiaries, forms a group (the "GuideVision Group") that is subject to the obligation to prepare consolidated financial statements.

The companies listed below are included in the consolidated group:

Parent company:

GuideVision, s.r.o., Türkova 2319/5 b, Chodov, 149 00 Praha 4, Czech Republic

Subsidiaries:

GuideVision Polska Sp. z o.o., Mokotowska 4/6, 00-641 Warszawa, Poland

GuideVision Suomi Oy, Urho Kekkosen katu 4-6 E, 00100 Helsinki, Finland

GuideVision Magyarország Kft., Fehérvári út 79, 1119 Budapest, Hungary

GuideVision Deutschland GmbH, Parkring 2, 85748 Garching b. München, Germany

GuideVision UK Ltd, 71-75 Shelton Street, WC2H 9JQ London, Great Britain

1.2 Description of Services Provided

The Group's principal activity is provision of advisory, consulting, and implementation services in the field of information technology in the Central and Eastern Europe region.

GuideVision provides its international clients with strategic advisory, expertise and innovative technical practices.

1.3 ServiceNow Product Description

The Group specialises in the supply, implementation and post-implementation support of the American product ServiceNow from the American company of the same name.

ServiceNow is an enterprise cloud platform that helps companies digitise business processes and the employee experience. It is designed especially for larger corporations with a large headcount[1].

(1) https://www.guidevision.eu/, 2022

1.4 SnowMirror Product Description

SnowMirror is an internally developed product of the parent company, GuideVision, s.r.o., which it sells to its customers. It is a data replication tool for the ServiceNow platform that improves its performance and enables the creation of custom reports.

The parent company sells licenses for this product. During its existence, the Group has sold this product to more than a hundred customers worldwide[2].

(2) https://www.snow-mirror.com/, 2022

1.5 Cooperation with Infosys

In October 2020, the GuideVision Group became part of the international Infosys Group. Thanks to this integration, it has gained a global business scope and the opportunity to bid for and work on large contracts that would be difficult to achieve without a strategic partner.

2. Additional information

2.1 Financial Performance of the Consolidated Entity in 2022

In the 2022 reporting period, the Group achieved net sales of CZK 619 million. This represents an increase of approximately 16% compared to the prior period (CZK 533 million).

The Group's net profit amounts to CZK 40,527 thousand, which is almost the same result as in 2021 when the Group achieved a net profit of CZK 41,161 thousand.

The average recalculated headcount in 2022 was 232 (2021: 193).

2.2 Information on Events that Occurred subsequent to the Balance Sheet Date that are Material to the Purpose of this Annual Report

No such events have occurred, with the exception of the ongoing war in Ukraine. The Group does not anticipate a material impact on its business continuity due to this event.

The current crisis in the banking market in the US in connection with the suspension of Silicon Valley Bank has not had a significant impact on the Group. The Company has no activities in the US.

The ongoing high inflation rate in Europe in 2023 will continue to impact the Company's business. The Group does not expect this fact to have a material impact on business continuity.

2.3 Information on the Anticipated Development of the Entity's Activities

The Group does not anticipate any significant changes to the business in 2023. It anticipates a steady increase in sales volume. The Group's objective for 2023 remains primarily to provide top quality service and customer satisfaction. In the medium term, the Group plans to expand into the markets of the Scandinavian countries and the DACH region.

The statutory executives are not aware of any other matter or circumstance beyond the scope described in Note 2.2 that occurred subsequent to the reporting period that would or may have a material impact on the Group's operations, the results of those operations or the Group's position in the following financial years.

2.4 Other Information

The Group has no research activities; a natural part of its activities includes development of software solution and its maintenance or improvement.

The Group does not own any treasury shares.

In providing services, the Group strives to be as energy, water and other raw materials efficient as possible.

The Group complies with all obligations arising from labour relations as stipulated by the Labour Code.

The Group does not have a branch or other part of a business plant abroad. The individual subsidiaries included in the GuideVision Group operate abroad as independent companies under the legislation of their respective countries.

Consolidated Balance Sheet

(In CZK thousand)

		As at December 31,	
		2022	2021
	TOTAL ASSETS	309,342	268,330
A.	Receivables for subscribed capital		
B.	Fixed assets	7,279	1,445
B.I.	Intangible fixed assets	4,428	289
B.II.	Tangible fixed assets	2,842	1,147
B.IV.	Goodwill on consolidation	9.0	9.0
C.	Current assets	293,714	249,311
C.II.	Receivables	167,458	128,318
C.IV.	Cash	126,255	120,993
D.	Accruals and deferrals	8,349	17,574

(In CZK thousand)

		As at December 31,	
		2022	2021
	TOTAL LIABILITIES & EQUITY	309,342	268,330
A.	Equity	151,022	109,267
A.I.	Share capital	200	200
A.II.	Share premium and capital funds	993	(235)
A.IV.	Retained earnings (+/-)	109,302	68,141
A.V.	Profit or loss for the current period net of minority interests	40,527	41,161
B.+C.	Liabilities	70,383	76,040
B.	Reserves	18,883	23,558
C.	Payables	51,500	52,482
C.II.	Short-term payables	51,500	52,482
D.	Accruals and deferrals	87,937	83,023

Consolidated profit and loss account

(In CZK thousand)

		Years ended December 31,	
		2022	2021
I.	Sales of products and services	605,207	523,862
A.	Purchased consumables and services	227,958	186,548
C.	Own work capitalised (-)	(1,596)	(1,269)
D.	Staff costs	329,473	265,055
E.	Adjustments to values in operating activities	2,922	2,397
E.1.A.	Release of positive consolidation difference (goodwill)	1	1
III.	Other operating income	560	1,298
F.	Other operating expenses	(3,120)	8,239

		Years ended December 31,	
		2022	2021
*	Operating profit or loss (+/-)	50,131	64,190
VI.	Interest income and similar income	2,588	19
J.	Interest expenses and similar expenses	6	13
VII.	Other financial income	10,566	7,483
K.	Other financial expenses	9,867	15,362
*	Financial profit or loss (+/-)	3,281	(7,873)
**	Profit or loss before tax (+/-)	53,412	56,317
L.	Income tax	12,885	15,156
**	Profit or loss net of tax (+/-)	40,527	41,161
**	Consolidated profit or loss net of share of income from associates	40,527	41,161
***	Profit or loss for the current period net of minority interests (+/-)	40,527	41,161
*	Net turnover for the current period	618,921	532,662

General information

1.1. Incorporation and description of the consolidating entity (hereinafter referred to as the "Parent Company")

GuideVision, s.r.o. was formed by a Deed of Association as a limited liability company on 1 August 2014 and was incorporated following its registration in the Register of Companies held by the Court in Prague on 27 August 2014. The Company's principal business activities focus on information technology.

The individuals and legal entities with an equity interest greater than 20% and the amount of their equity interest are as follows:

Shareholder / owner	Ownership percentage
Infy Consulting Company Limited Registration No.: 06087315 Registered office: 14th Floor, 10 Upper Bank Street, Canary Wharf, London, E14 5NP, United Kingdom of Great Britain and Northern Ireland	100%
Total	100 %

1.2. Board of Directors and Supervisory Board at the Balance Sheet Date:

Position	Name
Statutory executive	Norbert Nagy
Statutory executive	Radovan Krejčí

1.3. Group identification

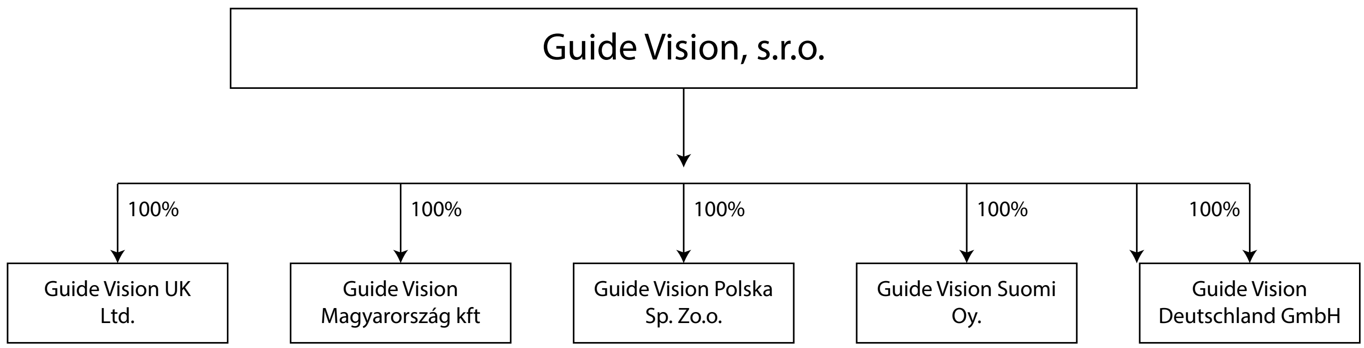
GuideVison, s.r.o. is part of a group. The consolidated financial statements for the widest group of entities are prepared by Infosys Limited, a company registered in the Republic of India.

The consolidated financial statements for the narrowest group of entities are prepared by Infy Consulting Company Limited, a company registered in the United Kingdom of Great Britain and Northern Ireland.

Both consolidated entities present their financial statements in compliance with their respective country's regulations.

2. Definition of the consolidation group (Hereinafter referred to as the 'GuideVision Group' or 'the Group').

2.1. Organizational chart of the GuideVision Group



2.2. Overview of group entities

Name	Registered office	Equity investment percentage	Level of control	Consolidation method
GuideVision, s.r.o.	Türkova 2319/5 b, Chodov, 149 00 Prague 4	consolidating entity	n/a	n/a
GuideVision Polska Sp. z o.o.	Mokotowska 4/6, 00-641 Warsaw	100	Subsidiary	Full consolidation
GuideVision Suomi Oy	Urho Kekkosen katu 4-6 E, 00100 Helsinki	100	Subsidiary	Full consolidation
GuideVision Magyarország Kft	Fehérvári út 79, 1119 Budapest	100	Subsidiary	Full consolidation
GuideVision UK Ltd	71-75 Shelton Street, WC2H 9JQ London	100	Subsidiary	Full consolidation
GuideVision Deutschland GmbH	Parkring 2, 85748 Garching b. München	100	Subsidiary	Full consolidation

The GuideVision Group includes all entities in which the parent entity has an interest.

The financial statements of all companies included in the GuideVision Group's are presented in compliance with the regulations applicable in the respective country. They are also available for consolidation purposes at the registered office of the Parent Company.

No change occurred in the structure of the GuideVision Group in 2022. No subsidiaries have been included or eliminated.

The Balance Sheet date of all companies included in the GuideVision Group is 31 December 2022.

2.3. Subsidiaries

The following table shows information on the GuideVision Group's subsidiaries as of 31 December 2022:

Name	Place of incorporation (or registration) and operation	Ownership percentage %	Voting rights %	Principal activity
GuideVision Polska Sp. z o.o.	Warsaw, The Republic of Poland	100	100	Provision of IT consulting services
GuideVision Suomi Oy	Helsinki, Finland	100	100	Provision of IT consulting services
GuideVision Magyarország Kft	Budapest, Hungary	100	100	Provision of IT consulting services
GuideVision UK Ltd	London, United Kingdom	100	100	Provision of IT consulting services
GuideVision Deutschland GmbH	Meissen, The Federal Republic of Germany	100	100	Provision of IT consulting services

3. Accounting principles and policies

The GuideVision Group's accounting books and records are maintained, and the financial statements were prepared in accordance with Accounting Act 563/1991 Coll., as amended; Regulation 500/2002 Coll., which provides implementation guidance on certain provisions of the Accounting Act for reporting entities that are businesses maintaining double-entry accounting records, as amended; and Czech Accounting Standards for Businesses, as amended.

The accounting records are maintained in compliance with general accounting principles, specifically the historical cost valuation basis (unless stated otherwise), the accruals principle, the prudence concept and the going concern assumption.

For preparing the consolidated financial statements of the GuideVision Group, the accounting policies within the GuideVision Group have been consolidated. The significant accounting policies as applied by each company are described below.

The GuideVision Group's consolidated financial statements have been prepared as of the balance sheet date, i.e., 31 December 2022, for the calendar year ended 31 December 2022.

These financial statements are presented in thousands of Czech Crowns (CZK '000), unless stated otherwise.

3.1. The Impact of COVID-19 on the Group's operation and going concern assumption

The subsiding COVID-19 pandemic has placed increased demands on the GuideVision Group to protect the health of its employees. The Group adopted all possible measures to prevent the spread of the disease in the workplace (hygiene measures, voluntary and mandatory testing, working from home). Thanks to these measures, the companies within the Group did not experience any significant constraints in terms of operational capacity in 2022.

The pandemic, on the other hand, has created new needs in the field of automation of corporate processes. The Management, therefore believes that the pandemic has not affected the Group's ability to continue as a going concern.

3.2. Impact of the invasion of Ukraine and on the Group's operation and going concern assumption

The Group's management assesses the adverse effects of the conflict in Ukraine in general terms, particularly in view of the anticipated economic recession in the EU countries.

Given the significantly higher inflation rate and due to the general price increases across industries, the Management expects that the upward trend in costs will continue in 2023 across the Group than to an even greater extent than in previous years. In particular, wages and other business-related operating costs are expected to increase. This may lead to the Group's lower operating profit next year.

Even considering the above, the Group's management does not anticipate that the impact of the conflict in Ukraine will lead to losses or disruption to the Group's normal operations and business activities.

3.3. Scope and method of consolidation

Consolidation is performed in accordance with the relevant direct consolidation method. Direct consolidation means that all entities within a group are consolidated at the same time, without the use of possible consolidated financial statements prepared for sub-groups.

The group of companies comprises the Parent Company GuideVision, s.r.o. and its subsidiaries. The definition of subsidiaries is stated below.

3.3.1. Subsidiary

Equity investments in companies whose financial and operating processes can be controlled by the parent company to obtain benefits from their activities are classified as equity investments in controlled entities.

For consolidation purposes, a subsidiary is defined as a company in which the Parent Company has a controlling influence through the ownership of more than 50% of the share capital.

These companies are consolidated using the full consolidation method.

3.4. Full-consolidation procedure

3.4.1. Description of the full consolidation method

Full consolidation method means:

a) the inclusion of individual components of the balance sheets and profit and loss accounts of subsidiaries in the Parent Company's balance sheet and profit and loss account in full after reclassification and adjustments, if any,

b) the elimination of accounting transactions between the Group's entities that represent intercompany relationships,

c) the recognition of a potential consolidation difference and its amortization.,

3.4.2. Full consolidation method stages

Reclassifications and adjustments of items in the financial statements of the Parent Company and its subsidiaries.

The information for the Parent Company and its subsidiaries is reclassified considering the items added to the consolidated balance sheet and consolidated profit and loss account and their content.

Adjustments are made in accordance with the valuation principles specified in the consolidation rules. Adjustments of this kind will be made only for those subsidiaries whose valuation principles differ from those stipulated in the consolidation rules, and would materially affect the view of the valuation of assets in the consolidated financial statements and the reported profit or loss.

The figures from financial statements of subsidiaries with their registered offices abroad maintaining their accounts in a foreign currency are translated at the exchange rate prevailing on the date on which the consolidated financial statements are prepared. The difference arising from the year-on-year exchange rate change is reflected in the special revaluation fund – refer to the note on Equity.

Adjustments to the valuation of assets and liabilities of a subsidiary.

If the valuation of assets and liabilities in the accounting records of subsidiaries differs significantly from the fair value, a valuation adjustment is made to reflect the fair values of assets and liabilities at the date of acquisition or at the date of increase in the equity interest in connection with the determination of the consolidation difference. The relevant assets and liabilities of the subsidiary are included in the consolidated financial statements at this adjusted valuation amount.

When adjustments are made to the valuation of assets and liabilities in accordance with the paragraph above, adjustments are also made to reflect the differences between the transactions occurring subsequent to the date of acquisition or increase in the equity interest as a result of the relevant assets or liabilities being charged or credited to the profit or loss of the subsidiary as valued in the subsidiary's accounts, and those transactions recognized (valued) following the adjusted valuation of the relevant items of assets and liabilities for consolidation purposes.

Summary of the Parent Company's and its subsidiaries' financial statements.

The Parent Company aggregates the reclassified and adjusted figures in its financial statements with the reclassified and adjusted figures in the financial statements of its subsidiaries.

Intercompany transactions between the Parent Company and its subsidiaries are eliminated.

Accounting transactions with no effect on the profit or loss are eliminated.

- Intercompany receivables and payables, and expenses and income within the GuideVision Group , that have a material impact on assets, liabilities and the profit or loss items in the consolidated financial statements, are completely eliminated.

Elimination of accounting transactions with impact on profit or loss.

- The preparation of the consolidated balance sheet and the consolidated profit and loss account eliminates transactions between the Parent Company and a subsidiary, or intercompany transactions between subsidiaries, that have a material impact on the profit or loss of the GuideVision Group with regard to accruals and deferrals, including in the following cases:

a) Intercompany sales and purchases of inventory or services.

b) Intercompany sales and purchases of fixed assets.

c) Intercompany dividends or profit shares received and paid.

The application of the full consolidation method eliminates transactions between the Parent Company and its subsidiaries, and intercompany transactions between subsidiaries.

The elimination of transactions affecting each other's profit or loss is made in accordance with the consolidation rules declared.

The income item in the consolidated profit and loss account is reduced by the dividend or profit share income received, while the accumulated profits or losses brought forward in the consolidated balance sheet are increased or reduced, respectively.

Consolidation difference

The consolidation difference is the difference between the acquisition cost of the subsidiary's interests and their valuation according to the Parent Company's equity interest stated at fair value, which arises from the difference between the fair values of assets and the fair values of liabilities at the date of acquisition or at the date of further increase in the interest (further acquisition of securities or shares). The acquisition date is the date on which the controlling entity effectively begins to exercise control over the consolidated entity.

The consolidation difference is amortized over 20 years on a straight-line basis. The consolidation difference is recognized through the positive consolidation difference or negative consolidation difference items, and is charged or credited to expenses or income from ordinary activities, respectively.

Elimination of equity securities and investments

The shares issued by the subsidiary and the equity of the subsidiary that is attributable to the investment held by the parent company will be excluded from the consolidated balance sheet.

3.5. Tangible and intangible fixed assets

In the previous year, the GuideVision Group reduced the limit for the definition of fixed assets. As of 1 January 2022, fixed assets are defined as all assets with an estimated useful life greater than one year and acquisition cost greater than CZK 5,000. This limit applies to both tangible and intangible assets. The exception is mobile phones, for which the limit for classification as fixed assets was set at CZK 10,000, and office furniture, for which the limit for classification as assets was set at CZK 15,000.

Purchased tangible and intangible fixed assets are stated at cost less accumulated depreciation and provisions, if any.

The cost of fixed asset improvements exceeding CZK 5,000 for individual tangible assets for the reporting period increases the acquisition cost of the related fixed asset.

The cost of tangible and intangible fixed assets is depreciated / amortized over the estimated useful life of the assets using the straight-line method.

Type of assets	Depreciation method	Number of years
Computers and accessories	straight line	3
Office equipment and furniture	straight line	5
Vehicles	straight line	5
Software and other intangible assets	straight line	3-5*

* for the expected useful life of the respective software

Assets held under finance leases are depreciated by the lessor however there are no finance leases.

There may be deviations from the CZ GAAP definition of tangible and intangible assets in individual countries, but due to the immateriality of this component of assets compared to the total assets of the Group, the consolidating entity does not quantify the differences.

3.6. Financial assets

Financial assets with maturity or intent to hold exceeding one year are reported as non-current. Financial assets with maturity or intent to hold up to one year are recognized as current.

3.7. Receivables

Upon origination, receivables are stated at their nominal value as subsequently reduced by appropriate provisions.

3.8. Payables

Payables are stated at nominal value.

3.9. Loans

Loans are stated at their nominal value. The portion of long-term loans maturing within one year from the Balance Sheet date is included in short-term loans.

3.10. Reserves

Reserves are intended to cover liabilities and expenditure the nature of which is clearly defined, and which are either likely to be incurred or certain to be incurred as of the Balance Sheet date, but uncertain as to their amount or as to the date on which they will arise.

The Group recognizes reserves for outstanding vacation days, unused points in the Cafeteria benefit scheme (or equivalent benefit scheme in the respective country), annual bonuses and management and sales staff bonuses.

3.11. Foreign currency translation

Transactions of the Parent Company denominated in foreign currencies during the year are translated using ,the exchange rate of the Czech National Bank prevailing on the date of the transaction. As of the date of the financial statements, the Parent Company's foreign currency assets and liabilities are translated using the exchange rate of the Czech National Bank prevailing on the date of the financial statements.

The financial statements of foreign companies entering the consolidation, are translated into CZK using the exchange rate of the Czech National Bank as of 31 December 2022.

3.12. Revenue recognition

Revenue from the sale of consultancy services is recognized either on the basis of a statement of the actual hours worked at the client's site in the previous month (so called 'time and material' projects, hereinafter referred to as 'TM projects') or after a certain milestone has been reached as specified in the project's contract documentation (so-called 'fix time-fix price' projects, hereinafter referred to as 'FTFP projects').

The Group recognizes revenue from TM projects using estimates in the month to which they relate in terms of time and substance. Actual billing is always delayed by one month, and is based on a written approval of the number of hours worked at the client's site.

If there is an FTFP project in progress at the end of the reporting period, the entity records work-in-progress at the cost of inputs, net of profit margin.

Revenue from the sale of licenses is accrued on a time basis according to the term of the license sold. The monthly amount released in revenue is calculated with the precision of days. On the accrual's basis, sales of licenses correspond to the cost of purchased licenses held for resale.

Revenue is measured at the value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, value added tax and other sales related taxes.

3.13. Use of estimates

The presentation of financial statements requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the Balance Sheet date, and the reported amounts of revenues and expenses during the reporting period. Management of the Group has made these estimates and assumptions based on all the relevant information available to it. Nevertheless, pursuant to the nature of estimates, the actual results and outcomes in the future may differ from these estimates.

3.14. Cash flow statement

The consolidated cash flow statement has not been prepared as there is no obligation to prepare a cash flow statement.

3.15. Derivatives

The Group uses derivative financial instruments as effective hedging instruments in accordance with the Group's risk management strategy. The Group's currency risk hedging is performed solely by the Parent Company.

The Parent Company does not evidence the fulfilment of hedge accounting criteria under Czech Accounting Standards and, hence, the derivatives are not accounted for as hedges. These derivatives are recognized as derivatives held for trading.

Derivatives held for trading are carried at fair value at the Balance Sheet date. In determining fair value, the Company has referred to market values.

Fair value changes in respect of trading derivatives are recognized as part of profit or loss for the current period.

4. Additional information

4.1. Intangible fixed assets (IFA)

Cost

(CZK '000)

Particulars	Opening balance	Additions	Disposals	Transfers	Closing balance
Software and development	6 944	5 851	–	–	12 795
Total 2022	6 944	5 851	–	–	12 795
Total 2021	5 674	1 271	1	–	6 944

Provisions and accumulated amortization

(CZK '000)

Particulars	Opening balance	Additions	Disposals	Transfers	Closing balance	Provisions	Net book value
Development	6 655	1 712	–	–	8 367	–	4 428
Total 2022	6 655	1 712	–	–	8 367	–	4 428
Total 2021	5 368	1 287	–	–	6 655	–	289

4.2. Tangible fixed assets (TFA)

Cost

(CZK '000)

Particulars	Opening balance	Additions	Disposals	Transfers	Closing balance
Tangible movable assets and their sets	5 170	2 720	1 632	–	6 258
Other TFA	126	–	–	–	126
Total 2022	5 296	2 720	1 632	–	6 384
Total 2021	4 657	2 033	1 443	–	5 247[1]

(1) The discrepancy between the opening balance of the current period and the closing balance of the previous period is due to the effect of revaluation at the current closing rate of items arising from foreign companies within the Group.

Provisions and accumulated depreciation

(CZK '000)

Particulars	Opening balance	Additions	Disposals	Transfers	Closing balance	Provisions	Net book value
Tangible movable assets and their sets	3 897	1 025	1 418	–	3 504	–	2 754
Other TFA	25	13	–	–	38	–	88
Total 2022	3 922	1 038	1 418	–	3 542	–	2 842
Total 2021	3 341	1 169	409	–	4 101 (1)	–	1 147

(1) The discrepancy between the opening balance of the current period and the closing balance of the previous period is due to the effect of revaluation at the current closing rate of items arising from foreign companies within the Group.

4.3. Settlement of the consolidation difference

(CZK '000)

Particulars	Value of the consolidation difference as of 1 Jan 2022	Amortization of the consolidation difference	Value of the consolidation difference as of 31 Dec 2022
GuideVision Polska Sp. z o.o.	9.4	0.6	8.8

The value of the identified consolidation difference is immaterial.

4.4. Short-term receivables

The Group records only short-term receivables. As of 31 December 2022, the Group records trade receivables past their due dates for more than 90 days amounting to CZK 1,358,000 (December 31, 2021: CZK 460, 000).

The structure of other than Group receivables is presented as follows:

(CZK '000)

Particulars	As at December 31, 2022	As at December 31, 2021
Trade receivables	64 845	102 315
Receivables – Controlled or controlling entity	79 036	–
Social security and health insurance contributions	–	–
State – Tax receivables	7 658	727
Prepayments made	2 340	2 960
Estimated receivables	9 769	17 927
Sundry receivables	659	847
Receivables (excluding deferred tax asset)	164 307	124 776
Deferred tax asset	3 151	3 542
Total receivables	167 458	128 318

Receivables are not collateralized, and do not serve as collateral for the Company's liabilities.

4.5. Derivatives

The Company did not use any derivatives during the reporting period.

4.6. Deferred expenses and accrued income

The most significant item of deferred expenses and accrued income consists of purchased ServiceNow licenses intended for resale to end customers in the total amount of CZK 5,906,000 (2021: CZK 16,125,000) in the Parent Company GuideVision, s.r.o.

4.7. Equity

The Parent Company's statutory body anticipates that the 2022 profit will be transferred to retained earnings brought forward and used to cover the future operating needs of the Company. A final decision has not yet been made.

The reported profit of prior years has increased from CZK 68,141,000 at the end of 2021 to CZK 109,302,000. This is mainly because the Parent Company's profit share for 2021 was not paid out during 2022.

The item share premium and capital funds includes the cumulative effect of the year-on-year change in the exchange rate applied to include foreign subsidiaries in the consolidation.

4.8. Reserves

Other reserves

(CZK '000)

Particulars	As at December 31, 2022	As at December 31, 2021
Outstanding vacation days	4 254	2 975
Unused points in the cafeteria benefit scheme	651	396
Employee bonuses (annual, retention and incentive programme)	10 391	19 423
ESOP bonus programme	3 021	–
Bonuses for sales staff	566	764
Total other reserves	18 883	23 558

The most significant item in other reserves comprises the annual employee bonuses, which will be paid in the first half of 2023 based on the Company's approved results for the prior reporting period.

4.9. Short-term payables

The Group records only short-term payables. As of 31 December 2022, the Group records no payables past their due dates for more than 90 days (the situation was the same in 2021).

The structure of other than Group payables is presented is as follows:

(CZK '000)

Particulars	As at December 31,	
	2022	2021
Payables to credit institutions	–	–
Short-term prepayments received	–	25
Trade payables	3 366	12 882
Payables - Controlled or controlling entity	–	–
Payables to employees	12 533	10 554
Social security and health insurance payables	7 603	6 019
State - Tax payables and subsidies	3 873	3 473
Estimated payables	23 785	19 505
Sundry payables	340	24
Total	51 500	52 482

4.10. Accrued expenses and deferred income

The most significant item in accrued expenses and deferred income consists of the SnowMirror licenses (an internally developed product) amounting to CZK 5,29,79,000 (2021: CZK 5,70,35,000), which the Group sells through GuideVision, s.r.o. and GuideVision UK, Ltd.

4.11. Deferred income tax

The Group recorded a deferred tax asset amounting to CZK 31,51,000 arising from temporary differences between tax and carrying amounts of assets and reserves.

The partial deferred tax asset for tax losses in the subsidiaries that have incurred losses has not yet been recorded due to the prudence principle – the uncertainty in the utilization of these losses. The Group's management will periodically review the assumptions for the utilization of these losses in future reporting periods.

4.12. Income from ordinary activities

The most significant income items include consulting services provided in the implementation of the ServiceNow product and sales of ServiceNow and SnowMirror licenses ('SN' and 'SM').

(CZK '000)

Particulars	As at December 31,	
	2022	2021
SN Consulting services – TM projects	455 990	397 562
SN Consulting services – FTFP projects	11 758	23
Post-implementation support and training	34 823	38 829
Sales of SN+SM licences	102 545	86 537
Other	91	911
Total sales of own products and services	605 207	523 862

In 2022, the share of FTFP projects in total sales increased. These are mainly projects for the customer Dr. Max BDC, s.r.o.

4.13. Employees, Management and Statutory Bodies

The average headcount of GuideVision's employees and managers for the years ended 31 December 2022 and 31 December 2021 is as follows:

2022

Particulars	Number of staff	Total staff costs in CZK '000
Employees	225	302 284
Management	7	27 189
Total	232	329 473

2021

Particulars	Number of staff	Total staff costs in CZK '000
Employees	186	240 921
Management	7	24 134
Total	193	265 055

The number of employees is based on the average headcount during the reporting period.

The Management of the Company is defined at the level of "top management", which consists of three persons in the management of the Parent Company and four persons in the position of "management directors" in the subsidiaries.

4.14. Significant post-Balance Sheet events

Except for the ongoing military conflict in Ukraine (Refer to Note 3.2), no events had occurred subsequent to the Balance Sheet date that would have a material impact on the Company's financial statements.

Infosys Luxembourg S.à r.l

Independent Auditor's report

To the Members of Infosys Luxembourg S.a.r.l.

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Infosys Luxembourg S.a.r.l. ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of preparation referred to in Section 1.2 of the special purpose financial statements, of the state of affairs of the Company as at March31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

i) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

iii) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

For Shenoy & Kamath
Chartered Accountants,

Firm Registration Number. 006673S

(M Rathnakar Kamath)
Partner

Membership Number. 202841

UDIN : 23202841BGWLUT6786

Place: Bengaluru

Date: May 20,2023

Balance Sheet

(In EUR)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Right of use asset	2.1	456,463	49,689
Other non-current assets	2.4	–	421
Income tax assets (net)	2.11	13,643	7,356
Total non-current assets		470,106	57,466
Current assets			
Financial assets			
Trade receivables	2.5	5,060,522	4,971,120
Cash and cash equivalents	2.2	3,649,900	1,790,036
Loans		–	–
Other financial assets	2.3	931,855	30,803
Income tax assets (net)		–	–
Other current assets	2.4	488,915	507,097
Total current assets		10,131,192	7,299,056
Total assets		10,601,298	7,356,522
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.6	2,000,000	2,000,000
Other equity		(441,279)	(1,219,814)
Total equity		1,558,721	780,186
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Lease liability	2.1	424,709	25,400
Total non-current liabilities		424,709	25,400
Current liabilities			
Financial liabilities			
Lease liability	2.1	24,600	24,600
Trade payables	2.7	5,311,173	3,403,030
Other financial liabilities	2.8	611,024	332,127
Other current liabilities	2.9	2,553,789	2,743,592
Provisions	2.15	102,422	42,772
Income tax liabilities (net)	2.11	14,860	4,815
Total current liabilities		8,617,868	6,550,936
Total equity and liabilities		10,601,298	7,356,522

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants

Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner

Membership Number: 202841

Place: Bengaluru

Date: May 20, 2023

for and on behalf of the Board of Directors of Infosys Luxembourg s.a r.l

Puneet Shukla
Director

Michael Helbig
Director

Statement of Profit and Loss

(In EUR, except equity share and per equity share data)

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations	2.12	20,522,860	12,589,943
Other Income/ (loss), net	2.13	19,640	(16,305)
Total income		20,542,500	12,573,638
Expenses			
Employee benefit expenses	2.14	1,195,964	832,604
Cost of technical sub-contractors		17,228,768	10,753,838
Cost of software packages and others	2.14	62,422	2,506
Consultancy and professional charges		865,764	500,386
Depreciation and amortization expense	2.1	95,609	24,592
Finance costs	2.1	10,335	2
Other expenses	2.14	295,058	170,498
Total expenses		19,753,920	12,284,426
Profit/ (loss) before tax		788,580	289,212
Tax expense:			
Current tax		10,045	–
Profit/ (loss) for the year		778,535	289,212
Total comprehensive income/ (loss) for the period		778,535	289,212
Earnings per equity share			
Equity shares of par value EUR 100/- each			
Basic (EUR)		38.93	14.46
Diluted (EUR)		38.93	14.46
Weighted average equity shares used in computing earnings per equity share			
Basic		20,000	20,000
Diluted		20,000	20,000

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants

Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner

Membership Number: 202841

Place: Bengaluru

Date: May 20, 2023

for and on behalf of the Board of Directors of Infosys Luxembourg s.a r.l

Puneet Shukla
Director

Michael Helbig
Director

Statement of Changes in Equity

(In EUR)

Particulars	Equity Share Capital	Other Equity		Total equity attributable to equity holders of the Company
		Reserves and surplus	Share application money pending allotment	
Balance as of April 1, 2021	2,000,000	(1,509,026)	–	490,974
Changes in equity for the period April 1, 2021 to March 31, 2022				–
Loss for the period		289,212		289,212
Balance as of March 31, 2022	2,000,000	(1,219,814)	–	780,186
Changes in equity for the year ended March 31, 2023	–	–		–
Profit for the period	–	778,535	–	778,535
Balance as of March 31, 2023	2,000,000	(441,279)	–	1,558,721

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants

Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner

Membership Number: 202841

Place: Bengaluru

Date: May 20, 2023

for and on behalf of the Board of Directors of Infosys Luxembourg s.a r.l

Puneet Shukla
Director

Michael Helbig
Director

Statements of Cash Flows

(In EUR)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cash flow from operating activities:		
Profit/ (loss) for the period	778,535	289,212
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation	95,609	24,592
Provision	59,650	42,772
Income tax expense	10,045	–
Finance cost	10,335	2
Changes in assets and liabilities		
Trade receivables and unbilled revenue	(990,454)	(3,437,074)
Loans, other financial assets and other assets	18,603	(10,135)
Trade payables	1,908,143	577,430
Other financial liabilities, other liabilities and provisions	89,094	2,682,877
Cash used in operations	1,979,560	169,676
Income taxes paid	(6,287)	4,013
Net cash used in operating activities	1,973,273	173,689
Cash flow from investing activities:		
Net cash used in investing activities	–	–
Cash flow from financing activities:		
Issue of equity shares	–	–
Lease payouts	(113,409)	(24,745)
Net cash used in financing activities	(113,409)	(24,745)
Net decrease in cash and cash equivalents	1,859,864	148,944
Cash and cash equivalents at the beginning of the period	1,790,036	1,641,092
Cash and cash equivalents at the end of the period	3,649,900	1,790,036

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants

Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner

Membership Number: 202841

Place: Bengaluru

Date: May 20, 2023

for and on behalf of the Board of Directors of Infosys Luxembourg s.a r.l

Puneet Shukla
Director

Michael Helbig
Director

Significant accounting policies

Company overview

Infosys Luxembourg s.a r.l is a wholly-owned subsidiary of Infosys Limited.

1 Significant accounting policies

1.1 Accounting year

The accounting year of the Company is from April 1 to March 31.

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 Limited under the requirements of Section 129 (3) of the Companies Act 2013.

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis. The Ind-AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendments 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 Presentation currency

The Company's presentation currency is EURO (€).

1.4 Use of estimates

The preparation of the financial statements in conformity with Ind-AS requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.5 Provisions

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.

Post-sales client-support

The Company provides its clients with a fixed-period post-sales support on its fixed-price, fixed-timeframe contracts. Costs associated with such support services are accrued at the time related revenues are recorded in the Statement of Profit and 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.

1.6 Financial instruments

1.6.1 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.

1.6.2 Subsequent measurement

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

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.

(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.

1.7 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.

1.8 Impairment

Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables 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 profit or loss.

1.9 Foreign currency

Functional currency

The functional currency of the Company is the EURO (€). These financial statements are presented in EURO (€)

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 net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

1.10 Income taxes

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 reporting 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.

In assessing the realizability of deferred income tax assets, management considers whether some portion or all 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.

1.11 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.12 Earnings per share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.

1.13 Leases

The Company as a lessee

The Company's lease asset classes 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 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 assets) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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.

The lease liability is initially measured at amortized cost using the effective interest rate method 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, incremental borrowing rates in the countries of domicile of the 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 asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.1 Leases

The changes in the carrying value of right of use assets are as follows:

(In EUR)

Particulars	Year ended March 31,	
	2023	2022
Balance at the beginning	49,689	70,165
Additions	502,383	4,116
Depreciation	(95,609)	(24,592)
Balance at the end	456,463	49,689

The following is the break-up of current and non-current lease liability are as follows:

(In EUR)

Particulars	Year ended March 31,	
	2023	2022
Non-current lease liability	424,709	25,400
Current lease liability	24,600	24,600
Total	449,309	50,000

The movement in lease liability are as follows:

(In EUR)

Particulars	Year ended March 31,	
	2023	2022
Balance at the beginning	50,000	70,627
Additions	502,383	4,116
Interest accrued during the period	10,335	2
Lease payments	(113,409)	(24,745)
Balance at the end	449,309	50,000

2.2 Cash and cash equivalents

(In EUR)

Particulars	As at March 31,	
	2023	2022
Balances with banks		
In current accounts	3,649,900	1,790,036
	3,649,900	1,790,036

2.3 Other financial assets

(In EUR)

Particulars	As at March 31,	
	2023	2022
Current		
Financial Assets		
Unbilled Revenue[(1)]	27,182	30,480
Intercompany receivable – non-revenue[(1)]	904,945	–
Others[(1) (2)]	(272)	323
	931,855	30,803
[(1)] Financial assets carried at amortized cost	931,855	30,803
[(2)] Includes dues from related parties (Refer to Note No. 2.16)	904,945	323

2.4 Other assets

(In EUR)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Others		
Deferred contract cost	–	421
	–	421
Current		
Advances other than capital advance		
Payment to vendors for supply of goods/ services	–	2,439
Others		
Unbilled revenue	–	–
Prepaid expenses[(1)]	343,595	434,321
Deferred contract cost	353	561
Reimbursable VAT	144,967	69,776
	488,915	507,097
[(1)] Includes dues from related parties (Refer to Note No. 2.16)	343,595	434,321

2.5 Trade receivables

(In EUR)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Unsecured		
Considered good	5,060,522	4,971,120
Considered doubtful	30,246	27,197
	5,090,768	4,998,317
Less: Allowances for credit losses	30,246	27,197
	5,060,522	4,971,120

Year ended March 31, 2023, and March 31, 2022

(In EUR)

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	1,155,818	4,242,283	130,543	(406,554)	(31,322)	–	5,090,768
	1,525,614	3,681,587	(206,376)	(2,508)	–	–	4,998,317
Undisputed trade receivables – credit impaired	–	–	–	–	–	–	–
	–	–	–	–	–	–	–
Less: Allowance for credit loss							30,246
							27,197
Total trade receivables							5,060,522
							4,971,120

2.6 Equity

Equity share capital

(In EUR, except as otherwise stated)

Particulars	As at March 31, 2023	2022
Authorized		
Equity shares		
20000 equity shares of EUR 100 par value	2,000,000	2,000,000
Issued, subscribed and paid-up		
Equity shares		
20000 equity shares of EUR 100 par value	2,000,000	2,000,000
	2,000,000	2,000,000

The details of shareholder holding more than 5% shares as at March 31, 2023 and March 31, 2022 are as follows:

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% held	Number of shares	% held
Infosys Limited	20,000	100%	20,000	100%

2.7 Trade payables

(In EUR)

Particulars	As at March 31, 2023	2022
Trade payables [1]	5,311,173	3,403,030
	5,311,173	3,403,030
[1] Includes dues to related parties (Refer to note 2.16)	5,273,735	3,314,301

Trade payables' ageing schedule

Details for the year ended March 31, 2023, and March 31, 2022:

(In EUR)

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
Others	–	5,311,173	–	–	–	5,311,173
	1,244,927	2,158,103	–	–	–	3,403,030
Total trade payables	–	5,311,173	–	–	–	5,311,173
Total trade payables	1,244,927	2,158,103	–	–	–	3,403,030

2.8 Other financial liablities

(In EUR)

Particulars	As at March 31 2023	2022
Current		
Others		
Compensated absences	24,382	34,184
Accrued compensation to employees	45,338	72,390
Payable to employee	5,584	–
Other payables [1](2)	535,720	225,553
	611,024	332,127
[1] Financial liability carried at amortized cost	611,024	332,127
[2] Includes dues to related parties (Refer to note 2.16)	245,163	93,961

2.9 Other liabilities

(In EUR)

Particulars	As at March 31,	
	2023	2022
Current		
Unearned revenue	2,065,847	2,241,511
Others		
Withholding taxes and others	487,942	502,081
	2,553,789	2,743,592

2.10 Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories were as follows:

(In EUR)

Particulars	As at March 31,	
	2023	2022
Assets:		
Cash and cash equivalents (Refer to Note No. 2.2)	3,649,900	1,790,036
Trade receivable	5,060,522	4,971,120
Others financial assets	931,855	30,803
Total	9,642,277	6,791,959
Liabilities:		
Other financial liabilities (Refer to Note No. 2.9)	611,024	332,127
Trade payable	5,311,173	3,403,030
Lease liabilities	449,309	50,000
Total	6,371,506	3,785,157

All the above financial instruments are carried at amortized cost and the carrying value approximates the fair value.

Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk.

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents. The Company has no outstanding borrowings.

As of March 31, 2023 and March 31, 2022, the Company had cash and cash equivalents of EUR 3,649,900 and EUR 1,790,036, respectively.

2.11 Income taxes

Income tax expense in the statement of profit and loss comprises:

(In EUR)

Particulars	Year ended March 31,	
	2023	2022
Current taxes	10,045	–
Income tax expense	10,045	–

The details of income tax assets and income tax liabilities as of March 31, 2023, and March 31, 2022 are as follows:

(In EUR)

Particulars	Year ended March 31,	
	2023	2022
Income tax assets	13,643	7,356
Current income tax liabilities	(14,860)	(4,815)
Net current income tax assets/ (liability) at the end	(1,217)	2,541

The gross movement in the current income tax asset/ (liability) is as follows:

(In EUR)

Particulars	Year ended March 31,	
	2023	2022
Net current income tax asset/ (liability) at the beginning	2,541	6,554
Income tax paid/ (refund)	6,287	(4,013)
Current income tax expense	(10,045)	–
Net current income tax asset/ (liability) at the end	(1,217)	2,541

2.12 Revenue from operations

(In EUR)

Particulars	Year ended March 31,	
	2023	2022
Income from software services	19,618,238	12,589,943
Overseas inter-company transfer	904,622	–
Total revenue from operation	20,522,860	12,589,943

2.13 Other income

(In EUR)

Particulars	Year ended March 31,	
	2023	2022
Interest received on bank deposits	22,004	–
Exchange gains/ (losses) on translation of other assets and liabilities	(2,364)	(16,305)
Total other income	19,640	(16,305)

2.14 Expenses

(In EUR)

Particulars	Year ended March 31,	
	2023	2022
Employee benefit expenses		
Salaries including bonus	1,191,901	832,084
Staff welfare	4,063	520
	1,195,964	832,604
Cost of software packages and others	62,422	2,506
For own use	62,422	2,506
Other expenses		
Rates and taxes	59,863	35,695
Postage and courier charges	80	147
Communication expenses	7,939	4,212
Audit fees	41,167	38,000
Provision for post-sales client support and others	59,650	42,772
Impairment loss recognized/ (reversed) under expected credit loss model	–	9,280
Travel expenses	109,329	18,627
Bank charges	10,526	20,628
Marketing expenses	1,882	634
Office maintenance	1,503	408
Printing and stationery	106	95
Other expenses	3,013	–
Total other expenses	295,058	170,498

2.15 Provisions

(In EUR)

Particulars	As at March 31,	
	2023	2022
Current		
Others		
Post-sales client-support and others	102,422	42,772
	102,422	42,772

2.16 Related party transactions

Name of Holding Companies	Country	Holding as at March 31,	
		2023	2022
Infosys Limited	India	100%	100%

Name of fellow subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)[(1)]	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)[(1)]	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)[(1)]	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)[(1)]	China
Infosys Nova Holdings LLC. (Infosys Nova)[(1)]	U.S.
EdgeVerve Systems Limited (EdgeVerve)[(1)]	India
Infosys Austria GmbH[(1)]	Austria
Skava Systems Private Limited (Skava Systems)[(1) (26)]	India
Infosys Chile SpA[(1)]	Chile
Infosys Arabia Limited[(2) (26)]	Saudi Arabia
Infosys Consulting Ltda.[(1)]	Brazil
Infosys Americas Inc. (Infosys Americas)[(1) (26)]	U.S.
Infosys Public Services, Inc. USA (Infosys Public Services)[(1)]	U.S.
Infosys Canada Public Services Inc[(19) (35)]	Canada
Infosys BPM Limited[(1) (43)]	India
Infosys (Czech Republic) Limited s.r.o.[(3)]	Czech Republic
Infosys Poland Sp z.o.o[(3)]	Poland
Infosys McCamish Systems LLC[(3)]	U.S.
Portland Group Pty Ltd[(3)]	Australia
Infosys BPO Americas LLC.[(3)]	U.S.

Name of fellow subsidiaries	Country
Infosys Consulting Holding AG (Infosys Lodestone)[1]	Switzerland
Infosys Management Consulting Pty Limited[4]	Australia
Infosys Consulting AG[4]	Switzerland
Infosys Consulting GmbH[4]	Germany
Infosys Consulting S.R.L.[1]	Romania
Infosys Consulting SAS[4]	France
Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.)[4] [34]	Czech Republic
Infosys Consulting (Shanghai) Co., Ltd.[4] [30]	China
Infy Consulting Company Ltd[4]	U.K.
Infy Consulting B.V.[4]	The Netherlands
Infosys Consulting S.R.L.[45]	Argentina
Infosys Consulting (Belgium) NV[4]	Belgium
Panaya Inc. (Panaya)[1]	U.S.
Panaya Ltd.[6]	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH)[54]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[1] [26]	U.K.
Brilliant Basics Limited[7] [26]	U.K.
Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)[1]	Singapore
Infosys Middle East FZ LLC[8]	Dubai
Fluido Oy[8]	Finland
Fluido Sweden AB (Extero)[11]	Sweden
Fluido Norway A/S[11]	Norway
Fluido Denmark A/S[11]	Denmark
Fluido Slovakia s.r.o[11]	Slovakia
Infosys Compaz Pte. Ltd[9]	Singapore
Infosys South Africa (Pty) Ltd[8]	South Africa
WongDoody Holding Company Inc. (WongDoody)[1] [36]	U.S.
WDW Communications, Inc[10] [37]	U.S.
WongDoody, Inc[10] [38]	U.S.
HIPUS Co., Ltd[9]	Japan
Stater N.V.[9]	The Netherlands
Stater Nederland B.V.[12]	The Netherlands
Stater XXL B.V.[12]	The Netherlands
HypoCasso B.V.[12]	The Netherlands
Stater Participations B.V.[12]	The Netherlands
Stater Belgium N.V./S.A.[13]	Belgium
Stater Gmbh[12] [28]	Germany
Outbox systems Inc. dba Simplus (US)[15]	U.S.
Simplus North America Inc.[16] [27]	Canada
Simplus ANZ Pty Ltd.[16]	Australia
Simplus Australia Pty Ltd[17]	Australia
Sqware Peg Digital Pty Ltd[18] [31]	Australia
Simplus Philippines, Inc.[16]	Philippines
Simplus Europe, Ltd.[16] [29]	U.K.
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)[11]	U.K.
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[20]	Ireland

Name of fellow subsidiaries	Country
Infosys Limited Bulgaria EOOD[(1)]	Bulgaria
Kaleidoscope Animations, Inc.[(15)]	U.S.
Kaleidoscope Prototyping LLC[(22)]	U.S.
GuideVision s.r.o.[(14)]	Czech Republic
GuideVision Deutschland GmbH[(21)]	Germany
GuideVision Suomi Oy[(21)]	Finland
GuideVision Magyarország Kft[(21)]	Hungary
GuideVision Polska Sp. z.o.o[(21)]	Poland
GuideVision UK Ltd[(21) (26)]	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[(15)]	U.S.
Beringer Capital Digital Group Inc[(15) (41)]	U.S.
Mediotype LLC[(23) (41)]	U.S.
Beringer Commerce Holdings LLC[(23) (41)]	U.S.
SureSource LLC[(24) (39)]	U.S.
Blue Acorn LLC[(24) (39)]	U.S.
Simply Commerce LLC[(24) (39)]	U.S.
iCiDIGITAL LLC[(25) (40)]	U.S.
Infosys BPM UK Limited[(3)]	U.K.
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[(1)]	Turkey
Infosys Germany Holding Gmbh[(1)]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[(1)]	Germany
Infosys Green Forum[(1) (32)]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[(33)]	Malaysia
Infosys Business Solutions LLC[(1) (42)]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[(44)]	Germany
oddity GmbH [(46)]	Germany
oddity (Shanghai) Co., Ltd. [(47)]	China
oddity Limited (Taipei) [(47)]	Taiwan
oddity space GmbH [(46)]	Germany
oddity jungle GmbH [(46)]	Germany
oddity code GmbH [(46)]	Germany
oddity code d.o.o [(48)]	Serbia
oddity waves GmbH [(46)]	Germany
oddity group services GmbH [(46)]	Germany
Infosys Public Services Canada Inc. [(19) (5)]	Canda
BASE life science AG [(50)]	Switzerland
BASE life science GmbH [(50)]	Germany
BASE life science A/S [(49)]	Denmark
BASE life science S.A.S [(50)]	France
BASE life science Ltd. [(50)]	U.K.
BASE life science S.r.l. [(50)]	Itlay
Innovisor Inc.[(50)]	U.S.
BASE life science Inc.[(50)]	U.S.
BASE life science S.L.[(50) (51)]	Spain
Panaya Germany GmbH [(6) (52)]	Germany
Infosys Norway [(8) (53)]	Norway

[1] Wholly-owned subsidiary of Infosys Limited
[2] Majority owned and controlled subsidiary of Infosys Limited
[3] Wholly-owned subsidiary of Infosys BPM Limited
[4] Wholly-owned subsidiary of Infosys Consulting Holding AG
[5] Incorporated on July 8, 2022
[6] Wholly-owned subsidiary of Panaya Inc.
[7] Wholly-owned subsidiary of Brilliant Basics Holding Limited.
[8] Wholly-owned subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)
[9] Majority-owned and controlled subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)
[10] Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody)
[11] Wholly-owned subsidiary of Fluido Oy
[12] Wholly-owned subsidiary of Stater N.V
[13] Majority-owned and controlled subsidiary of Stater Participations B.V.
[14] Wholly-owned subsidiary of Infy Consulting Company Limited
[15] Wholly-owned subsidiary of Infosys Nova Holdings LLC
[16] Wholly-owned subsidiary of Outbox Systems Inc.
[17] Wholly-owned subsidiary of Simplus ANZ Pty Ltd
[18] Wholly-owned subsidiary of Simplus Australia Pty Ltd
[19] Wholly-owned subsidiary of Infosys Public Services, Inc.
[20] Wholly-owned subsidiary of Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)
[21] Wholly-owned subsidiary of GuideVision s.r.o.
[22] Wholly-owned subsidiary of Kaleidoscope Animations, Inc.
[23] Wholly-owned subsidiary of Blue Acorn iCi Inc
[24] Wholly-owned subsidiary of Beringer Commerce Holdings LLC
[25] Wholly-owned subsidiary of Beringer Capital Digital Group Inc.
[26] Under liquidation
[27] Liquidated effective April 27,2021
[28] Incorporated on August 4, 2021
[29] Liquidated effective July 20, 2021
[30] Liquidated effective September 1, 2021
[31] Liquidated effective September 2, 2021
[32] Incorporated on August 31, 2021
[33] On December 14, 2021, Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.), a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)
[34] Liquidated effective December 16, 2021
[35] Liquidated effective November 23, 2021
[36] Wholly-owned subsidiary of Infosys Limited, merged with WongDoody Inc, effective December 31, 2021
[37] Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody), merged with WongDoody Inc, effective December 31, 2021
[38] Wholly-owned subsidiary of Infosys Limited, effective December 31, 2021
[39] Merged with Beringer Commerce Holdings LLC, effective January 1, 2022
[40] Merged with Beringer Capital Digital Group Inc, effective January 1, 2022
[41] Merged with Blue Acorn iCi Inc, effective January 1, 2022
[42] Incorporated on February 20, 2022
[43] On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.
[44] On March 22, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.), a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ('Kristall')).
[45] Infosys Consulting S.R.L. (Argentina) (formerly a wholly-owned subsidiary of Infosys Consulting Holding AG) became the majority-owned and controlled subsidiary of Infosys Limited with effect from April 1, 2022
[46] On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ('Kristall')) (a wholly owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.)) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and oddity GmbH.
[47] Wholly-owned subsidiary of oddity GmbH
[48] Wholly-owned subsidiary of oddity code GmbH
[49] On September 1, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.) (a wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.
[50] Wholly-owned subsidiary of BASE life science A/S
[51] Incorporated on September 6, 2022
[52] Incorporated effective December 15, 2022
[53] Incorporated effective February 7, 2023.

(54) Infosys Financial Services GmbH. (formerly, Panaya GmbH) became a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.) with effect from February 23, 2023.

The details of amounts due to or due from related parties as at March 31, 2023 and March 31, 2022 are as follows:

(In EUR)

Particulars	As at March 31,	
	2023	2022
Trade payables		
Infosys Limited	5,233,737	3,267,039
Infosys BPM Limited	10,279	25,110
Infosys (Czech Republic) Limited s.r.o.	129	31
Infosys Poland sp Z.o.o.	29,571	22,121
Infosys Consulting S.R.L	–	–
Infosys China	19	–
	5,273,735	3,314,301
Prepaid expense and other assets		
Panaya Ltd	343,595	434,321
	343,595	434,321
Other financial assets		
Infosys Limited	904,945	323
	904,945	323
Accrued expense		
Infosys Limited	2,380	–
	2,380	–
Other financial liabilities		
Infosys Limited	222,674	93,961
Infosys Automotive and Mobility GmbH & Co. KG	20,109	–
	242,783	93,961

The details of the related-parties transactions entered into by the Company for the year ended March 31, 2023 and March 31, 2022 are as follows:

Revenue Transactions

(In EUR)

Particulars	As at March 31,	
	2023	2022
Purchase of services		
Infosys Limited	16,659,785	10,790,484
Infosys BPM Limited	120,352	130,033
Infosys Consulting S.R.L	–	123
Infosys Czech Republic	493	31
Infosys Poland sp Z.o.o.	229,522	99,496
Infosys China	90	–
Panaya Ltd	218,526	122,365
	17,228,768	11,142,532

Particulars	As at March 31,	
	2023	2022
Purchase of shared services including facilities and personnel		
Infosys Limited	445,443	–
	445,443	–
Sale of services		–
Infosys Limited	904,622	–
	904,622	–

2.17 Segment reporting

The Company is engaged in providing consultancy service in a single geography. 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. Its operations are, therefore, considered to constitute a single segment in the context of Ind-AS 108, Segment Reporting.

2.18 Ratios

The ratios for the years ended March 31, 2023, and March 31, 2022 are as follows:

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance
Current ratio	Current assets	Current liabilities	1.2	1.1	6%
Debt – Equity ratio	Total debt (represents lease liabilities)(1)	Shareholder's equity	0.3	0.1	22%
Debt service coverage ratio	Earnings available for debt service(2)	Debt service(3)	7.8	12.7	(39%)
Return on equity (ROE)	Net profits after taxes	Average shareholder's equity	66.6%	45.5%	21%
Trade receivables turnover ratio	Revenue	Average trade receivable	4.1	3.9	5%
Trade payables turnover ratio	Purchases of services and other expenses	Average trade payables	4.2	6.4	(34%)
Net capital turnover ratio	Revenue	Working capital	13.6	16.8	33%
Net profit ratio	Net profit	Revenue	3.8%	2.3%	2%
Return on capital employed (ROCE)	Earning before interest and taxes	Capital employed(4)	39.8%	34.8%	5%

\# Debt service coverage ratio has decreased due to increase in net income.

\# Trade payable turnover ratio has decreased due to increase in trade payable.

\# Net capital turnover ratio has increased due to increase in revenue.

(1) Debt represents only 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.

* Revenue growth along with higher efficiency on working capital improvement has resulted in an improvement in the ratio.

Infosys BPO Americas LLC

Independent Auditors' Report

The Board of Directors Infosys BPO Americas LLC

Opinion

We have audited the accompanying financial statements of Infosys BPO Americas LLC (the Company), which comprise the balance sheets as of March 31, 2023, the related statements of comprehensive income, changes in stockholders' equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2023 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statements of the Company for the year ended March 31, 2022 were audited by another auditor, whose report dated April 30, 2022, expressed an unmodified opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Company's ability to continue as a going concern for within one year after the date that the financial statements are issued or available to be issued.

Auditor's responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Rakesh Jain, CPA PC
Certified Public Accountants

Houston, TX
Date: May 16, 2023

Balance Sheet

(In US$)

Particulars	As at March 31, 2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	3,512,052	4,616,808
Accounts receivables, net of doubtful balances	1,981,365	2,226,324
Unbilled revenue	734,132	1,912,785
Income tax assets	15,914	-
Prepayments and other assets	58,562	83,816
Total current assets	6,302,025	8,839,733
Non-current assets		
Deferred tax assets	21,288	4,640
Plant and equipment	118,785	15,350
Prepayments and other assets	–	10,677
Total non-current assets	140,073	30,667
Total assets	6,442,098	8,870,400
LIABILITIES AND EQUITY		
Current liabilities		
Trade payables	110,201	3,144,311
Unearned revenue	–	66,391
Provisions	20,408	57,133
Income tax liabilities	–	9,502
Other liabilities	1,790,839	4,060,628
Total current liabilities	1,921,448	7,337,965
Total liabilities	1,921,448	7,337,965
MEMBER'S EQUITY		
Member's equity	17,750,000	17,750,000
Accumulated deficit	(13,229,350)	(16,217,565)
Total member's equity	4,520,650	1,532,435
Total liabilities and member's equity	6,442,098	8,870,400

The accompanying notes form an integral part of the financial statements

Vasudeva Maipady
Authorized Signatory

Date: May 16, 2023

Statements of Comprehensive Income

(In US$)

Particulars	Year ended March 31,	
	2023	2022
Revenue	14,864,999	22,143,204
Cost of revenue	11,212,005	31,120,642
Gross Profit/ (loss)	3,652,994	(8,977,438)
Other expenses:		
Selling and marketing expenses	–	5,035
Administrative expenses	340,087	312,206
Total other expenses	340,087	317,241
Operating Profit/ (loss)	3,312,907	(9,294,679)
Miscellaneous income	(51,780)	628
Profit/ (loss) before income taxes	3,364,687	(9,295,307)
Income tax expense	375,464	4,862
Net profit/ (loss)	2,989,223	(9,300,169)
Other comprehensive income	(1,008)	(124)
Total comprehensive income/ (loss)	2,988,215	(9,300,293)

The accompanying notes form an integral part of the financial statements

Vasudeva Maipady
Authorized Signatory

Date: May 16, 2023

Statements of Changes in Member's Equity

(In US$)

Particulars	Member's Equity	Additional paid in capital	Accumulated deficit	Total Member's equity
Balance as at April 1, 2021	1,000,000	7,000,000	(6,917,272)	1,082,728
Changes in members equity for the period ended March 31, 2022				
Shares issued to member	–	9,750,000	–	9,750,000
Net loss for the year	–	–	(9,300,293)	(9,300,293)
Balance as at March 31, 2022	1,000,000	16,750,000	(16,217,565)	1,532,435
Balance as at April 1, 2022	1,000,000	16,750,000	(16,217,565)	1,532,435
Changes in members equity for the period ended March 31, 2023				
Shares issued to member	–	–	–	–
Net Profit for the year	–	–	2,988,215	2,988,215
Balance as at March 31, 2023	1,000,000	16,750,000	(13,229,350)	4,520,650

The accompanying notes form an integral part of the financial statements

Vasudeva Maipady
Authorized Signatory

Date: May 16, 2023

Statement of Cash Flows

(In US$)

Particulars	Year ended March 31, 2023	2022
Cash flows from operating activities		
Net profit/ (loss) for the year	2,989,223	(9,300,169)
Adjustments to reconcile net profit to net cash provided by operating activities:		
Income tax expense	375,464	4,862
Provision for service level risk on revenue contracts	(36,724)	4,525
Allowance for doubtful accounts	6,095	32,568
Depreciation	53,066	11,216
Exchange difference	(13,676)	506
Cash operating income/ (loss)	3,373,448	(9,246,492)
Changes in assets and liabilities		
Accounts receivable	255,745	1,169,605
Prepayments and other assets	(3,228)	(2,002)
Unbilled revenues	1,214,609	786,529
Trade payables	(3,034,110)	1,780,915
Unearned revenue	(66,391)	66,391
Other liabilities and provisions	(2,275,221)	(96,343)
Income taxes paid	(413,107)	–
Net cash used in operating activities	(948,255)	(5,541,397)
Cash flows from investing activities		
Expenditure on property, plant and equipment	(156,501)	–
Net cash used in investing activities	(156,501)	-
Cash flows from financing activities		
Capital infusion	–	9,750,000
Net cash generated in financing activities	–	9,750,000
Net changes in cash and cash equivalents	(1,104,756)	4,208,603
Cash and cash equivalents at the beginning of the period	4,616,808	408,205
Cash and cash equivalents at the end of the year	3,512,052	4,616,808
Supplementary information:		
Interest paid during the period	–	–

The accompanying notes form an integral part of the financial statements

Vasudeva Maipady
Authorized Signatory

Date: May 16, 2023

Notes to the Financial Statements for the year ended March 31, 2023

1. Company overview and significant accounting policies

1.1 Company overview

Infosys BPO Americas, LLC, (the Company) is a mortgage-fulfillment services-based business that provides end-to-end mortgage fulfillment services.

The Company was formed in November 2015 as a limited liability company under the provisions of the Delaware Limited Liability Company Act (the Act). The Company was formed by Infosys BPM Limited (formerly, Infosys BPO Limited), a subsidiary of Infosys Limited.

1.2 Basis of preparation of financial statements

The accompanying financial statements have been prepared in conformity with U.S. Generally Accepted Accounting Principles to reflect the financial position and results of operations of the Company. The financial statements have been presented in United States Dollars.

1.3 Use of estimates

The preparation of financial statements is in conformity with U.S. Generally Accepted Accounting Principles (U.S. GAAP) requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent assets and liabilities. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.4 Revenue recognition

Revenue from mortgage fulfillment services, which principally relates to implementation, enhancement, training and support services associated with the Company's products, is derived under both time-and-material and fixed-price agreements. Revenue on time-and-material contracts is recognized as the related services are rendered. Revenue related to fixed-price agreements is recognized on a percentage of completion basis over the term of the agreement. In measuring progress towards completion, the input (efforts expended) method has been used. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current estimates. Costs and earnings in excess of billings are classified as unbilled revenue while billings in excess of costs and earnings are classified as unearned revenue.

1.5 Plant and equipment

Property and equipment are stated at cost, less accumulated depreciation. The Company depreciates property and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Computer equipment	3-5 years
Plant and machinery	5 years
Furniture and fixtures	5 years
office equipments	5 years
Leasehold improvements	Over lease term or 5 years which ever is lower

Leasehold improvements are amortized on a straight-line basis over the lesser of the remaining lease term or the estimated useful life of the asset.

For computer equipment, based on internal assessment and independent technical evaluation carried out by external valuers the management believes that the useful lives as given above best represent the period over which management expects to use these assets.

The cost of software purchased for internal use is accounted under FASB ASC Topic 350-40 (SOP 98-1), Accounting for the Costs of Computer Software Developed or Obtained for Internal Use. Deposits paid towards the acquisition of these long-lived assets outstanding at each Balance Sheet date, and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Costs of improvements that substantially extend the useful life of particular assets are capitalized. Repairs and maintenance cost are charged to earnings when incurred. The cost and related accumulated depreciation are removed from the financial statements upon sale or disposition of the asset.

The Company evaluates the recoverability of these assets whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying value of the assets exceeds the fair value. Assets to be disposed are reported at the lower of the carrying value or the fair value less the cost to sell.

1.6 Cash and cash equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks.

1.7 Accounts receivable

Accounts receivable are recorded at the invoiced amount. The Company's accounts receivable relate principally to revenue earned from customers located in the United States.

The Company maintains an allowance for doubtful accounts to provide coverage for losses from client receivables. In establishing the required allowance, management considers historical losses adjusted to take into account current market conditions and customers' financial condition, the amount of receivables in dispute, the current receivables aging and current payment patterns. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

1.8 Employee benefit obligations

The employees of the Company are entitled to compensated absences which is non-accumulating in nature. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

1.9 Income taxes

Income taxes are accounted using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities, and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred tax assets and liabilities is recognized as income or expense in the period that includes the enactment date. The measurement of deferred tax assets is reduced, if necessary, by a valuation allowance if it is more likely than not that some portion or all of the assets will not be realized. Changes in valuation allowance from period to period are reflected in the income statement of the period of change.

2. Member's equity

At March 31, 2023, the Company had one member, Infosys BPM Limited (the 'Member'). The Member owns 100% of the interests of the Company.

3. Cash and cash equivalents

(In US$)

Particulars	As at March 31,	
	2023	2022
-Current account	3,512,052	4,616,808

4. Cost of revenue

(In US$)

Particulars	For years ended March 31,	
	2023	2022
Salaries	10,430,187	24,689,416
Subcontractor charges	205,440	5,896,609
Others	576,378	534,617
Total	11,212,005	31,120,642

5. Other Expenses

(In US$)

Particulars	For years ended March 31,	
	2023	2022
Legal and professional charges	56,688	61,504
Others(Salaries, insurance, rates and taxes)	283,399	255,737
Total	340,087	317,241

6. Related party transactions

Name of the related party and their relationships:

Holding Company- Infosys BPM Limited (formerly, IBPO Limited)

The details of the related party transactions entered into by the Company during the years ended March 31, 2023 and March 31, 2022 are as follows:

(In US$)

Particulars	As at March 31,	
	2023	2022
Unbilled revenues		
Infosys BPM Limited	44,875	–
	44,875	–
Other receivables		
Infosys BPM Limited	751	7,030
	751	7,030
Trade payables		
Infosys BPM Limited	1,857	1,515,510
Infosys Limited	14,198	1,509,931
	16,055	3,025,441
Other payables		
Infosys BPM Limited	123,272	4,148
Infosys McCamish	8,992	869
	132,263	5,017
Provision for expenses		
Infosys Limited	–	57,014
	–	57,014

The details of related party transactions as at March 31, 2023 and March 31, 2022 are as follows:

(In US$)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital transactions:		
Capital Infusion		
Infosys BPM Limited	–	9,750,000
	–	9,750,000
Revenue transactions:		
Purchase of services		
Infosys BPM Limited	403,939	2,030,096
Infosys Limited	5,527	2,368,690
	409,466	4,398,786
Purchase of shared services		
Infosys BPM Limited	1,237	–
Infosys Limited	75,194	57,074
Infosys McCamish	42,918	115,876
	119,349	172,949

7. Subsequent events

The Company has evaluated all events or transactions that occurred after the balance sheet date through the date that the financial statements were available for issue. The Company is not aware of any additional subsequent events that would require recognition or disclosure in the financial statements.

For Infosys BPO Americas, LLC

Vasudeva Maipady
Authorized Signatory

Date: May 16, 2023

Infy Consulting B.V.

(Formerly Lodestone Management Consultants B.V.)

Independent Auditor's report

To the Members of INFY CONSULTING B.V.

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of INFY CONSULTING B.V. ("the Company"), which comprise the Balance Sheet as at December 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of preparation referred to in Section 1.2 of the special purpose financial statements, of the state of affairs of the Company as at December 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Management is 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 Management is 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 Management is Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

i) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

iii) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

UDIN : 23202841BGWLUU8870

For Shenoy & Kamath
Chartered Accountants,
Firm Registration Number. 006673S

(M Rathnakar Kamath)
Partner
Membership Number. 202841

Place: Bengaluru.

Date: May 20, 2023

Balance Sheet

(In₹)

Particulars	Note	As at December 31, 2022	As at December 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	21,89,425	5,64,614
Right to Use of Asset	2.14	3,31,58,350	2,97,39,681
Financial assets			
Loans	2.2	14,22,78,078	13,52,73,933
Other financial assets	2.4	3,86,569	–
Income tax assets, net	2.13	11,15,333	–
Total non-current assets		17,91,27,755	16,55,78,228
Current assets			
Financial assets			
Trade receivables	2.4	10,80,88,458	35,06,58,096
Cash and cash equivalents	2.5	35,73,32,231	14,73,87,264
Other financial assets	2.3	1,67,00,906	40,89,188
Other current assets	2.6	6,67,47,158	11,22,35,383
Total current assets		54,88,68,753	61,43,69,931
Total assets		72,79,96,508	77,99,48,159
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.8	53,27,009	53,27,009
Other equity		43,71,80,743	34,50,68,358
Total equity		44,25,07,752	35,03,95,367
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liability	2.14	50,73,128	47,58,406
Income tax liabilities (net)	2.13	–	34
Total non-current liabilities		50,73,128	47,58,440
Current liabilities			
Financial liabilities			
Trade payables	2.9	4,91,92,180	9,77,43,940
Lease liability	2.14	2,62,52,272	2,34,44,007
Other financial liabilities	2.10	11,24,74,281	14,53,48,823
Other current liabilities	2.11	7,57,54,657	13,75,47,936
Provisions	2.12	4,02,572	34,95,095
Income tax liabilities (net)	2.13	1,63,39,666	1,72,14,551
Total current liabilities		28,04,15,628	42,47,94,352
Total equity and liabilities		72,79,96,508	77,99,48,159

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Place: Bengaluru

Date: May 20, 2023

for and on behalf of the Board of Directors of Infy Consulting B.V.

Walter Johan Schulze
Director

Statement of Profit and Loss

(In ₹ except equity share and per equity share data)

Particulars	Note	Year ended December 31,	
		2022	2021
Revenue from operations	2.15	96,08,41,311	96,31,22,695
Other income, net	2.16	(1,06,83,487)	64,89,837
Total income		95,01,57,824	96,96,12,532
Expenses			
Employee benefit expenses	2.17	37,52,62,678	42,34,21,932
Cost of technical sub-contractors		22,69,69,163	26,28,41,225
Travel expenses		1,73,34,649	41,06,144
Cost of software packages and others	2.17	18,52,13,239	5,11,79,316
Communication expenses		31,93,700	25,33,009
Consultancy and professional charges		2,20,96,293	1,89,58,503
Depreciation and amortization expense	2.1	1,54,71,859	1,22,03,090
Finance cost	2.14	5,83,210	5,07,654
Other expenses	2.17	1,15,75,581	1,97,37,637
Total expenses		85,77,00,372	79,54,88,510
Profit before tax		9,24,57,452	17,41,24,022
Tax expense			
Current tax	2.13	2,17,52,695	4,48,08,522
Profit for the Year		7,07,04,757	12,93,15,500
Other comprehensive income / (loss)			
Items that will not be reclassified subsequently to profit or loss			
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation		2,14,07,628	(1,83,76,762)
Total other comprehensive income/(loss), net of tax		2,14,07,628	(1,83,76,762)
Total comprehensive income for the year		9,21,12,385	11,09,38,738
Earnings per equity share			
Equity shares of par value EUR 5/- each			
Basic and Diluted (₹)		3,928.04	7,184.19
Weighted average equity shares used in computing earnings per equity share			
Basic and Diluted		18,000	18,000

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Place: Bengaluru

Date: May 20, 2023

for and on behalf of the Board of Directors of Infy Consulting B.V.

Walter Johan Schulze
Director

Statement of Changes in Equity

(In ₹)

Particulars	Equity share capital	Other equity		Total equity attributable to equity holders of the Company
		Reserves and Surplus	Other Comprehensive income	
		Retained earnings	Exchange difference on translation	
Balance as of January 1, 2021	53,27,009	19,50,83,012	3,90,46,608	23,94,56,629
Changes in equity for the year ended December 31, 2021				
Currency translation	–	–	(1,83,76,762)	(1,83,76,762)
Profit for the year	–	12,93,15,500	–	12,93,15,500
Balance as of December 31, 2021	53,27,009	32,43,98,512	2,06,69,846	35,03,95,367
Changes in equity for the year ended December 31, 2022				
Currency translation	–	–	2,14,07,628	2,14,07,628
Profit for the year	–	7,07,04,757	–	7,07,04,757
Balance as of December 31, 2022	53,27,009	39,51,03,269	4,20,77,474	44,25,07,752

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Place: Bengaluru

Date: May 20, 2023

for and on behalf of the Board of Directors of Infy Consulting B.V.

Walter Johan Schulze
Director

Statements of Cash Flows

(In ₹)

Particulars	Year ended December 31, 2022	2021
Cash flows from operating activities		
Profit for the year	7,07,04,757	12,93,15,500
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation and Amortization expense	1,54,71,859	1,22,03,090
Income tax expense	2,17,52,695	4,48,08,522
(Reversal)/Allowance for credit losses on financial assets	(13,64,083)	6,90,552
Finance Cost	5,83,210	5,07,654
Interest and dividend income	(6,64,314)	(3,48,992)
Other adjustments	(30,59,518)	27,48,409
Exchange differences on translation of assets and liabilities	1,51,10,265	(96,95,548)
Changes in assets and liabilities		
Trade receivables and unbilled revenue	24,39,33,721	(16,43,01,227)
Other financial assets and other assets	3,24,89,938	(7,75,14,804)
Trade payables	(4,85,51,760)	5,43,34,721
Other financial liabilities, other liabilities and provisions	(9,46,67,821)	9,92,22,874
Cash generated from operations	25,17,38,949	9,19,70,751
Income taxes paid	(2,37,42,947)	(2,46,78,227)
Net cash generated by operating activities	22,79,96,002	6,72,92,524
Cash flow from investing activities		
Expenditure on property, plant and equipment net of sale proceeds	(22,36,905)	–
Loan to Parent Company	–	–
Loans to employees	–	31,17,388
Interest and dividend received on investments	6,64,314	3,48,992
Net cash used in investing activities	(15,72,591)	34,66,380
Cash flow from financing activities		
Interest paid	(5,83,210)	(4,61,013)
Payment of lease liabilities	(1,58,95,234)	(1,18,15,856)
Net cash used in financing activities	(1,64,78,444)	(1,22,76,869)
Net (decrease)/increase in cash and cash equivalents	20,99,44,967	5,84,82,035
Cash and cash equivalents at the beginning of the year	14,73,87,264	8,89,05,229
Cash and cash equivalents at the end of the year	35,73,32,231	14,73,87,264

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Place: Bengaluru

Date: May 20, 2023

for and on behalf of the Board of Directors of Infy Consulting B.V.

Walter Johan Schulze
Director

Significant accounting policies

Company overview

Infy Consulting B.V. (formerly Lodestone Management Consultants B.V.) is a wholly-owned subsidiary of Infosys Consulting Holding AG (Infosys Lodestone) (formerly Lodestone Holding AG). The Company renders professional management consulting services, thereby enabling its clients to enhance business performance.

1 Significant accounting policies

1.1 Accounting year

The accounting year of the Company is from January 1 to December 31.

1.2 Basis of preparation of financial statements

These special purpose financial statements are prepared for inclusion in the annual report of the Ultimate Holding Company, Infosys Limited, under the requirements of section 129 (3) of the Companies Act 2013. These financial statements are prepared in accordance with Indian Accounting Standards (Ind-AS) under the historical cost convention on the accrual basis. The Ind-AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been 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 Presentation currency

The Company's presentation currency is Indian Rupees.

1.4 Use of estimates

The preparation of the financial statements in conformity with Ind-AS requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Examples of such estimates include computation of percentage of completion which requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts to be expended, impairment losses on financial assets, future obligations under employee benefit plans, income taxes, post-sales customer support and the useful lives of property, plant and equipment.

1.5 Revenue recognition

The Company derives revenues primarily from consultancy services.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Arrangements with customers for software related services are either on a fixed-timeframe or on a time-and-material basis.

1.5.1 T and materials

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

1.5.2 Fixed price

Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method.

1.5.3 Unbilled/ Unearned

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

1.5.4 Licenses

Revenue from licenses where the customer obtains a 'right to use' the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a 'right to access' is recognized over the access period. Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS). The Company has applied the principles under Ind-AS 115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost-plus margin approach. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is 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.

1.5.6 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.

1.5.7 Tax

The Company presents revenues net of indirect taxes in its Statement of Profit and loss.

1.6 Provisions

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.

1.7 Post-sales client-support and warranties

The Company provides its clients with a fixed-period warranty for corrections of errors and telephone support on all its fixed-price, fixed-timeframe contracts. Costs associated with such support services are accrued at the time when related revenues are recorded and included in cost of sales. The Company estimates such costs based on historical experience and the estimates are reviewed annually for any material changes in assumptions.

1.8 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.

1.9 Property, plant and equipment

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

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end

[1] For these class of assets, based on technical evaluation, the management believes that the useful lives as given above best represent the period over which 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.

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 net profit 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. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

1.10 Financial instruments

1.10.1 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.

1.10.2 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

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.

(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.

1.11 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.

1.12 Impairment

a. Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables 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 profit or loss.

b. Non-financial assets

(i) Property, plant and equipment

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 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 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 or depreciation) had no impairment loss been recognized for the asset in prior years.

1.13 Employee benefits

Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/ availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

1.14 Foreign currency

Functional currency

The functional currency of the Company is the EUR. These financial statements are presented in Indian Rupees.

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 net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

1.15 Income taxes

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.

1.16 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.17 Other income

Other income primarily comprises interest income, dividend income and exchange gain/loss on forward and options contracts and on translation of other assets and liabilities. Interest income is recognized using the effective interest method.

1.18 Earnings per share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.

1.19 Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ('ROU') and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate 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 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 for the 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 asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.1 Property, plant and equipment

The changes in the carrying value of property, plant and equipment for the year ended December 31, 2022 are as follows:

(In ₹)

Particulars	Office Equipment	Computer equipment	Furniture and fixtures	Total
Gross carrying value as of January 1, 2022	62,230	1,10,77,667	6,45,706	1,17,85,603
Additions/Adjustments	–	22,36,905	–	22,36,905
Deletions/Adjustments	–	(4,02,712)	–	(4,02,712)
Translation difference	2,897	5,15,644	30,055	5,48,596
Gross carrying value as of December 31, 2022	65,127	1,34,27,504	6,75,761	1,41,68,392
Accumulated depreciation as of January 1, 2022	(62,230)	(1,05,13,053)	(6,45,706)	(1,12,20,989)

Particulars	Office Equipment	Computer equipment	Furniture and fixtures	Total
Depreciation	–	(6,02,897)	–	(6,02,897)
Accumulated depreciation on deletions	–	4,02,712	–	4,02,712
Translation difference	(2,897)	(5,24,841)	(30,055)	(5,57,793)
Accumulated depreciation as of December 31, 2022	(65,127)	(1,12,38,079)	(6,75,761)	(1,19,78,967)
Carrying value as of December 31, 2022	–	21,89,425	–	21,89,425
Carrying value as of January 1, 2022	–	–	–	5,64,614

The changes in the carrying value of property, plant and equipment for the year ended December 31, 2021 are as follows:

(In ₹)

Particulars	Office Equipment	Computer equipment	Furniture and fixtures	Total
Gross carrying value as of January 1, 2021	66,309	1,18,03,726	6,88,027	1,25,58,062
Additions/Adjustments	–	–	–	–
Translation difference	(4,079)	(7,26,059)	(42,321)	(7,72,459)
Gross carrying value as of December 31, 2021	62,230	1,10,77,667	6,45,706	1,17,85,603
Accumulated depreciation as of January 1, 2021	(66,309)	(1,07,07,039)	(6,88,027)	(1,14,61,375)
Depreciation	–	(4,81,769.00)	–	(4,81,769)
Translation difference	4,079.00	6,75,755.00	42,321.00	7,22,155
Accumulated depreciation as of December 31, 2021	(62,230)	(1,05,13,053)	(6,45,706)	(1,12,20,989)
Carrying value as of December 31, 2021	–	5,64,614	–	5,64,614
Carrying value as of January 1, 2021	–	10,96,687	–	10,96,687

2.2 Loans

(In ₹)

Particular	As at December 31	
	2022	2021
Non-current		
Unsecured, considered good	–	–
Other loans	–	–
Loans to employees	–	–
	–	–
Unsecured, considered doubtful		
Loan to parent company [(1)]	14,22,78,078	13,52,73,933
	14,22,78,078	13,52,73,933
	14,22,78,078	13,52,73,933
Current		
Loan receivables considered good - Unsecured		
Other loans		
Loans and advances to employees	–	–
Less: Allowance for doubtful loans to employees	–	–
	–	–
Total loans	14,22,78,078	13,52,73,933
[(1)] Includes dues from related party (Refer to Note No. 2.18)	14,22,78,078	13,52,73,933

2.3 Other financial assets

(In ₹)

Particulars	As at December 31 2022	2021
Non-current		
Investment in lease [(1)]	3,86,569	–
	3,86,569	–
Current		
Unbilled revenue	1,62,84,621	25,59,557
Others [(2)]	4,16,285	15,29,631
Total	1,67,00,906	40,89,188
[(1)] Financial assets carried at amortized cost	1,70,87,475	40,89,188
[(2)] Includes dues from related party (Refer to Note No. 2.18)	–	15,29,631

2.4 Trade receivables

(In ₹)

Particulars	As at December 31 2022	2021
Current		
Unsecured		
Considered good	10,80,88,458	35,06,58,096
Considered doubtful	–	14,07,967
	10,80,88,458	35,20,66,063
Less: Allowances for credit loss	–	(14,07,967)
	10,80,88,458	35,06,58,096

Trade receivables ageing schedule for the year ended as on December 31, 2022 and December 31,2021

(In ₹)

Particulars	Not Due	Outstanding for following periods from due date of payment: Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good		10,80,88,458	–	–	–	–	10,80,88,458
		35,06,58,096	–	–	–	–	35,06,58,096
Total Trade Receivables							10,80,88,458
							35,06,58,096

Trade payables ageing schedule for the year ended as on December 31, 2022 and December 31,2021

(In ₹)

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
Outstanding trade payables	-	49,192,180	-	-	-	49,192,180
		97,743,940				97,743,940

2.5 Cash and cash equivalents

(In ₹)

Particulars	As at December 31	
	2022	2021
Balances with banks		
In current accounts	35,73,32,231	14,73,87,264
Total Cash and cash equivalents	35,73,32,231	14,73,87,264

2.6 Other assets

(In ₹)

Particulars	As at December 31	
	2022	2021
Current		
Advances other than capital advance		
Payment to vendors for supply of goods	29,72,891	1,81,520
Others		
Unbilled Revenues	–	6,04,719
Prepaid expenses	4,26,05,124	6,20,67,089
Withholding taxes and others	2,11,69,143	4,93,82,055
Total Current other assets	6,67,47,158	11,22,35,383

2.7 Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories were as follows:

(In ₹)

Particulars	As at December 31	
	2022	2021
Assets		
Cash and cash equivalents (Refer to Note No. 2.5)	35,73,32,231	14,73,87,264
Trade receivables (Refer to Note No. 2.4)	10,80,88,458	35,06,58,096
Loans (Refer to Note No. 2.2)	14,22,78,078	13,52,73,933
Other financial assets (Refer to Note No. 2.3)	1,70,87,475	40,89,188
Total	62,47,86,242	63,74,08,481
Liabilities		
Trade payables (Refer to Note No. 2.9)	4,91,92,180	9,77,43,940
Other financial liabilities (Refer to Note No. 2.10)	8,76,31,565	12,19,34,967
Total	13,68,23,745	21,96,78,907

All the above financial assets and liabilities are carried at amortized cost and the carrying values approximates their fair value.

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 primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. 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 ₹108,088,458 and ₹350,658,096 as of December 31, 2022 and December 31, 2021, respectively and unbilled revenue amounting to ₹16,284,621 and ₹ 2,559,557 as of December 31, 2022 and December 31, 2021, 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. As per 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 and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes, credit ratings from credit rating agencies and the Company's historical experience for customers.

Credit risk exposure

The provision for lifetime ECL on customer balances for the year ended December 31, 2022 was (₹1,364,083) and ₹6,90,552 for the year ending December 31, 2021 respectively.

(In ₹)

Particulars	Year ended December 31,	
	2022	2021
Balance at the beginning	14,07,967	7,44,798
Impairment loss recognized / reversed	(13,64,083)	6,90,552
Translation differences	(43,884)	(27,383)
Balance at the end	–	14,07,967

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 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 December 31, 2022, the Company had a working capital of ₹26,84,53,125 including cash and cash equivalents of

₹35,73,32,231. As of December 31, 2021, the Company had a working capital of ₹18,95,75,579 including cash and cash equivalents of ₹14,73,87,264

2.8 Equity

Equity share capital

(in ₹ except as otherwise stated)

Particulars	As at December 31, 2022	2021
Authorized		
18,000 (18,000) equity shares of EUR 5/- par value	53,27,009	53,27,009
Issued, subscribed and paid-up		
18,000 (18,000) equity shares of EUR 5/- par value	53,27,009	53,27,009
	53,27,009	53,27,009

The details of shareholders holding more than 5% shares are as follows:

Name of the shareholder	As at December 31, 2022		As at December 31, 2021	
	Number of shares	% held	Number of shares	% held
Infosys Consulting Holding AG				
(formerly Lodestone Holding AG)	18,000	100.00	18,000	100.00

There is no movement in the number of shares during the reporting period ended December 31,2022.

2.9 Trade payables

(In₹)

Particulars	As at December 31, 2022	2021
Trade payables *	4,91,92,180	9,77,43,940
Total trade payables	4,91,92,180	9,77,43,940
*Includes dues to related parties (Refer to Note No. 2.18)	70,39,819	8,15,48,983

Trade payables ageing schedule for the year ended as on December 31, 2022 and December 31,2021

(In ₹)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Outstanding trade payables	–	4,91,92,180	–	–	–	4,91,92,180
	–	9,77,43,940	–	–	–	9,77,43,940

2.10 Other financial liabilities

(In₹)

Particulars	As at December 31, 2022	2021
Current		
Others		
Accrued compensation to employees	1,87,71,252	3,29,05,562
Accrued expenses (1)	6,79,79,601	6,30,47,156
Compensated absences	2,48,42,716	2,34,13,856
Other payables (2)	8,80,712	2,59,82,249
Total financial liabilities	11,24,74,281	14,53,48,823
Financial liability carried at amortized cost	8,76,31,565	12,19,34,967
(1) Includes dues to related party (Refer to Note No. 2.18)	1,36,40,869	2,87,63,711

Particulars	As at December 31, 2022	2021
(2) Includes dues to related parties (Refer to Note No. 2.18)	24,16,463	2,59,56,984

2.11 Other liabilities

(In₹)

Particulars	As at December 31, 2022	2021
Current		
Unearned revenue	3,62,34,822	7,40,36,031
Withholding taxes and others	3,95,19,835	6,35,11,905
Total other liabilities	7,57,54,657	13,75,47,936

2.12 Provisions

(In₹)

Particulars	As at December 31,	
	2022	2021
Current		
Others		
Post-sales client support and warranties	4,02,572	34,95,095
Total provisions	4,02,572	34,95,095

Provision for post-sales client support and warranties

The movement in the provision for post-sales client support and warranties and others is as follows:

(In₹)

Particulars	As at December 31,	
	2022	2021
Opening balance at the beginning	34,95,095	8,69,053
Provision recognized / (reversed)	(30,59,518)	27,48,409
Exchange difference	(33,005)	(1,22,367)
Balance at the end	4,02,572	34,95,095

2.13 Income taxes

Income tax expense in the Statement of Profit and Loss comprises:

(In₹)

Particulars	Year ended December 31,	
	2022	2021
Current taxes	2,17,52,695	4,48,08,522
Income tax expense	2,17,52,695	4,48,08,522

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized as follows:

(In₹)

Particulars	Year ended December 31,	
	2022	2021
Profit before income tax	9,24,57,452	17,41,24,022
Enacted tax rates in Netherlands (%)	25.80%	25.00%
Computed expected tax expense	2,38,54,023	4,35,31,006
Tax provisions / (reversals)	(32,09,502)	4,20,769
Effect of non-deductible expenses	8,43,894	8,42,662
Others	2,64,280	14,085
Income tax expense	2,17,52,695	4,48,08,522

The applicable Netherlands statutory tax rate for year ended December 31, 2022 was 25.8% and December 31, 2021 was 25 %.

The details of income tax assets and income tax liabilities are as follows:

(In₹)

	Year ended December 31,	
	2022	2021
Income tax assets/ (liabilities)	11,15,333	34
Current income tax liabilities	1,63,39,666	1,72,14,551
Net current income tax assets / (liability) at the end	(1,52,24,333)	(1,72,14,517)

The gross movement in the current income tax asset / (liability) is as follows:

(In₹)

Particulars	Year ended December 31,	
	2022	2021
Net current income tax asset / (liability) at the beginning	(1,72,14,585)	29,15,710
Income tax paid	2,37,42,947	2,46,78,227
Current income tax expense	(2,17,52,695)	(4,48,08,522)
Net current income tax asset / (liability) at the end	(1,52,24,333)	(1,72,14,585)

2.14 Leases

The changes in the carrying value of right of use assets for the year ended December 31, 2022 are as follows:

(In₹)

Particulars	Category of ROU asset		Total
	Vehicles	Computer Equipment	
Balance as of January 1, 2022	2,97,39,681	–	2,97,39,681
Additions	1,92,81,822	3,18,589	1,96,00,411
Deletion	(17,06,563)	–	(17,06,563)
Translation difference	3,89,063	4,720	3,93,783
Depreciation	(1,48,06,338)	(62,624)	(1,48,68,962)
Balance as of December 31, 2022	3,28,97,665	2,60,685	3,31,58,350

The changes in the carrying value of right of use assets for the year ended December 31, 2021 are as follows:

(In₹)

Particulars	Category of ROU asset	Total
	Vehicles	
Balance as of January 1, 2021	2,51,83,194	2,51,83,194
Additions	2,21,44,617	2,21,44,617
Deletion	(37,42,865)	(37,42,865)
Translation difference	(21,23,944)	(21,23,944)
Depreciation	(1,17,21,321)	(1,17,21,321)
Balance as of December 31, 2021	2,97,39,681	2,97,39,681

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The breakup of current and non-current lease liabilities are as follows:

(In₹)

Particulars	As at	
	December 31, 2022	December 31, 2021
Current lease liabilities	2,62,52,272	2,34,44,007
Non-current lease liabilities	50,73,128	47,58,406
Total	3,13,25,400	2,82,02,413

The movement in lease liabilities during the year ended are as follows:

(In₹)

Particulars	For the year ended December 31,	
	2022	2021
Balance at the beginning	2,82,02,413	2,34,47,300
Additions	1,96,00,411	2,21,44,617
Deletions	(17,06,563)	(37,42,865)
Finance cost accrued during the period	54,221	46,641
Payment of lease liabilities	1,58,95,234	1,18,15,856
Translation Difference	10,70,152	(18,77,424)
Balance at the end	3,13,25,400	2,82,02,413

The details regarding the contractual maturities of lease liabilities on an undiscounted basis are as follows:

(In₹)

Particulars	As at December 31,	
	31, 2022	2021
Less than one year	1,66,15,467	1,20,57,437
One to five years	1,95,76,106	1,77,15,427
More than five years	–	–
Total	3,61,91,573	2,97,72,864

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.

2.15 Revenue from operations

(In ₹)

Particulars	Year ended December 31,	
	2022	2021
Income from consultancy services	96,08,41,311	96,31,22,695
	96,08,41,311	96,31,22,695

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by offerings for the year ended December 31, 2022. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

(In₹)

Particulars	Year ended December 31,	
	2022	2021
Revenue by offerings		
Core	39,73,32,619	69,17,57,360
Digital	56,35,08,692	27,13,65,335
Total	96,08,41,311	96,31,22,695

Digital Services

Digital Services comprise of service and solution offerings of the company that enable our clients to transform their businesses. These include offerings that enhance customer experience, leverage AI-based analytics and big data, engineer digital products and IoT, modernize legacy technology systems, migrate to cloud applications and implement advanced cyber security systems.

Core Services

Core Services comprise traditional offerings of the company that have scaled and industrialized over a number of years. These primarily include application management services, proprietary application development services, independent validation solutions, product engineering and management, infrastructure management services, traditional enterprise application implementation, support and integration services.

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 at December 31, 2022, other than those meeting the exclusion criteria mentioned above, is ₹3.6 crores. Out of this, the company expects to recognize revenue of around 84% within the next one year and the remaining thereafter. The contracts can generally be terminated by the customers and typically includes an enforceable termination penalty payable by them.

2.16 Other Income

(In₹)

Particulars	Year ended December 31,	
	2022	2021
Interest received on financial assets carried at amortized cost		
Deposits with banks and others	6,64,314	3,48,992
Exchange gains / (losses) on translation of other assets and liabilities	(1,14,57,761)	16,67,935
Miscellaneous income, net	4,233	44,72,910
Finance Income under revenue deals.	1,05,727	–
	(1,06,83,487)	64,89,837

2.17 Expenses

(In₹)

Particulars	Year ended December 31,	
	2022	2021
Employee benefit expenses		
Salaries including bonus	37,39,15,838	42,31,79,400
Staff welfare	13,46,840	2,42,532
	37,52,62,678	42,34,21,932
Cost of software packages and others		
Third-party items bought for service delivery to clients	18,52,13,239	5,11,79,316
	18,52,13,239	5,11,79,316

(In₹)

Particulars	Year ended December 31,	
	2022	2021
Other expenses		
Power and fuel	1,42,949	1,50,918
Brand and marketing	9,46,751	2,95,427
Rates and taxes	(1,185)	98,572
Repairs and maintenance	1,35,80,136	1,44,89,807
Insurance	8,10,381	7,45,670
Provision/ (Reversals) for post-sales client support	(30,59,518)	27,48,409
(Reversal)/ Allowances for credit losses on financial assets	(13,64,083)	6,90,552
Others	5,20,150	5,18,282
	1,15,75,581	1,97,37,637

2.18 Related party transactions

List of related parties:

Name of the holding company	Country	Holding as at December 31,	
		2022	2021
Infosys Consulting Holding AG (Infosys Lodestone) (formerly Lodestone Holding AG)	Switzerland	100%	100%

Name of the ultimate holding company	Country
Infosys Limited	India

List of related par ties

Name of subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)[1]	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)[1]	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)[1]	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)[1]	China
Infosys Nova Holdings LLC. (Infosys Nova)[1]	U.S.
EdgeVerve Systems Limited (EdgeVerve)[1]	India
Infosys Austria GmbH[1]	Austria
Skava Systems Private Limited (Skava Systems)[1][27]	India
Kallidus Inc, (Kallidus)[28]	U.S.

Name of subsidiaries	Country
Infosys Chile SpA[1]	Chile
Infosys Arabia Limited[2][27]	Saudi Arabia
Infosys Consulting Ltda.[1]	Brazil
Infosys CIS LLC[15]	Russia
Infosys Luxembourg S.a.r.l[1]	Luxembourg
Infosys Americas Inc. (Infosys Americas)[1]	U.S.
Infosys Public Services, Inc. USA (Infosys Public Services)[1]	U.S.
Infosys Canada Public Services Inc[20][39]	Canada
Infosys BPM Limited[1][47]	India
Infosys (Czech Republic) Limited s.r.o.[3]	Czech Republic
Infosys Poland Sp z.o.o[3]	Poland
Infosys McCamish Systems LLC[3]	U.S.
Portland Group Pty Ltd[3]	Australia
Infosys BPO Americas LLC.[3]	U.S.
Infosys Consulting Holding AG (Infosys Lodestone)[1]	Switzerland
Infosys Management Consulting Pty Limited[4]	Australia
Infosys Consulting AG[4]	Switzerland
Infosys Consulting GmbH[4]	Germany
Infosys Consulting S.R.L.[1]	Romania
Infosys Consulting SAS[4]	France
Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.)[4][38]	Czech Republic
Infosys Consulting (Shanghai) Co., Ltd.[4][34]	China
Infy Consulting Company Ltd[4]	U.K.
Infy Consulting B.V.[4]	The Netherlands
Infosys Consulting S.R.L.[2]	Argentina
Infosys Consulting (Belgium) NV[5]	Belgium
Panaya Inc. (Panaya)[1]	U.S.
Panaya Ltd.[6]	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH)[6]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[1][27]	U.K.
Brilliant Basics Limited[7][27]	U.K.
Infosys Consulting Pte. Ltd. (Infosys Singapore)[1]	Singapore
Infosys Middle East FZ LLC[8]	Dubai
Fluido Oy[8]	Finland
Fluido Sweden AB (Extero)[11]	Sweden
Fluido Norway A/S[11]	Norway
Fluido Denmark A/S[11]	Denmark
Fluido Slovakia s.r.o[11]	Slovakia
Infosys Compaz Pte. Ltd[9]	Singapore
Infosys South Africa (Pty) Ltd[8]	South Africa
WongDoody Holding Company Inc. (WongDoody)[1][40]	U.S.
WDW Communications, Inc[10][41]	U.S.
WongDoody, Inc[10][42]	U.S.
HIPUS Co., Ltd[9]	Japan
Stater N.V.[9]	The Netherlands
Stater Nederland B.V.[12]	The Netherlands

Name of subsidiaries	Country
Stater XXL B.V.[12]	The Netherlands
HypoCasso B.V.[12]	The Netherlands
Stater Participations B.V.[12]	The Netherlands
Stater Belgium N.V./S.A.[13]	Belgium
Stater Gmbh[12][32]	Germany
Outbox systems Inc. dba Simplus (US)[16]	U.S.
Simplus North America Inc.[17][31]	Canada
Simplus ANZ Pty Ltd.[17]	Australia
Simplus Australia Pty Ltd[18]	Australia
Sqware Peg Digital Pty Ltd[19][35]	Australia
Simplus Philippines, Inc.[17]	Philippines
Simplus Europe, Ltd.[17][33]	U.K.
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)[11]	U.K.
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[21]	Ireland
Infosys Limited Bulgaria EOOD[1]	Bulgaria
Kaleidoscope Animations, Inc.[16]	U.S.
Kaleidoscope Prototyping LLC[23]	U.S.
GuideVision s.r.o.[14]	Czech Republic
GuideVision Deutschland GmbH[22]	Germany
GuideVision Suomi Oy[22]	Finland
GuideVision Magyarország Kft[22]	Hungary
GuideVision Polska SP.Z.O.O[22]	Poland
GuideVision UK Ltd[22]	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[16]	U.S.
Beringer Capital Digital Group Inc[16][45]	U.S.
Mediotype LLC[24][45]	U.S.
Beringer Commerce Holdings LLC[24][45]	U.S.
SureSource LLC[25][43]	U.S.
Blue Acorn LLC[25][43]	U.S.
Simply Commerce LLC[25][43]	U.S.
iCiDIGITAL LLC[26][44]	U.S.
Infosys BPM UK Limited[3]	U.K.
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[1]	Turkey
Infosys Germany Holding Gmbh[1][29]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1][30]	Germany
Infosys Green Forum[1][36]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[37]	Malaysia
Infosys Business Solutions LLC[1][46]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")[48]	Germany
oddity GmbH [49]	Germany
oddity (Shanghai) Co., Ltd. [50]	China
oddity Limited (Taipei) [50]	Taiwan
oddity space GmbH [49]	Germany
oddity jungle GmbH [49]	Germany
oddity code GmbH [49]	Germany
oddity code d.o.o [51]	Serbia

Name of subsidiaries	Country
oddity waves GmbH [49]	Germany
oddity group services GmbH [49]	Germany
Infosys Public Services Canada Inc. [20][52]	Canda
BASE life science AG [54]	Switzerland
BASE life science GmbH [54]	Germany
BASE life science A/S [53]	Denmark
BASE life science S.A.S [54]	France
BASE life science Ltd. [54]	U.K.
BASE life science S.r.l. [54]	Itlay
Innovisor Inc.[54]	U.S.
BASE life science Inc.[54]	U.S.
BASE life science S.L.[54][55]	Spain
Panaya Germany GmbH [6][56]	Germany

(1) Wholly-owned subsidiary of Infosys Limited
(2) Majority-owned and controlled subsidiary of Infosys Limited
(3) Wholly-owned subsidiary of Infosys BPM Limited
(4) Wholly-owned subsidiary of Infosys Consulting Holding AG
(5) Majority-owned and controlled subsidiary of Infosys Consulting Holding AG
(6) Wholly-owned subsidiary of Panaya Inc.
(7) Wholly-owned subsidiary of Brilliant Basics Holding Limited.
(8) Wholly-owned subsidiary of Infosys Consulting Pte. Ltd.
(9) Majority-owned and controlled subsidiary of Infosys Consulting Pte. Ltd.
(10) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody)
(11) Wholly-owned subsidiary of Fluido Oy
(12) Wholly-owned subsidiary of Stater N.V
(13) Majority-owned and controlled subsidiary of Stater Participations B.V.
(14) Wholly-owned subsidiary of Infy Consulting Company Limited
(15) Liquidated effective January 28, 2021.
(16) Wholly-owned subsidiary of Infosys Nova Holdings LLC
(17) Wholly-owned subsidiary of Outbox Systems Inc.
(18) Wholly-owned subsidiary of Simplus ANZ Pty Ltd
(19) Wholly-owned subsidiary of Simplus Australia Pty Ltd
(20) Wholly-owned subsidiary of Infosys Public Services, Inc.
(21) Wholly-owned subsidiary of Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)
(22) Wholly-owned subsidiary of GuideVision s.r.o.
(23) Wholly-owned subsidiary of Kaleidoscope Animations, Inc.
(24) Wholly-owned subsidiary of Blue Acorn iCi Inc
(25) Wholly-owned subsidiary of Beringer Commerce Holdings LLC
(26) Wholly-owned subsidiary of Beringer Capital Digital Group Inc.
(27) Under liquidation
(28) Liquidated effective March 9,2021
(29) Incorporated on March 23, 2021
(30) On March 28, 2021 Infosys Limited and Infosys Germany Holding Gmbh registered Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm.
(31) Liquidated effective April 27,2021
(32) Incorporated on August 4, 2021
(33) Liquidated effective July 20, 2021
(34) Liquidated effective September 1, 2021
(35) Liquidated effective September 2, 2021
(36) Incorporated on August 31, 2021
(37) On December 14, 2021, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)
(38) Liquidated effective December 16, 2021
(39) Liquidated effective November 23, 2021
(40) Wholly-owned subsidiary of Infosys Limited, merged with WongDoody Inc, effective December 31, 2021

(41) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody), merged with WongDoody Inc, effective December 31, 2021

(42) Wholly-owned subsidiary of Infosys Limited, effective December 31, 2021

(43) Merged with Beringer Commerce Holdings LLC, effective January 1, 2022

(44) Merged with Beringer Capital Digital Group Inc, effective January 1, 2022

(45) Merged with Blue Acorn iCi Inc, effective January 1, 2022

(46) Incorporated on February 20, 2022

(47) On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

(48) On March 22, 2022, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))

(49) On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly owned subsidiary of Infosys Consulting Pte. Ltd) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and oddity GmbH.

(50) Wholly-owned subsidiary of oddity GmbH

(51) Wholly-owned subsidiary of oddity code GmbH.

(52) Incorporated on July 8, 2022

(53) On September 1, 2022, Infosys Consulting Pte. Ltd. (a Wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

(54) Wholly-owned subsidiary of BASE life science A/S

(55) Incorporated on September 6, 2022

(56) Incorporated effective December 15, 2022

The details of amounts due to or due from related parties as at December 31, 2022 and December 31, 2021 are as follows:

(In₹)

Particulars	As at December 31	
	2022	2021
Trade receivables		
Infosys Consulting S R O	–	74,425
Infy Consulting Company Ltd.	11,40,67,558	21,36,30,253
Infosys Consulting Belgium	–	3,98,228
Infosys Consulting SAS	–	2,27,144
S.C. Infosys Consulting S.R.L.	–	22,90,654
Infosys Consulting S.R.L.	23,97,272	75,070
	11,64,64,830	21,66,95,774
Loans		
Infosys Consulting AG (formerly Lodestone Management Consultants AG)	14,22,78,078	13,52,73,933
	14,22,78,078	13,52,73,933
Other financial assets		
Infosys Consulting Belgium	–	7,05,847
Infosys Consulting AG	–	8,23,784
	–	15,29,631
Trade payables		
Infosys Middle East FZ-LLC	–	47,27,678
Infosys Limited	–	
Infosys Consulting AG	–	3,90,510
Infy Consulting Company Ltd.	60,01,039	7,45,31,488
Infosys Consulting Belgium (formerly Lodestone Management Consultants (Belgium) S.A.)	10,38,780	18,99,307
	70,39,819	8,15,48,983
Other Financial Liabilities		
Infosys Consulting GmbH	–	64,98,095
Infy Consulting Company Ltd.	–	91,59,709
Infosys Consulting Holding AG	–	5,68,401
Infosys Consulting AG	–	32,96,008

Particulars	As at December 31	
	2022	2021
Infosys Consulting SAS	–	4,35,357
Infosys Consulting S.R.L. (formerly Lodestone Management Consultants S.R.L.)	–	9,00,844
Infosys Consulting Belgium (formerly Lodestone Management Consultants (Belgium) S.A.)	–	5,46,019
Infosys Management Consulting Pty Ltd	–	11,12,844
S.C. Infosys Consulting S.R.L.	8,80,712	8,41,542
Infosys Consulting Pte Ltd (formerly Lodestone Management Consultants Pte Ltd.)	–	4,92,633
Infosys Limited	15,35,751	21,05,532
	24,16,463	2,59,56,984
Accrued expenses		
Infosys Limited	1,36,40,869	2,87,63,711
	1,36,40,869	2,87,63,711
Revenue transactions		
Purchase of shared services including facilities and personnel		
Infosys Consulting Belgium S.A.	37,02,126	53,92,793
Infosys Limited	1,44,27,345	1,27,08,484
Infosys Middle East FZ-LLC	–	49,64,327
Infosys Consulting AG	6,58,208	80,19,570
Infy Consulting Company Ltd.	2,23,52,999	13,93,93,907
	4,11,40,678	17,04,79,081
Interest income		
Infosys Consulting Holding AG	6,64,314	3,48,992
	6,64,314	3,48,992
Sale of services		
Infosys Consulting SAS	–	29,48,323
Infy Consulting Company Ltd.	71,98,17,937	64,30,58,743
	71,98,17,937	64,60,07,066

2.19 Segment reporting

The Company is engaged in providing consultancy service in a single geography. 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. Its operations are, therefore, considered to constitute a single segment in the context of Ind-AS 108, Segment Reporting.

Infosys (Malaysia) SDN. BHD.

(Formerly Global Enterprise International Malaysia SDN. BHD.)

Independent Auditor's report

To the Members of INFOSYS (MALAYSIA) SDN. BHD. (formerly GLOBAL ENTERPRISE INTERNATIONAL MALAYSIA SDN. BHD.)

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of INFOSYS (MALAYSIA) SDN. BHD. (formerly GLOBAL ENTERPRISE INTERNATIONAL MALAYSIA SDN. BHD.) ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of preparation referred to in Section 1.2 of the special purpose financial statements, of the state of affairs of the Company as at March 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

i) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

iii) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

UDIN : 23202841BGWLUN9002

For Shenoy & Kamath
Chartered Accountants,
Firm's Registration Number. 006673S

(M Rathnakar Kamath)
Partner
Membership Number. 202841

Place: Bengaluru.

Date: May 20, 2023

Balance Sheet

(In RM)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	2.1	807,473	564,589
Right of use asset	2.2	9,172,529	4,854,102
Income tax assets (net)	2.13	4,051,702	4,043,914
Other non-current assets	2.3	8,394	-
Total non-current assets		14,040,098	9,462,605
Current assets			
Financial assets			
Trade receivables	2.4	10,007,648	8,837,547
Cash and cash equivalents	2.5	2,855,143	6,998,702
Other financial assets	2.6	5,549,545	4,070,286
Other current assets	2.3	3,750,223	300,225
Total current assets		22,162,559	20,206,761
Total assets		36,202,657	29,669,366
Equity and liabilities			
Equity			
Equity share capital	2.7	16,172,100	16,172,100
Other equity		(14,773,878)	2,129,550
Total equity		1,398,222	18,301,650
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liability	2.2	7,548,170	2,004,123
Total –non-current liabilities		7,548,170	2,004,123
Current liabilities			
Financial liabilities			
Trade payables	2.8	761,653	678,473
Borrowings	2.9	3,392,181	-
Other financial liabilities	2.10	16,128,618	5,994,197
Lease liability	2.2	1,645,286	2,690,923
Income tax liabilities (net)	2.13	197,970	-
Other current liability	2.11	4,461,117	-
Provisions	2.12	669,441	-
Total current liabilities		27,256,266	9,363,593
Total equity and liabilities		36,202,657	29,669,366

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Bengaluru

Date: May 20, 2023

for and on behalf of the Board of Directors of
Infosys (Malaysia) SDN. BHD

Narsimha Rao Mannepalli
Director

Raja Madhusudan Shah
Director

Statement of Profit and Loss

(In RM)

Particulars	Note No.	Year ended March 31, 2023	2022
Revenue from operations	2.14	50,257,753	53,420,198
Other income	2.15	(473,293)	123,518
Total income		49,784,461	53,543,716
Expenses			
Employee benefit expenses	2.16	54,195,985	38,281,781
Cost of technical subcontractors		4,477,230	6,883,536
Depreciation and amortization expense	2.1 & 2.2	2,075,850	2,367,342
Finance costs		474,573	71,863
Office maintenance		979,357	1,051,249
Professional & consultancy charges		1,790,780	400,450
Telephone charges		614,322	570,404
Cost of software package for own use		458,646	108,527
Travel expenses		136,198	42,443
Power charges		686,090	538,343
Other expenses		600,888	1,461,088
Total expenses		66,489,920	51,777,024
Profit before tax		(16,705,459)	1,766,691
Tax expense :			
Current tax		197,970	8,024
Profit for the year		(16,903,429)	1,758,667
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified subsequently to profit or loss		-	-
Total other comprehensive income, net of tax		-	-
Total comprehensive income / (loss) for the period		(16,903,429)	1,758,667
Earnings per equity share			
Equity shares of par value RM 1 each			
Basic (RM)		(1.05)	0.11
Diluted (RM)		(1.05)	0.11
Weighted average equity shares used in computing earnings per equity share			
Basic		16,172,100	16,172,100
Diluted		16,172,100	16,172,100

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Bengaluru
Date: May 20, 2023

for and on behalf of the Board of Directors of
Infosys (Malaysia) SDN. BHD

Narsimha Rao Mannepalli
Director

Raja Madhusudan Shah
Director

Statement of changes in equity

(In RM)

Particulars	Equity share capital	Other equity: Reserves & surplus	Total equity attributable to equity holders of the Company
Balance as of April 1, 2021	16,172,100	44,529,073	60,701,173
Changes in equity for the period April 1, 2021 to March 31, 2022			
Dividends to shareholders		(44,000,000)	(44,000,000)
Prior year adjustment		(1,340,860)	(1,340,860)
ROU adjustment		1,182,670	-
Profit for the period		1,758,667	1,758,667
Balance as of March 31, 2022	16,172,100	2,129,550	17,118,980
Changes in equity for the period April 1, 2022 to March 31, 2023			
Profit for the period		(16,903,429)	(16,903,429)
Balance as of March 31, 2023	16,172,100	(14,773,878)	215,552

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Bengaluru

Date: May 20, 2023

for and on behalf of the Board of Directors of
Infosys (Malaysia) SDN. BHD

Narsimha Rao Mannepalli
Director

Raja Madhusudan Shah
Director

Statements of Cash Flows

(In RM)

Particulars	Year ended March 31, 2023	2022
Cash flow from operating activities :		
Profit for the period	(16,903,429)	1,766,691
Adjustments to reconcile net profit to net cash provided by operating activities :		
Depreciation and amortization expense	2,075,850	2,367,342
Income tax expense	197,970	–
Plant and equipment written off	–	108,066
Other adjustment	––	(158,190)
Finance cost	474,573	48,469
Interest and dividend income	(2,532)	––
Changes in assets and liabilities		
Trade receivables and unbilled revenue	(1,170,101)	48,539,226
Other financial assets and other assets	(1,479,259)	(2,200,323)
Other assets	(3,458,392)	(42,916)
Trade payables	83,180	(646,705)
Other financial liabilities, other liabilities and provisions	18,584,188	(153,993)
Cash generated from operations	(1,122,127)	49,627,667
Income taxes paid	(7,788)	17,680
Net cash (used in) / generated in operating activities	(1,129,915)	49,645,346
Cash flow from investing activities :		
Expenditure on property, plant and equipment	(505,340)	(86,493)
Interest and dividend received on investments	2,532	–
Net cash used in investing activities	(502,808)	(86,493)
Cash flow from financing activities :		
Payment of dividends	–	(44,000,000)
Payment of lease liabilities	(2,035,012)	(1,747,147)
Net cash used in financing activities	(2,035,012)	(45,747,147)
Net (decrease) / increase in cash and cash equivalents	(3,667,734)	3,811,706
Cash and cash equivalents at the beginning of the period	6,998,702	3,186,996
Cash and cash equivalents at the end of the period	2,855,143	6,998,702

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Bengaluru

Date: May 20, 2023

for and on behalf of the Board of Directors of
Infosys (Malaysia) SDN. BHD

Narsimha Rao Mannepalli
Director

Raja Madhusudan Shah
Director

Significant Accounting Policies

Company overview

Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) SDN. BHD.) ('the Company') is a wholly-owned subsidiary of Infosys Consulting Pte Ltd.

The Company was incorporated on July 17, 2013 and it became a wholly-owned subsidiary of Infosys Consulting Pte Ltd with effect from December 14, 2021.

1 Significant accounting policies

1.1 Accounting year

The accounting year of the Company is from April 1 to March 31.

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 Limited under the requirements of Section 129 (3) of the Companies Act 2013.

These financial statements are prepared in accordance with Indian Accounting Standards (Ind-AS) under the historical cost convention on the accrual basis. The Ind-AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendments rules issued thereafter.

Accounting policies have been applied consistently, except where a newly issued accounting standard has been initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.3 Presentation currency

The Company's presentation currency is Malaysian Ringgit (RM)

1.4 Use of estimates

The preparation of the financial statements in conformity with Ind-AS requires Management to make estimates and assumptions that affect the reported balances of assets and liabilities, and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.5 Revenue recognition

Revenue is recognized upon transfer of control of promised products or services to the customers for an amount that reflects the consideration we expect to receive in exchange for those products or services.

Arrangements with customers for software related services are either on a fixed-timeframe or on a time-and-material basis.

1.5.1 Time and material

Revenue on time-and-material contracts are recognized when the related services are performed. Revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

1.5.2 Fixed price

Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method.

1.5.3 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 are classified as contract liabilities (which we refer to as unearned revenues).

1.5.4 Volume discounts

The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts / incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount / incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the Company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The Company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

1.5.5 Contract modification

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or to the 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. 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.

1.5.6 Tax

The Company presents revenues net of indirect taxes in its Statement of Profit and loss.

1.6 Provisions

A provision is recognized if, because 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.

1.7 Financial instruments

1.7.1 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, which 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.

1.7.2 Subsequent measurement

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

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.

(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.

1.8 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.

1.9 Impairment

a. Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables, 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 profit or loss.

b. Non-financials assets

(i) Property, plant and equipment

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For impairment testing purposes, 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 for the CGU to which the asset belongs.

If such assets are 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 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.

1.10 Foreign currency

Functional currency

The functional currency of the Company is the RM. These financial statements are presented in RM.

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 net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining the net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

1.11 Income taxes

Income tax expense comprise 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 reporting 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.

In assessing the realizability of deferred income tax assets, the Management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets depends on 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.

1.12 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.13 Other income

Other income primarily comprises interest income and exchange gain on translation of other assets and liabilities.

1.14 Earnings per share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.

1.15 Employee benefits

Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

1.16 Property, plant and equipment

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	3-5 years
Furniture and fixtures	5 years
Office equipment	5 years

1.17 Leases

The Company as a lessee

The Company's lease asset classes 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 assets") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 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.

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.

The lease liability is initially measured at amortized cost using the effective interest rate method 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, incremental borrowing rates in the countries of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset, if the Company changes its assessment whether it will exercise an extension or a termination option.

2.1 Property, plant and equipment

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2023 are as follows:

(In RM)

Particulars	Computer and hardware	Furniture, fittings and office equipment	Total
Gross carrying value as of April 1, 2022	7,684,516	14,729,199	22,413,715
Additions	492,250	13,090	505,340
Deletions	(3,561,055)	–	(3,561,055)
Gross carrying value as of March 31, 2023	4,615,710	14,742,289	19,357,999
Accumulated depreciation as of April 1, 2022	(7,119,927)	(14,729,199)	(21,849,126)
Depreciation	(260,673)	(1,783)	(262,456)
Accumulated depreciation on deletions	3,561,055	–	3,561,055
Accumulated depreciation as of March 31, 2023	(3,819,545)	(14,730,982)	(18,550,526)
Carrying value as of March 31, 2023	796,165	11,307	807,473
Carrying value as of April 1, 2022	564,589	–	564,589

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2022 are as follows:

(In RM)

Particulars	Computer equipment	Furniture and fixtures	Total
Gross carrying value as of April 1, 2021	6,022,393	16,591,401	22,613,794
Additions / adjustments	39,222	–	39,222
Deletions	(236,534)	(2,767)	(239,301)
Translation difference	1,859,435	(1,859,435)	–
Gross carrying value as of March 31, 2022	7,684,516	14,729,199	22,413,715
Accumulated depreciation as of April 1, 2021	(4,931,918)	(16,066,773)	(20,998,691)
Depreciation	(2,363,983)	1,335,038	(1,028,945)
Accumulated depreciation on deletions	175,974	2,536	178,510
Accumulated depreciation as of March 31, 2022	(7,119,927)	(14,729,199)	(21,849,126)
Carrying value as of March 31, 2022	564,589	–	564,589
Carrying value as of April 1, 2021	1,090,475	524,628	1,615,103

2.2 Leases

Following are the changes in the carrying value of right of use assets:

Category of ROU asset – Buildings

(In RM)

Particulars	Year ended March 31,	
	2023	2022
Balance at the beginning	4,854,102	1,893,066
Additions	6,131,821	5,459,008
Deletions	–	(1,159,575)
Depreciation	(1,813,394)	(1,338,397)
Balance as of March 31, 2023	9,172,529	4,854,102

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 is as follows:

(In RM)

Particulars	As at March 31,	
	2023	2022
Non-current lease liability	7,548,170	2,004,123
Current lease liability	1,645,286	2,690,923
Total	9,193,456	4,695,046

The movement in lease liability is as follows

(In RM)

Particulars	As at March 31,	
	2023	2022
Balance at the beginning	4,695,046	2,094,291
Additions	6,131,821	5,459,008
Deletions	–	(1,159,575)
Interest accrued during the period	401,600	48,469
Lease payments	(2,035,012)	(1,747,147)
Balance as of March 31, 2023	9,193,456	4,695,046

The details regarding the contractual maturities of lease liabilities as at March 31, 2023 and March 31, 2022 on an undiscounted basis are as follows

(In RM)

Particulars	As at March 31,	
	2023	2022
Less than one year	2,026,080	2,133,258
One to five years	7,895,239	2,812,005
More than five years	–	–
Total	9,921,319	4,945,263

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 assets

(In RM)

Particulars	As at March 31, 2023	2022
Non-current		
Others		
Prepaid expenses	8,394	–
Total other non-current assets	8,394	–
Current		
Advances other than capital advance	798,472	–
Others		
Prepaid expenses	2,951,751	300,225
	3,750,223	300,225

2.4 Trade receivables

(In RM)

Particulars	As at March 31, 2023	2022
Current		
Unsecured		
Considered good [1]	11,284,628	9,133,492
Less: Allowances for credit losses	(1,276,980)	(295,945)
	10,007,648	8,837,547

[1] Includes inter-company receivables (Refer to Note 2.17)

Trade receivable ageing schedule for the year ended March 31, 2023 and March 31, 2022 is as follows:

(In RM)

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	4,932,441	6,352,187	–	–	–	–	11,284,628
	3,632,174	5,501,318	–	–	–	–	9,133,492
Undisputed trade receivables – Credit impaired	–	–	–	–	–	–	–
	4,932,441	6,352,187					11,284,628
	3,632,174	5,501,318					9,133,492
Less: Allowance for credit loss	–	–	–	–	–	–	1,276,980
							295,945
Total trade receivables							10,007,648
							8,837,547

2.5 Cash and cash equivalents

(In RM)

Particulars	As at March 31, 2023	2022
Balances with banks		
In current accounts	2,855,143	6,998,702
	2,855,143	6,998,702

2.6 Other financial assets

(In RM)

Particulars	As at March 31, 2023	2022
Current		
Security deposits	831,281	911,281
Unbilled revenues	4,718,264	3,159,006
	5,549,545	4,070,286

2.7 Equity

Equity share capital

(In RM, except as otherwise stated)

Particulars	As at March 31,	
	2023	2022
Authorized		
Equity shares		
16,172,100 equity shares of RM 1 par value	16,172,100	16,172,100
Issued, subscribed and paid-up		
Equity shares	16,172,100	16,172,100
16,172,100 equity shares of RM 1 par value		
	16,172,100	16,172,100

The details of shareholder holding more than 5% shares as at March 31, 2023 and March 31, 2022 are as follows:

(In RM)

Name of the shareholder	As at March 31,		
	Number of shares	2023	2022
Infosys Consulting Pte Ltd	16,172,100	16,172,100	16,172,100

Financial liabilities

2.8 Trade payables

(In RM)

Particulars	As at March 31,	
	2023	2022
Outstanding dues of micro enterprises and small enterprises	–	–
Outstanding dues of creditors other than micro enterprises and small enterprises (1)	761,653	678,473
	761,653	678,473

[(1)] Includes inter-company payable (Refer to Note 2.17)

Trade payables ageing schedule for the year ended March 31, 2023 and March 31, 2022 is as follows :

(In RM)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Others	437,098	324,555	–	–	–	761,653
	571,051	107,422	–	–	–	678,473
Disputed dues – Others	–	–	–	–	–	–
	–	–	–	–	–	–
Total trade payables	437,098	324,555	–	–	–	761,653
	571,051	107,422	–	–	–	678,473

2.9 Borrowings

(In RM)

Particulars	As at March 31,	
	2023	2022
Current		
Loan repayable on demand		
- From other parties	3,392,181	–
	3,392,181	–

2.10 Other financial liabilities

(In RM)

Particulars	As at March 31,	
	2023	2022
Current		
Accrued compensation to employees	11,541,732	5,203,712
Compensated absences	2,697,404	–
Accrued expenses	1,889,482	790,484
	16,128,618	5,994,197
Financial liability carried at amortized cost	16,128,618	5,994,197

2.11 Other current liability

(In RM)

Particulars	As at March 31,	
	2023	2022
Current		
Unearned revenue	3,299,921	–
Social security payable	874,204	–
Withholding taxes and others	286,993	–
	4,461,117	–

2.12 Provisions

(In RM)

	As at March 31,	
	2023	2022
Current		
Others		
Post-sales client support and others	669,441	–
	669,441	–

2.13 Income taxes

Income tax expense in the Statement of Profit and Loss comprises the following:

(In RM)

Particulars	Year ended March 31,	
	2023	2022
Current taxes	197,970	8,024
Income tax expense	197,970	8,024

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 RM)

Particulars	Year ended March 31,	
	2023	2022
Profit before income taxes	(16,903,429)	1,758,667
Enacted tax rates in Malaysia	24%	24%
Computed expected tax expense	–	422,080
Exempt income	–	(422,080)
Overseas taxes	197,970	8,024
	197,970	8,024

The applicable Indian statutory tax rate for fiscal 2023 and fiscal 2022 is 24%.

The foreign tax expense is due to income taxes payable in Australia. In Malaysia, the Company was granted Pioneer Status incentive under Multimedia Super Corridor ("MSC") Malaysia status on 23 October 2013, and enjoyed full exemption from income tax on its statutory income from pioneer activities for five years from 17 March 2014 to 16 March 2019. Subsequently, the full exemption from income tax on its statutory income from pioneer activities has been extended by Malaysian Investment Development Authority (MIDA) on 5 January 2022, with two exemption periods from 17 March 2019 to 30 June 2022 and 1 July 2022 to 16 March 2024. .

The details of income tax assets and income tax liabilities as of March 31, 2023, March 31, 2022 are as follows:

(In RM)

Particulars	Year ended March 31,	
	2023	2022
Current income tax liabilities	197,970	–
Income tax assets	4,051,702	4,043,914
Net current income tax assets / (liability) at the end	3,853,732	4,043,914

The gross movement in the current income tax asset / (liability) for the year ended March 31, 2023 and March 31, 2022 is as follows:

(In RM)

Particulars	Year ended March 31,	
	2023	2022
Net current income tax asset / (liability) at the beginning	4,043,914	4,069,618
Income tax paid	7,788	(17,680)
Current income tax expense	(197,970)	(8,024)
Net current income tax asset / (liability) at the end	3,853,732	4,043,914

Particulars	Numerator	Denominator	As at March 31,		
			2023	2022	Variance
Current ratio	Current assets	Current liabilities	0.81	2.16	(0.62)
Debt – Equity ratio	Total debt (represents lease liabilities) [(1)]	Shareholder's equity	6.58	0.26	6.32
Debt service coverage ratio	Earnings available for debt service [(2)]	Debt service [(3)]	(7.05)	2.40	(3.94)
Return on equity (ROE)	Net profits after taxes	Average shareholder's equity	(1.72)	0.05	(1.77)
Trade receivables turnover ratio	Revenue	Average trade receivable	1.33	1.35	(0.01)
Trade payables turnover ratio	Purchases of services and other expenses	Average trade payables	13.53	11.04	0.23
Net capital turnover ratio	Revenue	Working capital	(9.87)	4.93	(3.00)
Net profit ratio	Net profit	Revenue	(0.34)	0.03	(0.37)
Return on capital employed (ROCE)	Earning before interest and taxes	Capital employed [(4)]	(1.53)	0.08	(1.61)

(1) Debt represents only 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

2.14 Revenue from operations

(In RM)

Particulars	Year ended March 31, 2023	2022
Income from software services	50,257,753	53,420,198
Total revenue from operation	50,257,753	53,420,198

2.15 Other income

(In RM)

Particulars	Year ended March 31, 2023	2022
Interest income of financial assets	2,532	–
Scrap sales	–	60,804
Sales of assets	–	(60,791)
Exchange gains / (losses) on translation of other assets and liabilities	(475,824)	123,504
Total other income	(473,293)	123,518

2.16 Expenses

(In RM)

Particulars	Year ended March 31, 2023	2022
Employee benefit expenses		
Salaries including bonus	52,982,227	36,653,562
Staff welfare	1,213,759	1,628,219
	54,195,985	38,281,781

(In RM)

Particulars	Year ended March 31, 2023	2022
Other expenses		
Audit fees	100,000	37,713
Rental expenses	94,217	953,991
Others	406,671	469,384
Total other expenses	600,888	1,461,088

2.17 Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories were as follows:

(In RM)

Particulars	As at March 31, 2023	2022
Assets:		
Trade receivables (Refer to Note 2.4)	10,007,648	8,837,547
Cash and cash equivalents (Refer to Note 2.5)	2,855,143	6,998,702
Other financial assets (Refer to Note 2.6)	5,549,545	4,070,286
Total	18,412,336	19,906,536
Liabilities:		
Trade payables (Refer to Note 2.8)	761,653	678,473
Borrowings (Refer to Note 2.9)	3,392,181	–
Other financial liabilities (Refer to Note 2.10)	16,128,618	5,994,197
Lease liability (Refer to Note 2.2)	1,645,286	2,690,923
Total	21,927,737	9,363,593

All the above financial instruments are carried at amortized cost and the carrying value approximates the fair value.

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 RM 10,007,648 and RM 8,837,547 as of March 31, 2023, and March 31, 2022, respectively, and unbilled revenue amounting to RM 4,718,264 and RM 3,159,006 as of March 31, 2023, and March 31, 2022, respectively. Trade receivables and unbilled revenue are typically unsecured. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. As per 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 and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors, such as credit default swap quotes, credit ratings from credit rating agencies and the Company's historical experience for customers.

Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk.

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents. The Company has outstanding borrowings of RM 3,392,181 as on March 31, 2023.

As of March 31, 2023, the Company had a negative working capital of RM 5,093,706 including cash and cash equivalents of RM 2,855,143. As of March 31, 2022, the Company had a working capital of RM 14,887,082, including cash and cash equivalents of RM 6,998,702.

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2023 are as follows:

(In RM)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	761,653	–	–	–	761,653
Borrowings	3,435,558	–	–	–	3,435,558
Other financial liabilities (Refer to Note 2.10)	16,128,618	–	–	–	16,128,618

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2022 are as follows:

(In RM)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	678,473	–	–	–	678,473
Other financial liabilities (Refer to Note 2.10)	5,994,197	–	–	–	5,994,197

2.17 Related-party transactions

List of related parties:

Name of holding companies	Country	Holding as at March 31,	
		2023	2022
Infosys Consulting Pte Ltd	Singapore	100%	100%

Name of the ultimate holding company	Country
Infosys Limited	India

Name of subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China) [1]	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico) [1]	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden) [1]	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai) [1]	China
Infosys Nova Holdings LLC. (Infosys Nova) [1]	U.S.
EdgeVerve Systems Limited (EdgeVerve) [1]	India
Infosys Austria GmbH [1]	Austria
Skava Systems Private Limited (Skava Systems) [1][26]	India
Infosys Chile SpA [1]	Chile
Infosys Arabia Limited [2][26]	Saudi Arabia
Infosys Consulting Ltda.[1]	Brazil
Infosys Luxembourg S.a.r.l [1]	Luxembourg
Infosys Americas Inc. (Infosys Americas) [1][26]	U.S.

Name of subsidiaries	Country
Infosys Public Services, Inc. USA (Infosys Public Services) (1)	U.S.
Infosys Canada Public Services Inc (19)(35)	Canada
Infosys BPM Limited (1)(43)	India
Infosys (Czech Republic) Limited s.r.o. (3)	Czech Republic
Infosys Poland Sp z.o.o (3)	Poland
Infosys McCamish Systems LLC (3)	U.S.
Portland Group Pty Ltd (3)	Australia
Infosys BPO Americas LLC.(3)	U.S.
Infosys Consulting Holding AG (Infosys Lodestone) (1)	Switzerland
Infosys Management Consulting Pty Limited (4)	Australia
Infosys Consulting AG (4)	Switzerland
Infosys Consulting GmbH (4)	Germany
Infosys Consulting S.R.L. (1)	Romania
Infosys Consulting SAS (4)	France
Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.) (4)(34)	Czech Republic
Infosys Consulting (Shanghai) Co., Ltd.(4)(30)	China
Infy Consulting Company Ltd (4)	U.K.
Infy Consulting B.V.(4)	The Netherlands
Infosys Consulting S.R.L. (45)	Argentina
Infosys Consulting (Belgium) NV (4)	Belgium
Panaya Inc. (Panaya) (1)	U.S.
Panaya Ltd.(6)	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH) (54)	Germany
Brilliant Basics Holdings Limited (Brilliant Basics) (1)(26)	U.K.
Brilliant Basics Limited (7)(26)	U.K.
Infosys Middle East FZ LLC (8)	Dubai
Fluido Oy (8)	Finland
Fluido Sweden AB (Extero) (11)	Sweden
Fluido Norway A/S (11)	Norway
Fluido Denmark A/S (11)	Denmark
Fluido Slovakia s.r.o (11)	Slovakia
Infosys Compaz Pte. Ltd (9)	Singapore
Infosys South Africa (Pty) Ltd (8)	South Africa
WongDoody Holding Company Inc. (WongDoody) (1)(36)	U.S.
WDW Communications, Inc (10)(37)	U.S.
WongDoody, Inc (10)(38)	U.S.
HIPUS Co., Ltd (9)	Japan
Stater N.V .(9)	The Netherlands
Stater Nederland B.V. (12)	The Netherlands
Stater XXL B.V .(12)	The Netherlands
HypoCasso B.V. (12)	The Netherlands
Stater Participations B.V. (12)	The Netherlands
Stater Belgium N.V./S.A.(13)	Belgium
Stater Gmbh(12)(28)	Germany
Outbox systems Inc. dba Simplus (US) (15)	U.S.

Name of subsidiaries	Country
Simplus North America Inc. (16)(27)	Canada
Simplus ANZ Pty Ltd.(16)	Australia
Simplus Australia Pty Ltd (17)	Australia
Sqware Peg Digital Pty Ltd (18)(31)	Australia
Simplus Philippines, Inc. (16)	Philippines
Simplus Europe, Ltd.(16)(29)	U.K.
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd) (11)	U.K.
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd) (20)	Ireland
Infosys Limited Bulgaria EOOD (1)	Bulgaria
Kaleidoscope Animations, Inc. (15)	U.S.
Kaleidoscope Prototyping LLC (22)	U.S.
GuideVision s.r.o. (14)	Czech Republic
GuideVision Deutschland GmbH (21)	Germany
GuideVision Suomi Oy (21)	Finland
GuideVision Magyarország Kft (21)	Hungary
GuideVision Polska Sp. z.o.o (21)	Poland
GuideVision UK Ltd (21)(26)	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc) (15)	U.S.
Beringer Capital Digital Group Inc(15)(41)	U.S.
Mediotype LLC(23)(41)	U.S.
Beringer Commerce Holdings LLC (23)(41)	U.S.
SureSource LLC (24)(39)	U.S.
Blue Acorn LLC (24)(39)	U.S.
Simply Commerce LLC (24)(39)	U.S.
iCiDIGITAL LLC (25)(40)	U.S.
Infosys BPM UK Limited (3)	U.K.
Infosys Turkey Bilgi Teknolojileri Limited Sirketi (1)	Turkey
Infosys Germany Holding Gmbh (1)	Germany
Infosys Automotive and Mobility GmbH & Co. KG (1)	Germany
Infosys Green Forum (1)(32)	India
Infosys Business Solutions LLC (1)(42)	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")(44)	Germany
oddity GmbH (46)	Germany
oddity (Shanghai) Co., Ltd. (47)	China
oddity Limited (Taipei) (47)	Taiwan
oddity space GmbH (46)	Germany
oddity jungle GmbH (46)	Germany
oddity code GmbH (46)	Germany
oddity code d.o.o (48)	Serbia
oddity waves GmbH (46)	Germany
oddity group services GmbH (46)	Germany
Infosys Public Services Canada Inc. (19)(5)	Canda
BASE life science AG (50)	Switzerland
BASE life science GmbH (50)	Germany
BASE life science A/S (49)	Denmark
BASE life science S.A.S (50)	France

Name of subsidiaries	Country
BASE life science Ltd. (50)	U.K.
BASE life science S.r.l. (50)	Itlay
Innovisor Inc.(50)	U.S.
BASE life science Inc.(50)	U.S.
BASE life science S.L.(50)(51)	Spain
Panaya Germany GmbH (6)(52)	Germany
Infosys Norway (8)(53)	Norway

(1) Wholly-owned subsidiary of Infosys Limited

(2) Majority-owned and controlled subsidiary of Infosys Limited

(3) Wholly-owned subsidiary of Infosys BPM Limited

(4) Wholly-owned subsidiary of Infosys Consulting Holding AG

(5) Incorporated on July 8, 2022

(6) Wholly-owned subsidiary of Panaya Inc.

(7) Wholly-owned subsidiary of Brilliant Basics Holding Limited.

(8) Wholly-owned subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

(9) Majority-owned and controlled subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

(10) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody)

(11) Wholly-owned subsidiary of Fluido Oy

(12) Wholly-owned subsidiary of Stater N.V

(14) Wholly-owned subsidiary of Infy Consulting Company Limited

(15) Wholly-owned subsidiary of Infosys Nova Holdings LLC

(16) Wholly-owned subsidiary of Outbox Systems Inc.

(17) Wholly-owned subsidiary of Simplus ANZ Pty Ltd

(18) Wholly-owned subsidiary of Simplus Australia Pty Ltd

(19) Wholly-owned subsidiary of Infosys Public Services, Inc.

(20) Wholly-owned subsidiary of Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)

(21) Wholly-owned subsidiary of GuideVision s.r.o.

(22) Wholly-owned subsidiary of Kaleidoscope Animations, Inc.

(23) Wholly-owned subsidiary of Blue Acorn iCi Inc

(24) Wholly-owned subsidiary of Beringer Commerce Holdings LLC

(25) Wholly-owned subsidiary of Beringer Capital Digital Group Inc.

(26) Under liquidation

(27) Liquidated effective April 27,2021

(28) Incorporated on August 4, 2021

(29) Liquidated effective July 20, 2021

(30) Liquidated effective September 1, 2021

(31) Liquidated effective September 2, 2021

(32) Incorporated on August 31, 2021

(34) Liquidated effective December 16, 2021

(35) Liquidated effective November 23, 2021

(36) Wholly-owned subsidiary of Infosys Limited, merged with WongDoody Inc, effective December 31, 2021

(37) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody), merged with WongDoody Inc, effective December 31, 2021.

(38) Wholly-owned subsidiary of Infosys Limited, effective December 31, 2021

(39) Merged with Beringer Commerce Holdings LLC, effective January 1, 2022

(40) Merged with Beringer Capital Digital Group Inc, effective January 1, 2022

(41) Merged with Blue Acorn iCi Inc, effective January 1, 2022

(42) Incorporated on February 20, 2022

(43) On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

(44) On March 22, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.), a wholly-owned subsidiary of Infosys Limited, acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ('Kristall')).

(45) Infosys Consulting S.R.L. (Argentina) (formerly a wholly-owned subsidiary of Infosys Consulting Holding AG) became the majority owned and controlled subsidiary of Infosys Limited with effect from April 1, 2022.

(46) On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ('Kristall')) (a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.)), acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and oddity GmbH.

(47) Wholly-owned subsidiary of oddity GmbH

[48] Wholly-owned subsidiary of oddity code GmbH.

[49] On September 1, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.) (a wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

[50] Wholly-owned subsidiary of BASE life science A/S

[51] Incorporated on September 6, 2022

[52] Incorporated effective December 15, 2022

[53] Incorporated effective February 7, 2023.

[54] Infosys Financial Services GmbH. (formerly Panaya GmbH) became a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.) with effect from February 23, 2023.

The details of amounts due to or due from related parties as at March 31, 2023 and March 31, 2022 are as follows:

(In RM)

Particulars	As at March 31,	
	2023	2022
Trade receivables		
Infosys Limited	2,856,571	–
	2,856,571	–
Trade payables		
Infosys Limited	(7,500)	–
	(7,500)	–
Borrowings		
Infosys Consulting Pte Ltd	3,392,181	–
	3,392,181	–
Revenue transactions		
Sale of services		
Infosys Limited	10,255,898	
	10,255,898	–
Purchase of services		
Infosys Limited	59,832	
	59,832	–
Interest expense		
Infosys Consulting Pte Ltd	72,972	–
	72,972	

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Infosys Middle East FZ-LLC

Report on Audit of the Financial Statements

To the shareholders of Infosys Middle East FZ-LLC

Audit of the Financial Statements

Opinion

We have audited the financial statements of Infosys Middle East FZ-LLC ("the Company"), which comprise the s Statement of Financial Position as at December 31, 2022, the Statements of Profit or Loss and Other Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company, in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and their preparation in accordance with the applicable provisions of the Dubai Creative Cluster Private Companies Regulations 2016 issued pursuant to Law No. (15) of 2014, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, are responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error, and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, and related disclosures made by 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other Legal and Regulatory Requirements

We further report that the financial statements have been prepared in all material respects, in accordance with the Dubai Creative Cluster Private Companies Regulations 2016 issued pursuant to Law No. (15) of 2014.

for KPMG Lower Gulf Limited

Fawzi AbuRass
Registration No.: 968

Place: Dubai, United Arab Emirates

Date: May 26, 2023

Statement of Profit or Loss and other Comprehensive Income

(In AED)

Particulars	Note	Years ended December 31, 2022	2021
Revenue	5	41,203,088	41,572,151
Cost of services	6	(38,762,001)	(39,044,128)
Gross profit		2,441,087	2,528,023
Administrative and general expenses	7	(2,788,280)	(2,601,207)
Operating loss		(347,193)	(73,184)
Finance cost	8	(15,319)	(48,702)
Loss for the year		(362,512)	(121,886)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement of the net defined benefit liability		3,242,514	(129,500)
Total other comprehensive profit / (loss)		3,242,514	(129,500)
Total comprehensive profit / (loss) for the year		2,880,002	(251,386)

The Notes to Financial statement form an integral part of these financial statements

Statement of Financial Position

(In AED)

Particulars	Note	As at December 31, 2022	As at December 31, 2021
ASSETS			
Non-current assets			
Property and equipment	9	36,058	67,886
Right of use assets	10	622,471	1,577,017
Total non-current assets		658,529	1,644,903
Current assets			
Trade and other receivables	11	6,925,118	5,143,349
Due from a related party	12	2,128,632	4,484,346
Cash and cash equivalent	13	8,830,337	3,893,420
Total current assets		17,884,087	13,521,115
Total assets		18,542,616	15,166,018
Equity and liabilities			
Equity			
Share capital	14	300,000	300,000
Accumulated losses		(7,340,183)	(10,220,185)
Net equity		(7,040,183)	(9,920,185)
Liabilities			
Non-current liabilities			
Provision for employees' end of service benefits	15	13,727,506	17,290,455
Lease liabilities	10	-	850,242
Total non-current liabilities		13,727,506	18,140,697
Current liabilities			
Trade and other payables	16	3,904,918	3,133,876
Due to related party	12	7,377,298	3,051,061
Lease liabilities	10	573,077	760,569
Total current liabilities		11,855,293	6,945,506
Total equity and liabilities		18,542,616	15,166,018

To the best of our knowledge, the financial statements fairly presents, in all material respects, the financial position, results of operation and cash flows of the Company as of, and for, the year ended December 31 2022.

These financial statements were approved for issuance by the Managing Director on May 24, 2023

Sriranga Neelathali Sampathkumar
Managing Director

Place: Dubai, United Arab Emirates

The Notes to Financial statement form an integral part of these financial statements

Statement of Cash Flows

(In AED)

Particulars	Notes	Years ended December 31, 2022	2021
Operating activities			
Loss for the year		(362,512)	(121,886)
Adjustments for:			
Depreciation on property and equipment	9	31,828	68,958
Depreciation on right-of-use assets	10	677,786	968,529
Provision for employees' end-of-service benefits	15	1,902,954	2,043,167
Interest expense	8	15,319	48,702
Provision for incentives and leave accruals	16	1,674,297	1,986,499
		3,939,672	4,993,969
Changes in:			
Trade and other receivables	11	(1,781,769)	1,129,509
Due from a related party	12	2,355,714	440,996
Due to a related party	12	4,326,237	(5,876,793)
Trade and other payables	16	1,052,208	55,711
Payment for employees' end-of-service benefits	15	(2,223,389)	(2,211,496)
Payment of incentives and leave accruals	16	(1,955,463)	(2,363,932)
Net cash from operating activities		5,713,210	(3,832,036)
Financing activity			
Payment of lease liabilities	10	(776,293)	(1,029,282)
Net cash used in financing activity		(776,293)	(1,029,282)
Net (decrease) / increase in cash and cash equivalents		4,936,917	(4,861,318)
Cash and cash equivalents at the beginning of the year		3,893,420	8,754,738
Cash and cash equivalents at the end of the year	13	8,830,337	3,893,420

The Notes to Financial statement form an integral part of these financial statements

Statement of Changes in Equity

(In AED)

Particulars	Share capital	Accumulated losses	Total
As at January 1, 2021	300,000	(9,968,799)	(9,668,799)
Total comprehensive income for the year			
Loss for the year	–	(121,886)	(121,886)
Other comprehensive loss for the year	–	(129,500)	(129,500)
As at December 31, 2021	300,000	(10,220,185)	(9,920,185)
Balance as at January 1, 2022	300,000	(10,220,185)	(9,920,185)
Total comprehensive income for the year			
Loss for the year	–	(362,512)	(362,512)
Other comprehensive loss for the year	–	3,242,514	3,242,514
As at December 31, 2022	300,000	(7,340,183)	(7,040,183)

The Notes to Financial statement form an integral part of these financial statements

Notes to the financial statements for the year ended December 31, 2022

1 Legal status and principal activities

Infosys Middle East FZ-LLC ("the Company"), was incorporated on September 27, 2007 as a Free Zone Company with limited liability under the provisions of the Dubai Technology & Media Free Zone Private Companies Regulations 2003 (currently known as Dubai Creative Clusters Authority), issued under Law No. 1 of 2000 of the Emirate of Dubai establishing the Dubai Technology, Electronic Commerce & Media Free Zone (TECOM). The registered address of the Company is Office 2201-2208, 21st Floor, Aurora Tower, Dubai Media City, Dubai, P.O. Box 502292, United Arab Emirates ("UAE").

The principal activity of the Company is to provide IT solutions and services.

2 Basis of preparation

Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRSs") and the applicable provisions of Dubai Creative Cluster Private Companies Regulations 2016.

2.1 Going concern

These financial statements have been prepared on the going concern basis, notwithstanding the fact that the Company has accumulated losses and deficiency of net assets as at December 31, 2022 of AED 7,340,183 (December 31, 2021: AED 10,220,185) and AED 7,040,183 (December 31, 2021: 9,920,185) respectively. The continuation of the Company's operation depends upon the continued support from Infosys Limited (Ultimate Holding Company) and the ability of the Company to generate sufficient cash flows to meet its future obligations. The Ultimate Holding Company has provided an undertaking to provide necessary financial support to enable the Company to meet its obligations, as they fall due in the foreseeable future.

2.2 Basis of measurement

These financial statements have been prepared under the historical-cost basis.

2.3 Functional and presentation currency

These financial statements are presented in UAE Dirham ("AED") which is the Company's functional currency.

2.4 Use of estimates and judgments

The preparation of the financial statements in conformity with IFRSs requires Management to make judgments, estimates and assumptions that affect the application of accounting policies, and the reported amounts of assets and 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 estimates are revised, and in any future periods affected. Information about critical judgments in applying accounting policies, that have the most significant effect on the amounts recognized in the financial statements, are described in Note 19.

3 Significant accounting policies

The following accounting policies, which comply with IFRS, have been applied consistently to all periods presented in these financial statements. The Company has consistently applied the accounting policies to all year presented unless otherwise stated.

Revenue recognition

Revenue is measured based on the consideration specified in a contract with the customer. The Company recognizes revenue when it transfers control over goods or services to a customer.

In view of the risks associated with the delivery of its services to and the collection of the amounts, the Company considers that it is acting as a principal in these arrangements and, therefore, has recognized the costs and associated revenue on a gross, as opposed to a net basis.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers and the related revenue recognition policies.

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
Providing IT solutions, and services to the customer	The control transfer on monthly basis when the IT services are used by the customers. Invoices are issued on a monthly basis.	Revenue is recognized overtime. The stage of completion for determining the amount of revenue to recognize is assessed based on work performed on a monthly basis.

Financial instruments

Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability, is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortized cost. Financial assets are not reclassified subsequent to their initial recognition, unless the Company changes its business model for managing financial assets. In such a case, all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost, if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets – Business model assessment:

The Company assesses the objective of the business model, in which a financial asset is held at a portfolio level, because this best reflects the way the business is managed, and information is provided to Management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether Management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities, or expected cash outflows or realizing cash flows through the sale of the assets.
- How the performance of the portfolio is evaluated and reported to the Company's Management.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected.
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- Contingent events that would change the amount or timing of cash flows.
- Terms that may adjust the contractual coupon rate, including variable-rate features.
- Prepayment and extension features.

Tterms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par-amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par-amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses:

Financial assets at amortized cost

A financial instrument is any contract that gives rise to both a financial asset of the Company and a financial liability or equity instrument for another party. The Company principally classifies its financial assets at initial recognition in the following categories:

Financial assets at fair value through profit or loss: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Debt investments at FVOCI: These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Financial assets at amortized cost: These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

De-recognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership, and it does not retain control of the financial asset.

The Company enters into transactions, whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred, or liabilities assumed) is recognized in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts, and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Share capital

Incremental costs directly attributable to the issuance of ordinary shares are recognized as a deduction from equity.

Property and equipment

Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the estimated costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing cost. If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment.

Any gain or loss on disposal of an item of property and equipment is recognized in the profit or loss.

Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation is calculated to write off the cost of items of property and equipment, less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognized in the profit or loss. Leased assets are depreciated over the shorter of the lease term, and their useful life unless it is reasonably certain that the Company will obtain ownership by the end of lease term.

The estimated useful lives of property and equipment for current and comparative periods are as follows:

Particulars	Years
Office equipment and fixtures	2 – 5

The depreciation method, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Impairment

Non-derivative financial assets

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 365 days past due.

Lifetime expected credit lossesare the expected credit lossesthat result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). Expected credit losses are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data :

- Significant financial difficulty of the borrower or issuer.
- A breach of contract such as a default or being more than 90 days past due.
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise.
- It is probable that the borrower will enter bankruptcy or other financial re-organization.
- The disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off, could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Non-derivative financial assets

Financial assets not classified as at FVTPL were assessed at each reporting date to determine whether there was objective evidence of impairment. Objective evidence that financial assets were impaired included the following :

- 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 would enter bankruptcy.
- Adverse changes in the payment status of borrowers or issuers.
- The disappearance of an active market for a security because of financial difficulties.
- Observable data, indicating that there was a measurable decrease in the expected cash flows from a group of financial assets.

Financial assets measured at amortized cost

The Company considered evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets were individually assessed for impairment. Those found not to be impaired were then collectively assessed for any impairment that had been incurred but not yet individually identified. Assets that were not individually significant were collectively assessed for impairment. Collective assessment was carried out by grouping together assets with similar risk characteristics. In assessing collective impairment, the Company used historical information on the timing of recoveries and the amount of loss incurred, and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends.

An impairment loss was 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 were recognized in profit or loss and reflected in an allowance account. When the Company considered that there were no realistic prospects of recovery of the asset, the relevant amounts were written off. If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss was reversed through profit or loss.

Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets, investment property and inventories 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.

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.

Provisions

A provision is recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period and the amortized cost in foreign currency translated at the exchange rate at the end of the period. Realized and unrealized foreign exchange differences arising on translation are recognized in the profit or loss.

Leases

At inception of a contract, the Company assesses whether a contract is or contains a lease. A contract is, or contains, a lease if 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:

a. The contract involves the use of an identified asset – This may be specified explicitly or implicitly, and should be physically distinct asset or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
b. The Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use.
c. The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases, where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
    i) The Company has the right to operate the asset; or
    ii) The Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on assessment of a contract that contains a lease component, the Company identifies the non-lease component in the contract and breaks the lease and non-lease component, and presents the same separately, i.e. lease component is capitalized as part of right-of-use asset and non-lease component is presented separately.

The Company as lessee

Right-of-use asset

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset, or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments in the measurement of the lease liability comprise the following:

a. Fixed payments, including in-substance fixed payments.
b. Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
c. Amounts expected to be payable under a residual value guarantee; and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension, or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of equipment that have a lease term of 12 months or less, and leases of low-value assets, including IT equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Provision for end of service benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognized in profit or loss in the period in which they arise.

Employees are not required to contribute to the plan. The employees' end of service benefits is an unfunded obligation.

4 Financial risk management

Overview

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies, and processes for measuring and managing risk, and the Company's management of capital.

The Board of Directors has an overall responsibility for the Company and oversight of the Company's risk management framework.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk is attributable to trade and other receivables, cash at bank and due from a related party. Cash is held with reputable bank. Balance due from a related party is considered fully recoverable by Management.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk mainly relates to trade and other payables and due to a related party. The Company's approach to managing liquidity is to ensure, as far as possible, to maintain sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The majority of the Company's transactions are conducted in AED and USD. AED is currently pegged to USD; hence, the Company has no significant exposure to currency risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

Capital management

The Board of Directors' policy is to maintain a strong capital base as to maintain shareholders, creditors, and market confidence, and to sustain future development of the business. There were no changes in the Company's approach to capital management during the year.

5 Revenue

(In AED)

Particulars	Years ended December 31,	
	2022	2021
Revenue from services (i)	41,203,088	41,572,151

(i) Revenue from services includes AED 25,072,009 (2021 : AED 25,613,544) from contract with shareholder at cost plus margin of 6% (Refer to Note 12).

Revenue is geographically distributed in UAE and is recognized at point in time.

6 Cost of services

(In AED)

Particulars	Years ended December 31,	
	2022	2021
Salaries and other benefits	23,339,347	24,672,098
Provision for employees' end-of-services benefits (Refer to Note 15)	1,902,954	2,043,167
Subcontracted cost (Refer to Note 12)	13,519,700	12,328,863
	38,762,001	39,044,128

7 Administrative and general expenses

(In AED)

Particulars	Years ended December 31,	
	2022	2021
Communication expenses	738,050	257,666
Utilities	17,430	17,978
Office maintenance	211,076	397,705
Travel and entertainment expenses	403,423	345,015
Depreciation on property and equipment (Refer to Note 9)	31,828	68,958
Depreciation on right-of-use asset (Refer to Note 10)	677,786	968,529
Professional fees	495,653	227,785
Impairment loss charged	17,471	28,080
Others	195,563	289,491
	2,788,280	2,601,207

8 Finance cost

(In AED)

Particulars	Years ended December 31,	
	2022	2021
Interest expense on lease liability (Refer to Note 10)	15,319	48,702
	15,319	48,702

9 Property and equipment

(In AED)

Particulars	Office equipmen & fixtures
Cost	
As at January 1, 2021	3,202,735
As at December 31, 2021	3,202,735
As at January 1, 2022	3,202,735
Additions	-
Deletions	(57,780)
As at December 31, 2022	3,144,955
Depreciation	
As at January 1, 2021	3,065,891
Charge for the year	68,958
As at December 31, 2021	3,134,849
As at January 1, 2022	3,134,849
Charge for the year	31,828
Depreciation on deletions	(57,780)
As at December 31, 2022	3,108,897
Net book value	
As at December 31, 2022	36,058
As at December 31, 2021	67,886

10 Right-of-use assets and lease liabilities

The Company has taken office premises on lease. The lease period is one year, with an option to extend the lease for further period. The Company estimates to occupy the premises till November 2023 based on its economic incentive.

Right-of-use asset

(In AED)

Particulars	As at December 31,	
	2022	2021
Opening balance	1,577,017	3,321,678
Derecognition of right-of-use asset	(276,760)	(776,132)
Depreciation	(677,786)	(968,529)
Closing balance	622,471	1,577,017

Lease liabilities

(In AED)

Particulars	As at December 31,	
	2022	2021
Opening balance	1,610,811	3,367,523
Interest on leases	15,319	48,702
Derecognition of lease liability	(276,760)	(776,132)
Payments during the year	(776,293)	(1,029,282)
Closing balance	573,077	1,610,811
Non-current portion	–	850,242
Current portion	573,077	760,569
	573,077	1,610,811

Maturity analysis of undiscounted lease payments that will be paid after the reporting date is as follow:

(In AED)

Particulars	As at December 31,	
	2022	2021
Less than one year	575,892	776,294
One to five years	–	856,455
	575,892	1,632,749

(In AED)

Particulars	As at December 31,	
	2022	2021
Balances recognized in Statement of Profit and Loss		
Interest on lease liabilities	15,319	48,702
Depreciation of right of use asset	677,786	968,529
	693,105	1,017,231

11 Trade and other receivables

(In AED)

Particulars	As at December 31,	
	2022	2021
Trade receivables	3,275,855	2,027,907
Unbilled revenue	3,048,777	1,747,013
Impairment loss on trade receivables and unbilled revenue	(95,301)	(44,827)
	6,299,331	3,730,093
Prepayments	479,852	1,014,417
Deposits	125,000	125,000
Advance to employees	67,567	63,072
VAT receivable	23,368	210,767
	6,925,118	5,143,349

As at December 31, the ageing of trade receivables was as follows:

(In AED)

Particulars	As at December 31,			
	2022		2021	
	Gross	Impairment	Gross	Impairment
Current	1,177,260	–	1,113,692	–
0–90 days	2,098,595	(66,472)	914,215	(30,743)
	3,275,855	(66,472)	2,027,907	(30,743)

12 Related party transactions and balances

The Company in the normal course of business carries out transactions with other business enterprises that fall within the definition of related parties contained in International Accounting Standard No. 24. The transactions among related parties are carried out at terms mutually agreed amongst them.

Transactions with related party

(In AED)

Particulars	Years ended December 31,	
	2022	2021
Services rendered to Shareholder	25,072,009	25,613,544
Subcontracted cost	13,519,700	12,328,863

The Company entered into a subcontracting agreement with Infosys Limited ("the Shareholder"). Where Infosys Limited bills the Company at total cost-plus markup of 18% on total cost for the services given to the company.

The Company entered into a subcontracting agreement with the Infosys Automotive and Mobility GmbH & Co.KG ("Sister Concern").Where the Company reimburse all the cost incurred by the Infosys Automotive and Mobility GmbH & Co.KG on the behalf of the Company within 30 days of the written notice of the successful consummation of the transaction.

The Company enter into a subcontracting agreement with Infosys limited ("the shareholder") for daimler deal only. As per the agreement, if the Company generates any revenue from the services provided to its end-client, it will be retained by the Company. Whereas for the revenue of services which Infsoys Limited has provided will be transferred back to Infosys Limited after retaining 1% of the revenue by the Company for administrative services and billing purposes. Such mark-up may be revised periodically based on benchmarking analysis to demonstrate the arm's length price.

Balances with related party

Due from a related party

(In AED)

Particulars	Years ended December 31,	
	2022	2021
Infosys Limited (the Shareholder")	2,094,312	4,484,346
Infosys Turkey Bilgi Teknoloijleri("sister Concern")	34,320	–
	2,128,632	4,484,346

Due to a related party

(In AED)

Particulars	Years ended December 31,	
	2022	2021
Infosys Limited ("the Shareholder")	7,330,389	3,051,061
Infosys Technologies (China) Co Ltd ("sister Concern")	1,405	–
Infosys BPM Ltd("sister Concern")	3,329	–
Infosys Automotive And Mobility Gmb("sister Concern")	29,695	–
Infosys Turkey Bilgi Teknoloijleri("sister Concern")	8,914	–
Infosys Czech Republic("sister Concern")	3,566	–
	7,377,298	3,051,061

13 Cash and cash equivalent

(In AED)

Particulars	Years ended December 31,	
	2022	2021
Cash at bank	8,830,337	3,893,420

14 Share capital

(In AED)

Particulars	Years ended December 31,	
	2022	2021
Authorized, issued and paid-up:		
300 shares of AED 1,000 each	300,000	300,000

15 Provision for employees' end-of-service benefits

(In AED)

Particulars	Years ended December 31,	
	2022	2021
As at January 1	17,290,455	17,329,284
Provision made during the year	1,902,954	2,043,167
Unrecognized actuarial loss / (profit)	(3,242,514)	129,500
Payments made during the year	(2,223,389)	(2,211,496)
As at December 31,	13,727,506	17,290,455

The principle actuarial assumptions at the reporting date (expressed as weighted averages) are as follows:

(In AED)

Particulars	Years ended December 31,	
	2022	2021
Discount rate	5.1%	3.2%
Future salary growth	4%	4%

Reasonable possible changes at reporting to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation. 1% change in discount rate and weighted average rate of compensation levels will result in increase / decrease of liabilities by AED 1,209,989 (2021 : AED 1,778,706) and AED 1,061,875 (2021 : AED 1,537,819) respectively.

16 Trade and other payables

(In AED)

Particulars	As at December 31,	
	2022	2021
Trade payables	138,063	45,642
Accruals	1,371,483	642,083
Other payables	580,835	350,448
Provision for incentives (i)	1,036,936	1,205,092
Provision for leave accrual (ii)	777,601	890,611
	3,904,918	3,133,876
(i) Movement of the provision for incentives was:		
As at January 1	1,205,092	1,306,000
Provision made during the year	1,036,936	1,205,092
Payments made during the year	(1,205,092)	(1,306,000)
As at December 31	1,036,936	1,205,092
(ii) Movement of the provision for leave accrual was:		
As at January 1	890,611	1,167,136
Provision made during the year	637,361	781,407
Reversal made during the year	(750,371)	(1,057,932)
As at December 31	777,601	890,611

17 Financial instruments

Financial assets of the Company comprise trade and other receivables (excluding prepayments and advances), due from a related party and cash and cash equivalent. Financial liabilities include trade and other payables, lease liabilities and due to a related party.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the, Company's trade debts from customers.

The carrying amount of financial assets represent the maximum credit exposure.

Expected credit losses on financial assets are recognized in Statement of Profit or Loss are as follows:

(In AED)

Particulars	As at December 31,	
	2022	2021
Impairment loss on trade receivables and unbilled revenue	17,471	28,080

Exposure to credit risk

The carrying amounts of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

(In AED)

Particulars	As at December 31,	
	2022	2021
Cash and cash equivalent	8,830,337	3,893,420
Due from a related party	2,218,632	4,484,346
Trade and other receivables (excluding prepayments and advances)	6,377,699	4,065,860
	17,426,668	12,443,626

Due from related party and other receivables are considered fully recoverable by the Management.

Bank balances

The Company seeks to limit its credit risk with respect to banks by dealing with reputable banks only.

Due from a related party

Due from related party arises from transactions in the normal course of business and is stated net of amounts estimated to be uncollectable. These balances are subject to market credit risks which are closely monitored by Management.

Trade receivable

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, Management also considers the factors that may influence the credit risk of customer base, including the default risk associated with the industry and the region in which the customers operate.

The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

Credit risk is limited to the carrying values of financial assets in the statement of financial position.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company maintains adequate reserves, by continuous monitoring, forecast and actual cash flows. The Company does not have any bank loan. Liability comprises trade and other payables, due to related party and lease liability.

The contractual maturities of the Company's financial liabilities are as follows:

(In AED)

2022	Carrying amount	Contractual cash flows	1 year or less	1 to 5 years
Trade and other payables	3,904,918	(3,904,918)	(3,904,918)	–
Due to a related party	7,377,298	(7,377,298)	(7,377,298)	–
Lease liabilities	573,077	(573,077)	(573,077)	–
	11,855,293	(11,855,293)	(11,855,293)	–

(In AED)

2021	Carrying amount	Contractual cash flows	1 year or less	1 to 5 years
Trade and other payables	3,133,876	(3,133,876)	(3,133,876)	–
Due to a related party	3,051,061	(3,051,061)	(3,051,061)	–
Lease liabilities	1,610,811	(1,632,749)	(776,294)	(856,455)
	7,795,748	(7,817,686)	(6,961,231)	(856,455)

(c) Market rate risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has no significant exposure to currency risk as most of the Company's transactions are in AED.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. At the reporting date, the Company is not exposed to interest rate risk as there is no loan outstanding at year end.

Equity price risk

Equity price risk is the possibility that equity prices will fluctuate affecting the fair value of equity investments and other instruments that derive their value from a particular equity investment or index of equity prices. The Company has no exposure to equity price risk.

Fair value

The fair value of the Company's financial assets and liabilities are not materially different from their carrying amounts as at the reporting date.

18 Capital commitments and contingent liabilities

(In AED)

Particulars	As at December 31,	
	2022	2021
Bank guarantees	2,725,730	2,725,730

There are no capital commitments as at December 31, 2022 (December 31, 2021 : Nil).

19 Accounting estimates and judgment

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Determination of the lease term of contracts

In determining the lease term, Management considers facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options are only included in the lease term, if lease is reasonably certain to be extended.

Residual values and useful lives of property and equipment

The Company's Management has reviewed the residual values and useful lives of property and equipment. Management has not highlighted any requirement for an adjustment to the residual lives and remaining useful lives of the assets for the current or future periods.

Impairment losses on financial assets

The Company reviews its receivables to assess impairment losses. In determining whether impairment losses should be recognized in the profit or loss, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for impairment is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The measurement of the expected credit loss allowance for financial assets measured at amortized cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses).

Defined benefit plans (pension benefits)

The cost of the defined benefit pension plan and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

20 Subsequent events

Subsequent to the year-end, there have been no events noted that would require adjustments or further disclosure to the financial statements.

21 UAE Corporate Tax

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after 1 June 2023.

A rate of 9% will apply to taxable income exceeding a particular threshold to be prescribed by way of a Cabinet Decision (expected to be AED 375,000 based on information released by the Ministry of Finance), a rate of 0% will apply to taxable income not exceeding this threshold and a rate of 0% on qualifying income of free zone entities. In addition, there are several other decisions that are yet to be finalized by way of a Cabinet Decision that are significant in order for entities to determine their tax status and taxable income. Therefore, pending such important decisions, the Company has considered that the Law, as it currently stands, is not substantively enacted as at 31 December 2022 from the perspective of IAS 12 – Income Taxes.

The Company shall continue to monitor the timing of the issuance of these critical Cabinet Decisions to determine their tax status and the application of IAS 12 – Income Taxes.

Panaya Inc.

Independent Auditor's report

To the Members of Panaya Inc. (Panaya)

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Panaya Inc. (Panaya) ("the Company"), which comprise the Balance Sheet as at December 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of preparation referred to in Section 1.2 of the special purpose financial statements, of the state of affairs of the Company as at December 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

i) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

iii) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

For Shenoy & Kamath
Chartered Accountants,
Firm Registration Number. 006673S

(M Rathnakar Kamath)
Partner
Membership Number. 202841

UDIN : 23202841BGWLUX5753

Place: Bengaluru

Date: May 20, 2023

Balance Sheet

(In US$)

Particulars	Note No.	As at December 31, 2022	As at December 31, 2021
Assets			
Non-current assets			
Property, plant and equipment	2.1	74,923	29,719
Financial assets			
Investments	2.2	39,135,182	39,108,441
Deferred tax assets	2.12	250,079	420,777
Income tax assets	2.12	18,302	15,843
Total non–current assets		39,478,486	39,574,780
Current assets			
Financial assets			
Trade receivables	2.3	40,214,730	40,867,797
Cash and cash equivalents	2.4	1,542,428	1,529,552
Other financial assets	2.5	24,588,227	23,829,839
Other current assets	2.6	7,357	18,516
Total current assets		66,352,742	66,245,704
Total Assets		105,831,228	105,820,484
Equity and liabilities			
Equity			
Equity share capital	2.7	–	–
Other equity		63,877,096	64,035,144
Total equity		63,877,096	64,035,144
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	2.9	7,535,799	7,507,005
Deferred tax liabilities	2.12	17,963	7,683
Total non–current liabilities		7,553,761	7,514,688
Current liabilities			
Financial liabilities			
Trade payables	2.8	29,453,188	29,037,699
Other financial liabilities	2.10	968,664	514,708
Other current liabilities	2.11	3,707,623	4,718,246
Income tax liabilities	2.12	270,896	–
Total current liabilities		34,400,371	34,270,653
Total equity and liabilities		105,831,228	105,820,484

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for **Shenoy & Kamath**
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Bengaluru
Date: May 20, 2023

for and on behalf of Board of Directors of Panaya Inc

David Binny
Director

Vibhuti Kumar Dubey
Director

Jasmeet Singh
Director

Dinesh R
Director

Statement of Profit and Loss

(In US$, except share and per share data)

Particulars	Note No.	Year ended December 31, 2022	Year ended December 31, 2021
Revenue from operations	2.13	9,578,960	8,312,100
Other income, net	2.14	–	2,679
Total income		9,578,960	8,314,779
Expenses			
Employee benefit expenses	2.15	6,013,963	5,137,727
Cost of technical subcontractors	2.15	2,173,473	2,316,590
Travel expenses	2.15	185,132	21,700
Cost of software packages and others	2.15	–	166
Communication expenses	2.15	28,187	32,262
Consultancy and professional charges		277,794	67,277
Finance cost		271,210	101,606
Depreciation	2.1	27,238	35,258
Other expenses	2.15	343,333	377,765
Total expenses		9,320,329	8,090,352
Profit / (loss) before tax		258,631	224,427
Tax expense:			
Current tax	2.12	263,729	51,295
Deferred tax	2.12	152,950	27,909
Profit / (loss) for the year		(158,048)	145,223
Other comprehensive income			
Total other comprehensive income, net of tax		–	–
Total comprehensive income for the year		(158,048)	145,223
Earnings per equity share			
Equity shares of par value $0.01 each			
Basic & diluted		(79,024)	72,612
Number of shares used in computing earning per share			
Basic & diluted		2	2

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

for and on behalf of Board of Directors of Panaya Inc

David Binny
Director

Vibhuti Kumar Dubey
Director

Jasmeet Singh
Director

Dinesh R
Director

Bengaluru
Date: May 20, 2023

Statements of Cash Flows

(In US$)

Particulars	Year ended December 31, 2022	2021
Cash flow from operating activities:		
Profit / (loss) for the year	(158,048)	145,223
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation	27,238	35,258
Income tax expense	416,679	79,204
Interest expense on loan	271,210	101,606
Other adjustments	396	1,536
Changes in assets and liabilities:		
Trade receivables	653,067	369,067
Other assets and other financial assets	(747,229)	(432,130)
Trade payables	415,489	2,354,837
Other financial liabilities and other liabilities	(556,667)	628,619
Cash generated from operations:	322,135	3,283,222
Income taxes refunded / (paid)	32,735	216,944
Net cash from operating activities	354,871	3,500,166
Cash flow from investing activities:		
Expenditure on property, plant and equipment	(72,838)	(28,112)
Investment in subsidiaries	(26,741)	–
Net cash used in investing activities	(99,579)	(28,112)
Cash flow from financing activities:		
Borrowings	(242,416)	(3,002,881)
Net cash used in financing activities:	(242,416)	(3,002,881)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	–	–
Net increase in cash and cash equivalents:	12,875	469,172
Cash and cash equivalents at the beginning of the year	1,529,552	1,060,380
Cash and cash equivalents at the end of the year	1,542,428	1,529,552

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Bengaluru
Date: May 20, 2023

for and on behalf of Board of Directors of Panaya Inc

David Binny
Director

Vibhuti Kumar Dubey
Director

Jasmeet Singh
Director

Dinesh R
Director

Statement of Changes in Equity

(In US$)

Particulars	Equity share capital	Other equity: Reserves & surplus: Securities premium	Other equity: Reserves & surplus: Retained earnings	Total equity attributable to equity holders of the Company
Balance as of January 1, 2021	–	59,509,414	4,380,507	63,889,920
Changes in equity for the year ended December 31, 2021				
Changes during the year	–	–	–	–
Profit for the year	–	–	145,223	145,223
Balance as of December 31, 2021	–	59,509,414	4,525,730	64,035,144
Balance as of January 1, 2022	–-	59,509,414	4,525,730	64,035,144
Changes in equity for the year ended December 31, 2022				
Profit for the year	–	–	(158,048)	(158,048)
Balance as of December 31, 2022	–	59,509,414	4,367,682	63,877,096

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Bengaluru
Date: May 20, 2023

for and on behalf of Board of Directors of Panaya Inc

David Binny
Director

Vibhuti Kumar Dubey
Director

Jasmeet Singh
Director

Dinesh R
Director

Significant Accounting Policies

Company overview

Panaya Inc ('the Company') was incorporated in the US. The Company is a wholly-owned subsidiary of Infosys Ltd.

Panaya Inc, USA develops and markets solutions for ERP systems, by identifying the changes on the ERP system through automated analysis."

1 Significant accounting policies

1.1 Accounting year

The accounting year of the Company is from January 1 to December 31

1.2 Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis. The Ind-AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. 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

The preparation of the financial statements in conformity with Ind-AS requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities, and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include allowances for credit losses, future obligations under employee benefit plans, income taxes and the useful lives of property, plant, and equipment.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in the circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.4 Revenue recognition

The Company derives its revenue principally from the sale of its ERP systems analysis services, including activation and monthly service fees. Revenues from services are recognized either as services are performed or on a straight-line basis if the services are ongoing. Revenue is recognized, provided that the arrangement (usually in the form of a purchase order) exists, the fee is fixed and determinable, and collection is reasonably assured. If uncertainties exist, revenue is recognized when the uncertainties are resolved.

Effective Jan 1, 2019, the Company adopted Ind-AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as at Jan 1, 2019. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and / or revised significant accounting policies related to revenue recognition.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method.

When there is uncertainty as to the measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

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 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). The Company has applied the principles under Ind-AS 115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost-plus-margin approach. Where the license is required to be substantially customized as part of the implementation service, the entire arrangement fee for license and implementation is considered to be a single performance obligation, and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized ratably over the period in which the services are rendered. "

Deferred contract cost

Deferred contract costs are incremental costs of obtaining a contract which are recognized as assets and amortized over the term of the contract.

Contract modification

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct, and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Tax

The Company presents revenues net of indirect taxes in its statement of Profit and loss.

1.5 Provisions

A provision is recognized if, because 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.

1.6 Property, plant and equipment

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:

Leasehold improvements	Over lease term
Office equipment [1]	5 years
Computer equipment [1]	3-5 years
Furniture and fixtures [1]	5 years

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year-end.

[1] Based on technical evaluation, the Management believes that the useful lives, as given above, best represent the period over which 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.

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 put to use before such date are disclosed under 'capital work-in-progress'. Subsequent expenditures relating to property, plant, and equipment are 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 net profit 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.

1.7 Financial instruments

1.7.1 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, which 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.

1.7.2 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 to collect contractual cash flows. 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. 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.

(iii) Financial assets at fair value through profit or loss

A financial asset, which is not classified in any of the above categories, is subsequently fair-valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(v) Investment in subsidiaries

Investment in subsidiaries is carried at cost in the separate financial statements.

1.8 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.

1.9 Impairment

a. Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets, which are not fair-valued through profit or loss. Loss allowance for trade receivables 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 profit or loss.

b. Non-financial assets

(i) Property, plant and equipment

Property, plant, and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For 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 for the CGU to which the asset belongs.

If such assets are considered 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 the previous years.

1.10 Employee benefits

Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using the projected-unit-credit method on the additional amount expected to be paid or availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

1.11 Foreign currency

Functional currency

The functional currency of the Company is the US Dollar. These financial statements are presented in US Dollars.

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 net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities, denominated in a foreign currency and measured at fair value, are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities, denominated in a foreign currency and measured at historical cost, are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense, and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

1.12 Income taxes

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 the related tax benefit has no probability of being realized.

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 depends on 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.

1.13 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.14 Other income

The Company has adopted Appendix B to Ind-AS 21, Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

1.15 Earnings per share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.

1.16 Borrowing cost

Borrowing cost are charged to the Statement of Profit and Loss in the period in which they incurred.

2.1 Property, plant and equipment

The changes in the carrying value of property, plant and equipment for the year ended December 31, 2022 are as follows:

(In US$)

Particulars	Leasehold improvements	Office equipment	Computer equipment	Furniture and fixtures	Total
Gross carrying value as of January 1, 2022	120,950	29,811	271,514	99,231	521,506
Additions	20,839	936	50,389	674	72,838
Deletions	(120,950)	(23,975)	(221,084)	(62,081)	(428,090)
Gross carrying value as of December 31, 2022	20,840	6,771	100,819	37,824	166,254
Accumulated depreciation as of January 1, 2022	(117,659)	(28,382)	(250,058)	(95,688)	(491,787)
Depreciation	(5,642)	(1,062)	(17,369)	(3,165)	(27,238)
Accumulated depreciation on deletions	120,950	23,937	221,152	61,655	427,694
Accumulated depreciation as of December 31, 2022	(2,350)	(5,507)	(46,275)	(37,198)	(91,330)
Carrying value as of December 31, 2022	18,489	1,264	54,544	626	74,923
Carrying value as of January 1, 2022	3,291	1,429	21,456	3,543	29,719

The changes in the carrying value of property, plant and equipment for the year ended December 31, 2021 are as follows:

(In US$)

Particulars	Leasehold improvements	Office equipment	Computer equipment	Furniture and fixtures	Total
Gross carrying value as of January 1, 2021	120,950	29,811	244,938	99,231	494,930
Additions	–	– -	26,576	–	26,576
Deletions	–	–-	–	–	–
Gross carrying value as of December 31, 2021	120,950	29,811	271,514	99,231	521,506
Accumulated depreciation as of January 1, 2021	(105,489)	(24,640)	(244,790)	(81,609)	(456,528)
Depreciation	(12,170)	(3,741)	(5,268)	(14,079)	(35,258)
Accumulated depreciation on deletions	–	–	–	–	–

Particulars	Leasehold improvements	Office equipment	Computer equipment	Furniture and fixtures	Total
Accumulated depreciation as of December 31, 2021	(117,659)	(28,382)	(250,058)	(95,688)	(491,787)
Carrying value as of December 31, 2021	3,291	1,429	21,456	3,543	29,719
Carrying value as of January 1, 2021	15,461	5,170	148	17,622	38,402

2.2 Investments

(In US$)

Particulars	As at December 31,	
	2022	2021
Non-current investments		
Equity instruments of subsidiaries	39,135,182	39,108,441
Total carrying value	39,135,182	39,108,441

(In US$)

Particulars	As at December 31,	
	2022	2021
Non-current investments		
Unquoted		
Investment carried at cost		
Investments in equity instruments of subsidiaries		
Panaya Ltd, Israel	39,069,600	39,069,600
Infosys Financial Services GmbH, Germany	38,841	38,841
Panaya Germany GmbH, Germany	26,741	–
Total non-current investments	39,135,182	39,108,441
Aggregate amount of unquoted investments	39,135,182	39,108,441
Investments carried at cost	39,135,182	39,108,441

2.3 Trade receivables

(In US$)

Particulars	As at December 31,	
	2022	2021
Current		
Unsecured		
Considered good [(1)]	40,214,730	40,875,169
Considered doubtful	–	–
	40,214,730	40,875,169
Less: Allowances for credit loss	–	7,372
Total trade receivables	40,214,730	40,867,797
[(1)] Includes dues from related parties (Refer to Note 2.17)	39,468,909	39,468,909

Trade receivables ageing schedule

Year ended December 31, 2022

(In US$)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	373,385	372,436	39,468,909	–	–	–	40,214,730
Less: Allowance for credit loss							–
Total trade receivables(1)							40,214,730

Year ended December 31, 2021

(In US$)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	–	1,406,260	39,468,909	–	–	–	40,875,169
Less: Allowance for credit loss							7,372
Total trade receivables (1)							40,867,797

2.4 Cash and cash equivalents

(In US$)

Particulars	As at December 31,	
	2022	2021
Balances with banks		
In current and deposit accounts	1,542,428	1,529,552
Total cash and cash equivalents	1,542,428	1,529,552

2.5 Other financial assets

(In US$)

Particulars	As at December 31,	
	2022	2021
Current		
Rental deposits [1]	20,536	24,673
Others [1][2]	24,567,692	23,805,167
Total current other financial assets	24,588,227	23,829,839
[1] Financial assets carried at amortized cost	24,588,227	23,829,839
[2] Includes dues from related parties (Refer to Note 2.17)	24,542,683	23,805,167

2.6 Other assets

(In US$)

Particulars	As at December 31,	
	2022	2021
Current		
Prepaid expenses	7,357	18,516
Total current other assets	7,357	18,516

2.7 Equity

Equity share capital

(In US$)

Particulars	As at December 31,	
	2022	2021
Authorized		
Equity share capital (1000 Equity shares of par value US$ 0.01 each)	–	–
Issued, subscribed and paid-up		
Equity share capital (2 Equity shares of par value US$ 0.01 each)	–	–
Total equity share capital	–	–

The details of shareholder holding more than 5% shares are as follows :

Name of the shareholder	As at December 31,	
	2022	2021
Infosys Ltd.	100%	100%

2.8 Trade payables

(In US$)

Particulars	As at December 31,	
	2022	2021
Trade payables [1]	29,453,188	29,037,699
Total trade payables	29,453,188	29,037,699
Includes dues to related parties (Refer to Note 2.17) [1]	29,437,369	28,987,989

Trade payables ageing schedule

Year ended December 31, 2022

(In US$)

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Others	–	29,453,188	–	–	–	29,453,188
Total trade payables	–	29,453,188	–	–	–	29,453,188

Year ended December 31, 2021

(In US$)

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Others	–	29,037,699	–	–	–	29,037,699
Total trade payables	–	29,037,699	–	–	–	29,037,699

2.9 Borrowings

(In US$)

Particulars	As at December 31,	
	2022	2021
Non-current		
Unsecured loan [(1)(2)]	7,535,799	7,507,005
Total non-current borrowings	7,535,799	7,507,005
Includes dues to related parties (Refer to Note 2.17) [(1)]	7,535,799	7,507,005
The above loan carries an interest of 5.62% p.a. [(2)]		

2.10 Other financial liabilities

(In US$)

Particulars	As at December 31,	
	2022	2021
Current		
Accrued compensation to employees [(1)]	886,716	451,444
Accrued expenses [(1)]	62,242	30,719
Compensated absences	19,706	26,173
Other payables [(1)]	–	6,372
Total current other financial liabilities	968,664	514,708
Financial liability carried at amortized cost [(1)]	948,958	488,535

2.11 Other liabilities

(In US$)

Particulars	As at December 31,	
	2022	2021
Current		
Unearned revenue	3,694,427	4,702,044
Others – Withholding taxes and others	13,196	16,203
Total current other liabilities	3,707,623	4,718,246

2.12 Income taxes

Income tax expense in the Statement of Profit and Loss comprises the following:

(In US$)

Particulars	Year ended December 31,	
	2022	2021
Current taxes	263,729	51,295
Deferred taxes	152,950	27,909
Income tax expense	416,679	79,204

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 is as follows:

(In US$)

Particulars	Year ended December 31,	
	2022	2021
Profit before income taxes	258,631	224,427
Enacted tax rates in USA	27.00%	27.00%
Computed expected tax expense	69,830	60,595
Effect of unrecognized deferred tax assets	–	(38,428)
Tax provision / reversals	–	51,295

Particulars	Year ended December 31,	
	2022	2021
Prior period tax expense	224,885	–
GILTI tax provision	111,562	–
Effect of non-deductible expenses	10,402	5,742
Income tax expense	416,679	79,204

The applicable statutory tax rate for year ended December 31, 2022 and December 31, 2021 is 27%.

The details of income tax assets and income tax liabilities are as follows:

(In US$)

Particulars	Year ended December 31,	
	2022	2021
Income tax assets	18,302	15,843
Current income tax liabilities	(270,896)	–
Net current income tax assets/ (liability) at the end	(252,594)	15,843

The gross movement in the current income tax asset / (liability) for the year ended is as follows:

(In US$)

Particulars	Year ended December 31,	
	2022	2021
Net current income tax asset / (liability) at the beginning	15,843	284,082
Income tax paid	(4,707)	(216,944)
Current income tax expense	(263,729)	(51,295)
Net current income tax asset / (liability) at the end	(252,594)	15,843

The gross movement in the deferred tax asset / (liability) for the year ended is as follows:

(In US$)

Particulars	Carrying value as on Jan 1, 2022	Changes through profit and loss	Carrying value as on Dec 31, 2022
Accrued compensation	121,890	68,457	190,347
Compensated absences	7,069	(1,748)	5,321
Deferred revenue	95,699	(95,700)	(1)
Others	196,119	(113,679)	54,412
Total deferred tax assets	420,777	(142,670)	250,079

(In US$)

Particulars	Carrying value as on Jan 1, 2022	Changes through profit and loss	Carrying value as on Dec 31, 2022
Property, plant and equipment	(7,683)	(10,280)	(17,963)
Total deferred tax liabilities	(7,683)	(10,280)	(17,963)

The gross movement in the deferred tax asset / (liability) for the year ended is as follows:

(In US$)

Particulars	Carrying value as on Jan 1, 2021	Changes through profit and loss	Carrying value as on Dec 31, 2021
Accrued compensation	133,880	(11,990)	121,890
Compensated absences	9,451	(2,382)	7,069
Deferred revenue	14,560	81,139	95,699
Others	292,954	(96,835)	196,119
Total deferred tax assets	450,845	(30,068)	420,777

(In US$)

Particulars	Carrying value as on Jan 1, 2021	Changes through profit and loss	Carrying value as on Dec 31, 2021
Property, plant and equipment	(9,842)	2,159	(7,683)
Total deferred tax liabilities	(9,842)	2,159	(7,683)

2.13 Revenue from operations

(In US$)

Particulars	Year ended December 31,	
	2022	2021
Revenue from products and platforms	9,578,960	8,312,100
Total revenue from operations	9,578,960	8,312,100

Trade receivables and contract balances

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

Revenue recognition for fixed-price development contracts is based on the 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.

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

During the year ended December 31, 2022, the Company recognized revenue of US$ 4,363,315 arising from opening unearned revenue as of January 1, 2022.

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 Group expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind-AS 115, the Group 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 at December 31, 2022, other than those meeting the exclusion criteria mentioned above, is US$ 3,694,427 Out of this, the Group expects to recognize revenue of approximately 96% within the next one year and the remaining thereafter. The contracts can generally be terminated by the customers and typically includes an enforceable termination penalty payable by them.

Disaggregate revenue information

The disaggregated revenues from contracts with customers for the year ended December 31, 2022 and December 31, 2021 by geography are as follows:

(In US$)

Particulars	Year ended December 31,	
	2022	2021
Revenues by geography [(1)]		
North America	9,521,248	8,041,209
Rest of the World	57,711	270,892
Total revenue	9,578,960	8,312,100

[(1)] Geographical revenue is based on the domicile of customer

2.14 Other income, net

(In US$)

Particulars	Year ended December 31,	
	2022	2021
Miscellaneous income	–	2,679
Total other income, net	–	2,679

2.15 Expenses

(In US$)

Particulars	Year ended December 31,	
	2022	2021
Employee benefit expenses		
Salaries including bonus	5,971,206	5,119,022
Staff welfare	42,757	18,705
Total employee benefit expenses	6,013,963	5,137,727

Particulars	Year ended December 31,	
	2022	2021
Cost of technical subcontractors		
Technical subcontractors – subsidiaries	2,173,473	2,316,590
Total cost of technical subcontractors	2,173,473	2,316,590
Travel expenses		
Overseas travel expenses	86,584	8,130
Overseas boarding and lodging	84,909	11,365
Perdiem	13,639	2,205
Total travel expenses	185,132	21,700
Cost of software packages and others		
For own use	–	166
Total cost of software package and others	–	166
Communication expenses		
Telephone charges	28,187	32,262
Total communication expenses	28,187	32,262

(In US$)

Particulars	Year ended December 31,	
	2022	2021
Other expenses		
Repair and maintenance	24,171	24,674
Printing and stationery	(7,609)	1,600
Marketing expenses	84,874	107,851
Rent	131,567	162,888
Rates and taxes, excluding taxes on income	11,845	4,908
Postage and courier	7,322	3,182
Insurance charges	4,748	4,244
Consumables	33,906	31,751
Bank charges	10,062	8,033
Commission charges	37,700	24,300
Loss on sale ofasset	396	1,536
Miscellaneous expenses	4,350	2,798
Total other expenses	343,333	377,765

Current tax expense for the years ended December 31, 2022 and December 31, 2021 includes provisions (net of reversals) amounting to reversal of -US$ 65,458 and provision of US$ 18,149 respectively, pertaining to prior periods.

2.16 Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories were as follows:

(In US$)

Particulars	Carrying value as on December 31,	
	2022	2021
Assets:		
Cash and cash equivalents (Refer to Note 2.4)	1,542,428	1,529,552
Trade receivables (Refer to Note 2.3)	40,214,730	40,867,797
Other financial assets (Refer to Note 2.5)(1)	24,588,227	23,829,839
Total	66,345,385	66,227,189
Liabilities:		
Trade payables (Refer to Note 2.8)	29,453,188	29,037,699
Borrowings (Refer to Note 2.9)	7,535,799	7,507,005
Other financial liabilities (Refer to Note 2.10)	948,958	488,535
Total	37,937,945	37,033,238

All the above financial instruments are carried at amortized cost and the carrying values approximates their fair value.

Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks – market risk, credit risk and liquidity risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Group'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$ 40,214,730 and US$ 40,867,797 as of December 31, 2022 and December 31, 2021, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in the United States. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. On account of the adoption of Ind-AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix considers 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 five customers are as follows:

(In %)

Particulars	Year ended December 31,	
	2022	2021
Revenue from top customer	4.3%	5.8%
Revenue from top five customers	18.8%	19.8%

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended December 31, 2022 and December 31, 2021 was NIL and 7,372, respectively.

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents. The Company has taken loan from its related party to meet its working capital requirements.

As of December 31, 2022, the Company had a working capital of US$ 31,952,371 including cash and cash equivalents of US$ 1,542,428. As of December 31, 2021, the Company had a working capital of US$ 31,975,051 including cash and cash equivalents of US$ 1,529,552.

As of December 31, 2022 and December 31, 2021, the outstanding compensated absences were US$ 19,706 and US$ 26,173 respectively

The details regarding the contractual maturities of significant financial liabilities as of December 31, 2022 are as follows:

(In US$)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	29,453,188	–	–	–	29,453,188
Other financial liabilities	948,958	–	–	–	948,958
Borrowings	35,799	7,921,500	–	–	7,957,299

The details regarding the contractual maturities of significant financial liabilities as of December 31, 2021 are as follows:

(In US$)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	29,037,699	–	–	–	29,037,699
Other financial liabilities	488,535	–	–	–	488,535
Borrowings	7,005	7,578,750	–	–	7,585,755

2.17 Related party transactions

List of related parties:

Name of holding companies	Country	Holding as at December 31,	
		2022	2021
Infosys Ltd.	India	100%	100%

Name of subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)[(1)]	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)[(1)]	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)[(1)]	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)[(1)]	China
Infosys Nova Holdings LLC. (Infosys Nova)[(1)]	U.S.
EdgeVerve Systems Limited (EdgeVerve)[(1)]	India
Infosys Austria GmbH[(1)]	Austria
Skava Systems Private Limited (Skava Systems)[(1)(27)]	India
Kallidus Inc, (Kallidus)[(28)]	U.S.
Infosys Chile SpA[(1)]	Chile
Infosys Arabia Limited[(2)(27)]	Saudi Arabia
Infosys Consulting Ltda.[(1)]	Brazil
Infosys CIS LLC[(15)]	Russia
Infosys Luxembourg S.a.r.l[(1)]	Luxembourg
Infosys Americas Inc. (Infosys Americas)[(1)]	U.S.
Infosys Public Services, Inc. USA (Infosys Public Services)[(1)]	U.S.
Infosys Canada Public Services Inc[(20)(39)]	Canada
Infosys BPM Limited[(1)(47)]	India
Infosys (Czech Republic) Limited s.r.o.[(3)]	Czech Republic
Infosys Poland Sp z.o.o[(3)]	Poland
Infosys McCamish Systems LLC[(3)]	U.S.
Portland Group Pty Ltd[(3)]	Australia
Infosys BPO Americas LLC.[(3)]	U.S.
Infosys Consulting Holding AG (Infosys Lodestone)[(1)]	Switzerland
Infosys Management Consulting Pty Limited[(4)]	Australia
Infosys Consulting AG[(4)]	Switzerland
Infosys Consulting GmbH[(4)]	Germany
Infosys Consulting S.R.L.[(1)]	Romania
Infosys Consulting SAS[(4)]	France
Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.)[(4)(38)]	Czech Republic
Infosys Consulting (Shanghai) Co., Ltd.[(4)(34)]	China
Infy Consulting Company Ltd[(4)]	U.K.
Infy Consulting B.V.[(4)]	The Netherlands

Name of subsidiaries	Country
Infosys Consulting S.R.L.[2]	Argentina
Infosys Consulting (Belgium) NV[5]	Belgium
Panaya Ltd.[6]	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH)[6]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[1][27]	U.K.
Brilliant Basics Limited[7][27]	U.K.
Infosys Consulting Pte. Ltd. (Infosys Singapore)[1]	Singapore
Infosys Middle East FZ LLC[8]	Dubai
Fluido Oy[8]	Finland
Fluido Sweden AB (Extero)[11]	Sweden
Fluido Norway A/S[11]	Norway
Fluido Denmark A/S[11]	Denmark
Fluido Slovakia s.r.o[11]	Slovakia
Infosys Compaz Pte. Ltd[9]	Singapore
Infosys South Africa (Pty) Ltd[8]	South Africa
WongDoody Holding Company Inc. (WongDoody)[1][40]	U.S.
WDW Communications, Inc[10][41]	U.S.
WongDoody, Inc[10][42]	U.S.
HIPUS Co., Ltd[9]	Japan
Stater N.V.[9]	The Netherlands
Stater Nederland B.V.[12]	The Netherlands
Stater XXL B.V.[12]	The Netherlands
HypoCasso B.V.[12]	The Netherlands
Stater Participations B.V.[12]	The Netherlands
Stater Belgium N.V./S.A.[13]	Belgium
Stater Gmbh[12][32])	Germany
Outbox systems Inc. dba Simplus (US)[16]	U.S.
Simplus North America Inc.[17][31]	Canada
Simplus ANZ Pty Ltd.[17]	Australia
Simplus Australia Pty Ltd[18]	Australia
Sqware Peg Digital Pty Ltd[19][35]	Australia
Simplus Philippines, Inc.[17]	Philippines
Simplus Europe, Ltd.[17][33]	U.K.
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)[11]	U.K.
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[21]	Ireland
Infosys Limited Bulgaria EOOD[1]	Bulgaria
Kaleidoscope Animations, Inc.[16]	U.S.
Kaleidoscope Prototyping LLC[23]	U.S.
GuideVision s.r.o.[14]	Czech Republic
GuideVision Deutschland GmbH[22]	Germany
GuideVision Suomi Oy[22]	Finland
GuideVision Magyarország Kft[22]	Hungary
GuideVision Polska SP.Z.O.O[22]	Poland
GuideVision UK Ltd[22]	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[16]	U.S.
Beringer Capital Digital Group Inc[16][45]	U.S.

Name of subsidiaries	Country
Mediotype LLC[24][45]	U.S.
Beringer Commerce Holdings LLC[24][45]	U.S.
SureSource LLC[25][43]	U.S.
Blue Acorn LLC[25][43]	U.S.
Simply Commerce LLC[25][43]	U.S.
iCiDIGITAL LLC[26][44]	U.S.
Infosys BPM UK Limited[3]	U.K.
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[1]	Turkey
Infosys Germany Holding Gmbh[1][29]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1][30]	Germany
Infosys Green Forum[1][36]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[37]	Malaysia
Infosys Business Solutions LLC[1][46]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")[48]	Germany
oddity GmbH [49]	Germany
oddity (Shanghai) Co., Ltd. [50]	China
oddity Limited (Taipei) [50]	Taiwan
oddity space GmbH [49]	Germany
oddity jungle GmbH [49]	Germany
oddity code GmbH [49]	Germany
oddity code d.o.o [51]	Serbia
oddity waves GmbH [49]	Germany
oddity group services GmbH [49]	Germany
Infosys Public Services Canada Inc. [20][52]	Canda
BASE life science AG [54]	Switzerland
BASE life science GmbH [54]	Germany
BASE life science A/S [53]	Denmark
BASE life science S.A.S [54]	France
BASE life science Ltd. [54]	U.K.
BASE life science S.r.l. [54]	Itlay
Innovisor Inc.[54]	U.S.
BASE life science Inc.[54]	U.S.
BASE life science S.L.[54][55]	Spain
Panaya Germany GmbH [6][56]	Germany

(1) Wholly-owned subsidiary of Infosys Limited

(2) Majority-owned and controlled subsidiary of Infosys Limited

(3) Wholly-owned subsidiary of Infosys BPM Limited

(4) Wholly-owned subsidiary of Infosys Consulting Holding AG

(5) Majority owned and controlled subsidiary of Infosys Consulting Holding AG

(6) Wholly-owned subsidiary of Panaya Inc.

(7) Wholly-owned subsidiary of Brilliant Basics Holding Limited.

(8) Wholly-owned subsidiary of Infosys Consulting Pte. Ltd.

(9) Majority owned and controlled subsidiary of Infosys Consulting Pte. Ltd.

(10) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody)

(11) Wholly-owned subsidiary of Fluido Oy

(12) Wholly-owned subsidiary of Stater N.V

(13) Majority-owned and controlled subsidiary of Stater Participations B.V.

(14) Wholly-owned subsidiary of Infy Consulting Company Limited

(15) Liquidated effective January 28, 2021.

(16) Wholly-owned subsidiary of Infosys Nova Holdings LLC

(17) Wholly-owned subsidiary of Outbox Systems Inc.

(18) Wholly-owned subsidiary of Simplus ANZ Pty Ltd

(19) Wholly-owned subsidiary of Simplus Australia Pty Ltd

(20) Wholly-owned subsidiary of Infosys Public Services, Inc.

(21) Wholly-owned subsidiary of Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)

(22) Wholly-owned subsidiary of GuideVision s.r.o.

(23) Wholly-owned subsidiary of Kaleidoscope Animations, Inc.

(24) Wholly-owned subsidiary of Blue Acorn iCi Inc

(25) Wholly-owned subsidiary of Beringer Commerce Holdings LLC

(26) Wholly-owned subsidiary of Beringer Capital Digital Group Inc.

(27) Under liquidation

(28) Liquidated effective March 9,2021

(29) Incorporated on March 23, 2021

(30) On March 28, 2021,Infosys Limited and Infosys Germany Holding Gmbh registered Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm.

(31) Liquidated effective April 27,2021

(32) Incorporated on August 4, 2021

(33) Liquidated effective July 20, 2021

(34) Liquidated effective September 1, 2021

(35) Liquidated effective September 2, 2021

(36) Incorporated on August 31, 2021

(37) On December 14, 2021, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited, acquired 100% of voting interests in Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.).

(38) Liquidated effective December 16, 2021

(39) Liquidated effective November 23, 2021

(40) Wholly-owned subsidiary of Infosys Limited, merged with WongDoody Inc, effective December 31, 2021

(41) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody), merged with WongDoody Inc, effective December 31, 2021

(42) Wholly-owned subsidiary of Infosys Limited, effective December 31, 2021

(43) Merged with Beringer Commerce Holdings LLC, effective January 1, 2022

(44) Merged with Beringer Capital Digital Group Inc, effective January 1, 2022

(45) Merged with Blue Acorn iCi Inc, effective January 1, 2022

(46) Incorporated on February 20, 2022

(47) On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

(48) On March 22, 2022, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited, acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH (“Kristall”)).

(49) On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH (“Kristall”) (a wholly-owned subsidiary of Infosys Consulting Pte. Ltd) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and oddity GmbH.

(50) Wholly-owned subsidiary of oddity GmbH.

(51) Wholly-owned subsidiary of oddity code GmbH.

(52) Incorporated on July 8, 2022

(53) On September 1, 2022, Infosys Consulting Pte. Ltd. (a wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

(54) Wholly-owned subsidiary of BASE life science A/S

(55) Incorporated on September 6, 2022.

(56) Incorporated effective December 15, 2022.

(In US$)

Particulars	Year ended December 31, 2022	Year ended December 31, 2021
Trade receivables		
Panaya Ltd.	39,468,909	39,468,909
	39,468,909	39,468,909
Other financial assets		
Panaya Ltd.	24,542,683	23,805,167
Infosys Ltd.	24,476	–
Panaya Germany GmbH	532	–
	24,567,692	23,805,167

Particulars	Year ended December 31,	
	2022	2021
Trade payables		
Panaya Ltd.	29,421,464	28,979,113
Infosys Ltd.	15,904	8,877
	29,437,369	28,987,989
Borrowings		
Infosys Public Services Inc	7,535,799	7,507,005
	7,535,799	7,507,005

The details of the related parties transactions entered into by the Company, for the year ended December 31, 2022 and December 31, 2021, are as follows:

(In US$)

Particulars	Year ended December 31,	
	2022	2021
Revenue transactions:		
Purchase of services		
Panaya Ltd.	2,173,473	2,316,590
	2,173,473	2,316,590
Finance cost		
Infosys Public Services Inc	271,210	101,606
	271,210	101,606

2.18 Segment reporting

The Company is engaged in developing and marketing solutions in a single geography. Based on the "management approach "as defined in Ind-AS 108, the Segment Reporting the Chief Operating Decision Maker (CODM) evaluates the performance and allocates resources based on analysis of performance of the Company as a whole. Its operations are, therefore, considered to constitute a single segment in the context of Ind-AS 108, Segment Reporting.

2.19 Ratios

The ratios for the years ended December 31, 2022 and December 31, 2021 are as follows:

Particulars	Numerator	Denominator	December, 2022	December, 2021	Variance
Current ratio	Current assets	Current liabilities	1.9	1.9	(0.2%)
Return on Equity (ROE)	Net profits after taxes	Average shareholder's equity	(0.2%)	0.2%	(0.5%)
Trade receivables turnover ratio	Revenue	Average trade receivable	0.2	0.2	16.7%
Trade payables turnover ratio	Purchases of services and other expenses	Average trade payables	0.1	0.1	1.5%
Net capital turnover ratio	Revenue	Working capital	0.3	0.3	15.3%
Net profit ratio	Net profit	Revenue	(1.6%)	1.7%	(3.4%)
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed[1]	0.8%	0.5%	0.3%

[1] Tangible net worth + deferred tax liabilities + Lease liabilities

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Infosys Consulting (Belgium) N.V.

Independent Auditor's report

To the Members of Infosys Consulting (Belgium) N.V.

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Infosys Consulting (Belgium) N.V. ("the Company"), which comprise the Balance Sheet as at December 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of preparation referred to in Section 1.2 of the special purpose financial statements, of the state of affairs of the Company as at December 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's

ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

i) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

iii) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

For Shenoy & Kamath
Chartered Accountants,
Firm Registration Number. 006673S

(M Rathnakar Kamath)
Partner
Membership Number. 202841

UDIN : 23202841BGWLUP3541

Place: Bengaluru

Date: May 20, 2023

Balance Sheet

In ₹

Particulars	Note No.	As at December 31, 2022	As at December 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	21,86,438	3,05,226
Right to use of asset	2.19	1,42,20,783	2,52,24,450
Financial assets			
Loans	2.3	2,11,912	10,67,461
Other financial assets	2.4	3,40,90,586	–
Income tax assets (net)	2.15	1,74,990	1,67,207
Total non-current assets		5,08,84,709	2,67,64,344
Current assets			
Financial assets			
Trade receivables	2.5	14,03,52,206	35,10,69,520
Cash and cash equivalents	2.6	10,22,23,345	13,62,16,159
Loans	2.3	63,93,940	–
Other financial assets	2.4	11,70,21,129	5,79,78,540
Other current assets	2.7	1,99,98,482	3,47,09,884
Total current assets		38,59,89,102	57,99,74,103
Total assets		43,68,73,811	60,67,38,447
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.9	3,44,75,106	3,44,75,106
Other equity		(12,09,52,021)	(11,96,63,888)
Total equity		(8,64,76,915)	(8,51,88,782)
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	2.10	–	16,48,96,856
Lease Liability	2.19	2,03,76,960	1,63,02,654
Other financial liabilities	2.11	1,37,12,813	1,59,71,131
Other non-current liabilities	2.13	9,54,050	17,14,685
Total non-current liabilities		3,50,43,823	19,88,85,326
Current liabilities			
Financial liabilities			
Trade payables	2.12	3,29,27,158	3,15,40,072
Lease Liability	2.19	1,48,33,440	92,77,651
Other financial liabilities	2.11	41,64,42,576	36,20,53,445
Other current liabilities	2.13	1,78,30,358	8,52,00,844
Provisions	2.14	62,73,371	49,69,891
Total current liabilities		48,83,06,903	49,30,41,903
Total equity and liabilities		43,68,73,811	60,67,38,447

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Bengaluru

Date: May 20, 2023

for and on behalf of the Board of Directors of Infosys Consulting (Belgium) N.V.

Andrew Duncan
Director

Gopal Rao
Director

Statement of Profit and Loss

In ₹ except equity share and per equity share data

Particulars	Note No.	Years ended December 31, 2022	2021
Revenue from operations	2.16	72,27,44,317	66,59,55,760
Other income, net	2.17	61,17,691	78,89,034
Total income		72,88,62,008	67,38,44,794
Expenses			
Employee benefit expenses	2.18	20,04,48,696	16,70,08,429
Cost of technical sub-contractors		18,18,99,639	6,55,31,264
Travel expenses		1,64,46,620	1,15,34,917
Cost of software packages and others	2.18	26,65,75,413	31,43,03,864
Communication expenses		26,63,609	5,12,940
Consultancy and professional charges		1,86,67,889	2,38,69,250
Finance Cost		15,50,789	5,97,540
Depreciation and amortization expenses	2.1	92,19,236	69,50,333
Other expenses	2.18	2,82,67,759	2,56,63,736
Total expenses		72,57,39,650	61,59,72,273
Profit/(Loss) before tax		31,22,358	5,78,72,521
Tax expense			
Current tax	2.15	4,38,700	1,58,271
Profit/(Loss) for the Year		26,83,658	5,77,14,250
Other comprehensive income / (loss)			
Items that will not be reclassified subsequently to profit or loss		–	–
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation		(39,71,791)	1,02,98,167
Total other comprehensive income / (loss), net of tax		(39,71,791)	1,02,98,167
Total comprehensive income / (loss) for the Year		(12,88,133)	6,80,12,417
Profit/(Loss) per equity share			
Equity shares of par value EUR 489.32/- each			
Basic and Diluted(₹)		2,683.66	57,714.25
Weighted average equity shares used in computing income/ (loss) per equity share			
Basic and Diluted		1,000	1,000

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Bengaluru
Date: May 20, 2023

for and on behalf of the Board of Directors of Infosys Consulting (Belgium) N.V.

Andrew Duncan
Director

Gopal Rao
Director

Statement of Changes in Equity

In ₹

Particulars	Equity share capital	Other equity			Total equity attributable to equity holders of the Company
		Reserves and Surplus		Other comprehensive income	
		Retained earnings	Other Reserves	Exchange difference on translation	
Balance as of January 1, 2021	3,44,75,106	(24,81,11,990)	1,72,355	6,02,63,330	(15,32,01,199)
Changes in equity for the year ended December 31, 2021					
Currency Translation	–	–	–	1,02,98,167	1,02,98,167
Profit for the Year	–	5,77,14,250	–	–	5,77,14,250
Balance as of December 31, 2021	3,44,75,106	(19,03,97,740)	1,72,355	7,05,61,497	(8,51,88,782)
Changes in equity for the year ended December 31, 2022					
Currency Translation	–	–	–	(39,71,791)	(39,71,791)
Profit for the Year	–	26,83,658	–	–	26,83,658
Balance as of December 31, 2022	3,44,75,106	(18,77,14,082)	1,72,355	6,65,89,706	(8,64,76,915)

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Bengaluru
Date: May 20, 2023

for and on behalf of the Board of Directors of Infosys Consulting (Belgium) N.V.

Andrew Duncan
Director

Gopal Rao
Director

Statements of Cash Flows

(In ₹)

Particulars	Years ended December 31,	
	2022	2021
Cash flows from operating activities		
Profit for the Year	26,83,658	5,77,14,250
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation and amortization expense	92,19,236	69,50,333
Income tax expense	4,38,700	1,58,271
Allowance for credit losses on financial assets	(15,20,536)	(17,51,552)
Interest expense	15,50,789	5,97,540
Exchange differences on translation of assets and liabilities	(71,96,877)	1,02,65,551
Changes in assets and liabilities		
Trade receivables	21,22,37,850	(26,10,08,104)
Other financial assets and other assets	(4,43,31,187)	3,47,43,651
Trade payables	13,87,086	1,65,41,810
Other financial liabilities and other liabilities and provisions	(60,44,570)	24,79,18,715
Cash generated from operations	16,84,24,149	11,21,30,465
Income taxes paid	(4,38,700)	–
Net cash generated by operating activities	16,79,85,449	11,21,30,465
Cash flow from investing activities		
Expenditure on property, plant and equipment net of sale proceeds	(20,67,627)	–
Loans to employees	(55,38,391)	71,34,450
Net cash (used in) / generated by investing activities	(76,06,018)	71,34,450
Cash flow from financing activities		
Loan taken / (repaid) from parent company	(16,48,96,856)	(1,03,69,607)
Receipts/ (Payments) under revenue deals	(1,53,76,295)	1,59,71,131
Interest expense	(15,50,789)	(5,97,540)
Payment of Lease Liability	(1,25,48,305)	(67,80,713)
Net cash used in financing activities	(19,43,72,245)	(17,76,729)
Net increase/ (decrease) in cash and cash equivalents	(3,39,92,814)	11,74,88,186
Cash and cash equivalents at the beginning of the Year	13,62,16,159	1,87,27,973
Cash and cash equivalents at the end of the Year	10,22,23,345	13,62,16,159

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Bengaluru
Date: May 20, 2023

for and on behalf of the Board of Directors of Infosys Consulting (Belgium) N.V.

Andrew Duncan
Director

Gopal Rao
Director

Notes to the Financial Statements

Infosys Consulting (Belgium) N.V. is a wholly-owned subsidiary of Infosys Consulting Holding AG (formerly Lodestone Holding AG), Kloten (Switzerland). The Company renders professional management consulting services, thereby enabling its clients to enhance business performance.

1 Significant accounting policies

1.1 Accounting year

The accounting year of the Company is from January 1 to December 31.

1.2 Basis of preparation of financial statements

These special purpose financial statements are prepared for inclusion in the Annual Report of the Ultimate Holding Company, Infosys Limited under the requirements of Section 129 (3) of the Companies Act 2013.These financial statements are prepared in accordance with Indian Accounting Standards (Ind-AS) under the historical cost convention on the accrual basis. The Ind-AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendments and rules issued there-after.

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 Presentation currency

These financial statements are presented in Indian Rupees.

1.4 Use of estimates

The preparation of the financial statements in conformity with Ind-AS requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities, and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Examples of such estimates include computation of percentage of completion which requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts to be expended, impairment losses on financial assets, future obligations under employee benefit plans, income taxes and the useful lives of property, plant and equipment and intangible assets.

1.5 Revenue recognition

The Company derives revenues primarily from consultancy services.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Arrangements with customers for software related services are either on a fixed-timeframe or on a time-and-material basis.

1.5.1 T&M

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

1.5.2 Unbilled/ Unearned

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

1.5.3 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.

1.5.4 Tax

The Company presents revenues net of indirect taxes in its Statement of Profit and Loss.

1.6 Provisions

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.

1.7 Post-sales client support and others

The Company provides its clients with a fixed-period post-sales support for corrections of errors and support on all its fixed-price, fixed-timeframe contracts. Costs associated with such support services are accrued at the time when related revenues are recorded and included in cost of sales. The Company estimates such costs based on historical experience and the estimates are reviewed annually for any material changes in assumptions.

1.8 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.

1.9 Property, plant, and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows :

Computer equipment[1]	3-5 years
Furniture and fixtures[1]	5 years
Office Equipment[1]	5 years
Leasehold Improvement	Over lease term

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

[1] Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which 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.

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 net profit 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

1.10 Intangible assets

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment. Research costs are expensed as incurred. Software product development costs are expensed as incurred, unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs, which can be capitalized include the cost of material, direct labor, overhead costs that are directly attributable to preparing the asset for its intended use.

1.11 Financial instruments

1.11.1 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, which 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.

1.11.2 Subsequent measurement

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

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. 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.

(iii) Financial assets at fair value through profit or loss

A financial asset, which is not classified in any of the above categories, is subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. 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.

1.12 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.

1.13 Impairment

a. Financial assets

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets, which are not fair-valued through profit or loss. Loss allowance for trade receivables 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 profit or loss.

b. Non-financial assets

(i) Property, plant, and equipment

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 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 for the 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 previous years.

1.14 Employee Benefits

Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid or availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

1.15 Foreign currency

Functional currency

The functional currency of the Company is the Euro. These financial statements are presented in Indian Rupees.

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 net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

The translation of financial statements from functional currency to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the Balance Sheet date and for revenue, expense and cash-flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in exchange differences on translation under other components of equity.

1.16 Income taxes

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.

1.17 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.18 Other income

Other income is comprised primarily of interest income and exchange gain / loss on translation of other assets and liabilities. Interest Income is recognized using effective interest method.

1.19 Earnings per share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.

1.20 Borrowing cost

Borrowing cost are charged to the Statement of Profit and Loss in the period in which they are incurred.

The Company designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the Statement of Profit and Loss.

1.21 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement

2.1 Property, plant and equipment

The changes in the carrying value of property, plant and equipment for the year ended December 31, 2022 are as follows:

(In ₹)

Particulars	Leasehold Improvements	Office Equipment	Computer equipment	Furniture and fixtures	Total
Gross carrying value as of January 1, 2022	–	8,20,823	76,89,594	19,45,461	1,04,55,878
Additions	–	–	20,67,627	–	20,67,627
Deletions	–	(1,48,453)	(13,67,866)	–	(15,16,319)
Translation difference	–	28,095	5,20,979	90,551	6,39,625
Gross carrying value as of December 31, 2022	–	7,00,465	89,10,334	20,36,012	1,16,46,811
Accumulated depreciation as of January 1, 2022	–	(8,20,823)	(73,84,368)	(19,45,461)	(1,01,50,652)
Depreciation	–	–	(3,51,347)	–	(3,51,347)
Accumulated depreciation on deletions	–	1,48,453	13,67,866	–	15,16,319
Translation difference	–	(28,095)	(3,56,047)	(90,551)	(4,74,693)
Accumulated depreciation as of December 31, 2022	–	(7,00,465)	(67,23,896)	(20,36,012)	(94,60,373)
Carrying value as of December 31, 2022	–	–	21,86,438	–	21,86,438
Carrying value as of January 1, 2022	–	–	3,05,226	–	3,05,226

The changes in the carrying value of property, plant and equipment for the year ended December 31, 2021 are as follows:

(In ₹)

Particulars	Leasehold Improvements	Office Equipment	Computer equipment	Furniture and fixtures	Total
Gross carrying value as of January 1, 2021	1,60,84,071	8,74,622	81,93,591	20,72,972	2,72,25,256
Additions	–	–	–	–	–
Deletions	(1,53,68,944)	–	–	–	(1,53,68,944)
Translation difference	(7,15,127)	(53,799)	(5,03,997)	(1,27,511)	(14,00,434)
Gross carrying value as of December 31, 2021	–	8,20,823	76,89,594	19,45,461	1,04,55,878
Accumulated depreciation as of January 1, 2021	(1,60,84,071)	(8,74,622)	(76,45,634)	(20,72,972)	(2,66,77,299)
Depreciation	–	–	(2,16,744)	–	(2,16,744)
Accumulated depreciation on deletions	1,53,68,944	–	–	–	1,53,68,944
Translation difference	7,15,127	53,799	4,78,010	1,27,511	13,74,447
Accumulated depreciation as of December 31, 2021	–	(8,20,823)	(73,84,368)	(19,45,461)	(1,01,50,652)
Carrying value as of December 31, 2021	–	–	3,05,226	–	3,05,226
Carrying value as of January 1, 2021	–	–	5,47,957	–	5,47,957

2.3 Loans

(In ₹)

Particulars	As at December 31,	
	2022	2021
Non-current		
Unsecured, considered good		
Loans to employees	2,11,912	10,67,461
	2,11,912	10,67,461
Less: Allowance for doubtful loans to employees	–	–
	2,11,912	10,67,461
Current		
Unsecured, considered good		
Loans to employees	63,93,940	–
	63,93,940	–
Total loans	66,05,852	10,67,461

2.4 Other financial assets

(In ₹)

Particulars	As at December 31 2022	2021
Non-current		
Investment in Lease	3,40,90,586	–
	3,40,90,586	–
Current		
Rental deposits	14,93,973	14,27,529
Unbilled revenues [(1)]	9,30,69,391	2,33,09,514
Others [(1)]	2,24,57,765	3,32,41,497
	11,70,21,129	5,79,78,540
Total Current Other Financial Assets	15,11,11,715	5,79,78,540
Financial assets carried at amortized cost	15,11,11,715	5,79,78,540
[(1)] Includes dues from Related Parties (Refer to Note 2.20)	2,30,44,782	3,32,41,497

2.5 Trade receivables

(In ₹)

Particulars	As at December 31, 2022	2021
Current		
Unsecured		
Considered good[(1)]	14,09,39,794	35,42,91,642
Considered doubtful	–	–
	14,09,39,794	35,42,91,642
Less: Allowances for credit losses	5,87,588	32,22,122
Total Trade Receivables	14,03,52,206	35,10,69,520
(1) Includes dues from Related Parties (Refer to Note 2.20)	6,43,06,385	1,95,63,592

Trade receivables ageing schedule for the year ended as on December 31, 2022 and December 31, 2021

(In INR)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	–	13,14,25,886	94,67,053	46,855	–	–	14,09,39,794
	–	35,26,70,771	16,20,871	–	–	–-	35,42,91,642
Less: Allowance for credit loss							5,87,588
							32,22,122
Total Trade Receivables							14,03,52,206
							35,10,69,520

2.6 Cash and cash equivalents

(In ₹)

Particulars	As at December 31, 2022	2021
Balances with banks		
In current accounts	10,22,23,345	13,62,16,159
Total Cash and Cash Equivalents	10,22,23,345	13,62,16,159

2.7 Other assets

(In ₹)

Particulars	As at December 31, 2022	2021
Current		
Prepaid expenses[1]	7,53,263	42,86,680
Deferred contract cost	33,32,091	1,59,71,131
Dealer Type Lease	22,94,494	–
Advance for supply of goods and rendering of services	68,148	87,832
Withholding taxes and others	1,35,50,486	1,43,64,241
	1,99,98,482	3,47,09,884
Total Current Other Assets	1,99,98,482	3,47,09,884
[1] Includes transactions with subsidiaries (Refer to Note 2.20)	6,78,818	12,85,629

2.8 Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories were as follows:

(In ₹)

Particulars	As at December 31, 2022	2021
Assets		
Cash and cash equivalents (Refer to Note 2.6)	10,22,23,345	13,62,16,159
Trade receivables (Refer to Note 2.5)	14,03,52,206	35,10,69,520
Loans (Refer to Note 2.3)	66,05,852	10,67,461
Other financial assets (Refer to Note 2.4)	11,70,21,129	5,79,78,540
Total	36,62,02,532	54,63,31,680
Liabilities		
Trade payables (Refer to Note 2.12)	3,29,27,158	3,15,40,072
Borrowings (Refer to Note 2.10)	–	16,48,96,856
Lease Liabilities (Refer note no. 2.19)	3,52,10,400	2,55,80,305
Other financial liabilities (Refer to Note 2.11)	39,51,19,735	35,62,61,109
Total	46,32,57,293	57,82,78,342

All the above financial assets are carried at amortized cost and the carrying values approximates their fair value.

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 primary market risk to the Company is foreign exchange risk. 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 ₹ 140,352,206 and ₹ 351,069,520 as of December 31, 2022 and December 31, 2021, respectively. Trade receivables are typically unsecured. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind-AS 109, the Company uses ECL model to assess the impairment loss or gain. The Company uses a provision matrix to compute the ECL allowance for trade receivables and unbilled revenues. 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.

Credit risk exposure

The reversal for lifetime ECL on customer balances for the years ended December 31, 2022 and December 31, 2021 was ₹ 587,588 and ₹ 3,222,122.

(In ₹)

Particulars	For the years ended December 31, 2022	2021
Balance at the beginning	32,22,122	17,82,048
Impairment loss recognized / reversed	(15,20,536)	(17,51,552)
Translation differences	(11,13,998)	31,91,626
Balance at the end	5,87,588	32,22,122

Credit risk on cash and cash equivalents is limited as we generally invest in banks 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.

As of December 31, 2022 and December 31, 2021, the Company had cash and cash equivalents of ₹ 102,223,345 and ₹ 136,216,159 respectively.

2.9 Equity

Equity share capital

in ₹ except as stated otherwise

Particulars	As at December 31,	
	2022	2021
Authorized		
Equity shares, EUR 489.32/- par value	3,44,75,106	3,44,75,106
1000(1000) equity shares	3,44,75,106	3,44,75,106
Issued, subscribed and paid up		
Equity shares, EUR 489.32/- par value	3,44,75,106	3,44,75,106
1000(1000) equity shares fully paid up		
	3,44,75,106	3,44,75,106

The details of shareholders holding more than 5% shares are as follows :

in ₹ except as otherwise stated

Name of the shareholder	As at December 31, 2022		As at December 31, 2021	
	Number of shares	% held	Number of shares	% held
Infosys Consulting Holding AG (formerly Lodestone Holding AG)	999	99.90	999	99.90

2.10 Borrowings

in ₹ except as otherwise stated

Particulars	As at December 31,	
	2022	2021
Non-current		
Unsecured loan from parent (Refer to Note 2.20)	–	16,48,96,856
Total Borrowings	–	16,48,96,856

* The loans were given in accordance with the terms and conditions of the loan agreement and carries an interest rate of 0.50% per annum each and are repayable at the discretion of the lender.

2.11 Other financial liabilities

(In ₹)

Particulars	As at December 31,	
	2022	2021
Non-current		
Financial liability – under revenue deals	73,18,873	1,59,71,131
Other Advances	63,93,940	–
	1,37,12,813	1,59,71,131
Current		
Others		
Accrued compensation to employees	1,91,62,428	1,91,58,046
Financial liability – under revenue deals	55,83,272	–
Accrued expenses (1)	29,29,29,120	30,23,15,937
Compensated absences	1,57,39,569	57,92,336
Other payables including intercompany payables (2)	8,30,28,187	3,47,87,126
	41,64,42,576	36,20,53,445
Total financial liabilities	43,01,55,389	37,80,24,576
Financial liability carried at amortized cost	39,51,19,735	35,62,61,109
(1) Includes dues to related parties (Refer to Note 2.20)	4,39,76,716	11,50,484
(2) Includes dues to related parties (Refer to Note 2.20)	3,85,90,110	3,44,32,724

2.12 Trade payables

(In ₹)

Particulars	As at December 31,	
	2022	2021
Trade payables (1)	3,29,27,158	3,15,40,072
Total Trade Payables	3,29,27,158	3,15,40,072
(1) Includes dues to related parties (Refer to Note 2.20)	56,06,648	21,54,590

Trade payables ageing schedule for the year ended as on December 31, 2022 and December 31, 2021

(In INR)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Outstanding trade payables	–	32,927,158	–	–	–	32,927,158
	–	31,540,072	–	–	–	31,540,072

2.13 Other liabilities

(In ₹)

Particulars	As at December 31,	
	2022	2021
Non-current		
Accrued expenses	9,54,050	17,14,685
	9,54,050	17,14,685
Current		
Unearned revenue	–	1,45,94,052
Others		
Withholding taxes and others	1,78,30,358	7,06,06,792
Total Current Other Liabilities	1,78,30,358	8,52,00,844
	1,87,84,408	8,69,15,529

2.14 Provisions

(In ₹)

Particulars	As at December 31,	
	2022	2021
Current		
Others		
Post-sales client support and warranties and others	62,73,371	49,69,891
	62,73,371	49,69,891

Provision for post-sales client support and warranties

The movement in the provision for post-sales client support and warranties and others is as follows :

(In ₹)

Particulars	Years ended December 31,	
	2022	2021
Balance at the beginning	49,69,891	19,37,891
Provision recognized / (reversed)	10,38,110	32,04,120
Exchange difference	2,65,370	(1,72,120)
Balance at the end	62,73,371	49,69,891

Provision for post-sales client support and warranties and other provisions are expected to be utilized over a period of six months to one year.

2.15 Income taxes

Income tax expense in the Statement of Profit and Loss comprises:

(In ₹)

Particulars	Years ended December 31,	
	2022	2021
Current taxes	4,38,700	1,58,271
Income tax expense	4,38,700	1,58,271

Current tax expense for the years ended December 31, 2022 and December 31, 2021 includes provisions (net of reversals) amounting to ₹ 0 and reversals (net of provisions) amounting to ₹ 0 respectively, pertaining to prior 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 as follows:

(In ₹)

Particulars	Years ended December 31,	
	2022	2021
Profit before income tax	31,22,358	5,78,72,521
Enacted tax rates (%)	25.00%	25.00%
Computed expected tax expense	7,80,589	1,44,68,130
Minimum tax	–	2,68,794
Effect of unrecognized deferred tax assets	–	(34,03,707)
Effect of unrecognized deferred tax assets on loss	(7,80,589)	(1,36,56,190)
Others	4,38,700	24,81,244
Income tax expense	4,38,700	1,58,271

The applicable Belgium statutory tax rates for the year ended December 31, 2022 is 25% and for the year ended December 31, 2021 is 25% .

The details of income tax assets and income tax liabilities are as follows :

(In ₹)

Particulars	Years ended December 31,	
	2022	2021
Income tax assets	1,74,990	1,67,207
Current income tax liabilities	–	–
Net current income tax assets / (liability) at the end	1,74,990	1,67,207

The gross movement in the current income tax asset / (liability) is as follows:

(In ₹)

Particulars	Years ended December 31,	
	2022	2021
Net current income tax asset / (liability) at the beginning	1,67,207	(2,15,929)
Income tax paid	4,38,700	–
Current income tax expense (Refer to Note 2.14)	(4,38,700)	(1,58,271)
Translation difference	7,783	5,41,407
Net current income tax asset / (liability) at the end	1,74,990	1,67,207

2.16 Revenue from operations

(In ₹)

Particulars	Years ended December 31,	
	2022	2021
Income from consultancy services	72,27,44,317	66,59,55,760
Total Revenue from Operations	72,27,44,317	66,59,55,760

Disaggregate revenue information

The disaggregated revenues from contracts with customers by offerings for the year ended December 31, 2022 is as follows. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

(In ₹)

Particulars	Years ended December 31,	
	2022	2021
Revenue by offerings		
Core	41,67,57,401	22,44,27,091
Digital	30,59,86,916	44,15,28,669
Total	72,27,44,317	66,59,55,760

Digital Services

Digital Services comprise of service and solution offerings of the Company that enable our clients to transform their businesses. These include offerings that enhance customer experience, leverage AI-based analytics and big data, engineer digital products and IoT, modernize legacy technology systems, migrate to cloud applications and implement advanced cyber security systems.

Core Services

Core Services comprise traditional offerings of the Company that have scaled and industrialized over a number of years. These primarily include application management services, proprietary application development services, independent validation solutions, product engineering and management, infrastructure management services, traditional enterprise application implementation, support and integration services.

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 (contract asset) is classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

During the year ended December 31, 2022, the Company recognized revenue of ₹ 1,45,94,052 arising from opening unearned revenue as of January 1, 2022.

During the year ended December 31, 2022 , Nil of unbilled revenue as of January 1, 2022 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 at December 31, 2022, other than those meeting the exclusion criteria mentioned above, is ₹4.02 crore. Out of this, the Group expects to recognize revenue of around 90% within the next one year and the remaining thereafter. The contracts can generally be terminated by the customers and typically includes an enforceable termination penalty payable by them.

2.17 Other income

(In ₹)

Particulars	Years ended December 31,	
	2022	2021
Rental Income	18,80,133	16,12,118
Finance Income under revenue deals	71,095	–
Interest Income on prepaid contract cost	4,31,512	–
Miscellaneous income, net	37,34,951	62,76,916
Total Other Income	61,17,691	78,89,034

2.18 Expenses

(In ₹)

Particulars	Years ended December 31,	
	2022	2021
Employee benefit expenses		
Salaries including bonus	19,88,18,085	16,54,56,170
Share based payments to employees	(2,04,707)	40,600
Staff welfare	18,35,318	15,11,659
Total Employee benefit expenses	20,04,48,696	16,70,08,429
Cost of software packages and others		
Third-party items bought for service delivery to clients	26,65,75,413	31,43,03,864
	26,65,75,413	31,43,03,864

(In ₹)

Particulars	Years ended December 31,	
	2022	2021
Other expenses		
Brand and marketing	29,969	6,200
Rates and taxes	–	5,35,594
Rental Charges	1,88,01,333	2,00,02,885
Repairs and maintenance	–	15,39,307
Insurance	2,75,909	2,66,057
Provision for post-sales client support and warranties	10,38,110	32,04,120
Allowances for credit losses on financial assets	(15,20,536)	(17,51,552)
Auditor's remuneration	7,13,310	7,93,472
Printing and stationery	34,86,130	24,696
Others	54,43,534	10,42,957
Total other expenses	2,82,67,759	2,56,63,736

2.19 Leases

Accounting Policy

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate 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 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 for the 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 in whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows."

Following are the changes in the carrying value of right of use assets for the year ended:

(In ₹)

Particulars	Category of ROU asset		Total
	Computers	Vehicles	
Balance as of January 1, 2021	–	27,24,555	27,24,555
Additions	2,98,80,092	–	2,98,80,092
Deletion	–	–	–
Translation difference	(5,64,996)	(81,612)	(6,46,608)
Depreciation	(44,92,585)	(22,41,004)	(67,33,589)
Balance as of December 31, 2021	2,48,22,511	4,01,939	2,52,24,450
Balance as of January 1, 2022	2,48,22,511	4,01,939	2,52,24,450
Additions	2,13,30,493	–	2,13,30,493
Deletion	(2,40,62,339)	–	(2,40,62,339)
Translation difference	5,96,068	–	5,96,068
Depreciation	(84,65,950)	(4,01,939)	(88,67,889)
Balance as of December 31, 2022	1,42,20,783	–	1,42,20,783

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 is as follows:

(In ₹)

Particulars	As at December 31,	
	2022	2021
Current lease liabilities	1,48,33,440	92,77,651
Non-current lease liabilities	2,03,76,960	1,63,02,654
Total	3,52,10,400	2,55,80,305

The movement in lease liabilities during the year ended is as follows:

(In ₹)

Particulars	As at December 31,	
	2022	2021
Balance at the beginning	2,55,80,305	26,44,730
Additions	2,13,30,493	2,98,80,092
Finance cost accrued during the period	1,01,201	8,159
Payment of lease liabilities	1,25,48,305	67,72,554
Translation Difference	9,49,108	(1,63,804)
Balance at the end	3,52,10,400	2,55,80,305

The details regarding the contractual maturities of lease liabilities on an undiscounted basis are as follows:

(In ₹)

Particulars	As at December 31,	
	2022	2021
Less than one year	1,69,19,082	89,32,736
One to five years	2,99,29,430	1,63,02,654
More than five years	–	–
Total	4,68,48,512	2,52,35,390

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.

2.20 Related party transactions

List of related parties:

Name of the holding company	Country	Holding as at December 31,	
		2022	2021
Infosys Consulting Holding AG (Infosys Lodestone)	Switzerland	99.90%	99.90%

Name of the ultimate holding company	Country
Infosys Limited	India

List of Fellow Subsidiaries -

Name of fellow subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)(1)	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)(1)	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)(1)	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)(1)	China
Infosys Nova Holdings LLC. (Infosys Nova)(1)	U.S.
EdgeVerve Systems Limited (EdgeVerve)(1)	India
Infosys Austria GmbH(1)	Austria
Skava Systems Private Limited (Skava Systems)(1)(27)	India
Kallidus Inc, (Kallidus)(28)	U.S.
Infosys Chile SpA(1)	Chile
Infosys Arabia Limited(2)(27)	Saudi Arabia
Infosys Consulting Ltda.(1)	Brazil
Infosys CIS LLC(15)	Russia
Infosys Luxembourg S.a.r.l(1)	Luxembourg
Infosys Americas Inc. (Infosys Americas)(1)	U.S.
Infosys Public Services, Inc. USA (Infosys Public Services)(1)	U.S.
Infosys Canada Public Services Inc(20)(39)	Canada
Infosys BPM Limited(1)(47)	India
Infosys (Czech Republic) Limited s.r.o.(3)	Czech Republic
Infosys Poland Sp z.o.o(3)	Poland
Infosys McCamish Systems LLC(3)	U.S.
Portland Group Pty Ltd(3)	Australia
Infosys BPO Americas LLC.(3)	U.S.
Infosys Consulting Holding AG (Infosys Lodestone)(1)	Switzerland
Infosys Management Consulting Pty Limited(4)	Australia
Infosys Consulting AG(4)	Switzerland
Infosys Consulting GmbH(4)	Germany
Infosys Consulting S.R.L.(1)	Romania
Infosys Consulting SAS(4)	France
Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.)(4)(38)	Czech Republic
Infosys Consulting (Shanghai) Co., Ltd.(4)(34)	China
Infy Consulting Company Ltd(4)	U.K.
Infy Consulting B.V.(4)	The Netherlands
Infosys Consulting S.R.L.(2)	Argentina
Panaya Inc. (Panaya)(1)	U.S.
Panaya Ltd.(6)	Israel

Name of fellow subsidiaries	Country
Infosys Financial Services GmbH. (formerly Panaya GmbH)[(6)]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[(1)(27)]	U.K.
Brilliant Basics Limited[(7)(27)]	U.K.
Infosys Consulting Pte. Ltd. (Infosys Singapore)[(1)]	Singapore
Infosys Middle East FZ LLC[(8)]	Dubai
Fluido Oy[(8)]	Finland
Fluido Sweden AB (Extero)[(11)]	Sweden
Fluido Norway A/S[(11)]	Norway
Fluido Denmark A/S[(11)]	Denmark
Fluido Slovakia s.r.o[(11)]	Slovakia
Infosys Compaz Pte. Ltd[(9)]	Singapore
Infosys South Africa (Pty) Ltd[(8)]	South Africa
WongDoody Holding Company Inc. (WongDoody)[(1)(40)]	U.S.
WDW Communications, Inc[(10)(41)]	U.S.
WongDoody, Inc[(10)(42)]	U.S.
HIPUS Co., Ltd[(9)]	Japan
Stater N.V.[(9)]	The Netherlands
Stater Nederland B.V.[(12)]	The Netherlands
Stater XXL B.V.[(12)]	The Netherlands
HypoCasso B.V.[(12)]	The Netherlands
Stater Participations B.V.[(12)]	The Netherlands
Stater Belgium N.V./S.A.[(13)]	Belgium
Stater Gmbh[(12)(32)]	Germany
Outbox systems Inc. dba Simplus (US)[(16)]	U.S.
Simplus North America Inc.[(17)(31)]	Canada
Simplus ANZ Pty Ltd.[(17)]	Australia
Simplus Australia Pty Ltd[(18)]	Australia
Sqware Peg Digital Pty Ltd[(19)(35)]	Australia
Simplus Philippines, Inc.[(17)]	Philippines
Simplus Europe, Ltd.[(17)(33)]	U.K.
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)[(11)]	U.K.
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[(21)]	Ireland
Infosys Limited Bulgaria EOOD[(1)]	Bulgaria
Kaleidoscope Animations, Inc.[(16)]	U.S.
Kaleidoscope Prototyping LLC[(23)]	U.S.
GuideVision s.r.o.[(14)]	Czech Republic
GuideVision Deutschland GmbH[(22)]	Germany
GuideVision Suomi Oy[(22)]	Finland
GuideVision Magyarország Kft[(22)]	Hungary
GuideVision Polska SP.Z.O.O[(22)]	Poland
GuideVision UK Ltd[(22)]	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[(16)]	U.S.
Beringer Capital Digital Group Inc[(16)(45)]	U.S.
Mediotype LLC[(24)(45)]	U.S.
Beringer Commerce Holdings LLC[(24)(45)]	U.S.
SureSource LLC[(25)(43)]	U.S.

Name of fellow subsidiaries	Country
Blue Acorn LLC[25][43]	U.S.
Simply Commerce LLC[25][43]	U.S.
iCiDIGITAL LLC[26][44]	U.S.
Infosys BPM UK Limited[3]	U.K.
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[1]	Turkey
Infosys Germany Holding Gmbh[1][29]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1][30]	Germany
Infosys Green Forum[1][36]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[37]	Malaysia
Infosys Business Solutions LLC[1][46]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")[48]	Germany
oddity GmbH [49]	Germany
oddity (Shanghai) Co., Ltd. [50]	China
oddity Limited (Taipei) [50]	Taiwan
oddity space GmbH [49]	Germany
oddity jungle GmbH [49]	Germany
oddity code GmbH [49]	Germany
oddity code d.o.o [51]	Serbia
oddity waves GmbH [49]	Germany
oddity group services GmbH [49]	Germany
Infosys Public Services Canada Inc. [20][52]	Canda
BASE life science AG [54]	Switzerland
BASE life science GmbH [54]	Germany
BASE life science A/S [53]	Denmark
BASE life science S.A.S [54]	France
BASE life science Ltd. [54]	U.K.
BASE life science S.r.l. [54]	Itlay
Innovisor Inc.[54]	U.S.
BASE life science Inc.[54]	U.S.
BASE life science S.L.[54][55]	Spain
Panaya Germany GmbH [6][56]	Germany

[1] Wholly-owned subsidiary of Infosys Limited

[2] Majority-owned and controlled subsidiary of Infosys Limited

[3] Wholly-owned subsidiary of Infosys BPM Limited

[4] Wholly-owned subsidiary of Infosys Consulting Holding AG

[5] Majority-owned and controlled subsidiary of Infosys Consulting Holding AG

[6] Wholly-owned subsidiary of Panaya Inc.

[7] Wholly-owned subsidiary of Brilliant Basics Holding Limited.

[8] Wholly-owned subsidiary of Infosys Consulting Pte. Ltd.

[9] Majority-owned and controlled subsidiary of Infosys Consulting Pte. Ltd.

[10] Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody)

[11] Wholly-owned subsidiary of Fluido Oy

[12] Wholly-owned subsidiary of Stater N.V

[13] Majority-owned and controlled subsidiary of Stater Participations B.V.

[14] Wholly-owned subsidiary of Infy Consulting Company Limited

[15] Liquidated effective January 28, 2021.

[16] Wholly-owned subsidiary of Infosys Nova Holdings LLC

[17] Wholly-owned subsidiary of Outbox Systems Inc.

[18] Wholly-owned subsidiary of Simplus ANZ Pty Ltd

(19) Wholly-owned subsidiary of Simplus Australia Pty Ltd

(20) Wholly-owned subsidiary of Infosys Public Services, Inc.

(21) Wholly-owned subsidiary of Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)

(22) Wholly-owned subsidiary of GuideVision s.r.o.

(23) Wholly-owned subsidiary of Kaleidoscope Animations, Inc.

(24) Wholly-owned subsidiary of Blue Acorn iCi Inc

(25) Wholly-owned subsidiary of Beringer Commerce Holdings LLC

(26) Wholly-owned subsidiary of Beringer Capital Digital Group Inc.

(27) Under liquidation

(28) Liquidated effective March 9,2021

(29) Incorporated on March 23, 2021

(30) On March 28, 2021 Infosys Limited and Infosys Germany Holding Gmbh registered Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm.

(31) Liquidated effective April 27,2021

(32) Incorporated on August 4, 2021

(33) Liquidated effective July 20, 2021

(34) Liquidated effective September 1, 2021

(35) Liquidated effective September 2, 2021

(36) Incorporated on August 31, 2021

(37) On December 14, 2021, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)

(38) Liquidated effective December 16, 2021

(39) Liquidated effective November 23, 2021

(40) Wholly-owned subsidiary of Infosys Limited, merged with WongDoody Inc, effective December 31, 2021

(41) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody), merged with WongDoody Inc, effective December 31, 2021

(42) Wholly-owned subsidiary of Infosys Limited, effective December 31, 2021

(43) Merged with Beringer Commerce Holdings LLC, effective January 1, 2022

(44) Merged with Beringer Capital Digital Group Inc, effective January 1, 2022

(45) Merged with Blue Acorn iCi Inc, effective January 1, 2022

(46) Incorporated on February 20, 2022

(47) On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

(48) On March 22, 2022, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))

(49) On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly owned subsidiary of Infosys Consulting Pte. Ltd) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and oddity GmbH.

(50) Wholly-owned subsidiary of oddity GmbH

(51) Wholly-owned subsidiary of oddity code GmbH.

(52) Incorporated on July 8, 2022

(53) On September 1, 2022, Infosys Consulting Pte. Ltd. (a Wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

(54) Wholly-owned subsidiary of BASE life science A/S

(55) Incorporated on September 6, 2022

(56) Incorporated effective December 15, 2022

The details of amounts due to or due from related parties as at December 31, 2022 and December 31, 2021 are as follows :

(In ₹)

Particulars	As at December 31, 2022	As at December 31, 2021
Trade receivables		
Infy Consulting B.V.	10,38,780	18,99,307
Infosys Consulting AG	89,62,615	–
Infy Consulting Company Ltd.	5,43,04,990	1,76,64,285
	6,43,06,385	1,95,63,592
Loans[1]		
Infosys Consulting Holding AG	–	16,48,96,856
	–	16,48,96,856
Prepaid and other financial assets		
GuideVision, s.r.o.	6,78,818	12,85,629
	6,78,818	12,85,629
Trade payables		
Infosys Consulting AG	88,856	–
Infy Consulting Company Ltd.	28,62,156	17,56,362
Infosys Technologies (China) Co. Limited	4,09,175	–
Infosys (Czech Republic) Limited s.r.o	22,46,461	–
Infy Consulting B.V.	–	3,98,228
	56,06,648	21,54,590
Other Payables		
Infosys Consulting GmbH	–	3,75,803
Infy Consulting B.V.	–	7,05,847
GuideVision, s.r.o.	–	17,11,729
Infy Consulting Company Ltd.	58,04,099	–
Infosys Automotive and Mobility GmbH & Co.KG	1,60,71,507	–
Infosys Limited	1,67,14,504	3,16,39,345
	3,85,90,110	3,44,32,724
Other Receivables		
Infy Consulting B.V.	–	5,46,019
Infosys Consulting AG	26,42,825	3,57,831
Infosys Limited	2,04,01,957	3,23,37,647
	2,30,44,782	3,32,41,497
Accrued expenses		
Infosys Limited	51,657	2,38,538
Infy Consulting Company Ltd.	4,39,25,059	–
Infosys Technologies (China) Co. Limited	–	2,15,511
Infosys (Czech Republic) Limited s.r.o	–	6,96,435
	4,39,76,716	11,50,484

[1] The above loans were given in accordance with the terms and conditions of the loan agreement and carries an interest rate of 0.75% per annum.

(In ₹)

Particulars	For the years ended December 31,	
	2022	2021
Capital transactions		
Financing transactions		
Loans (net of repayment)		
Infosys Consulting Holding AG	(16,50,68,575)	(1,07,95,023)
	(16,50,68,575)	(1,07,95,023)
Revenue transactions		
Purchase of shared services, facilities & personnel		
Infosys Consulting AG	3,12,889	9,53,510
GuideVision, s.r.o.	14,51,207	4,33,173
Infosys Limited	2,82,785	5,18,079
Infosys Technologies (China) Co. Limited	16,59,216	2,18,063
Infosys (Czech Republic) Limited s.r.o	87,75,790	7,04,679
Infy Consulting Company Ltd.	5,70,11,122	94,67,136
Infy Consulting B.V.	–	4,29,230
Stater Belgium	1,88,01,333	2,19,25,917
Infosys Automotive and Mobility GmbH & Co.KG	1,53,69,389	–
	10,36,63,731	3,46,49,787
Interest expenses		
Infosys Consulting Holding AG	1,71,719	4,25,416
	1,71,719	4,25,416
Sale of services		
Infosys Consulting AG	2,50,75,723	–
Infy Consulting Company Ltd.	39,82,44,196	31,74,56,344
	42,33,19,919	31,74,56,344
Other services provided to subsidiaries		
Infy Consulting B.V.	37,02,126	53,92,793
Infosys Limited	26,09,940	16,12,118
	63,12,066	70,04,911

2.21 Segment reporting

The Company is engaged in providing consultancy service in a single geography. 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. Its operations are, therefore, considered to constitute a single segment in the context of Ind-AS 108, Segment Reporting.

2.22 Ratios

The ratios for the years ended December 31, 2022 and December 31, 2021 are as follows:

Particulars	Numerator	Denominator	December 31, 2022	December 31, 2021	Variance
Current Ratio	Current assets	Current liabilities	0.8	1.2	(33%)
Debt – Equity Ratio	Total Debt (represents lease liabilities) [1]	Shareholder's Equity	(0.4)	(0.3)	36%
Debt Service Coverage Ratio	Earnings available for debt service[2]	Debt Service[3]	1.1	9.6	(89%)
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	(3.1%)	(48.4%)	(94%)
Trade receivables turnover ratio	Revenue	Average Trade Receivable	2.9	3.0	(3%)
Trade payables turnover ratio	Purchases of services and other expenses	Average Trade Payables	15.4	18.0	(15%)
Net capital turnover ratio	Revenue	Working Capital	(7.1)	7.7	(192%)
Net profit ratio	Net Profit	Revenue	0.4%	8.7%	(96%)
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed	(6.1%)	(97.1%)	(94%)

[1] Debt represents only 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

Explanantion where variance in ratios is more than 25%

Current Ratio

Decrease on account of better realisation of trade receivables.

Debt – Equity Ratio

Increase in Lease Liability as a result of new leases entered into.

Debt Service Coverage Ratio

Decrease on account of significant decrease in profit.

Return on Equity (ROE)

Decrease on account of significant decrease in profit.

Net capital turnover ratio

Decrease on account of better realisation of trade receivables.

Net profit ratio

Decrease on account of significant decrease in profit.

Return on capital employed (ROCE)

Decrease on account of significant decrease in profit.

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Infosys Chile SpA

Independent Auditor's Report

To the Shareholders and Board of Directors of Infosys Chile SpA

Report on the Financial Statements

We have audited the accompanying financial statements of Infosys Chile SpA, which comprise the Balance Sheet as of December 31, 2022 and 2021, and the related Statements of Income, Changes in Equity and Cash Flows for the years ended as well as the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. Such responsibility includes the design, implementation and maintenance of a relevant internal control to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud of error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with generally accepted auditing standards in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Consequently, we do not express such an opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Infosys Chile SpA, as of December 31, 2022 and 2021, and the results of its operations, changes in equity and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Jonathan Ortiz G.
Partner

Place: Santiago

Date: April 3, 2023

Statement of Financial Position

in Th$

Particulars	Note	As at December 31, 2022	As at December 31, 2021
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1.265.002	995.936
Trade and other receivables	5	1.539.884	360.897
Trade receivables of related parties	6	319.848	619.988
Other non-financial assets	7	228.004	120.555
Current tax assets	9	357.563	46.487
TOTAL CURRENT ASSETS		3.710.301	2.143.863
NON-CURRENT ASSETS			
Property, plant and equipment		41.777	61.690
Deferred tax assets	11	80.680	77.179
TOTAL NON-CURRENT ASSETS		122.457	138.869
TOTAL ASSETS		3.832.758	2.282.732

Attached notes from 1 to 17 are an integral part of these financial statements.

Statement of Financial Position

in Th$

Particulars	Note	As at December 31, 2022	As at December 31, 2021
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	217.851	260.540
Trade payables of related parties	6	183.157	2.641
Current tax liabilities	9	381.787	255.480
Employee benefit liabilities	10	262.844	245.802
Other current liabilities		286.693	52.969
TOTAL CURRENT LIABILITIES		1.332.332	817.433
TOTAL LIABILITIES		1.332.332	817.433
EQUITY			
Share capital	12	604.310	604.310
Retained earnings		1.896.116	860.988
TOTAL EQUITY		2.500.426	1.465.298
TOTAL EQUITY AND LIABILITIES		3.832.758	2.282.732

Attached notes from 1 to 17 are an integral part of these financial statements.

Statement of Comprehensive Income

in Th$

Particulars	Note	Year ended December 31,	
		2022	2021
CONTINUING OPERATIONS			
Revenues	13	6.705.467	3.144.563
Cost of sales	14	(3.462.461)	(1.927.769)
GROSS PROFIT		3.243.006	1.216.794
Administrative expenses	15	(1.732.612)	(407.164)
Other expenses		(1.139)	(4.082)
Financial expenses		(5.029)	(1.175)
Exchange difference		(112.964)	12.739
Depreciation		(19.914)	(17.368)
PROFIT / (LOSS) BEFORE TAXES		1.371.348	799.744
Income tax expense		(336.220)	(203.938)
PROFIT / (LOSS) FOR THE YEAR		1.035.128	595.806

Attached notes from 1 to 17 are an integral part of these financial statement

Statement of Changes in Equity

Chart of equity movements

in Th$

2022	Share capital	Retained earnings	Total Equity
Balance at January 01, 2022	604.310	860.988	1.465.298
Profit of period	–	1.035.128	1.035.128
Balance at December 31, 2022	604.310	1.896.116	2.500.426

in Th$

2021	Share capital	Retained earnings	Total Equity
Balance at January 01, 2021	604.310	265.182	869.492
Profit of period	–	595.806	595.806
Balance at December 31, 2021	604.310	860.988	1.465.298

Attached notes from 1 to 17 are an integral part of these financial statements.

Statement of Cash Flows

in Th$

Particulars	Years ended Decembe 31,	
	2022	2021
Profit / (Loss) of period	1.035.128	595.806
Charges (credits) to results that do not represent cash flow:		
Exchange difference	112.964	(12.739)
Income tax expense	336.220	203.938
Depreciation	19.914	17.368
Operating activities:		
Decreases (increases) in other-non financial assets	(107.449)	(114.370)
Decreases (increases) in Trade and other receivables	(1.178.987)	(104.515)
Decreases (increases) in Trade receivables of related parties	300.039	(373.340)
Increases (decreases) in Trade and other payables	202.791	196.879
Increases (decreases) in Trade payables of related parties	180.516	1.307
Increases (decreases) in provisions	17.042	108.611
Current tax assets and liabilities adjustments	(250.938)	122.351
Decreases (increases) in other assets	(398.174)	(175.827)
Net cash used in operating activities	269.066	465.469
Investment activities:		
Acquisition of Property, Plant and Equipment	-	(79.058)
Net cash (used in)/from Investment activities	-	(79.058)
Net increase in cash and cash equivalents	269.066	386.411
Cash and cash equivalents at beginning of year	995.936	609.525
Cash and cash equivalents at end of year	1.265.002	995.936

Attached notes from 1 to 17 are an integral part of these financial statements.

Notes to the Financial Statements

Note 1- Corporate Information

The company INFOSYS CHILE SPA is a Company by Shares, Tax ID 76.813.065-5, whose domicile is located in Rosario Norte # 407 Dept. # 1601, Santiago City, Commune Las Condes, Metropolitan Region.

Its incorporation took place on November 20th, 2017, through Public Deed at the 27th Notary Public of Santiago "Eduardo Avello Concha".

Its main objective is the design, development and commercialization of software.

The shareholders and their respective participation are:

Name shareholder	Rut	% Capital	% Utilities
Infosys Limited	59243420-2	100	100

Note 2- Basis of Presentation of the Financial Statements and Applied Accounting Criteria

2.1 Covered periods

The present financial statements of the Company, include the following periods:

Particulars	As at December 31,	
	2022	2021
Accumulated		
Statement of financial position	Yes	Yes
Statement of comprehensive income	Yes	Yes
Statement of cash flows	Yes	Yes
Statement of changes in equity	Yes	Yes

2.2 Basis of Preparation

a) Financial Statements

The information contained in the financial statements as of December 31st, 2022 is under the responsibility of the Company's Management, which expressly states that the principles and criteria included in the International Financial Reporting Standards have been applied in full.

b) Responsibility for Information and Financial Statements

The information contained in these consolidated financial statements is under responsibility of the Company's Management, which expressly states that the principles and criteria included in the IFRS have been applied in full.

c) Administration estimations

In the preparation of the classified financial statements, certain estimates made by the Company's Management have been used to quantify some of the assets, liabilities, income, expenses and commitments recorded in them.

These estimates basically refers to:

The fiscal results, which will be submitted before the respective tax authorities in the future, which have served as the basis for the recording of the different balances related to the income taxes in these classified financial statements.

d) Accounting policies

The following describes the main accounting policies adopted in the preparation of these classified financial statements. As required by IFRS 1, these policies have been defined in accordance with IFRS, and have been applied consistently to all the years presented in these classified financial statements.

2.3 Presentation of financial statements

e) Statements of financial position

The Company has determined the current and non-current classification as presentation format for its statement of financial position.

f) Statements of cash flow

The Company has chosen to present its statement of cash flow in accordance with the indirect method.

g) Functional currency and conversion of foreign currency

The functional currency of the Company is the Chilean peso.

The financial statements are presented in Chilean pesos. The functional currency has been determined considering the economic environment in which the Company carries out its operations and the currency in which its main cash flows are generated, as indicated in IAS 21.

Transactions other than those made in the functional currency of the entity will be converted at the exchange rate in the effective rate on the date of the transaction. Monetary assets and liabilities expressed in currencies other than the functional currency will be converted back to the closing exchange rates of the financial statements.

Gains and losses from the conversion are included in the net profit or loss for the year, within other financial ítems.

h) Conversion Basis

The closing exchange rates used as of December 31st, 2022 and 2021 are the following:

Particulars	As at December 31,	
	2022	2021
US Dollar	855,86	844,69
Euros	915,95	955,64
UF	35.144,81	30.991,74

i) Compensation of balances and transactions

As a general rule in the financial statements, neither the assets and liabilities, nor the income and expenses are compensated, except in those cases in which the compensation is required or permitted by a disposition and this presentation is a reflection of the merits of the transaction.

j) Cash and cash equivalents

The cash and equivalent to cash corresponds to that available in bank accounts.

k) Accruals

The accruals are recognized when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources including economic benefits will be required to settle the obligation and a reliable estimation of the amount of the obligation.

l) Revenue recognition

The Company recognizes its income corresponding to each one of the payment statements approved by the principal.

Income is recognized to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured. Revenue is measured at the fair value of the payment received, excluding discounts, rebates and other sale taxes or duties.

m) Income and Deferred Tax

The Company accounts for Income Tax on the basis of the taxable net income determined according to the rules established in the Chilean Income Tax Law and IAS 12.

n) Cost of sales and administrative expenses

Administrative expenses are mainly composed of disbursements associated with salaries or expenses of personnel directly related to services.

The administrative expenses are mainly composed of disbursements associated with legal and advisory services, patents, fines, notary fees, parking, telephone, etc.

Note 3- New standards, interpretations and amendments of IFRS

Standards, interpretations and amendments issued with mandatory application for periods beginning on or after January 1, 2022, for which the Company has not made early adoption:

Standards, Amendments and Improvements		Mandatory by the application date Company
IFRS 3	Reference to the Conceptual Framework	January 1, 2022
IAS 16	Property, plant and equipment; products obtained before intended use	January 1, 2022
IAS 37	Onerous contracts – Cost of fulfilling a contract	January 1, 2022

The application of these standards has not had a significant impact on the amounts reported in these financial statements.

The following new standards and interpretations have been issued, but their application date is not yet in force:

	Standards	Mandatory by the Company
IFRS 17	Insurance Contracts	January 1, 2023

Amendments		
IAS 1	Classification of liabilities as current or non-current and disclosure of accounting policies	January 1, 2023
IAS 8	Definition of accounting estimate	January 1, 2023
IAS 12	Deferred taxes related to assets and liabilities arising from a single transaction	January 1, 2023
IFRS 10 and IAS 28	Consolidated Financial Statements – sale or contribution of assets between investment and associate	To be determined
IFRS 17 and IFRS 19	Comparative Information	To be determined
IFRS 16	Lease Liabilities in a Sale with Leaseback	To be determined

The Company's Management will evaluate the impact of the new Standards, Interpretations and Amendments issued by the IASB, once these come into force and their application is mandatory.

Note 4- Cash and cash equivalents

The composition of the item as of December 31st, 2022 and 2021 are as follow:

in Th$

Banks	As at December 31, 2022	2021
Santander Bank	1.265.002	995.936
Total	1.265.002	995.936

The balance of the bank consists of funds kept in national currency, in bank account and whose value is equal to their fair value.

Note 5- Trade and other receivables

The composition of the item as of December 31st, 2022 and 2021 are as follow:

in Th$

Particulars	As at December 31, 2022	2021
Trade receivables	1.436.135	392.442
Unbilled revenues	628.211	49.538
Debtor provisions	(2.861)	-
Customer on Account	(521.601)	(81.083)
Total	1.539.884	360.897

Note 6 – Trade receivables and payables of related parties

The composition of the item as of December 31st, 2022 and 2021 are as follow:

a) Trade receivables, current

in Th$

Particulars			As at December 31, 2022	2021
Tax ID	Related party	Nature		
O-E	Infosys Limited	Provision of services	313.906	614.910
O-E	Infosys Mexico	Provision of services	5.942	5.078
	Total		319.848	619.988

b) Trade payables, current

in Th$

Particulars			As at December 31, 2022	2021
Tax ID	Related party	Nature		
O-E	Infosys Limited	Debts payments	183.157	2.641
	Total		183.157	2.641

Note 7– Other non-financial assets

The composition of the item as of December 31st, 2022 and 2021 are as follow:

in Th$

Concept	As at December 31, 2022	2021
Down Payment	14.939	-
Guarantee of rental Wework	3.185	3.185
Guarantee of project tender	194.260	112.500
Staff Recovery	15.620	4.870
Total	228.004	120.555

Note 8- Trade and other payables

The composition of the item as of December 31st, 2022 and 2021 are as follow:

in Th$

Concept	As at December 31, 2022	2021
Professional services and fees accrual	17.724	28.215
Social security, salaries and taxes payables	115.255	57.688
Subcontractor charges	13.341	143.843
Travel expenses	12	4.934
Communication Expenses	12.933	9.094
Withholding Taxes	36.069	-
IT services accrual	5.302	2.500
Provision for post sales client support	11.681	4.904
Capital Vendors	-	9.041
Others	5.534	321
Total	217.851	260.540

Note 9 – Current tax assets and liabilities

The composition of the item as of December 31st, 2022 and 2021 are as follow:

a) Current tax assets

in Th$

Concept	As at December 31 2022	2021
Income tax advances	357.563	46.487
Total	357.563	46.487

b) Current tax liabilities

in Th$

Concept	As at December 31, 2022	2021
Income tax payable	381.787	255.480
Total	381.787	255.480

Note 10- Employee benefit liabilities

The composition of the item as of December 31st, 2022 and 2021 is as follow:

in Th$

Concept	As at December 31, 2022	2021
Perfomance bonus accrual	78.363	112.718
CFG Variable Pay accrual	17.282	21.677
Unavailed Leave accrual	167.199	111.407
Total	262.844	245.802

Note 11- Income tax and deferred tax assets and liabilities

a) Income tax provision

The company registered an income tax provision of Th$ 381.787 as of December 31st, 2022 and Th$ 255.480 as of December 31st in 2021.

b) Deferred tax assets

The composition of the item as of December 31st, 2022 and 2021 is as follow:

in Th$

Deferred tax item	As at December 31, 2022	2021
Provision of Unavailed Leave	45.144	30.080
Accrued bonus	25.824	36.287
Provision of expenses	9.712	10.812
Total	80.680	77.179

Note 12- Equity

As of December 31st, 2022 the paid capital of the company is Th$ 604.310.

Note 13- Revenues

The composition of the item as of December 31st, 2022 and 2021 are as follow:

in Th$

Concept	As at December 31, 2022	2021
Intercompany services to Infosys Limited	2.845.267	1.721.653
Services to local customers	3.794.779	1.356.973
Intercompany services to Infosys Mexico	65.421	65.937
Total	6.705.467	3.144.563

Note 14- Cost of sales

The cost of sales generated during the period ended December 31st, 2022 and 2021 are detailed below:

in Th$

Concept	As at December 31, 2022	2021
Salaries	3.309.301	1.854.649
Others	153.160	73.120
Total	3.462.461	1.927.769

Note 15- Administrative expenses

The administrative expenses generated during the period ended December 31st, 2022 and 2021 are detailed below:

in Th$

Concept	As at December 31, 2022	2021
Subcontract Charges - Intercompany	1.009.219	-
Legal and accountant professional services	214.001	163.038
Subcontract charges – Third Party	212.403	152.674
Software Cost	132.538	-
Medical insurance	53.291	29.767
Datacom	25.744	25.892
Rental office and related expenses	15.710	20.273
Rates & Taxes	11.790	2.277
Travel and related expenses	8.818	911
Others	49.098	12.332
Total	1.732.612	407.164

Note 16- Contingencies and Commitments

As of December 31, 2022, there are no contingencies and commitments.

Note 17- Events after the Reporting Period

Between January 1, 2023 and the date of issuance of these financial statements, no subsequent events have occurred that could have a significant effect on the figures presented therein or on the economic and financial situation of the Company.

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Infosys Turkey Bilgi Teknolojileri Limited Şirketi

Independent Auditor's Report

To the Members of Infosys Turkey Bilgi Teknolojileri Limited Şirketi

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Infosys Turkey Bilgi Teknolojileri Limited Şirketi ("the Company"), which comprise the Balance Sheet as at December 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of preparation referred to in Section 1.2 of the special purpose financial statements, of the state of affairs of the Company as at December 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

i) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

iii) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

For Shenoy & Kamath
Chartered Accountants,
Firm Registration Number. 006673S

K. S Ranganath Shenoy
Partner
Membership Number. 200152

UDIN : 23200152BGPKQQ6400

Place: Bengaluru.

Date: May 26, 2023

Balance Sheet

(In TRY)

Particulars	Note No.	As at December 31, 2022	As at December 31, 2021
Assets			
Non-current assets			
Right-of-use asset	2.1	457,997	669,380
Other non-current assets	2.2	4,317	31,754
Total non-current assets		462,314	701,134
Current assets			
Financial assets			
Investments			
Trade receivables	2.4	–	–
Cash and cash equivalents	2.3	5,751,755	276,176
Other financial assets	2.5	29,848,252	4,482,683
Other current assets	2.2	91,488,069	33,504
Total current assets		127,088,077	4,792,363
Total assets		127,550,390	5,493,497
Equity and liabilities			
Equity			
Equity share capital	2.6	14,364,100	–
Other equity		(120,673,483)	1,509,827
Total equity		(106,309,383)	1,509,827
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	2.8	98,524,601	829,504
Lease liabilities	2.1	–	651,341
Total –non-current liabilities		98,524,601	1,480,845
Current liabilities			
Financial liabilities			
Trade payables	2.9	17,082,749	110,930
Other financial liabilities	2.10	106,355,801	1,845,691
Lease Liabilities	2.1	131,443	–
Other current liabilities	2.11	11,261,904	42,928
Income tax liabilities (net)	2.17	503,276	503,276
Total current liabilities		135,335,173	2,502,825
Total equity and liabilities		127,550,390	5,493,497

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants
Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership No. 202841

Place: Bengaluru

Date: May 26, 2023

for and on behalf of the Board of Directors of
Infosys Turkey Bilgi Teknolojileri Limited Şirketi

A.G.S. Manikantha
Authorised Signatory

Statement of Profit and Loss

(In TRY)

Particulars	Note No.	Years ended December 31, 2022	2021
Revenue from operations	2.12	93,608,551	2,392,683
Other income, net	2.13	–	988,485
Total income		93,608,551	3,381,167
Expenses			
Employee benefit expenses	2.14	1,044,158	265,479
Cost of technical subcontractors	2.14	42,339,286	829,200
Finance costs	2.15	3,878,762	56,756
Cost of software packages and others	2.14	59,849,275	–
Consultancy and professional charges	2.14	50,284	26,257
Depreciation and amortization expense	2.1	211,383	177,156
Other expenses	2.14	108,418,790	13,217
Total expenses		215,791,939	1,368,064
Profit / (loss) before tax		(122,183,387)	2,013,103
Tax expense			
Current tax	2.16	–	503,276
Profit / (loss) for the year		(122,183,387)	1,509,827
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 / (loss) for the year		(122,183,387)	1,509,827

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants
Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership No. 202841

for and on behalf of the Board of Directors of
Infosys Turkey Bilgi Teknolojileri Limited Şirketi

A.G.S. Manikantha
Authorised Signatory

Place: Bengaluru

Date: May 26, 2023

Statement of Changes in Equity

(In TRY)

Particulars	Equity share capital	Other equity — Reserves & surplus — Securities premium reserve	Other equity — Reserves & surplus — Retained earnings	Total equity attributable to equity holders of the Company
Balance as of January 1,2021	–	–	–	–
Changes in equity for the year ended December 31, 2021				
Increase in equity share capital on account of fresh issue	–	–	–	–
Profit / (loss) for the year	–	–	1,509,827	1,509,827
Balance as of December 31, 2021	–	–	1,509,827	1,509,827
Changes in equity for the year ended December 31, 2022				
Increase in equity share capital on account of fresh issue	14,364,100	77		14,364,177
Profit / (loss) for the year 2022	–	–	(122,183,387)	(122,183,387)
Balance as at December 31, 2022	14,364,100	77	(120,673,560)	(106,309,383)

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants
Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership No. 202841

Place: Bengaluru
Date: May 26, 2023

for and on behalf of the Board of Directors of
Infosys Turkey Bilgi Teknolojileri Limited Şirketi

A.G.S. Manikantha
Authorised Signatory

Statements of Cash Flows

(In TRY)

Particulars	Note No.	Years ended December 31, 2022	2021
Cash flow from operating activities:			
(Loss) / profit for the year		(122,183,387)	1,509,827
Adjustments to reconcile net profit to net cash provided by operating activities:			
Income tax expense	2.11	–	503,276
Depreciation & amortization	2.1	211,383	177,156
Finance cost	2.15	3,878,762	56,756
Changes in assets & liabilities			
Trade receivables		–	–
Other financial assets and other assets		(116,792,697)	(4,547,941)
Trade payables		16,971,819	110,930
Other financial liabilities and other liabilities		115,729,086	1,888,619
Cash used in operations		(102,185,035)	(301,377)
Income tax paid		-	–
Net cash used in operating activities		(102,185,035)	(301,377)
Cash flow from investing activities:			
Expenditure on property, plant and equipment		–	–
Net cash generated from / (used in) investing activities		–	–
Cash flow from financing activities:			
Proceeds from issue of share capital		14,364,177	–
Proceeds from borrowings		97,695,096	829,504
Payment of lease liabilities		(570,883)	(251,355)
Other payments		(3,827,777)	(597)
Net cash generated from financing activities		107,660,613	577,553
Net increase in cash and cash equivalents		5,475,578	276,176
Cash and cash equivalents at the beginning of the year		276,176	–
Cash and cash equivalents at the end of the year	2.3	5,751,755	276,176

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants
Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership No. 202841

for and on behalf of the Board of Directors of
Infosys Turkey Bilgi Teknolojileri Limited Şirketi

A.G.S. Manikantha
Authorised Signatory

Place: Bengaluru

Date: May 26, 2023

Company Overview and Significant Accounting Policies

Company overview

Infosys Turkey Bilgi Teknolojileri Limited Şirketi (The 'Company') is a wholly-owned subsidiary of Infosys Limited. The Company renders professional management consulting services, thereby enabling its clients to enhance business performance.

1 Significant accounting policies

1.1 Accounting year

The accounting year of the Company is from January 1 to December 31.

1.2 Basis of preparation of financial statements

These special purpose consolidated financial statements are prepared for inclusion in the Annual Report of the holding company, Infosys Limited, under the requirements of Section 129 (3) of the Companies Act 2013.

These financial statements are prepared in accordance with Indian Accounting Standards (Ind-AS) under the historical cost convention on the accrual basis. The Ind-AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been 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 Presentation currency

The Company's presentation currency is Euro.

1.4 Use of estimates

The preparation of the financial statements in conformity with Ind-AS requires the Management to make estimates and assumptions. These estimates 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.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.5 Property, plant and equipment

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 asset is as follows:

Computer equipment(1)	3-5 years

(1) Based on technical evaluation, the Management believes that the useful lives as given above best represent the period over which Management expects to use these assets.

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 ready to use before such date are disclosed under 'capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment are 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.

1.6 Financial instruments

1.6.1 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, which 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.

1.6.2 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 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.

(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.

1.7 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.

1.8 Impairment

a. Financial assets

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 the Statement of Profit and Loss.

b. Non-financial assets

(i) Property, plant and equipment

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 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 for the cash generating unit (CGU) to which the asset belongs.

If such assets are considered 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 depreciation) had no impairment loss been recognized for the asset in prior years.

1.9 Foreign currency

Functional currency

The functional currency of the Company is the TRY.

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, and reported within exchange gains / (losses) on translation of assets and liabilities. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction. The related revenue and expense are recognized using the same exchange rate.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense, and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

1.10 Income taxes

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."

1.11 Statement of cash flows

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.

1.12 Other income

Other income is comprised primarily of interest income and exchange gain / loss on translation of other assets and liabilities. Interest Income is recognized using effective interest method.

1.13 Borrowing cost

Borrowing cost are charged to the Statement of Profit and Loss in the period in which they are incurred.

2.1 Leases

Accounting policy

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) 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 12 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 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 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 for the 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 asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The changes in carrying value of right of use assets for the year ended December 31, 2022 and December 31, 2021 are as follows:

(In TRY)

Particulars	Category of ROU asset	Total
	Buildings	
Balance as of January 1, 2021	–	–
Additions	846,536	846,536
Deletion	–	–
Depreciation [1]	(177,156)	(177,156)
Balance as of December 31, 2021	669,380	669,380
Additions	–	–
Deletion	–	–
Depreciation [1]	(211,383)	(211,383)
Balance as of December 31, 2022	457,997	457,997

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, 2022 and December 31, 2021 is as follows:

(In TRY)

Particulars	As at December 31,	
	2022	2021
Current lease liabilities	131,443	–
Non-current lease liabilities	–	651,341
Total	131,443	651,341

The movement in lease liabilities during the year ended December 31, 2022 and December 31, 2021 is as follows:

(In TRY)

Particulars	As at December 31,	
	2022	2021
Balance at the beginning	651,341	–
Additions	–	846,537
Finance cost accrued during the period	50,984	56,159
Deletions	–	–
Payment of lease liabilities	(570,883)	(251,355)
Translation difference	–	–
Balance at the end	131,443	651,341

The details regarding the contractual maturities of lease liabilities as at December 31, 2022 and December 31, 2021 on an undiscounted basis are as follows:

(In TRY)

Particulars	As at December 31,	
	2022	2021
Less than one year	295,750	–
One to five years	–	798,382
Total	295,750	798,382

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.

2.2 Other assets

(In TRY)

Particulars	As at December 31,	
	2022	2021
Non-current		
Deferred contract cost [(1)]	–	31,754
Investments in lease	4,317	–
	4,317	31,754
Current	–	
VAT receivable	15,285,397	33,485
Deferred contract cost [(1)]	76,202,672	19
Total current other assets	91,488,069	33,504
Total other assets	91,492,386	65,258

[(1)] Includes technology assets taken over by the Company from a customer as a part of transformation project which is not considered as distinct goods or services and the control related to the assets is not transferred to the Company in accordance with Ind-AS 115 – Revenue from contract with customers. Accordingly, the same has been considered as a reduction to the total contract value and accounted as deferred contract cost.

2.3 Cash and Cash equivalents

(In TRY)

Particulars	As at December 31,	
	2022	2021
Balances with banks		
In current accounts	5,751,755	276,176
Total cash and cash equivalents	5,751,755	276,176
Total cash and cash equivalents	5,751,755	276,176

2.4 Trade receivables

(In TRY)

Particulars	As at December 31,	
	2022	2021
Current		
Unsecured		
Considered good	–	–
Considered doubtful	70,563,945	–
	70,563,945	–
Less: Allowances for credit losses	70,563,945	–
Total Trade Receivables	–	–

Trade receivables ageing schedule

Year ended December 31, 2022 and December 31, 2021

(In TRY)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	52,394,902	14,356,505	3,812,539	–	–	–	70,563,945
Less: Allowance for credit loss							70,563,945
Total trade receivables							–

2.5 Other financial assets

(In TRY)

Particulars	As at December 31, 2022	As at December 31, 2021
Current		
Unbilled revenue [(1)]	28,577,245	3,525,498
Other deposits [(1)]	130,052	84,052
Other receivables [(2)]	1,140,955	873,133
Total 0ther financial assets	29,848,252	4,482,683
(1) Financial assets carried at amortized cost		
(2) Includes dues from holding company and other fellow subsidiaries (Refer to Note 2.18)	1,140,955	873,133

2.6 Equity

Equity share capital

(In TRY)

Particulars	As at December 31, 2022	As at December 31, 2021
Authorized		
1 equity share of TRY 10,000 par value	14,364,177	10,000
Issued, subscribed and paid-up		
1 equity share of TRY 10,000 par value	14,364,177	–

The details of shareholder holding more than 5% shares as at December 31, 2022 is as follows:

Name of the shareholder	As at December 31, 2022	As at December 31, 2021
Infosys Limited	100%	100%

2.7 Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories were as follows:

(In TRY)

Particulars	As at December 31, 2022	As at December 31, 2021
Assets:		
Cash and cash equivalents (Refer to Note 2.3)	5,751,755	276,176
Other financial assets (Refer to Note 2.4)[(1)]	29,848,252	4,482,683
Total	35,600,008	4,758,859
Liabilities:		
Trade payables (Refer to Note 2.8)	17,082,749	110,930
Borrowings (Refer to Note 2.7)	98,524,601	829,504
Lease liabilities (Refer to Note 2.1)	131,443	651,341
Other financial liabilities (Refer to Note 2.9)	106,355,801	1,845,691
Total	222,094,593	3,437,467

(1) Excludes unbilled revenue on contracts where the right to consideration is dependent on completion of contractual milestones.

All the above financial instruments are carried at amortized cost and the carrying values approximates their fair value.

Financial risk management

Financial risk factors

The Company's activities expose it to liquidity risk.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time.

The Company's principal sources of liquidity are cash and cash equivalents. The company has taken loan from its related party to meet its working capital requirements.

As of December 31, 2022, the Company had cash and cash equivalents of TRY 5,751,755

The details regarding the contractual maturities of significant financial liabilities as of December 31, 2022 are as follows:

(In TRY)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years
Trade payables	17,082,749	–	–	–
Other financial liabilities	106,355,801	–	–	–
Borrowings	102,352,378	–	–	–

The details regarding the contractual maturities of significant financial liabilities as of December 31, 2021 are as follows:

(In TRY)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years
Trade payables	110,930	–	–	–
Other financial liabilities	1,845,691	–	–	–
Borrowings	4,657,282			

2.8 Borrowings

(In TRY)

Particulars	As at December 31,	
	2022	2021
Non-current		
Unsecured loan [(1)]	**98,524,601**	829,504
Total borrowings	**98,524,601**	829,504
[(1)] Includes dues from Holding Company and other fellow subsidiaries (Refer to Note 2.18)	**98,524,601**	829,504

2.9 Trade payables

(In TRY)

Particulars	As at December 31,	
	2022	2021
Trade payables	**17,082,749**	110,930
Total trade payables	**17,082,749**	110,930

Trade payables ageing schedule

Year ended December 31, 2022 and December 31, 2021

(In TRY)

Particulars	Not due	Outstanding for following periods from due date of payment			Total
		Less than 1 year	1-2 years	More than 3 years	
Others	549,478	16,533,271	–	–	17,082,749
		110,930		–	110,930
Total trade payables	549,478	16,533,271	–	–	17,082,749
	–	110,930	–	–	110,930

2.10 Other financial liabilities

(In TRY)

Particulars	As at December 31, 2022	As at December 31, 2021
Current		
Others		
Accrued compensation to employees	71,561	15,373
Provision for expenses[1]	92,683,974	–
Interco advance received[1]	797,647	–
Other payables [1]	12,802,619	1,830,318
	106,355,801	1,845,691
Total financial liabilities	106,355,801	1,845,691
[1] Includes dues from holding company and other fellow subsidiaries (Refer to Note 2.18)	47,930,265	1,830,318

2.11 Other liabilities

(In TRY)

Particulars	As at December 31, 2022	As at December 31, 2021
Current		
Provision for expenses	74,157	25,447
Withholding taxes and other	11,187,747	17,480
Total current other liabilities	11,261,904	42,928

2.12 Revenue from operations

(In TRY)

Particulars	Years ended December 31, 2022	2021
Income from software services	93,608,551	2,392,683
Total revenue from operation	93,608,551	2,392,683

2.13 Other income

(In TRY)

Particulars	Years ended December 31, 2022	2021
Exchange gains / (losses) on translation of other assets and liabilities	–	988,485
Total other income	–	988,485

2.14 Expenses

(In TRY)

Particulars	Years ended December 31, 2022	2021
Employee benefit expenses		
Salaries including bonus	1,044,158	265,479
	1,044,158	265,479
Other expenses		
Cost of technical subcontractors	–	829,200
Cost of technical subcontractors – Intercompany	42,339,286	–
Legal & professional charges	50,284	26,257
Cost of software packages for own use	59,849,275	–
Rates and taxes	2,021,886	–
Others	108,418,790	13,217
	212,679,522	868,673

2.15 Finance costs

(In TRY)

Particulars	Years ended December 31, 2022	2021
Interest expense on loan	3,827,778	597
Interest expense on lease liabilities	50,984	56,159
Total finance costs	3,878,762	56,756
[(1)] Includes interest expense on loan from fellow subsidiaries (Refer to Note 2.18)	3,827,778	597

2.16 tax expenses

(In TRY)

Particulars	Years ended December 31, 2022	2021
Provision for taxation	–	503,276
Total finance costs	–	503,276

2.17 Income taxes

Income tax expense in the Statement of Profit and Loss comprises:

(In TRY)

Particulars	Years ended December 31, 2022	2021
Current taxes	–	503,276
Income tax expense	–	503,276

Income tax expense for the year ended December 31, 2021 includes provisions (net of reversal) of TRY 503,276

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 TRY)

Particulars	Years ended December 31, 2022	2021
Profit before income taxes	(122,183,387)	2,013,103
Enacted tax rates in Turkey	25.00%	25.00%
Computed expected tax expense	–	503,276
Tax provision / reversals	–	503,276
Effect of unrecognized deferred tax assets	–	(503,276)
Income tax expense	–	503,276

The applicable Turkey statutory tax rate for year ended December 31, 2022 is 25%

The gross movement in the current income tax asset/ (liability) for the year ended are as follows:

(In TRY)

Particulars	Years ended December 31, 2022	2021
Net current income tax asset / (liability) at the beginning	(503,276)	–
Income tax paid	–	–
Income tax assets	–	–
Current income tax liabilities	–	503,276
Net current income tax asset / (liability) at the end	(503,276)	(503,276)

2.18 Related-partyb transactions

List of related parties :

Name of Holding Companies	Country	Holding as at December 31,	
		2022	2021
Infosys Ltd	India	100%	100%

Name of subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)	China
Infosys Nova Holdings LLC. (Infosys Nova)	U.S.
EdgeVerve Systems Limited (EdgeVerve)	India
Skava Systems Pvt. Ltd. (Skava Systems)[42]	India
Kallidus Inc, (Kallidus)[43]	U.S.
Infosys Chile SpA	Chile
Infosys Arabia Limited[2]	Saudi Arabia
Infosys Consulting Ltda.[1]	Brazil
Infosys CIS LLC[1] [15]	Russia
Infosys Luxembourg S.a.r.l	Luxembourg
Infosys Americas Inc., (Infosys Americas)	U.S.
Infosys Public Services, Inc. USA (Infosys Public Services)	U.S.
Infosys Canada Public Services Inc[20] [54]	Canada
Infosys BPM Limited	India
Infosys (Czech Republic) Limited s.r.o.[3]	Czech Republic
Infosys Poland Sp z.o.o[3]	Poland
Infosys McCamish Systems LLC[3]	U.S.
Portland Group Pty Ltd[3]	Australia
Infosys BPO Americas LLC.[3]	U.S.
Infosys Consulting Holding AG (Infosys Lodestone)	Switzerland
Infosys Management Consulting Pty Limited[4]	Australia
Infosys Consulting AG[4]	Switzerland
Infosys Consulting GmbH[4]	Germany
Infosys Consulting S.R.L.	Romania
Infosys Consulting SAS[4]	France
Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.)[4] [53]	Czech Republic
Infosys Consulting (Shanghai) Co., Ltd.[4] [49]	China
Infy Consulting Company Ltd[4]	U.K.
Infy Consulting B.V.[4]	The Netherlands
Infosys Consulting Sp. z.o.o[21] [30]	Poland
Lodestone Management Consultants Portugal, Unipessoal, Lda.[4] [35]	Portugal
Infosys Consulting S.R.L.[4]	Argentina
Infosys Consulting (Belgium) NV[5]	Belgium
Panaya Inc. (Panaya)	U.S.
Panaya Ltd.[6]	Israel
Panaya GmbH[6]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)	U.K.
Brilliant Basics Limited[7]	U.K.

Name of subsidiaries	Country
Brilliant Basics (MENA) DMCC[7] [22]	Dubai
Infosys Consulting Pte Limited (Infosys Singapore)	Singapore
Infosys Middle East FZ LLC[8]	Dubai
Fluido Oy[8]	Finland
Fluido Sweden AB (Extero)[11]	Sweden
Fluido Norway A/S[11]	Norway
Fluido Denmark A/S[11]	Denmark
Fluido Slovakia s.r.o[11]	Slovakia
Fluido Newco AB[11] [37]	Sweden
Infosys Compaz Pte. Ltd [9]	Singapore
Infosys South Africa (Pty) Ltd[8]	South Africa
WongDoody Holding Company Inc. (WongDoody)[1] [55]	U.S.
WDW Communications, Inc[10] [56]	U.S.
WongDoody, Inc[10] [57]	U.S.
HIPUS Co., Ltd (formerly Hitachi procurement Service Co. Ltd)[9]	Japan
Stater N.V.[9]	The Netherlands
Stater Nederland B.V.[12]	The Netherlands
Stater Duitsland B.V.[12] [39]	The Netherlands
Stater XXL B.V.[12]	The Netherlands
HypoCasso B.V.[12]	The Netherlands
Stater Participations B.V.[12]	The Netherlands
Stater Deutschland Verwaltungs-GmbH[13] [38]	Germany
Stater Deutschland GmbH & Co. KG[13] [38]	Germany
Stater Belgium N.V./S.A.[14] [40]	Belgium
Stater Gmbh[12] [47]	Germany
Outbox systems Inc. dba Simplus (US)[16]	U.S.
Simplus North America Inc.[17] [46]	Canada
Simplus ANZ Pty Ltd.[17]	Australia
Simplus Australia Pty Ltd[18]	Australia
Sqware Peg Digital Pty Ltd[19] [50]	Australia
Simplus Philippines, Inc.[17]	Philippines
Simplus Europe, Ltd.[17] [48]	U.K.
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)[23]	U.K.
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[24]	Ireland
Infosys Limited Bulgaria EOOD[1] [25]	Bulgaria
Kaleidoscope Animations, Inc.[28]	U.S.
Kaleidoscope Prototyping LLC[29]	U.S.
GuideVision s.r.o.[26]	Czech Republic
GuideVision Deutschland GmbH[27]	Germany
GuideVision Suomi Oy[27]	Finland
GuideVision Magyarország Kft[27]	Hungary
GuideVision Polska SP.Z.O.O[27]	Poland
GuideVision UK Ltd[27]	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[31]	U.S.
Beringer Capital Digital Group Inc[31]	U.S.
Mediotype LLC[32]	U.S.

Name of subsidiaries	Country
Beringer Commerce Holdings LLC[32]	U.S.
SureSource LLC[33]	U.S.
Blue Acorn LLC[33]	U.S.
Simply Commerce LLC[33]	U.S.
iCiDIGITAL LLC[34]	U.S.
Infosys BPM UK Limited[3] [36]	U.K.
Infosys Automotive and Mobility GmBH and CokG	Germany
Infosys Germany Holding Gmbh[1] [44]	Germany
Infosys Green Forum[1] [51]	India
Global Enterprise International (Malaysia) Sdn. Bhd.[8] [52]	Malaysia

(1) Wholly-owned subsidiary of Infosys Limited
(2) Majority owned and controlled subsidiary of Infosys Limited
(3) Wholly-owned subsidiary of Infosys BPM Limited
(4) Wholly-owned subsidiary of Infosys Consulting Holding AG
(5) Majority owned and controlled subsidiary of Infosys Consulting Holding AG
(6) Wholly-owned subsidiary of Panaya Inc.
(7) Wholly-owned subsidiary of Brilliant Basics Holding Limited.
(8) Wholly-owned subsidiary of Infosys Consulting Pte. Ltd.
(9) Majority owned and controlled subsidiary of Infosys Consulting Pte. Ltd.
(10) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody)
(11) Wholly-owned subsidiary of Fluido Oy
(12) Wholly-owned subsidiary of Stater N.V
(13) Majority owned and controlled subsidiary of Stater Participations B.V.
(14) Wholly-owned subsidiary of Infy Consulting Company Limited
(15) Liquidated effective January 28, 2021.
(16) Wholly-owned subsidiary of Infosys Nova Holdings LLC
(17) Wholly-owned subsidiary of Outbox Systems Inc.
(18) Wholly-owned subsidiary of Simplus ANZ Pty Ltd
(19) Wholly-owned subsidiary of Simplus Australia Pty Ltd
(20) Wholly-owned subsidiary of Infosys Public Services, Inc.
(21) Wholly-owned subsidiary of Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)
(22) Wholly-owned subsidiary of GuideVision s.r.o.
(23) Wholly-owned subsidiary of Kaleidoscope Animations, Inc.
(24) Wholly-owned subsidiary of Blue Acorn iCi Inc
(25) Wholly-owned subsidiary of Beringer Commerce Holdings LLC
(26) Wholly-owned subsidiary of Beringer Capital Digital Group Inc.
(27) Under liquidation
(28) Liquidated effective March 9,2021
(29) Incorporated on March 23, 2021
(31) Liquidated effective April 27,2021
(32) Incorporated on August 4, 2021
(33) Liquidated effective July 20, 2021
(34) Liquidated effective September 1, 2021
(35) Liquidated effective September 2, 2021
(36) Incorporated on August 31, 2021
(37) On December 14, 2021, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)
(38) Liquidated effective December 16, 2021
(39) Liquidated effective November 23, 2021
(40) Wholly-owned subsidiary of Infosys Limited, merged with WongDoody Inc, effective December 31, 2021
(41) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody), merged with WongDoody Inc, effective December 31, 2021
(42) Wholly-owned subsidiary of Infosys Limited, effective December 31, 2021
(43) Merged with Beringer Commerce Holdings LLC, effective January 1, 2022
(44) Merged with Beringer Capital Digital Group Inc, effective January 1, 2022

(45) Merged with Blue Acorn iCi Inc, effective January 1, 2022

(46) Incorporated on February 20, 2022

(47) On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

(48) On March 22, 2022, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))

(49) On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly-owned subsidiary of Infosys Consulting Pte. Ltd) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and oddity GmbH.

(50) Wholly-owned subsidiary of oddity GmbH

(51) Wholly-owned subsidiary of oddity code GmbH.

(52) Incorporated on July 8, 2022

(53) On September 1, 2022, Infosys Consulting Pte. Ltd. (a wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

(54) Wholly-owned subsidiary of BASE life science A/S

(55) Incorporated on September 6, 2022

(56) Incorporated effective December 15, 2022

The details of amounts due to or due from related parties as at December 31, 2021 is as follows:

(In TRY)

Particulars	As at December 31, 2022	As at December 31, 2021
Other financial assets		
Infosys Limited	1,095,528	827,706
Infosys Middle East FZ- LLC	45,426.9	45,427
	1,140,955	873,133
Trade payables		
Infosys (Czech Republic) Ltd	4,376,965	–
Infosys Technologies China	810,227	–
Infosys BPO Ltd.	3,807,983	–
	8,995,175	–
Other financial liabilities		
Infosys Automotive and Mobility	2,537,010	–
Infosys Limited	1,095,528	1,655,413
Infosys Consulting Romanaia	797,647	–
Infosys Middle East FZ- LLC	174,906	174,906
	4,605,092	1,830,318
Accrued expense		
Infosys Limited	34,329,998	–
	34,329,998	–
Borrowings [1]		
Infosys Consulting Holding AG (Infosys Lodestone)	1,103,398	829,504
Infosys Limited	97,421,203	–
	98,524,601	829,504

(1) The above loan was given in accordance with the terms and conditions of the loan agreement.

The details of the related parties transactions entered into by the Company for the year ended December 31, 2021 are as follows:

In TRY

Particulars	As at December 31, 2022	As at December 31, 2021
Revenue transactions:		
Purchase of services		
Infosys Limited	33,506,141	829,200
Infosys China	798,321	–
Infosys BPM limited	3,739,188	–
Infosys (Czech Republic) Ltd	4,295,637	–
	42,339,286	829,200
Interest expense		
Infosys Consulting Holding AG (Infosys Lodestone)	5,527.28	597
Infosys Limited	3,822,250	–
	3,827,778	597

2.17 Segment reporting

The Company is engaged in providing consultancy service in a single geography. 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. Its operations are, therefore, considered to constitute a single segment in the context of Ind-AS 108.

2.19 Ratios

The ratios for the years ended December 31, 2022 and December 31, 2021 are as follows:

Particulars	Numerator	Denominator	As at December 31, 2022	As at December 31, 2021	Variance
Current ratio	Current assets	Current liabilities	0.9	1.9	(51.0%)*
Debt-Equity ratio	Total debt (represents lease liabilities) [1]	Shareholder's equity	(0.0)	0.4	(43.3%)**
Debt service coverage ratio	Earnings available for debt service[2]	Debt service[3]	(206.9)	6.9	(3081.8%)***
Return on equity (ROE)	Net profits after taxes	Average shareholder's equity	233.2%	200.0%	33.2%****
Trade payables turnover ratio	Purchases of services and other expenses	Average trade payables	11.9	16.4	(27.7%)#
Net capital turnover ratio	Revenue	Working capital	(11.4)	1.0	(1186.1%)##
Net profit ratio	Net profit	Revenue	(130.5%)	63.1%	(194%)###
Return on capital employed (ROCE)	Earning before interest and taxes	Capital employed[4]	111.4%	95.8%	16%

(1) Debt represents only 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

* Increase in other financial liabilities significantly has resulted in deterioration in the ratio.

** Negative shareholder's equity has resulted in deterioration in the ratio.

***Negative earnings available for debt service has resulted in deterioration in the ratio.

**** Improvement in ration is due to increase in net profits after taxes in absolute value.

Increase in trade payables resulted in deterioration in the ratio.

Negative working capital has resulted in deterioration in the ratio.

Entity loss has resulted in deterioration in the ratio.

Infosys Green Forum

Independent Auditor's Report

To the members of Infosys Green Forum

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of INFOSYS GREEN FORUM ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Income and expenditure, 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 financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its excess of income over expenditure, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 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 financial statements under the provisions of the Act and the Rules made thereunder, 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 financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to the Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements 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 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 during the course of our 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 Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- 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 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Income and expenditure, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations which would impact its financial position.

   ii. The Company has made provision, as required under the applicable law or accounting standards for material foreseeable losses, if any, on long-term contracts including derivative contracts.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. The Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act is not applicable to the Company in terms of paragraph 2 (iii) of the Order.

For Deloitte Haskins & Sells Llp
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Gurvinder Singh
Partner
(Membership No.110128)

UDIN: 23110128BGRDFG7567

Place: Bengaluru

Date: May 31, 2023

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of INFOSYS GREEN FORUM ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control with reference to financial statement criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Deloitte Haskins & Sells Llp
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Gurvinder Singh
Partner
(Membership No.110128)

UDIN: 23110128BGRDFG7567

Place: Bengaluru

Date: May 31, 2023

Balance Sheet

(In ₹ lakh)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	2.1	24,338	26,133
Right-of-use assets	2.2	2,949	3,224
Capital work-in-progress	2.3	5	–
Financial assets			
Other financial assets	2.6	228	190
Income tax assets (net)		5	–
Total non-current assets		27,525	29,547
Current assets			
Financial assets			
Investments	2.4	3,085	2,293
Cash and cash equivalents	2.5	101	29
Other financial assets	2.6	350	502
Other assets	2.7	1,789	–
Total current assets		5,325	2,824
Total assets		32,850	32,371
Equity and liabilities			
Equity			
Equity share capital	2.9	100	100
Other equity		29,231	28,856
Total equity		29,331	28,956
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	2.2	2,939	3,118
Total non-current liabilities		2,939	3,118
Current liabilities			
Financial liabilities			
Lease liabilities	2.2	134	189
Trade payables	2.11		
Total outstanding dues of micro enterprises and small enterprises		–	–
Total outstanding dues of creditors other than micro enterprises and small enterprises		7	–
Other financial liabilities	2.10	61	108
Other liabilities	2.12	378	–
Total current liabilities		580	297
Total equity and liabilities		32,850	32,371

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration Number: 117366W/W-100018

Gurvinder Singh
Partner
Membership Number: 110128

for and on behalf of the Board of Directors of Infosys Green Forum

Niladri Prasad Mishra
Director

Nanjappa B S
Director

Yogesh Goel
Director

Place: Bengaluru

Date: May 31, 2023

Statement of Income and Expenditure

(In ₹ lakh)

Particulars	Note No.	Year Ended March 31, 2023	From August 31, 2021 to March 31, 2022
Revenue from operations	2.13	3,413	502
Other income, net	2.14	167	638
Total income		3,580	1,140
Expenses			
Cost of technical subcontractors		73	–
Depreciation and amortization expenses	2.1 & 2.2	2,025	427
Finance cost	2.2	253	47
Other expenses	2.15	854	108
Total expenses		3,205	582
Excess of income over expenditure		375	558
Earnings per equity share			
Equity shares of par value ₹10 each			
Basic (₹)	2.16	37.50	55.79
Diluted (₹)	2.16	37.50	55.79

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration Number: 117366W/W-100018

Gurvinder Singh
Partner
Membership Number: 110128

for and on behalf of the Board of Directors of Infosys Green Forum

Niladri Prasad Mishra
Director

Nanjappa B S
Director

Yogesh Goel
Director

Place: Bengaluru
Date: May 31, 2023

Statement of Changes in Equity

(In ₹ lakh)

Particulars	Equity share capital	Retained earnings	Corpus donation*	Total equity attributable to equity holders of the Company
Capital infused on August 31, 2021	100	–	–	100
Changes in equity for the period ended March 31, 2022				
Excess of income over expenditure	–	558	–	558
Corpus asset donation for CSR capital assets	–	–	28,298	28,298
Balance as at March 31, 2022	100	558	28,298	28,956
Changes in equity for the year ended March 31, 2023				
Excess of income over expenditure	–	375	–	375
Balance as at March 31, 2023	100	933	28,298	29,331

* Reserve created on receipts of CSR assets as donation from the parent company

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration Number: 117366W/W-100018

Gurvinder Singh
Partner
Membership Number: 110128

Place: Bengaluru
Date: May 31, 2023

for and on behalf of the Board of Directors of Infosys Green Forum

Niladri Prasad Mishra
Director

Nanjappa B S
Director

Yogesh Goel
Director

Statement of Cash Flows

Accounting Policy

Cash flows are reported using the indirect method, whereby excess of income over expenditure for the year / 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 ₹ lakh)

Particulars	Note No.	Year Ended March 31, 2023	From August 31, 2021 to March 31, 2022
Cash flow from operating activities:			
Excess of income over expenditure after tax for the year / period		375	558
Adjustments to reconcile excess of income to net cash provided by operating activities:			
Depreciation and amortization	2.1 & 2.2	2,025	427
Finance cost	2.2	253	47
Interest and dividend income	2.14	(19)	(2)
Profit on sale of property, plant and equipment	2.14	–	(618)
Gain on sale of investments	2.14	(148)	(18)
Changes in assets and liabilities			
Loans, other financial assets and other assets		105	(692)
Other financial liabilities, other liabilities and provisions		338	108
Cash generated from operations		2,929	(190)
Income taxes paid		(5)	–
Net cash generated by operating activities		2,924	(190)
Cash flow from investing activities:			
Expenditure on property, plant and equipment		(1,785)	(71)
Proceeds from sale of property, plant and equipment		–	2,470
Payments to acquire investments			
Liquid mutual fund units		(4,710)	(2,475)
Proceeds on sale of investments			
Liquid mutual fund units		4,066	200
Interest received on bank deposits	2.14	19	2
Net cash (used in) / from investing activities		(2,410)	126
Cash flow from financing activities:			
Equity capital	2.9	–	100
Payment of lease liabilities		(442)	(7)
Net cash used in financing activities		(442)	93
Net increase / (decrease) in cash and cash equivalents		72	29
Cash and cash equivalents at the beginning of the year / period		29	–
Cash and cash equivalents at the end of the year / period		101	29
Supplementary information:			
Restricted cash balance		–	–-

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration Number: 117366W/W-100018

Gurvinder Singh
Partner
Membership Number: 110128

Place: Bengaluru

Date: May 31, 2023

for and on behalf of the Board of Directors of Infosys Green Forum

Niladri Prasad Mishra	**Nanjappa B S**	**Yogesh Goel**
Director	*Director*	*Director*

Notes to the Financial Statements

1. Overview

1.1 Company overview

Infosys Green Forum ('the Company') was incorporated on August 31, 2021 as a company registered under section 8 of the Companies Act, 2013, and has its registered office at Electronic city, Hosur Road, Bengaluru 560100, Karnataka, India.

The Company's object is to promote commerce, art, science, sports, education, research, social welfare, religion, charity, protection of environment or any such other object, and to promote establish, develop, own, operate manage any institution or undertaking and to undertake, carry out, promote, sponsor and assist any activity in the fields of education, medical relief, housing, clean energy, environmental sustainability, ecological balance, societal wellbeing, vocational training, digital literacy, skill development, sports, fine arts, research, artistic pursuits, charity, science, and similar or related areas for the welfare of the society.

The financial statements are approved for issue by the Company's Board of Directors on May 31, 2023.

The Company is incorporated under section 8 of Companies Act, 2013 and was granted an order for provisional registration u/s 12A and order for provisional approval u/s 80G of the Income Tax Act,1961 vide Unique Registration Number (URN)- AAGCI2826KE20215 and URN- AAGCI2826KF20213 respectively till Assessment year 2024-25. Thus, the income of the Company registered under section 12A (subject to section 11 and 12) is not chargeable to tax and accordingly no provision for tax has been made for the income received by the Company. Further, the Company is in the process of obtaining the registration.

1.2 Basis of preparation of financial statements

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 with the provisions of the Companies Act, 2013 "the Act"). The Ind-AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial statements have been prepared in Indian rupee (₹) which is the functional currency of the Company.

The cash flow statement has been prepared using the indirect method as per Ind-AS 7.

1.3 Use of estimates and judgments

The preparation of the financial statements in conformity with Ind-AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities 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 these financial statements have been disclosed in Note no. 1.4. Accounting estimates could change from period to period. Actual results could differ from those estimates.

Appropriate changes in estimates are made as 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 judgments

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 estimating an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. (Refer to Note 2.1)

Donations

Donations specifically received towards the "Corpus" are presented as "Corpus Donations" in the statement of changes in equity (SOCE). Donations (other than Corpus) are recognized as income in the statement of income and expenditure in the year of receipt.

Donations specifically received towards the "Corpus" are presented as "Corpus Donations" in the SOCE. Donations (other than Corpus) are recognized as income in the statement of income and expenditure.

1.5 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind-AS 1 – Presentation of financial statements – This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

Ind-AS 8 – Accounting policies, changes in accounting estimates and errors – This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind-AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind-AS 12 – Income taxes – This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

2.1 Property, plant and equipment

Accounting policy

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by 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:

Solar Plant [(1)(2)]	25 years
Computer equipment[(1)]	3-5 years

(1) Based on technical evaluation, the Management believes that the useful lives, as given above, best represent the period over which 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.

(2) Based on assessments, the Management believes that useful life of the solar plant is 25 years, which best represent the period over which Management expects to use these assets. During the current year, based on the technical assessments, the Management has revised useful life of solar plant from 20 years to 25 years. Due to this revision, depreciation is lower by ₹ 329 lakhs and the corresponding impact on net income and EPS has increased from ₹4.60 to ₹ 37.50 per share.

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 ready to use before such date are disclosed under 'capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment are 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. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset.

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2023 are as follows:

(In ₹ lakh)

Particulars	Solar plant	Computer equipment	Total
Gross carrying value as at April 1, 2022	26,512	5	26,517
Additions	–	–	–
Deletions	–	–	–
Gross carrying value as at March 31, 2023	26,512	5	26,517
Accumulated depreciation as at April 1, 2022	(384)	(0)	(384)
Depreciation	(1,793)	(2)	(1,795)
Accumulated depreciation as at March 31, 2023	(2,177)	(2)	(2,179)
Carrying value as at March 31, 2022	26,128	5	26,133
Carrying value as at March 31, 2023	24,335	3	24,338

The changes in the carrying value of property, plant and equipment for period ended March 31, 2022 were as follows:

(In ₹ lakh)

Particulars	Solar plant	Computer equipment	Total
Additions*	28,364	5	28,369
Deletions (Refer to note 2.19)	(1,852)	–	(1,852)
Gross carrying value as at March 31, 2022	26,512	5	26,517
Depreciation	(384)	–	(384)
Accumulated depreciation as at March 31, 2022	(384)	–	(384)
Carrying value as at March 31, 2022	26,128	5	26,133

* Primarly consist of the assets received as donation from Infosys Limited.

The aggregate depreciation has been included under depreciation and amortization expense in the statement of income and expenditure.

Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred.

Significant estimates and assumptions in assessing 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 impairment testing purposes, 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 for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered impaired, the impairment to be recognized in the statement of income and expense 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 income and expense 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 depreciation) had no impairment loss been recognized for the asset in prior years.

While computing value in use of the solar plant, the Management has used certain estimates. Significant estimates have been mentioned below:

a. Estimated yield of the solar plant: The estimated power generation of the commissioned plant is based on insolation estimates of the geography where the plant is situated, the efficiency and the degradation of the solar modules.

b. Discount rate: The expected cash flows are discounted using discount rate commensurate to the risk associated with the asset.

Key estimates are as follows:

Particulars	For the year ended March 31, 2023	For the period ended March 31, 2022
Plant load factor	20.5%	20.5%
Degradation of solar modules	0.5%	0.5%
Discount rate	9.5%	11.5%

Impairment

As per the impairment analysis performed by Company, the value in use exceeds the carrying value of property, plant and equipment and, accordingly, the Management has concluded that there is no impairment as of March 31, 2023. If the significant estimates mentioned above becomes adverse in future period, the Management will reassess its value in use computation.

2.2 Leases

Accounting policy

The Company as a lessee

The Company's lease asset classes primarily consists of leases for land, buildings, plant & machinery, furniture 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: (i) the contract involves the use of an identified asset, (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) 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.

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 that their carrying amounts may not be recoverable. For impairment testing purposes, 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 for the 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 asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The changes in the carrying value of right of use assets for the year ended March 31, 2023 are as follows:

(In ₹ lakh)

Particulars	Category of ROU asset					Total
	Land	Buildings	Computers	Plant & machinery	Furniture	
Balance as at April 1, 2022	640	2,538	3	34	9	3,224
Modification	(45)	–	–	–	–	(45)
Depreciation	(43)	(171)	(1)	(12)	(3)	(230)
Balance as at March 31, 2023	552	2,367	2	22	6	2,949

The changes in the carrying value of right of use assets for the period ended March 31, 2022 are as follows:

(In ₹ lakh)

Particulars	Category of ROU asset					Total
	Land	Buildings	Computers	Plant & machinery	Furniture	
Additions	648	2,570	3	36	10	3,267
Depreciation	(8)	(32)	–	(2)	(1)	(43)
Balance as at March 31, 2022	640	2,538	3	34	9	3,224

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of income and expense.

The break-up of current and non-current lease liabilities as at March 31, 2023 and March 31, 2022 are as follows:

(In ₹ lakh)

Particulars	As at March 31,	
	2023	2022
Current lease liabilities	134	189
Non-current lease liabilities	2,939	3,118
Total	3,073	3,307

The movement in lease liabilities during the year ended March 31, 2023 and period ended March 31, 2022 is as follows: (In ₹ lakh)

Particulars	As at March 31,	
	2023	2022
Opening balance	3,307	–
Additions	–	3,267
Modification	(45)	–
Finance cost accrued during the period	253	47
Payment of lease liabilities	(442)	(7)
Balance at the end	3,073	3,307

The details regarding the contractual maturities of lease liabilities on an undiscounted basis are as follows:

(In ₹ lakh)

Particulars	As at March 31,	
	2023	2022
Less than one year	376	449
One to five years	1,833	1,490
More than five years	2,963	3,738
Total	5,172	5,677

2.3 Captal work-in-progress

(In ₹ lakh)

Particulars	As at March 31,	
	2023	2022
Capital work-in-progress	5	–
Total capital work-in-progress	5	–

The capital work-in-progress ageing schedule for the year ended March 31, 2023 is as follows:

(In ₹ lakh)

Particulars	Amount in CWIP for a period of				Total
	less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	5	–	–	–	5
Total Capital work-in-progress	5	–	–	–	5

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

There is no capital-work-in progress as at March 31, 2022, hence no disclosure is required.

2.4 Investments

(In ₹ lakh)

Particulars	As at March 31,	
	2023	2022
Unquoted current investments		
Investments carried at fair value through profit or loss		
Liquid mutual fund units	3,085	2,293
Total current investments	3,085	2,293

2.5 Cash and cash equivalents

(In ₹ lakh)

Particulars	As at March 31,	
	2023	2022
Balances with banks		
In current and deposit accounts	101	29
Total cash and cash equivalents	101	29

The deposits maintained by the Company with banks comprises of time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the same.

2.6 Other financial assets

(In ₹ lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Rental deposits [(1)(2)]	190	190
Security deposits[(1)]	38	–
Total non-current other financial assets	228	190
Current		
Unbilled revenue [(1)(2)(#)]	350	502
Total current other financial assets	350	502
Total other financial assets	578	692
[(1)] Financial liability carried at amortized cost	578	692
[(2)] Includes dues to parent company	540	502

[(#)] Classified as financial asset as right to consideration is unconditional and is due only after a passage of time.

2.7 Other assets

(In ₹ lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Capital advances	1,780	–
Others		
Prepaid expenses	9	–
Total Other Assets	1,789	–

2.8 Financial instruments

Accounting policy

2.8.1 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, which 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.

2.8.2 Subsequent measurement

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 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.

(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. 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.

2.8.3 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.

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2023 are as follows:

(In ₹ lakh)

Particulars	Amortized cost	Financial assets /liabilities at fair value through profit or loss		Financial assets / liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer to Note 2.5)	101	–	–	–	–	101	101
Other financial assets (Refer to Note 2.6)	578	–	–	–	–	578	578
Investments (Refer to note 2.4)							
Liquid mutual fund units	–	–	3,085	–	–	3,085	3,085
Total	679	–	3,085	–	–	3,764	3,764
Liabilities:							
Trade payables (Refer to Note 2.11)	7	–	–	–	–	7	7
Lease liabilities (Refer to Note 2.2)	3,073	–	–	–	–	3,073	3,073
Other financial liabilities (Refer to Note 2.10)	61	–	–	–	–	61	61
Total	3,141	–	–	–	–	3,134	3,134

The carrying value and fair value of financial instruments by categories as at March 31, 2022 are as follows:

(In ₹ lakh)

Particulars	Amortized cost	Financial assets /liabilities at fair value through profit or loss		Financial assets / liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer to Note 2.5)	29	–	–	–	–	29	29
Other financial assets (Refer to Note 2.6)	692	–	–	–	–	692	692
Investments (Refer to note 2.4)							
Liquid mutual fund units	–	–	2,293	–	–	2,293	2,293
Total	721	–	2,293	–	–	3,014	3,014
Liabilities:							
Lease liabilities (Refer to Note 2.2)	3,307	–	–	–	–	3,307	3,307
Other financial liabilities (Refer to Note 2.10)	108	–	–	–	–	108	108
Total	3,415	–	–	–	–	3,415	3,415

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 liquid mutual fund units are valued using quoted prices and accordingly, will be classified under level 1 in the fair value hierarchy.

For trade receivables and trade payables and other assets and payables maturing within one year from the Balance Sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

2.9 Equity

Accounting policy

Ordinary shares

Ordinary shares are classified as equity share capital.

Description of reserves

Retained earnings

Retained earnings represent the amount of accumulated earnings of the Company.

Corpus donation

Corpus donation represents the CSR capital assets received as donation by Infosys Green Forum from its parent company in accordance with Companies (Corporate Social Responsibility Policy) Amendment Rules,2021.

2.9.1 Equity share capital

(In ₹ lakh, except as otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorized		
Equity shares, ₹10 par value		
10,00,000(10,00,000) equity shares	100	100
Issued, subscribed and paid-up		
Equity shares, ₹10 par value[1]		
10,00,000 (10,00,000) equity shares fully paid up	100	100
	100	100

[1] Refer to Note 2.16 for details of basic and diluted shares

The Company has one class of equity shares having a par value of ₹10 each. The shareholders of the Company do not have any right to dividend.

As per clause 10 of Memorandum of Association (MoA) of the Company, if upon winding up or dissolution of the Company, the remains, after the satisfaction of all the debts and liabilities, any property whatsoever, the same shall not be distributed amongst the members of the Company but shall be given or transferred to such other company having objects similar to the objects of this Company, subject to such conditions as the National Company Law Tribunal may impose, or may be sold and proceeds thereof credited to the Rehabilitation and Insolvency Fund formed under section 269 of the Companies Act, 2013.

The Company can be amalgamated only with another company registered under section 8 of the Companies Act, 2013 and having similar objects.

The details of shareholder holding more than 5% shares as at March 31, 2023 and March 31, 2022 are as follows:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% Held	Number of shares	% Held
Name of Shareholder				
Infosys Limited, holding company	10,00,000	100%	10,00,000	100%

The details of shareholder holding of Promoter as at March 31, 2023 and March 31, 2022 are as follows:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% Held	Number of shares	% Held
Promoter Name				
Infosys Limited, holding company	10,00,000	100%	10,00,000	100%

2.10 Other financial liabilities

(In ₹ lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Accrued expenses [1]	51	8
Other payables [1][2]	10	100
Total current other financial liabilities	61	108
Total other financial liabilities	61	108
[1] Financial liability carried at amortized cost	61	108
[2] Includes dues to parent company	10	100

2.11 Trade payables

(In ₹ lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Outstanding dues of micro enterprises and small enterprises	–	–
Outstanding dues of creditors other than micro enterprises and small enterprises	7	–
Total trade payables	7	–

The information as required to be disclosed pursuant under the Micro, Small and Medium Enterprises Development

Act, 2006 (MSMED Act, 2006) has been determined to the extent such parties have been identified on the basis of information available with the Company:

Particulars	As at March 31, 2023	2022
Amount remaining unpaid		
Principal	–	–
Interest	–	–
Interest paid by the Company under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day	4	–
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006)	–	–
Interest accrued and remaining unpaid at the end of the year	–	–
Interest remaining due and payable (pertaining to prior years), until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	–	–

Trade payables ageing schedule for the year ended as on March 31, 2023 is as follows:

(In ₹ lakh)

Particulars	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Outstanding dues to MSME	–	–	–	–	–	–
Others	–	7	–	–	–	7
Total trade payables	–	7	–	–	–	7

There are no trade payables as at March 31, 2022, hence no disclosure is required.

Relationship with struck-off companies

There are no transactions with struck-off companies for the year ended March 31, 2023 and during the period ended March 31, 2022.

2.12 Other liabilities

(In ₹ lakh)

Particulars	As at March 31, 2023	2022
Current		
Advance from customer[1]	342	–
Others		
Withholding and other taxes payable	36	–
Total other liabilities	378	–

[1] Advance received from parent company

2.13 Revenue from operations

Accounting policy

The Company derives revenue primarily from supply of solar power to its parent company. In accordance with the power supply agreement, the Company records revenue as and when it provides power.

Revenue from operations for the year ended March 31, 2023 and period ended March 31, 2022 is as follows:

(In ₹ lakh)

Particulars	Year Ended March 31, 2023	From August 31, 2021 to March 31, 2022
Revenue from supply of power	3,413	502
Total revenue from operations	3,413	502

2.14 Other income, net

Accounting policy

Other income is comprised primarily of interest income, gain / loss on investments and gain / loss on sale of property, plant and equipment assets. Interest income is recognized using the effective interest method.

Other income for the year ended March 31, 2023 and period ended March 31, 2022 is as follows:

(In ₹ lakh)

Particulars	Year Ended March 31, 2023	From August 31, 2021 to March 31, 2022
Interest income on financial assets carried at amortized cost		
Deposit with bank	19	2
Income on investments carried at fair value through profit or loss		
Gain / (loss) on liquid mutual funds	148	18
Profit on sale of property, plant and equipment (Refer to Note 2.16)	–	618
Total other income	167	638

2.15 Expenses

(In ₹ lakh)

Particulars	Year Ended March 31, 2023	From August 31, 2021 to March 31, 2022
Other expenses		
Repairs and maintenance	662	87
Power and fuel	20	2
Insurance	28	8
Rates and taxes	103	3
Auditor's remuneration		
Statutory audit fees	8	8
Tax matters	–	–
Other services	1	–
Others	32	–
	854	108

2.16 Earnings per equity share

Accounting policy

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 at 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.

2.17 Contingent liabilities and commitments

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.

Particulars	Year ended March 31, 2023	From August 31, 2021 to March 31, 2022
Contingent liabilities:		
Claims against the Company, not acknowledged as debts(1)	–	–
Commitments:		
Estimated amount of contracts remaining to be executed on capital contracts and not provided for	4,033	–
(net of advances and deposits)(2)		

(1)The Company is currently not involved in any significant lawsuits, claims, investigations and proceedings, including patent and commercial matters, which arise in the ordinary course of business. There are no such pending matters that are expected to have material effect on these financial statements.

(2)Capital contracts primarily comprises of commitments for infrastructure facilities

2.18 Related party transactions

Name of the holding company	Country	Holding as at March 31,	
		2023	2022
Infosys Limited	India	100%	100%

List of related parties

Name of fellow subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)(1)	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)(1)	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)(1)	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)(1)	China
Infosys Nova Holdings LLC. (Infosys Nova)(1)	U.S.
EdgeVerve Systems Limited (EdgeVerve)(1)	India
Infosys Austria GmbH(1)	Austria
Skava Systems Private Limited (Skava Systems)(1)(26)	India
Infosys Chile SpA(1)	Chile
Infosys Arabia Limited(2)(26)	Saudi Arabia
Infosys Consulting Ltda.(1)	Brazil
Infosys Luxembourg S.a.r.l(1)	Luxembourg
Infosys Americas Inc. (Infosys Americas)(1)(26)	U.S.
Infosys Public Services, Inc. USA (Infosys Public Services)(1)	U.S.
Infosys Canada Public Services Inc(19)(35)	Canada
Infosys BPM Limited(1)(43)	India
Infosys (Czech Republic) Limited s.r.o.(3)	Czech Republic
Infosys Poland Sp z.o.o(3)	Poland
Infosys McCamish Systems LLC(3)	U.S.
Portland Group Pty Ltd(3)	Australia
Infosys BPO Americas LLC.(3)	U.S.
Infosys Consulting Holding AG (Infosys Lodestone)(1)	Switzerland
Infosys Management Consulting Pty Limited(4)	Australia
Infosys Consulting AG(4)	Switzerland
Infosys Consulting GmbH(4)	Germany
Infosys Consulting S.R.L.(1)	Romania
Infosys Consulting SAS(4)	France
Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.)(4)(34)	Czech Republic
Infosys Consulting (Shanghai) Co., Ltd.(4)(30)	China
Infy Consulting Company Ltd(4)	U.K.
Infy Consulting B.V.(4)	The Netherlands
Infosys Consulting S.R.L.(45)	Argentina
Infosys Consulting (Belgium) NV(4)	Belgium
Panaya Inc. (Panaya)(1)	U.S.
Panaya Ltd.(6)	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH)(53)	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)(1)(26)	U.K.
Brilliant Basics Limited(7)(26)	U.K.
Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)(1)	Singapore
Infosys Middle East FZ LLC(8)	Dubai

Name of fellow subsidiaries	Country
Fluido Oy[(8)]	Finland
Fluido Sweden AB (Extero)[(11)]	Sweden
Fluido Norway A/S[(11)]	Norway
Fluido Denmark A/S[(11)]	Denmark
Fluido Slovakia s.r.o[(11)]	Slovakia
Infosys Compaz Pte. Ltd[(9)]	Singapore
Infosys South Africa (Pty) Ltd[(8)]	South Africa
WongDoody Holding Company Inc. (WongDoody)[(1)(36)]	U.S.
WDW Communications, Inc[(10)(37)]	U.S.
WongDoody, Inc[(10)(38)]	U.S.
HIPUS Co., Ltd[(9)]	Japan
Stater N.V.[(9)]	The Netherlands
Stater Nederland B.V.[(12)]	The Netherlands
Stater XXL B.V.[(12)]	The Netherlands
HypoCasso B.V.[(12)]	The Netherlands
Stater Participations B.V.[(12)]	The Netherlands
Stater Belgium N.V./S.A.[(13)]	Belgium
Stater Gmbh[(12)(28)]	Germany
Outbox systems Inc. dba Simplus (US)[(15)]	U.S.
Simplus North America Inc.[(16)(27)]	Canada
Simplus ANZ Pty Ltd.[(16)]	Australia
Simplus Australia Pty Ltd[(17)]	Australia
Sqware Peg Digital Pty Ltd[(18)(31)]	Australia
Simplus Philippines, Inc.[(16)]	Philippines
Simplus Europe, Ltd.[(16)(29)]	U.K.
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)[(11)]	U.K.
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[(20)]	Ireland
Infosys Limited Bulgaria EOOD[(1)]	Bulgaria
Kaleidoscope Animations, Inc.[(15)]	U.S.
Kaleidoscope Prototyping LLC[(22)]	U.S.
GuideVision s.r.o.[(14)]	Czech Republic
GuideVision Deutschland GmbH[(21)]	Germany
GuideVision Suomi Oy[(21)]	Finland
GuideVision Magyarország Kft[(21)]	Hungary
GuideVision Polska Sp. z.o.o[(21)]	Poland
GuideVision UK Ltd[(21)(26)]	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[(15)]	U.S.
Beringer Capital Digital Group Inc[(15)(41)]	U.S.
Mediotype LLC[(23)(41)]	U.S.
Beringer Commerce Holdings LLC[(23)(41)]	U.S.
SureSource LLC[(24)(39)]	U.S.
Blue Acorn LLC[(24)(39)]	U.S.
Simply Commerce LLC[(24)(39)]	U.S.
iCiDIGITAL LLC[(25)(40)]	U.S.
Infosys BPM UK Limited[(3)]	U.K.
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[(1)]	Turkey

Name of fellow subsidiaries	Country
Infosys Germany Holding Gmbh[1]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1]	Germany
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[33]	Malaysia
Infosys Business Solutions LLC[1][42]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")[44]	Germany
oddity GmbH [46]	Germany
oddity (Shanghai) Co., Ltd. [47]	China
oddity Limited (Taipei) [47]	Taiwan
oddity space GmbH [46]	Germany
oddity jungle GmbH [46]	Germany
oddity code GmbH [46]	Germany
oddity code d.o.o [48]	Serbia
oddity waves GmbH [46]	Germany
oddity group services GmbH [46]	Germany
Infosys Public Services Canada Inc. [19][5]	Canda
BASE life science AG [50]	Switzerland
BASE life science GmbH [50]	Germany
BASE life science A/S [49]	Denmark
BASE life science S.A.S [50]	France
BASE life science Ltd. [50]	U.K.
BASE life science S.r.l. [50]	Itlay
Innovisor Inc.[50]	U.S.
BASE life science Inc.[50]	U.S.
BASE life science S.L.[50][51]	Spain
Panaya Germany GmbH [6][32]	Germany
Infosys Norway [8][52]	Norway

(1) Wholly-owned subsidiary of Infosys Limited
(2) Majority-owned and controlled subsidiary of Infosys Limited
(3) Wholly-owned subsidiary of Infosys BPM Limited
(4) Wholly-owned subsidiary of Infosys Consulting Holding AG
(5) Incorporated on July 8, 2022
(6) Wholly-owned subsidiary of Panaya Inc.
(7) Wholly-owned subsidiary of Brilliant Basics Holding Limited
(8) Wholly-owned subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)
(9) Majority owned and controlled subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)
(10) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody)
(11) Wholly-owned subsidiary of Fluido Oy
(12) Wholly-owned subsidiary of Stater N.V
(13) Majority owned and controlled subsidiary of Stater Participations B.V.
(14) Wholly-owned subsidiary of Infy Consulting Company Limited
(15) Wholly-owned subsidiary of Infosys Nova Holdings LLC
(16) Wholly-owned subsidiary of Outbox Systems Inc.
(17) Wholly-owned subsidiary of Simplus ANZ Pty Ltd
(18) Wholly-owned subsidiary of Simplus Australia Pty Ltd
(19) Wholly-owned subsidiary of Infosys Public Services, Inc.
(20) Wholly-owned subsidiary of Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)
(21) Wholly-owned subsidiary of GuideVision s.r.o.
(22) Wholly-owned subsidiary of Kaleidoscope Animations, Inc.
(23) Wholly-owned subsidiary of Blue Acorn iCi Inc
(24) Wholly-owned subsidiary of Beringer Commerce Holdings LLC
(25) Wholly-owned subsidiary of Beringer Capital Digital Group Inc.

(26) Under liquidation

(27) Liquidated effective April 27,2021

(28) Incorporated on August 4, 2021

(29) Liquidated effective July 20, 2021

(30) Liquidated effective September 1, 2021

(31) Liquidated effective September 2, 2021

(32) Incorporated effective December 15, 2022

(33) On December 14, 2021, Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.), a wholly-owned subsidiary of Infosys Limited, acquired 100% of voting interests in Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)

(34) Liquidated effective December 16, 2021

(35) Liquidated effective November 23, 2021

(36) Wholly-owned subsidiary of Infosys Limited, merged with WongDoody Inc, effective December 31, 2021

(37) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody), merged with WongDoody Inc, effective December 31, 2021

(38) Wholly-owned subsidiary of Infosys Limited, effective December 31, 2021

(39) Merged with Beringer Commerce Holdings LLC, effective January 1, 2022

(40) Merged with Beringer Capital Digital Group Inc, effective January 1, 2022

(41) Merged with Blue Acorn iCi Inc, effective January 1, 2022

(42) Incorporated on February 20, 2022

(43) On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

(44) On March 22, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.), a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")).

(45) Infosys Consulting S.R.L. (Argentina) (formerly a wholly-owned subsidiary of Infosys Consulting Holding AG) became the majority owned and controlled subsidiary of Infosys Limited with effect from April 1, 2022

(46) On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.)) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and oddity GmbH.

(47) Wholly-owned subsidiary of oddity GmbH

(48) Wholly-owned subsidiary of oddity code GmbH.

(49) On September 1, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.) (a wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

(50) Wholly-owned subsidiary of BASE life science A/S

(51) Incorporated on September 6, 2022

(52) Incorporated effective February 7, 2023.

(53) Infosys Financial Services GmbH. (formerly, Panaya GmbH) became a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.) with effect from February 23, 2023.

List of other related parties

Name of Trust	Country	Nature of relationship
Infosys Foundation (1)	India	Trust jointly controlled by KMPs of Infosys Ltd

(1) Effective January 1, 2022, Infosys Foundation a trust jointly controlled by the KMPs of Infosys Ltd.

Non-whole-time directors

Niladri Prasad Mishra
Nanjappa B S
Yogesh Goel

The details of amounts due to or due from related parties are as follows:

(In ₹ lakh)

Particulars	As at March 31,	
	2023	2022
Other financial assets		
Rental deposit	190	190
Infosys Limited	190	190
Unbilled revenue	350	502
Infosys Limited	350	502
	540	692

Particulars	As at March 31,	
	2023	2022
Lease installments payable	–	63
Infosys Limited	–	63
Other financial liabilities – Other payables	10	100
Infosys Limited	10	100
Other liabilities – Advance from customer	342	–
Infosys Limited	342	–
	352	163

The details of the related-parties transactions entered into by the Company are as follows:

(In ₹ lakh)

Particulars	Year ended March 31, 2023	From August 31, 2021 to March 31, 2022
Capital infusion		
Infosys Limited	–	100
	–	100
Receipt of donated CSR assets as corpus		
Infosys Limited	–	28,298
	–	28,298
Sale of property, plant and equipment		
Infosys Limited	–	2,470
	–	2,470
Sale of power		
Infosys Limited	3,413	502
	3,413	502
Lease installment		
Infosys Limited	378	70
	378	70
Cross charge / reimbursement of expenses		
Infosys Limited	80	100
	80	100

2.19 Segment reporting

The Company is engaged in generating solar power and selling to its parent company. Accordingly, disclosures as required under IND-AS 108, 'Segment Reporting', has not been separately presented in the financial statements since the information is available directly from the statement of income and expenditure.

2.20 Ratios

The ratios for the year ended March 31, 2023 and Period ended March 31, 2022 are as follows:

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance
Current ratio	Current assets	Current liabilities	9.2	9.5	-3%
Debt- equity ratio	Total debt [1]	Shareholder's equity	0.1	0.1	-7%
Debt service coverage Ratio	Earnings available for debt service[2]	Debt service[3]	7.0	14.7	-52%[5]
Return on equity (ROE)	Net profits after taxes	Average shareholder's equity	1.3%	1.9%	-1%
Trade receivables turnover ratio	Revenue	Average trade receivable	NA	NA	NA
Trade payables turnover ratio	Purchases of services and other expenses	Average trade payables	262.6	NA	NA
Net capital turnover ratio	Revenue	Working capital	0.7	0.2	263%[6]
Net profit ratio	Net profit	revenue	11.0%	111.2%	-100%[7]
Return on capital employed (ROCE)	Earning before interest and taxes	Capital employed[4]	1.9%	1.9%	0%
Return on investment(ROI)	Income generated from investments	Time weighted average investments	5.7%	3.6%	2%

(1) Debt represents only lease liabilities

(2) Net Profit after taxes + non-cash operating expenses + interest + other adjustments like loss on sale of property, plant and equipment etc.

(3) Lease payments for the current year

(4) Tangible net worth + deferred tax liabilities + lease liabilities

(5) Earnings have declined, and lease liability has increased, which has resulted in the deterioration of the ratio.

(6) Revenue growth along with higher efficiency on working capital improvement has resulted in an improvement in the ratio.

(7) Revenue growth offset by decline in net profit has resulted in the deterioration of the ratio

for and on behalf of the Board of Directors of Infosys Green Forum.

Niladri Prasad Mishra	**Nanjappa B S**	**Yogesh Goel**
Director	*Director*	*Director*

Bengaluru

May 31, 2023

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Infosys Consulting S.R.L (Argentina)

Independent Auditor's report

To the Members of Infosys Consulting S.R.L. Argentina

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Infosys Consulting S.R.L. Argentina ("the Company"), which comprise the Balance Sheet as at December 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of preparation referred to in Section 1.2 of the special purpose financial statements, of the state of affairs of the Company as at December 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Board of Directors aremanagement is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Board of Directorsmanagement is 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 aremanagement is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are is to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

i) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

iii) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

For Shenoy & Kamath
Chartered Accountants,
Firm's Registration Number. 006673S

(M Rathnakar Kamath)
Partner
Membership Number. 202841

UDIN : 23202841BGWLUR3513

Place: Bengaluru

Date: May 20, 2023

Balance Sheet

(In₹)

Particulars	Note No.	As at December 31	
		2022	2021
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	23,78,516	6,34,107
Right to use of asset	2.18	1,75,33,015	66,57,925
Deferred tax assets (net)	2.14	9,36,82,638	3,13,51,744
Income tax assets, net	2.14	56,44,418	1,22,37,506
Other non-current assets	2.6	9,51,331	9,40,06,027
Total non-current assets		12,01,89,918	14,48,87,309
Current assets			
Financial assets			
Trade receivables	2.4	19,90,08,122	7,57,13,802
Cash and cash equivalents	2.5	4,98,13,012	21,38,75,121
Loans	2.2	19,740	30,240
Other financial assets	2.3	5,05,88,035	2,91,12,333
Other current assets	2.6	10,69,43,493	8,70,74,866
Total current assets		40,63,72,402	40,58,06,362
Total assets		52,65,62,320	55,06,93,671
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.8	10,51,81,200	10,51,81,200
Other equity		(32,20,12,588)	(11,76,41,929)
Total equity		(21,68,31,388)	(1,24,60,729)
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	2.9	14,42,97,108	27,46,42,746
Lease liability	2.18	1,81,64,884	-
Other financial liabilities	2.10	4,77,61,133	11,41,13,946
Total non-current liabilities		21,02,23,125	38,87,56,692
Current liabilities			
Financial liabilities			
Borrowings	2.9	25,44,78,670	-
Trade payables	2.11	9,30,29,325	8,19,20,921
Lease liabilities	2.18	3,74,17,564	62,35,184
Other financial liabilities	2.10	13,81,37,764	7,74,06,472
Other current liabilities	2.12	1,00,71,853	88,35,131
Provisions	2.13	35,407	-
Total current liabilities		53,31,70,583	17,43,97,708
Total equity and liabilities		52,65,62,320	55,06,93,671

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Place: Bengaluru

Date: May 20, 2023

for and on behalf of the Board of Directors of Infosys Consulting S.R.L

Martin De Pablo
Director

Statement of Profit and Loss

(In ₹, except equity share and per equity share data)

Particulars	Note No.	Year ended December 31	
		2022	2021
Revenue from operations	2.15	29,23,48,378	15,48,53,069
Other income, net	2.16	(25,85,55,500)	(2,51,14,217)
Total income		3,37,92,878	12,97,38,852
Expenses			
Employee benefit expenses	2.17	16,23,09,090	11,06,27,554
Cost of technical sub-contractors		4,70,88,188	1,95,88,924
Travel expenses		43,66,188	25,05,799
Communication expenses		14,83,137	11,62,049
Consultancy and professional charges		1,70,53,158	1,38,02,969
Depreciation expense	2.1 & 2.18	1,28,89,666	67,80,316
Finance cost		1,82,51,154	42,77,666
Other expenses	2.17	13,09,76,067	2,55,33,774
Total expenses		39,44,16,648	18,42,79,051
Profit/ (loss) before tax		(36,06,23,770)	(5,45,40,199)
Tax expense			
Current tax	2.14	29,01,414	99,52,896
Deferred tax	2.14	(8,98,48,657)	(90,04,576)
Profit/ (loss) for the year		(27,36,76,527)	(5,54,88,519)
Other comprehensive income/ (loss)			
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation		6,93,05,868	(59,08,624)
Total other comprehensive income/ (loss), net of tax		6,93,05,868	(59,08,624)
Total comprehensive income/ (loss) for the year		(20,43,70,659)	(6,13,97,143)
Earnings per equity share			
Equity shares of par value ARS 100/- each			
Basic and diluted (₹)		(1,087.81)	(220.55)
Weighted average equity shares used in computing earnings per equity share			
Basic and diluted		2,51,586	2,51,586

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Place: Bengaluru

for and on behalf of the Board of Directors of Infosys Consulting S.R.L

Martin De Pablo
Director

Date: May 20, 2023

Statement of Changes in Equity

(In ₹)

Particulars	Equity share capital	Other equity			Total equity attributable to equity holders of the Company
		Reserves and surplus		Other comprehensive income	
		Securities premium reserve	Retained earnings	Exchange difference on translation	
Balance as of January 1, 2021	10,51,81,200	1,46,59,703	(8,56,02,726)	1,46,98,237	4,89,36,414
Changes in equity for the year ended December 31, 2021					
Exchange differences on translation	–	–	–	(59,08,624)	(59,08,624)
Loss for the year	–	–	(5,54,88,519)	–	(5,54,88,519)
Balance as of December 31, 2021	10,51,81,200	1,46,59,703	(14,10,91,245)	87,89,613	–1,24,60,729
Changes in equity for the year ended December 31, 2022					
Exchange differences on translation	–	–	–	6,93,05,868	6,93,05,868
Loss for the year	–	–	(27,36,76,527)	–	(27,36,76,527)
Balance as of December 31, 2022	10,51,81,200	1,46,59,703	(41,47,67,772)	7,80,95,481	(21,68,31,388)

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Place: Bengaluru

Date: May 20, 2023

for and on behalf of the Board of Directors of Infosys Consulting S.R.L

Martin De Pablo
Director

Statements of Cash Flows

(In ₹)

Particulars	Note	Year ended December 31	
		2022	2021
Cash flows from operating activities			
Profit/ (loss) for the year		(27,36,76,527)	(5,54,88,519)
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation and amortization expense	2.1, 2.18	1,28,89,666	67,80,316
Income tax expense	2.14	(8,69,47,243)	9,48,320
Impairment loss recognized/ (reversed) under expected credit loss model		25,78,784	(10,807)
Finance cost		1,82,51,154	42,77,666
Provision for post-sales client support and warranties		34	(2,79,106)
Exchange differences on translation of assets and liabilities		14,33,15,991	19,04,387
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(12,58,73,104)	5,54,428
Other financial assets and other assets		5,17,10,367	(18,11,16,188)
Trade payables		1,11,08,404	29,58,722
Other financial liabilities, other liabilities and provisions		5,18,01,943	(1,58,54,202)
Cash generated from operations		(19,48,40,531)	(23,53,24,983)
Income taxes (paid)/ refunded	2.14	–	(53,33,599)
Net cash used in operating activities		(19,48,40,531)	(24,06,58,582)
Cash flow from investing activities			
Expenditure on property, plant and equipment		(23,99,585)	–
Loans recovered from employees		10,500	6,300
Net cash (used in)/generated from investing activities		(23,89,085)	6,300
Cash flow from financing activities			
Receipts/ (payments) under revenue deals		(5,61,86,708)	16,58,79,932
Payment of lease liabilities		(1,65,96,426)	(1,00,35,718)
Proceeds from loans		12,41,33,032	27,46,42,746
Interest and finance expenses paid		(1,81,82,391)	(41,40,046)
Net cash generated from financing activities		3,31,67,507	42,63,46,914
Net increase/ (decrease) in cash and cash equivalents		(16,40,62,109)	18,56,94,632
Cash and cash equivalents at the beginning of the year	2.5	21,38,75,121	2,81,80,489
Cash and cash equivalents at the end of the year	2.5	4,98,13,012	21,38,75,121

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Place: Bengaluru
Date: May 20, 2023

for and on behalf of the Board of Directors of Infosys Consulting S.R.L

Martin De Pablo
Director

Significant accounting policies

Company overview

Infosys Consulting S.R.L. (registered in Argentina) is a wholly-owned subsidiary of Infosys Consulting Holding AG (Infosys Lodestone) (formerly Lodestone Holding AG). The Company renders professional management consulting services, thereby enabling its clients to enhance business performance.

1 Significant accounting policies

1.1 Accounting year

The accounting year of the Company is from January 1 to December 31.

1.2 Basis of preparation of financial statements

These special purpose financial statements are prepared for inclusion in the annual report of the Ultimate Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013.These financial statements are prepared in accordance with Indian Accounting Standards (Ind-AS) under the historical cost convention on the accrual basis. The Ind-AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, and relevant amendment rules issued thereafter.

Accounting policies have been 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 Presentation currency

The Company's presentation currency is the Indian Rupee.

1.4 Use of estimates

The preparation of the financial statements in conformity with Ind-AS requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Examples of such estimates include computation of percentage of completion which requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts to be expended, impairment losses on financial assets, future obligations under employee benefit plans, income taxes, post-sales customer support and the useful lives of property, plant and equipment.

1.5 Revenue recognition

The Company derives revenues primarily from consultancy services.

Effective Jan 1, 2019, the Company adopted Ind-AS 115 'Revenue from Contracts with Customers' using the cumulative catch-up transition method, applied to contracts that were not completed as at Jan 1, 2019. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/ or revised significant accounting policies related to revenue recognition.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Arrangements with customers for software related services are either on a fixed-timeframe or on a time-and-material basis.

1.5.1 Time and material

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

1.5.2 Fixed price

Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method.

1.5.3 Unbilled/ unearned

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

1.5.5 Volume discounts

The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts/ incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the Company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The Company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

1.5.6 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.

1.5.7 Tax

The Company presents revenues net of indirect taxes in its statement of profit and loss.

1.6 Provisions

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.

1.7 Post sales client-support

The Company provides its clients with a fixed-period warranty for corrections of errors and telephone support on all its fixed-price, fixed-timeframe contracts. Costs associated with such support services are accrued at the time when related revenues are recorded and included in cost of sales. The Company estimates such costs based on historical experience and the estimates are reviewed annually for any material changes in assumptions.

1.8 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.

1.9 Property, plant and equipment

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

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

(1) For these classes of assets, 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 life for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

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 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 net profit 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. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

1.10 Financial instruments

1.10.1 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.

1.10.2 Subsequent measurement

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

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.

(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. 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.

1.10.3 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.

1.11 Impairment

a. Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables 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 profit or loss.

b. Non-financial assets

(i) Property, plant and equipment

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 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 for the 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.

1.12 Employee benefits

Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

1.13 Foreign currency

Functional currency

The functional currency of the company is the Argentinian Peso. These financial statements are presented in Indian rupees.

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 net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

The translation of financial statements from functional currency to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the Balance Sheet date and for revenue, expense and cash-flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in exchange differences on translation under other components of equity.

1.14 Income taxes

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.

1.15 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.16 Other income

Other income is comprised primarily of interest income and exchange gain on translation of other assets and liabilities.

1.17 Earnings per share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.

1.18 Borrowing cost

Borrowing cost are charged to the Statement of Profit and Loss in the period in which they occurred.

1.19 Recent accounting pronouncements

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, are as follows:

Ind-AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind-AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind-AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind-AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

2.1 Property, plant and equipment

The changes in the carrying value of property, plant and equipment for the year ended December 31, 2022, are as follows:

(In ₹)

Particulars	Plant and machinery	Office equipment	Computer equipment	Furniture and fixtures	Leasehold improvement	Total
Gross carrying value as of January 1, 2022	13,003	88,074	13,76,868	10,31,122	45,49,691	70,58,758
Additions	–	–	23,99,585	–	–	23,99,585
Deletions	–	–	–	–	–	–
Translation difference	(4,515)	(30,582)	(4,78,079)	(3,58,028)	(15,79,754)	(24,50,958)
Gross carrying value as of December 31, 2022	8,488	57,492	32,98,374	6,73,094	29,69,937	70,07,385
Accumulated depreciation as of January 1, 2022	(7,021)	(58,988)	(11,24,362)	(6,84,589)	(45,49,691)	(64,24,651)
Depreciation	(2,215)	(12,637)	(3,73,898)	(1,50,561)	–	(5,39,311)
Accumulated depreciation on deletions	–	–	–	–	–	–
Translation difference	2,954	23,427	4,56,170	2,72,788	15,79,754	23,35,093
Accumulated depreciation as of December 31, 2022	(6,282)	(48,198)	(10,42,090)	(5,62,362)	(29,69,937)	(46,28,869)
Carrying value as of December 31, 2022	2,206	9,294	22,56,284	1,10,732	–	23,78,516
Carrying value as of January 1, 2022	5,982	29,086	2,52,506	3,46,533	–	6,34,107

The changes in the carrying value of property, plant and equipment for the year ended December 31, 2021, are as follows:

(In ₹)

Particulars	Plant and machinery	Office equipment	Computer equipment	Furniture and fixtures	Leasehold improvement	Total
Gross carrying value as of January 1, 2021	15,712	1,06,422	16,63,716	12,45,939	54,97,543	85,29,332
Additions/ adjustments	–	–	–	–	–	–
Deletions	–	–	–	–	–	0
Translation difference	(2,709)	(18,348)	(2,86,848)	(2,14,817)	(9,47,852)	(14,70,574)
Gross carrying value as of December 31, 2021	13,003	88,074	13,76,868	10,31,122	45,49,691	70,58,758
Accumulated depreciation as of January 1, 2021	(5,340)	(51,485)	(10,24,382)	(6,13,456)	(40,79,352)	(57,74,015)
Depreciation	(2,791)	(17,617)	(2,97,558)	(1,89,745)	(12,90,978)	(17,98,689)
Accumulated depreciation on deletions	–	–	–	–	–	–
Translation difference	1,110	10,114	1,97,578	1,18,612	8,20,639	11,48,053
Accumulated depreciation as of December 31, 2021	(7,021)	(58,988)	(11,24,362)	(6,84,589)	(45,49,691)	(64,24,651)
Carrying value as of December 31, 2021	5,982	29,086	2,52,506	3,46,533	–	6,34,107
Carrying value as of January 1, 2021	10,372	54,937	6,39,334	6,32,483	14,18,191	27,55,317

2.2 Loans

(In ₹)

Particulars	As at December 31	
	2022	2021
Current		
Loans to employees	19,740	30,240
Total current loans	19,740	30,240

2.3 Other financial assets

(In ₹)

Particulars	As at December 31	
	2022	2021
Current		
Security deposits (1)	–	9,11,218
Unbilled revenues(1)	4,92,75,448	2,65,70,749
Others (1)(2)	13,12,587	16,30,366
Total current other financial assets	5,05,88,035	2,91,12,333
(1) Financial assets carried at amortized cost	5,05,88,035	2,91,12,333
(2) Includes dues from related party (Refer to Note No.2.19)	24,71,287	8,97,292

2.4 Trade receivables

(In ₹)

Particulars	As at December 31	
	2022	2021
Current		
Unsecured		
Considered good (1)	19,90,08,122	7,57,13,802
Considered doubtful	–	2,10,563
	19,90,08,122	7,59,24,365
Less: Allowances for credit losses	–	(2,10,563)
Total trade receivables	19,90,08,122	7,57,13,802
(1) Includes dues from related parties (Refer to Note No. 2.19)	8,88,30,761	5,82,96,560

Trade receivables ageing schedule for the year ended as on December 31, 2022 and December 31, 2021

(In INR)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	–	158,037,413	16,166,004	16,824,047	6,566,052	1,414,606	199,008,122
	–	49,939,604	13,548,508	10,058,634	(94,557)	2,261,613	75,713,802
Undisputed Trade receivables – credit impaired						–	–
		210,563				–	210,563
Disputed Trade receivables – considered good						–	–
						–	–
Disputed Trade receivables – credit impaired						–	–
						–	–
						–	199,008,122
	–	–	–	–	–	–	75,924,365
Less: Allowance for credit loss							-
							210,563
Total Trade Receivables							199,008,122
							75,713,802

2.5 Cash and cash equivalents

(In ₹)

Particulars	As at December 31	
	2022	2021
Balances with banks		
In current and deposit accounts	4,98,05,789	21,38,33,537
Cash on hand	7,223	41,584
Total cash and cash equivalents	4,98,13,012	21,38,75,121

2.6 Other assets

(In ₹)

Particulars	As at December 31	
	2022	2021
Current		
Others		
Prepaid expenses	25,886	25,352
Deferred contract cost	9,34,45,890	5,63,69,679
Advance for supply of goods and rendering of services	–	1,07,095
Unbilled revenues	417	638
Withholding taxes and others	1,34,71,300	3,05,72,102
Total current other assets	10,69,43,493	8,70,74,866

Particulars	As at December 31	
	2022	2021
Non-current		
Net investment in lease	9,51,331	–
Others		
Deferred contract cost	–	9,40,06,027
Total non-current other assets	9,51,331	9,40,06,027

2.7 Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories as of December 31, 2022, and December 31, 2021 were as follows:

(In ₹)

Particulars	As at December 31	
	2022	2021
Assets		
Cash and cash equivalents (Refer to Note No. 2.5)	4,98,13,012	21,38,75,121
Trade receivables (Refer to Note No. 2.4)	19,90,08,122	7,57,13,802
Loans (Refer to Note No. 2.2)	19,740	30,240

Particulars	As at December 31	
	2022	2021
Other financial assets (Refer to Note No. 2.3)	5,05,88,035	2,91,12,333
Total	29,94,28,909	31,87,31,496
Liabilities		
Trade payables (Refer to Note No. 2.11)	9,30,29,325	8,19,20,921
Borrowings (Refer to Note No. 2.9)	39,87,75,778	27,46,42,746
Lease Liability (Refer to Note No. 2.18)	5,55,82,448	62,35,184
Other financial liabilities (Refer to Note No. 2.10)	18,58,98,897	19,15,20,418
Total	73,32,86,448	55,43,19,269

All the above financial assets and liabilities are carried at amortized cost and the carrying values approximates their fair value.

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 ₹ 199,008,122 and ₹ 75,713,802 as of December 31, 2022 and December 31, 2021, respectively and unbilled revenue amounting to ₹ 49,275,865 and ₹ 26,571,387 as of December 31, 2022 and December 31, 2021, 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. As per 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 and unbilled revenues.

The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes, credit ratings from credit rating agencies and the Company's historical experience for customers.

Credit risk exposure

The recognition/ (reversal) for lifetime ECL on customer balances for the year ended December 31, 2022, was ₹ 2,578,784 and allowance for year ended December 31, 2021 was (₹ 10,807) respectively.

(In ₹)

Particulars	Year ended December 31,	
	2022	2021
Balance at the beginning	(2,10,563)	(3,26,877)
Impairment loss recognized/ (reversed)	25,78,784	(10,807)
Translation differences	(39,78,852)	1,27,121
Balance at the end	(16,10,631)	(2,10,563)

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies.

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents. The Company has taken loan from its parent company to meet its working capital requirements.

As of December 31, 2022, the Company had a negative working capital of ₹126,798,181 including cash and cash equivalents of ₹ 49,813,012. As of December 31, 2021, the Company had a negative working capital of ₹ 231,408,654 including cash and cash equivalents of ₹ 213,875,121.

As of December 31, 2022, and December 31, 2021, the outstanding compensated absences were ₹ 12,397,737 and ₹ 9,790,183 respectively.

The details of the contractual maturities of significant financial liabilities as at December 31, 2022, were as follows:

(In ₹)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade Payables (Refer to Note No. 2.11)	9,30,29,325	–	–	–	9,30,29,325
Other financial liabilities (Refer to Note Nos. 2.10 and 2.12)	6,19,32,091	4,77,61,133	–	–	10,96,93,224
Accrued expenses (Refer to Note No. 2.12)	4,56,22,752	–	–	–	4,56,22,752
Accrued compensation to employees (Refer to Note No. 2.12)	82,30,661	–	–	–	82,30,661
Other payables (Refer to Note No. 2.12)	99,54,523	-	-	-	99,54,523

The details of the contractual maturities of significant financial liabilities as at December 31, 2021:

(In ₹)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade Payables (Refer to Note No. 2.11)	8,19,20,921	–	–	–	8,19,20,921
Other financial liabilities (Refer to Note Nos. 2.10 and 2.12)	6,18,75,299	6,18,75,299	4,64,06,474	–	17,01,57,073
Accrued expenses (Refer to Note No. 2.12)	45,82,228	–	–	–	45,82,228
Accrued compensation to employees (Refer to Note No. 2.12)	89,94,316	–	–	–	89,94,316
Other payables (Refer to Note No. 2.12)	22,73,759	–	–	–	22,73,759

2.8 Equity

Equity share capital

(In ₹, except as otherwise stated)

Particulars	As at December 31,	
	2022	2021
Authorized		
300,000 (3,00,000) equity shares of ARS 100/- par value	10,51,81,200	10,51,81,200
Issued, Subscribed and Paid-Up		
300,000 (3,00,000) equity shares of ARS 100/- par value	10,51,81,200	10,51,81,200
(Of the above, 294,500 (2,94,500) equity shares are held by the holding company, Infosys Consulting Holding AG (Formerly Lodestone Holding AG))		
(Of the above, 5,500 (5,500) equity shares are held by the fellow subsidiary, Infosys Consulting AG.)		
	10,51,81,200	10,51,81,200

The details of shareholders holding more than 5% shares as at December 31, 2022 and December 31, 2021 are as follows:

(In ₹, except as otherwise stated)

Name of the shareholder	As at December 31, 2022		As at December 31, 2021	
	Number of shares	% held	Number of shares	% held
Infosys Consulting Holding AG				
(formerly Lodestone Holding AG)	2,94,500	98.17%	2,94,500	98.17%

The reconciliation of the number of shares outstanding and the amount of share capital as at December 31, 2022 and December 31, 2021 is as follows:

(In ₹, except as otherwise stated)

Particulars	As at December 31, 2022		As at December 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Number of shares at the beginning of the period	3,00,000	10,51,81,200	3,00,000	10,51,81,200
Issue of Shares during the year (1)	–	–	–	–
Number of shares at the end of the period	3,00,000	10,51,81,200	3,00,000	10,51,81,200

2.9 Borrowings

(In ₹)

Particulars	As at December 31,	
	2022	2021
Non-current		
Unsecured loan from parent company (Refer to Note No. 2.19)*	14,42,97,108	27,46,42,746
Current		
Unsecured loan from parent company (Refer to Note No. 2.19)*	25,44,78,670	–
Total borrowings	39,87,75,778	27,46,42,746

*Unsecured loan of US$ 1,000,000 (December 31, 2022: equivalent to ₹82,730,000) from Infosys Consulting Holding AG in 2022 for the purpose of business operation, bearing an interest rate according to the table of interest ESTV (Based on ESTV Table published by Swiss Authorities Current Rate is 2% Per annum).

2.10 Other Financial Liabilities

Particulars	As at December 31, 2022	As at December 31, 2021
Non Current		
Financial liability – under revenue deals	47,761,133	114,113,946
	47,761,133	114,113,946
Current		
Others		
Accrued compensation to employees	8,230,661	8,994,316
Accrued expenses [1]	45,622,752	4,582,228
Compensated absences	12,397,737	9,790,183
Financial liability – under revenue deals	61,932,091	51,765,986
Other payables [2]	9,954,523	2,273,759
	138,137,764	77,406,472
Total other financial liabilities	185,898,897	191,520,418
Financial liability carried at amortized cost	185,898,897	191,520,418
[2] Includes dues to related parties (Refer to Note No.2.19)	12,338,455	2,273,759

2.11 Trade payables

(In ₹)

Particulars	As at December 31, 2022	As at December 31, 2021
Trade payables*	9,30,29,325	8,19,20,921
Total trade payables	9,30,29,325	8,19,20,921
*Includes dues to related parties (Refer to Note No. 2.19)	9,25,30,664	8,16,07,780

Trade payables ageing schedule for the year ended as on December 31, 2022, and December 31, 2021 were as follows:

(In ₹)

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
Outstanding trade payables	–	7,86,22,888	32,23,391	(1,56,87,390)	2,68,70,436	9,30,29,325
	–	6,47,89,446	(2,40,31,746)	1,36,54,464	2,75,08,757	8,19,20,921

2.12 Other liabilities

(In ₹)

Particulars	As at December 31, 2022	As at December 31, 2021
Current		
Unearned revenue	–	16,23,569
Others		
Withholding taxes and others	1,00,71,853	72,11,562
Total current other liabilities	1,00,71,853	88,35,131
Total current other liabilities	1,00,71,853	88,35,131

2.13 Provisions

(In ₹)

Particulars	As at December 31, 2022	As at December 31, 2021
Current		
Others		
Post-sales client support	35,407	–
Total current provisions	35,407	–

Provision for post-sales client support

The movement in the provision for post-sales client support is as follows:

(In ₹)

Particulars	Year ended December 31, 2022	Year ended December 31, 2021
Balance at the beginning	–	2,96,276
Provision recognized/ (reversed)	34	(2,79,106)
Provision utilized	–	–
Exchange difference	35,373	(17,170)
Balance at the end	35,407	–

Provision for post-sales client support and other provisions are expected to be utilized over a period of six months to one year.

2.14 Income taxes

Income tax expense in the statement of profit and loss comprises:

(In ₹)

Particulars	Year ended December 31	
	2022	2021
Current taxes	29,01,414	99,52,896
Deferred taxes	(8,98,48,657)	(90,04,576)
Income tax expense	(8,69,47,243)	9,48,320

Current tax expense for the years ended December 31, 2022, and December 31, 2021, includes provisions (net of reversals) amounting to provision of ₹1,221,266 and reversal of ₹ 6,815,580 respectively, pertaining to prior 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 as follows:

(In ₹)

Particulars	Year ended December 31,	
	2022	2021
Profit/ (loss) before income tax	(36,06,23,770)	(5,45,40,199)
Enacted tax rates in Argentina (%)	25.00%	25.00%
Computed expected tax expense	(9,01,55,943)	(1,36,35,050)
Overseas taxes	9,45,074	26,79,607
Prior period tax expense	12,21,266	68,15,580
Effect of unrecognized deferred tax assets	–	67,76,400
Permanent difference	(8,06,839)	–
Effect of non-deductible expenses	–	(14,10,738)
Deferred Tax Entry, Translation difference & others	1,849,199	(277,479)
Income tax expense	(8,69,47,243)	9,48,320

The applicable Argentina statutory tax rate for year ended December 31, 2022, is 25% and tax rate for the year ended December 31, 2021, is 25%.

The details of income tax assets and income tax liabilities are as follows:

(In ₹)

Particulars	Year ended December 31,	
	2022	2021
Income tax assets	68,65,684	1,22,37,506
Current income tax liabilities	12,21,266	-
Net current income tax assets/ (liability) at the end	56,44,418	1,22,37,506

The gross movement in the current income tax asset/ (liability) is as follows:

(In ₹)

Particulars	Year ended December 31,	
	2022	2021
Net current income tax asset/ (liability) at the beginning	1,22,37,506	1,68,56,803
Income tax paid	-	53,33,599
Current income tax expense (Refer to Note No. 2.14)	(29,01,414)	(99,52,896)
Translation difference	(36,91,674)	-
Net current income tax asset/ (liability) at the end	56,44,418	1,22,37,506

The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

(In ₹)

Particulars	As at December 31,	
	2022	2021
Deferred income tax assets		
Accrued compensation to employees	20,57,665	22,48,579
Trade receivables	3,38,335	52,641
Others	9,12,86,638	2,90,50,524
Total deferred income tax assets	9,36,82,638	3,13,51,744
Deferred income tax liabilities		
Others	–	–
Total deferred income tax liabilities	–	–
Deferred income tax assets after set off	9,36,82,638	3,13,51,744

The gross movement in the deferred income tax account for the year(s) ended December 31, 2022 and December 31, 2021, are (is) as follows:

(In ₹)

Particulars	As at December 31,	
	2022	2021
Net deferred income tax asset at the beginning	3,13,51,744	2,80,82,811
Translation differences	(2,75,17,763)	(57,35,643)
Credits/ (charge) relating to temporary differences	8,98,48,657	90,04,576

Particulars	As at December 31,	
	2022	2021
Net deferred income tax asset at the end	9,36,82,638	3,13,51,744

The charge relating to temporary differences during the year ended December 31, 2022, are primarily on account of property, plant and equipment, accrued compensation and compensated absences partially offset by trade receivables. The credits relating to temporary differences during the year ended December 31, 2021, are primarily on account of accrued compensation to employees and compensated absences partially offset by reversal of credits pertaining to property plant and equipment and trade receivables.

2.15 Revenue from operations

(In ₹)

Particulars	As at December 31,	
	2022	2021
Income from consultancy services	29,23,48,378	15,48,53,069
Total revenue from operations	29,23,48,378	15,48,53,069

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by offerings for the year ended December 31, 2022. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

(In ₹)

Particulars	As at December 31,	
	2022	2021
Revenue by offerings		
Core	16,44,08,113	14,33,93,942
Digital	12,79,40,265	1,14,59,127
Total	29,23,48,378	15,48,53,069

Digital services

Digital Services comprise of service and solution offerings of the company that enable our clients to transform their businesses. These include offerings that enhance customer experience, leverage AI-based analytics and big data, engineer digital products and IoT, modernize legacy technology systems, migrate to cloud applications and implement advanced cyber security systems.

Core services

Core Services comprise traditional offerings of the company that have scaled and industrialized over a number of years. These primarily include application management services, proprietary application development services, independent validation solutions, product engineering and management, infrastructure management services, traditional enterprise application implementation, support and integration services.

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 (contract asset) is classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

During the year ended December 31, 2022, the company recognized revenue of ₹1,718,674 arising from opening unearned revenue as of January 1, 2022.

During the year ended December 31, 2021, the company recognized revenue of ₹11,018,055 arising from opening unearned revenue as of January 1, 2021.

During the year ended December 31, 2022, ₹675 of unbilled revenue pertaining to fixed price development contracts as of January 1, 2022, 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 at December 31, 2022, other than those meeting the exclusion criteria mentioned above, is ₹NIL. The contracts can generally be terminated by the customers and typically includes an enforceable termination penalty payable by them.

2.16 Other income

(In ₹)

Particulars	As at December 31, 2022	2021
Interest received on financial assets carried at amortized cost		
Interest income on prepaid contract cost	1,09,26,937	30,97,291
Finance Income under revenue deals.	2,00,626	–
Interest received on employee loans and others	(540)	–
Exchange gains/ (losses) on translation of assets and liabilities	(26,96,82,523)	(2,82,11,508)
	(25,85,55,500)	(2,51,14,217)

2.17 Expenses

(In ₹)

Particulars	As at December 31, 2022	2021
Employee benefit expenses		
Salaries including bonus	16,22,64,520	11,06,17,182
Staff welfare	44,570	10,372
Total employee benefit expenses	16,23,09,090	11,06,27,554

(In ₹)

Particulars	As at December 31, 2022	2021
Other expenses		
Brand and marketing	23,846	9,359
Operating lease payments	7,37,541	6,08,149
Rates and taxes	1,84,18,589	1,37,17,834
Repairs and maintenance	7,55,217	6,79,971
Insurance	30,24,857	12,46,177
Provision/ (reversal) for post-sales client support and warranties	34	(2,79,106)
Cost of software packages and others	9,81,68,188	22,56,667
Allowances for credit losses on financial assets (reversals)	25,78,784	(10,807)
Statutory audit fees	-	-
Bank charges	28,30,825	38,80,557
Others	44,38,186	34,24,973
Total other expenses	13,09,76,067	2,55,33,774

2.18 Leases

Accounting Policy

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) 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 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 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 for the Cash Generating Unit (CGU) to which the asset belongs.

The changes in the carrying value of right of use assets for the year ended December 31, 2022, are as follows:

(In ₹)

Particulars	Category of ROU asset: Computer Equipment	Buildings	Total
Balance as of January 1, 2022	-	66,57,925	66,57,925
Additions	3,36,87,463	-	3,36,87,463
Deletion	(1,97,417)	-	(1,97,417)
Translation difference	(91,30,150)	(11,34,451)	(1,02,64,601)
Depreciation	(80,79,796)	(42,70,559)	(1,23,50,355)
Balance as of December 31, 2022	1,62,80,100	12,52,915	1,75,33,015

The changes in the carrying value of right of use assets for the year ended December 31, 2021, are as follows:

(In ₹)

Particulars	Category of ROU asset	Total
	Buildings	
Balance as of January 1, 2021	37,78,019	37,78,019
Additions	85,00,061	85,00,061
Deletion	-	-
Translation difference	(6,38,528)	(6,38,528)
Depreciation	(49,81,627)	(49,81,627)
Balance as of December 31, 2021	66,57,925	66,57,925

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 are as follows:

(In ₹)

Particulars	As at December 31,	
	2022	2021
Current lease liabilities	3,74,17,564	62,35,184
Non-current lease liabilities	1,81,64,884	-
Total	5,55,82,448	62,35,184

The movement in lease liabilities during the year ended are as follows:

(In ₹)

Particulars	For the year ended December 31,	
	2022	2021
Balance at the beginning	62,35,184	64,99,732
Additions	3,36,87,463	85,00,061
Finance cost accrued during the period	68,763	1,37,620
Payment of lease liabilities	(1,65,96,426)	(1,00,35,718)
Translation Difference	3,21,87,464	11,33,489
Balance at the end	5,55,82,448	62,35,184

The details of the contractual maturities of lease liabilities as at December 31, 2022 December 31, 2021 and on an undiscounted basis are as follows:

(In ₹)

Particulars	As at December 31,	
	2022	2021
Less than one year	93,88,988	64,76,501
One to five years	5,06,37,733	-
More than five years	-	-
Total	6,00,26,721	64,76,501

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.

Rental expense recorded for short-term leases was ₹737,541 and ₹608,149 for the year ended December 31,2022 and December 31,2021.

2.19 Related Party Transactions

List of holding companies

Name of the holding company	Country	Holding as at December 31,	
		2022	2021
Infosys Consulting Holding AG (Infosys Lodestone)	Switzerland	98.17%	98.17%

Name of the utimate holding company	Country
Infosys Limited	India

List of related parties:

Name of fellow subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)(1)	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)(1)	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)(1)	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)(1)	China
Infosys Nova Holdings LLC. (Infosys Nova)(1)	U.S.
EdgeVerve Systems Limited (EdgeVerve)(1)	India
Infosys Austria GmbH(1)	Austria
Skava Systems Private Limited (Skava Systems)(1)(27)	India

Name of fellow subsidiaries	Country
Kallidus Inc, (Kallidus)[28]	U.S.
Infosys Chile SpA[1]	Chile
Infosys Arabia Limited[2][27]	Saudi Arabia
Infosys Consulting Ltda.[1]	Brazil
Infosys CIS LLC[15]	Russia
Infosys Luxembourg S.a.r.l[1]	Luxembourg
Infosys Americas Inc. (Infosys Americas)[1]	U.S.
Infosys Public Services, Inc. USA (Infosys Public Services)[1]	U.S.
Infosys Canada Public Services Inc[20][39]	Canada
Infosys BPM Limited[1][47]	India
Infosys (Czech Republic) Limited s.r.o.[3]	Czech Republic
Infosys Poland Sp z.o.o[3]	Poland
Infosys McCamish Systems LLC[3]	U.S.
Portland Group Pty Ltd[3]	Australia
Infosys BPO Americas LLC.[3]	U.S.
Infosys Consulting Holding AG (Infosys Lodestone)[1]	Switzerland
Infosys Management Consulting Pty Limited[4]	Australia
Infosys Consulting AG[4]	Switzerland
Infosys Consulting GmbH[4]	Germany
Infosys Consulting S.R.L.[1]	Romania
Infosys Consulting SAS[4]	France
Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.)[4][38]	Czech Republic
Infosys Consulting (Shanghai) Co., Ltd.[4][34]	China
Infy Consulting Company Ltd[4]	U.K.
Infy Consulting B.V.[4]	The Netherlands
Infosys Consulting S.R.L.[2]	Argentina
Infosys Consulting (Belgium) NV[5]	Belgium
Panaya Inc. (Panaya)[1]	U.S.
Panaya Ltd.[6]	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH)[6]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[1][27]	U.K.
Brilliant Basics Limited[7][27]	U.K.
Infosys Consulting Pte. Ltd. (Infosys Singapore)[1]	Singapore
Infosys Middle East FZ LLC[8]	Dubai
Fluido Oy[8]	Finland
Fluido Sweden AB (Extero)[11]	Sweden
Fluido Norway A/S[11]	Norway
Fluido Denmark A/S[11]	Denmark
Fluido Slovakia s.r.o[11]	Slovakia
Infosys Compaz Pte. Ltd[9]	Singapore
Infosys South Africa (Pty) Ltd[8]	South Africa
WongDoody Holding Company Inc. (WongDoody)[1][40]	U.S.
WDW Communications, Inc[10][41]	U.S.
WongDoody, Inc[10][42]	U.S.
HIPUS Co., Ltd[9]	Japan
Stater N.V.[9]	The Netherlands

Name of fellow subsidiaries	Country
Stater Nederland B.V.[12]	The Netherlands
Stater XXL B.V.[12]	The Netherlands
HypoCasso B.V.[12]	The Netherlands
Stater Participations B.V.[12]	The Netherlands
Stater Belgium N.V./S.A.[13]	Belgium
Stater Gmbh[12](32)	Germany
Outbox systems Inc. dba Simplus (US)[16]	U.S.
Simplus North America Inc.[17][31]	Canada
Simplus ANZ Pty Ltd.[17]	Australia
Simplus Australia Pty Ltd[18]	Australia
Sqware Peg Digital Pty Ltd[19][35]	Australia
Simplus Philippines, Inc.[17]	Philippines
Simplus Europe, Ltd.[17][33]	U.K.
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)[11]	U.K.
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[21]	Ireland
Infosys Limited Bulgaria EOOD[1]	Bulgaria
Kaleidoscope Animations, Inc.[16]	U.S.
Kaleidoscope Prototyping LLC[23]	U.S.
GuideVision s.r.o.[14]	Czech Republic
GuideVision Deutschland GmbH[22]	Germany
GuideVision Suomi Oy[22]	Finland
GuideVision Magyarország Kft[22]	Hungary
GuideVision Polska SP.Z.O.O[22]	Poland
GuideVision UK Ltd[22]	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[16]	U.S.
Beringer Capital Digital Group Inc[16][45]	U.S.
Mediotype LLC[24][45]	U.S.
Beringer Commerce Holdings LLC[24][45]	U.S.
SureSource LLC[25][43]	U.S.
Blue Acorn LLC[25][43]	U.S.
Simply Commerce LLC[25][43]	U.S.
iCiDIGITAL LLC[26][44]	U.S.
Infosys BPM UK Limited[3]	U.K.
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[1]	Turkey
Infosys Germany Holding Gmbh[1][29]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1][30]	Germany
Infosys Green Forum[1][36]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[37]	Malaysia
Infosys Business Solutions LLC[1][46]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH (“Kristall”)[48]	Germany
oddity GmbH [49]	Germany
oddity (Shanghai) Co., Ltd. [50]	China
oddity Limited (Taipei) [50]	Taiwan
oddity space GmbH [49]	Germany
oddity jungle GmbH [49]	Germany
oddity code GmbH [49]	Germany
oddity code d.o.o [51]	Serbia

Name of fellow subsidiaries	Country
oddity waves GmbH [49]	Germany
oddity group services GmbH [49]	Germany
Infosys Public Services Canada Inc. [20](52)	Canda
BASE life science AG [54]	Switzerland
BASE life science GmbH [54]	Germany
BASE life science A/S [53]	Denmark
BASE life science S.A.S [54]	France
BASE life science Ltd. [54]	U.K.
BASE life science S.r.l. [54]	Itlay
Innovisor Inc.[54]	U.S.
BASE life science Inc.[54]	U.S.
BASE life science S.L.[54](55)	Spain
Panaya Germany GmbH [6](56)	Germany

(1) Wholly-owned subsidiary of Infosys Limited

(2) Majority-owned and controlled subsidiary of Infosys Limited

(3) Wholly-owned subsidiary of Infosys BPM Limited

(4) Wholly-owned subsidiary of Infosys Consulting Holding AG

(5) Majority-owned and controlled subsidiary of Infosys Consulting Holding AG

(6) Wholly-owned subsidiary of Panaya Inc.

(7) Wholly-owned subsidiary of Brilliant Basics Holding Limited.

(8) Wholly-owned subsidiary of Infosys Consulting Pte. Ltd.

(9) Majority-owned and controlled subsidiary of Infosys Consulting Pte. Ltd.

(10) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody)

(11) Wholly-owned subsidiary of Fluido Oy

(12) Wholly-owned subsidiary of Stater N.V

(13) Majority-owned and controlled subsidiary of Stater Participations B.V.

(14) Wholly-owned subsidiary of Infy Consulting Company Limited

(15) Liquidated effective January 28, 2021.

(16) Wholly-owned subsidiary of Infosys Nova Holdings LLC

(17) Wholly-owned subsidiary of Outbox Systems Inc.

(18) Wholly-owned subsidiary of Simplus ANZ Pty Ltd

(19) Wholly-owned subsidiary of Simplus Australia Pty Ltd

(20) Wholly-owned subsidiary of Infosys Public Services, Inc.

(21) Wholly-owned subsidiary of Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)

(22) Wholly-owned subsidiary of GuideVision s.r.o.

(23) Wholly-owned subsidiary of Kaleidoscope Animations, Inc.

(24) Wholly-owned subsidiary of Blue Acorn iCi Inc

(25) Wholly-owned subsidiary of Beringer Commerce Holdings LLC

(26) Wholly-owned subsidiary of Beringer Capital Digital Group Inc.

(27) Under liquidation

(28) Liquidated effective March 9, 2021

(29) Incorporated on March 23, 2021

(30) On March 28, 2021 Infosys Limited and Infosys Germany Holding Gmbh registered Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm.

(31) Liquidated effective April 27, 2021

(32) Incorporated on August 4, 2021

(33) Liquidated effective July 20, 2021

(34) Liquidated effective September 1, 2021

(35) Liquidated effective September 2, 2021

(36) Incorporated on August 31, 2021

(37) On December 14, 2021, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)

(38) Liquidated effective December 16, 2021

(39) Liquidated effective November 23, 2021

(40) Wholly-owned subsidiary of Infosys Limited, merged with WongDoody Inc, effective December 31, 2021

(41) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody), merged with WongDoody Inc, effective December 31, 2021

(42) Wholly-owned subsidiary of Infosys Limited, effective December 31, 2021

(43) Merged with Beringer Commerce Holdings LLC, effective January 1, 2022

(44) Merged with Beringer Capital Digital Group Inc, effective January 1, 2022

(45) Merged with Blue Acorn iCi Inc, effective January 1, 2022

(46) Incorporated on February 20, 2022

(47) On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

(48) On March 22, 2022, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ('Kristall'))

(49) On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ('Kristall')) (a wholly owned subsidiary of Infosys Consulting Pte. Ltd) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and oddity GmbH.

(50) Wholly-owned subsidiary of oddity GmbH

(51) Wholly-owned subsidiary of oddity code GmbH.

(52) Incorporated on July 8, 2022

(53) On September 1, 2022, Infosys Consulting Pte. Ltd. (a Wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

(54) Wholly-owned subsidiary of BASE life science A/S

(55) Incorporated on September 6, 2022

(56) Incorporated effective December 15, 2022

The details of amounts due to or due from related parties as at December 31, 2022 and December 31, 2021 are as follows:

(In ₹)

Particulars	As at December 31	
	2022	2021
Trade receivables		
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)	23,86,841	36,56,438
Infy Consulting Company Limited	7,77,05,608	5,36,18,486
Infosys Consulting Ltda	23,96,143	10,21,636
Infosys Limited	63,42,169	–
	8,88,30,761	5,82,96,560
Borrowings		
Infosys Consulting Holding AG	39,87,75,778	27,46,42,746
	39,87,75,778	27,46,42,746
Trade payables		
Infosys Consulting Ltda.	19,26,116	1,995
Infosys Consulting AG	2,52,37,703	2,00,15,883
Infosys Consulting GmbH	1,50,313	1,41,096
Infosys Technologies S. de R. L. de C. V.	80,11,709	67,54,396
Infy Consulting B.V	24,27,742	22,78,890
Infosys (Czech Republic) Limited s.r.o.	10,51,686	–
Infosys Technologies (China) Co. Limited (Infosys China)	2,27,646	–
Infosys BPM Limited	4,95,352	–
Infy Consulting Company Limited	5,30,02,397	5,24,15,520
	9,25,30,664	8,16,07,780
Other Financial Liabilities		
Infosys Automotive and Mobility GmbH & Co.KG	79,80,892	–
Infosys Consulting Holding AG	51,096	45,782
Infy Consulting Company Limited	4,25,484	–
Infosys Limited	38,80,983	22,27,977
	1,23,38,455	22,73,759
Other Financial assets		
Infosys Consulting AG	15,79,381	60,071

Particulars	As at December 31	
	2022	2021
Infy Consulting B.V.	8,91,906	8,37,221
	24,71,287	8,97,292
Accrued expenses		
Infy Consulting Company Ltd.	1,14,75,850	–
Infosys Limited	1,56,79,290	–
	2,71,55,140	-

The details of related party transactions, entered into by the Company, are as follows:

(In ₹)

Particulars	For the year ended December 31	
	2022	2021
Capital transactions		
Financing transactions		
Borrowings (net of repayment)		
Infosys Consulting Holding AG(1)	8,27,30,000	27,31,34,000
	8,27,30,000	27,31,34,000
Revenue transactions		
Purchase of services, shared facilities and personnel		
Infosys Consulting AG	11,55,479	28,01,895
Infy Consulting B.V.	–	1,246
Infosys Limited	1,70,43,673	1,09,953
Infy Consulting Company Limited	1,43,48,934	1,35,850
Infosys (Czech Republic) Limited s.r.o.	10,21,261	-
Infosys Technologies (China) Co. Limited (Infosys China)	2,27,312	-
Infosys BPM Limited	5,56,325	-
Infosys Automotive and Mobility GmbH & Co.KG	77,32,048	-
Infosys Consulting Ltda.	19,24,626	-
	4,40,09,658	30,48,944
Interest expense		
Infosys Consulting Holding AG (Infosys Lodestone) (formerly Lodestone Holding AG)	77,95,963	10,42,755
	77,95,963	10,42,755
Sale of services		
Infosys Consulting Ltda.	99,97,334	1,88,14,743
Infosys Technologies S. de R. L. de C. V.	-	30,06,411
Infosys Limited	51,43,919	-
Infy Consulting Company Limited	2,31,68,914	2,98,84,518
	3,83,10,167	5,17,05,672

2.20 Segment reporting

The Company is engaged in providing consultancy service in a single geography. 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. Its operations are, therefore, considered to constitute a single segment in the context of Ind-AS 108, Segment Reporting.

2.21 Ratios

The ratios for the years ended December 31, 2022, and December 31, 2021, are as follows:

Particulars	Numerator	Denominator	December 31, 2022	December 31, 2021	Variance
Current ratio	Current assets	Current liabilities	0.8	2.3	(67%)
Debt – Equity ratio	Total debt (represents lease liabilities) (1)	Shareholder's equity	(0.3)	(0.5)	(49%)
Debt service coverage ratio	Earnings available for debt service(2)	Debt service(3)	(19.9)	(4.3)	358%
Return on equity (ROE)	Net profits after taxes	Average shareholder's equity	238.7%	180.8%	32%
Trade receivables turnover ratio	Revenue	Average trade receivable	2.1	2.0	4%
Trade payables turnover ratio	Purchases of services and other expenses	Average trade payables	2.0	0.6	263%
Net capital turnover ratio	Revenue	Working capital	(2.3)	0.7	(445%)
Net profit ratio	Net profit	Revenue	(93.6%)	(35.8%)	161%
Return on capital employed (ROCE)	Earning before interest and taxes	Capital employed	223.6%	876.1%	(74%)

(1) Debt represents only 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

Explanation where variance in ratios are more than 25%:

Current ratio

Decrease on account of increase in short term borrowings.

Debt – Equity ratio

Decrease as a result of significant increase in losses.

Debt service coverage ratio

Increase as a result of significant increase in losses.

Return on equity (ROE)

Increase on account of significant increase in losses.

Trade payables turnover ratio

Increase as a result of increased purchases of cost of software packages.

Net capital turnover ratio

Decrease on account of increase in short term borrowings and increase in revenue.

Net profit ratio

Decrease as a result of significant increase in losses.

Return on capital employed (ROCE)

Decrease as a result of significant increase in losses.

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Infosys Limited Bulgaria EOOD

Independent Auditor's report

To the Members Infosys Limited Bulgaria EOOD

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Infosys Limited Bulgaria EOOD ("the Company"), which comprise the Balance Sheet as at December 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of preparation referred to in Section 1.2 of the special purpose financial statements, of the state of affairs of the Company as at December 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objective is to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

i) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

iii) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

For Shenoy & Kamath
Chartered Accountants,
Firm Registration Number. 006673S

(M Rathnakar Kamath)
Partner
Membership Number. 202841

UDIN : 23202841BGWLUM2757

Place: Bengaluru

Date: May 10, 2023

Balance Sheet

(In BGN)

Particulars	Note No.	As at December 31, 2022	As at December 31, 2021
ASSETS			
Non-current assets			
Right-of-use Asset	2.8	235,091	–
Deferred tax assets (net)	2.10	63,308	–
Total non - current Assets		298,399	–
Current assets			
Financial assets			
Trade receivables	2.1	922,454	57,413
Cash and cash equivalents	2.2	370,483	351,993
Other financial assets	2.3	63,096	62,456
Total current assets		1,356,033	471,862
Total assets		1,654,432	471,862
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.4	458,000	458,000
Other equity		66,665	(115,057)
Total equity		524,665	342,943
LIABILITIES			
Current liabilities			
Financial liabilities			
Trade payables	2.5	26,048	2,062
Other financial liabilities	2.6	690,229	113,668
Other current liabilities	2.7	78,334	13,190
Income tax liabilities (net)	2.10	74,900	–
Lease Liability	2.8	260,256	–
Total current liabilities		1,129,767	128,919
Total equity and liabilities		1,654,432	471,862

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Place: Bengaluru
Date: May 10, 2023

for and on behalf of the Board of Directors of Infosys Limited Bulgaria EOOD

Lilly Vasanthini
Director

Statement of Profit and Loss

(In BGN)

Particulars	Note No.	Years ended December 31, 2022	Years ended December 31, 2021
Revenue from operations		6,246,546	628,929
Total income		6,246,546	628,929
Expenses			
Employee benefit expenses	2.11	5,143,277	682,393
Travel expenses		35,124	–
Consultancy and professional charges		535,946	53,145
Depreciation and amortization expense	2.8	232,944	–
Other expenses	2.12	105,941	7,564
Total expenses		6,053,232	743,103
Profit/(loss) before tax		193,314	(114,174)
Current tax		74,900	–
Deferred Tax		(63,308)	–
Profit/(loss) for the year		181,722	(114,174)

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Place: Bengaluru
Date: May 10, 2023

for and on behalf of the Board of Directors of Infosys Limited Bulgaria EOOD

Lilly Vasanthini
Director

Statement of Changes in Equity

(In BGN)

Particulars	Equity Share Capital	Other Equity		Total equity attributable to equity holders of the Company
		Reserves & Surplus		
		Securities premium reserve	Retained earnings	
Balance as at January 1, 2021	458,000	–	–	458,000
Changes in equity for the year ended December 31, 2021				
Profit/ (loss) for the year			(114,174)	(114,174)
Balance as at December 31, 2021	458,000	–	(115,057)	342,943
Balance as at January 01, 2022	458,000	–	(115,057)	342,943
Changes in equity for the year ended December 31, 2022		–		
Profit/ (loss) for the year		–	181,722	181,722
Balance as at December 31, 2022	458,000	–	66,665	524,665

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Place: Bengaluru
Date: May 10, 2023

for and on behalf of the Board of Directors of Infosys Limited Bulgaria EOOD

Lilly Vasanthini
Director

Statements of Cash Flows

(In BGN)

Particulars	Years ended December 31, 2022	2021
Cash flow from operating activities:		
Profit/(loss) for the year	181,722	(114,174)
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and amortization	232,944	–
Income tax expense	74,900	–
Provision for deferred taxes - Overseas	(63,308)	–
Change in asset and liabilities		
Trade receivables	(865,041)	(57,413)
Other financial assets and other assets	(640)	(62,456)
Trade payables	23,986	2,062
Other financial liabilities, other liabilities and provisions	641,706	126,858
Cash generated from/ (used in) operations	226,269	(105,123)
Income tax paid	–	–
Net cash generated from /(used in) operating activities	226,269	(105,123)
Cash flow from financing activities:		
Lease Payments	(207,779)	–
Net cash used in financing activities	(207,779)	–
Net increase/decrease in cash and cash equivalents	18,490	(105,123)
Cash and cash equivalents at the beginning of the year	351,993	457,116
Cash and cash equivalents at the end of the year	370,483	351,993

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Place: Bengaluru

Date: May 10, 2023

for and on behalf of the Board of Directors of Infosys Limited Bulgaria EOOD

Lilly Vasanthini
Director

Company Overview and Significant Accounting Policies

Company overview

Infosys Limited Bulgaria EOOD is a wholly-owned subsidiary of Infosys Limited incorporated on September 11, 2020.The purpose of the Company is to expand locally, as the same exists or as may hereafter be amended from time to time.

1 Significant accounting policies

1.1 Accounting year

The accounting year of the Company is from January to December. For the previous year, the financial statements prepared from incorporation date (September 11, 2020) to December 31, 2020

1.2 Basis of preparation of financial statements

These special purpose consolidated financial statements are prepared for inclusion in the Annual Report of the holding Company Infosys Limited under the requirements of Section 129 (3) of the Companies Act 2013.

These financial statements are prepared in accordance with Indian Accounting Standards (Ind-AS) under the historical cost convention on the accrual basis. The Ind-AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.3 Reporting currency

The Company's reporting currency is BGN

1.4 Use of estimates

The preparation of the financial statements in conformity with Ind-AS requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities, and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.5 Provisions

"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."

1.6 Foreign currency

Functional currency

The functional currency of the Company is the BGN. These financial statements are presented In BGN.

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 net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense, and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

1.7 Statement of Cash Flows

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.

1.8 Investments

Associates are entities over which the Company has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. The Company's investment in associates includes goodwill identified on acquisition.

1.9 Financial instruments

1.6.1 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, which 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.

1.6.2 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.

(iii) **Financial assets at fair value through profit or loss**

A financial asset, which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(v) **Investment in subsidiaries**

Investment in subsidiaries is carried at cost in the separate financial statements.

1.10 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.

1.11 Impairment

a. Financial assets

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 the Statement of profit and Loss.

b. Non-financial assets

(i) **Property, plant and equipment**

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 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 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 depreciation) had no impairment loss been recognized for the asset in prior years.

1.12 Employee Benefits

Compensated absences

The Company has a policy on compensated absences, which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

1.13 Foreign currency

Functional currency

The functional currency of the Company is the BGN.

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 and reported within exchange gains/(losses) on translation of assets and liabilities. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction. The related revenue and expense are recognized using the same exchange rate.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense, and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

1.14 Income taxes

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.

1.15 Statement of Cash Flows

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.

1.16 Other Income

Other income is comprised primarily of interest income and exchange gain / loss on translation of other assets and liabilities. Interest Income is recognized using effective interest method.

1.17 Borrowing Cost

Borrowing cost are charged to the Statement of Profit and Loss in the period in which they are incurred.

2.1 Trade receivables

(In BGN)

Particulars	As at December 31, 2022	As at December 31, 2021
Current		
Unsecured		
Considered good	922,454	57,413
Total Trade Receivables	922,454	57,413

2.2 Cash and cash equivalents

(In BGN)

Particulars	As at December 31, 2022	As at December 31, 2021
Balances with banks		
In current and deposit accounts	370,483	351,993
	370,483	351,993

2.3 Other financial assets

(In BGN)

Particulars	As at December 31, 2022	As at December 31, 2021
Current		
Other Advances	706	
Rental Deposits	62,390	62,456
	63,096	62,456

2.4 Equity

Equity Share Capital

(In BGN)

Particulars	As at December 31, 2022	As at December 31, 2021
Authorized share capital	458,000	458,000
458000 (458000) equity shares of BGN 1 par value		
Issued, Subscribed and Paid-Up	458,000	458,000
458000 (458000) equity shares of BGN 1 par value		

The details of shareholder holding more than 5% shares as at December 31, 2022 and 2021 are as follows:

Name of the shareholder	As at December 31, 2022	As at December 31, 2021
Infosys Limited	100%	100%

2.5 Trade payables

(In BGN)

Particulars	As at December 31, 2022	As at December 31, 2021
Current		
Trade payable	26,048	2,062
	26,048	2,062

2.6 Other financial liabilities

(In BGN)

Particulars	As at December 31, 2022	As at December 31, 2021
Current		
Others		

Particulars	As at December 31,	
	2022	2021
Accrued compensation to employees	633,082	101,418
Provision for expenses	57,147	12,250
	690,229	113,668

2.7 Other liabilities

(In BGN)

Particulars	As at December 31,	
	2022	2021
Current		
Others		
Social security contribution payable	69,442	6,866
With holding taxes and others	8,892	6,324
	78,334	13,190

2.8 Leases

Accounting Policy

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate 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 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 for the 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 asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The changes in the carrying value of right of use assets for the year ended December 31, 2022 are as follows:

(In BGN)

Particulars	Category of ROU asset	Total
	Buildings	
Balance as of January 1, 2022	–	–
Additions	468,035	468,035
Depreciation	(232,944)	(232,944)
Balance as of December 31, 2022	235,091	235,091

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, 2022 and December 31, 2021 is as follows:

(In BGN)

Particulars	As at December 31,	
	2022	2021
Current lease liabilities	260,256	–
Total	260,256	–

The movement in lease liabilities during the years ended December 31, 2022 and December 31, 2021 is as follows:

(In BGN)

Particulars	For the years ended December 31,	
	2022	2021
Balance at the beginning	–	–
Additions	468,035	
Payment of lease liabilities	(207,779)	–
Balance at the end	260,256	–

The details regarding the contractual maturities of lease liabilities as at December 31, 2022 and December 31, 2021 on an undiscounted basis are as follows:

(In BGN)

Particulars	As at December 31,	
	2022	2021
Less than one year	260,256	–
Total	260,256	–

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.

2.9 Financial Instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories were as follows:

(In BGN)

Particulars	As at December 31,	
	2022	2021
Assets:		
Cash and cash equivalents (Refer to Note 2.5)	370,483	351,993
Trade receivables (Refer to Note 2.4)	922,454	57,413
Other financial assets (Refer to Note 2.7)(1)	63,096	62,456
Total	1,356,033	471,862
Liabilities:		
Trade payables (Refer to Note 2.12)	26,048	2,062
Other financial liabilities (Refer to		
Note 2.11)	78,334	13,190
Total	104,382	15,252

(1) Excludes unbilled revenue on contracts where the right to consideration is dependent on completion of contractual milestones

All the above financial instruments are carried at amortized cost and the carrying values approximates their fair value.

Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk.

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 BGN 922,454 and BGN 57,413 as at December 31, 2022 and December 31, 2021. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of the customers to which the Company grants credit terms in the normal course of business. The Company uses the expected credit loss model to assess any required allowances; and uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. This matrix takes into account credit reports and other related credit information to the extent available.

Credit risk on cash and cash equivalents is limited as we generally invest in banks with high credit ratings assigned by credit rating agencies.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time.

The Company's principal sources of liquidity are cash and cash equivalents. The Company has taken loan from its related party to meet its working capital requirements.

As of December 31, 2022 and December 31, 2021, the Company had cash and cash equivalents of BGN 370,483 and BGN 351,993.

2.10 Income taxes

Income tax expense in the Statement of Profit and Loss comprises:

(In BGN)

Particulars	Years ended December 31,	
	2022	2021
Current taxes	74,900	–
Deferred taxes	(63,308)	–
Income tax expense	11,592	–

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 as follows:

(In BGN)

Particulars	Years ended December 31,	
	2022	2021
Profit / (Loss) before income taxes	193,314	(114,174)
Enacted tax rates in India	4.64%	4.64%
Computed expected tax expense	8,970	–
Permanent Difference	2,622	–
Income tax expense	11,592	–

The applicable Indian statutory tax rate for fiscal 2022 and fiscal 2021 is 4.64%.

In India, the Company has benefited from certain tax incentives that the Government of India has provided to the export of software for the units registered under the Special Economic Zones Act, 2005 (SEZ). SEZ units, which began the provision of services on or after April 1, 2005 are eligible for a deduction of 100 percent of profits or gains derived from the export of services for the first five years from the financial year in which the unit commenced the provision of services and 50 percent of such profits or gains for further five years. Up to 50% of such profits or gains is also available for a further five years subject to creation of a Special Economic Zone re-Investment Reserve out of the profit of the eligible SEZ units and utilization of such reserve by the

Company for acquiring new plant and machinery for the purpose of its business as per the provisions of the Income Tax Act, 1961.

The details of income tax assets and income tax liabilities as of December 31, 2022 and December 31, 2021 are as follows:

(In BGN)

	As at December 31,	
	2022	2021
Income tax assets	–	–
Current income tax liabilities	74,900	–
Net current income tax assets/ (liability) at the end	(74,900)	–

The gross movement in the current income tax asset/ (liability) for the years ended December 31, 2022 and December 31, 2021 is as follows:

(In BGN)

	Years ended December 31,	
	2022	2021
Net current income tax asset/ (liability) at the beginning	–	–
Income tax paid	–	–
Current income tax expense (Refer to Note 2.17)	(74,900)	–
Net current income tax asset/ (liability) at the end	(74,900)	–

The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

(In BGN)

Particulars		As at December 31,	
		2022	2021
Deferred income tax assets	–		
Accrued compensation to employees	–	- 27,399	–
Compensated absences	–	- 35,909	–
Total deferred income tax assets	–	- 63,308	–

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

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 Group 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.

2.11 Employee benefit expenses

(In BGN)

Particulars	Years ended December 31,	
	2022	2021
Overseas Salary	5,107,882	677,093
Staff Welfare, Overseas group and medical insurance	35,395	5,300
Total employee benefit expenses	5,143,277	682,393

2.12 Expenses

(In BGN)

Particulars	Years ended December 31,	
	2022	2021
Other expenses		
Bank charges	4,147	3,225
Rates and taxes	276	–
Repairs and maintenance	6,777	–
Insurance charges	50,949	3,970
Reimbursement of expenses	22,632	–

Particulars	Years ended December 31,	
	2022	2021
Exchange gains and losses	21,159	364
Others	2	4
Total other expenses	105,941	7,564

2.13 Related party transactions

Name of Holding Company	Country	Holding As on December 31	
		2022	2021
Infosys Limited	India	100%	100%

List of related parties:

Name of subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)[1]	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)[1]	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)[1]	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)[1]	China
Infosys Nova Holdings LLC. (Infosys Nova)[1]	U.S.
EdgeVerve Systems Limited (EdgeVerve)[1]	India
Infosys Austria GmbH[1]	Austria
Skava Systems Private Limited (Skava Systems)[1][27]	India
Kallidus Inc, (Kallidus)[28]	U.S.
Infosys Chile SpA[1]	Chile
Infosys Arabia Limited[2][27]	Saudi Arabia
Infosys Consulting Ltda.[1]	Brazil
Infosys CIS LLC[15]	Russia
Infosys Luxembourg S.a.r.l[1]	Luxembourg
Infosys Americas Inc. (Infosys Americas)[1]	U.S.
Infosys Public Services, Inc. USA (Infosys Public Services)[1]	U.S.
Infosys Canada Public Services Inc[20][39]	Canada
Infosys BPM Limited[1][47]	India
Infosys (Czech Republic) Limited s.r.o.[3]	Czech Republic
Infosys Poland Sp z.o.o[3]	Poland
Infosys McCamish Systems LLC[3]	U.S.
Portland Group Pty Ltd[3]	Australia
Infosys BPO Americas LLC.[3]	U.S.
Infosys Consulting Holding AG (Infosys Lodestone)[1]	Switzerland
Infosys Management Consulting Pty Limited[4]	Australia
Infosys Consulting AG[4]	Switzerland
Infosys Consulting GmbH[4]	Germany
Infosys Consulting S.R.L.[1]	Romania
Infosys Consulting SAS[4]	France
Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.)[4][38]	Czech Republic
Infosys Consulting (Shanghai) Co., Ltd.[4][34]	China
Infy Consulting Company Ltd[4]	U.K.
Infy Consulting B.V.[4]	The Netherlands
Infosys Consulting S.R.L.[2]	Argentina
Infosys Consulting (Belgium) NV[5]	Belgium

Name of subsidiaries	Country
Panaya Inc. (Panaya)[(1)]	U.S.
Panaya Ltd.[(6)]	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH)[(6)]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[(1)(27)]	U.K.
Brilliant Basics Limited[(7)(27)]	U.K.
Infosys Consulting Pte. Ltd. (Infosys Singapore)[(1)]	Singapore
Infosys Middle East FZ LLC[(8)]	Dubai
Fluido Oy[(8)]	Finland
Fluido Sweden AB (Extero)[(11)]	Sweden
Fluido Norway A/S[(11)]	Norway
Fluido Denmark A/S[(11)]	Denmark
Fluido Slovakia s.r.o[(11)]	Slovakia
Infosys Compaz Pte. Ltd[(9)]	Singapore
Infosys South Africa (Pty) Ltd[(8)]	South Africa
WongDoody Holding Company Inc. (WongDoody)[(1)(40)]	U.S.
WDW Communications, Inc[(10)(41)]	U.S.
WongDoody, Inc[(10)(42)]	U.S.
HIPUS Co., Ltd[(9)]	Japan
Stater N.V.[(9)]	The Netherlands
Stater Nederland B.V.[(12)]	The Netherlands
Stater XXL B.V.[(12)]	The Netherlands
HypoCasso B.V.[(12)]	The Netherlands
Stater Participations B.V.[(12)]	The Netherlands
Stater Belgium N.V./S.A.[(13)]	Belgium
Stater Gmbh[(12)(32)]	Germany
Outbox systems Inc. dba Simplus (US)[(16)]	U.S.
Simplus North America Inc.[(17)(31)]	Canada
Simplus ANZ Pty Ltd.[(17)]	Australia
Simplus Australia Pty Ltd[(18)]	Australia
Sqware Peg Digital Pty Ltd[(19)(35)]	Australia
Simplus Philippines, Inc.[(17)]	Philippines
Simplus Europe, Ltd.[(17)(33)]	U.K.
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)[(11)]	U.K.
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[(21)]	Ireland
Kaleidoscope Animations, Inc.[(16)]	U.S.
Kaleidoscope Prototyping LLC[(23)]	U.S.
GuideVision s.r.o.[(14)]	Czech Republic
GuideVision Deutschland GmbH[(22)]	Germany
GuideVision Suomi Oy[(22)]	Finland
GuideVision Magyarország Kft[(22)]	Hungary
GuideVision Polska SP.Z.O.O[(22)]	Poland
GuideVision UK Ltd[(22)]	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[(16)]	U.S.
Beringer Capital Digital Group Inc[(16)(45)]	U.S.
Mediotype LLC[(24)(45)]	U.S.
Beringer Commerce Holdings LLC[(24)(45)]	U.S.

Name of subsidiaries	Country
SureSource LLC[25][43]	U.S.
Blue Acorn LLC[25][43]	U.S.
Simply Commerce LLC[25][43]	U.S.
iCiDIGITAL LLC[26][44]	U.S.
Infosys BPM UK Limited[3]	U.K.
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[1]	Turkey
Infosys Germany Holding Gmbh[1][29]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1][30]	Germany
Infosys Green Forum[1][36]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[37]	Malaysia
Infosys Business Solutions LLC[1][46]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")[48]	Germany
oddity GmbH [49]	Germany
oddity (Shanghai) Co., Ltd. [50]	China
oddity Limited (Taipei) [50]	Taiwan
oddity space GmbH [49]	Germany
oddity jungle GmbH [49]	Germany
oddity code GmbH [49]	Germany
oddity code d.o.o [51]	Serbia
oddity waves GmbH [49]	Germany
oddity group services GmbH [49]	Germany
Infosys Public Services Canada Inc. [20][52]	Canda
BASE life science AG [54]	Switzerland
BASE life science GmbH [54]	Germany
BASE life science A/S [53]	Denmark
BASE life science S.A.S [54]	France
BASE life science Ltd. [54]	U.K.
BASE life science S.r.l. [54]	Itlay
Innovisor Inc.[54]	U.S.
BASE life science Inc.[54]	U.S.
BASE life science S.L.[54][55]	Spain
Panaya Germany GmbH [6][56]	Germany

(1) Wholly-owned subsidiary of Infosys Limited
(2) Majority owned and controlled subsidiary of Infosys Limited
(3) Wholly-owned subsidiary of Infosys BPM Limited
(4) Wholly-owned subsidiary of Infosys Consulting Holding AG
(5) Majority owned and controlled subsidiary of Infosys Consulting Holding AG
(6) Wholly-owned subsidiary of Panaya Inc.
(7) Wholly-owned subsidiary of Brilliant Basics Holding Limited.
(8) Wholly-owned subsidiary of Infosys Consulting Pte. Ltd.
(9) Majority owned and controlled subsidiary of Infosys Consulting Pte. Ltd.
(10) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody)
(12) Wholly-owned subsidiary of Stater N.V
(13) Majority owned and controlled subsidiary of Stater Participations B.V.
(14) Wholly-owned subsidiary of Infy Consulting Company Limited
(15) Liquidated effective January 28, 2021.
(16) Wholly-owned subsidiary of Infosys Nova Holdings LLC
(17) Wholly-owned subsidiary of Outbox Systems Inc.
(18) Wholly-owned subsidiary of Simplus ANZ Pty Ltd

[19] Wholly-owned subsidiary of Simplus Australia Pty Ltd
[20] Wholly-owned subsidiary of Infosys Public Services, Inc.
[21] Wholly-owned subsidiary of Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)
[22] Wholly-owned subsidiary of GuideVision s.r.o.
[23] Wholly-owned subsidiary of Kaleidoscope Animations, Inc.
[24] Wholly-owned subsidiary of Blue Acorn iCi Inc
[25] Wholly-owned subsidiary of Beringer Commerce Holdings LLC
[26] Wholly-owned subsidiary of Beringer Capital Digital Group Inc.
[27] Under liquidation
[28] Liquidated effective March 9,2021
[29] Incorporated on March 23, 2021
[30] On March 28, 2021 Infosys Limited and Infosys Germany Holding Gmbh registered Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm.
[31] Liquidated effective April 27,2021
[32] Incorporated on August 4, 2021
[33] Liquidated effective July 20, 2021
[34] Liquidated effective September 1, 2021
[35] Liquidated effective September 2, 2021
[36] Incorporated on August 31, 2021
[37] On December 14, 2021, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)
[38] Liquidated effective December 16, 2021
[39] Liquidated effective November 23, 2021
[40] Wholly-owned subsidiary of Infosys Limited, merged with WongDoody Inc, effective December 31, 2021
[41] Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody), merged with WongDoody Inc, effective December 31, 2021
[42] Wholly-owned subsidiary of Infosys Limited, effective December 31, 2021
[43] Merged with Beringer Commerce Holdings LLC, effective January 1, 2022
[44] Merged with Beringer Capital Digital Group Inc, effective January 1, 2022
[45] Merged with Blue Acorn iCi Inc, effective January 1, 2022
[46] Incorporated on February 20, 2022
[47] On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.
[48] On March 22, 2022, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))
[49] On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly owned subsidiary of Infosys Consulting Pte. Ltd) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and oddity GmbH.
[50] Wholly-owned subsidiary of oddity GmbH
[51] Wholly-owned subsidiary of oddity code GmbH.
[52] Incorporated on July 8, 2022
[53] On September 1, 2022, Infosys Consulting Pte. Ltd. (a Wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.
[54] Wholly-owned subsidiary of BASE life science A/S
[55] Incorporated on September 6, 2022
[56] Incorporated effective December 15, 2022

The details of amounts due to or due from related parties as at December 31, 2022 and December 31, 2021 are as follows:

(In BGN)

Particulars	As at December 31	
	2022	2021
Trade Receivable		
Infosys Limited	922,454	–
	922,454	–

The details of the related parties transactions entered into by the Company for the years ended December 31, 2022 and December 31, 2021 are as follows:

(In BGN)

Particulars	As at December 31	
	2022	2021
Revenue transactions:		
Sale of services		
Infosys Limited	6,249,757	–
	6,249,757	–

2.1 Trade receivables

(In BGN)

Particulars	As at December 31	
	2022	2021
Current		
Trade Receivable considered good - Unsecured	922,454	57,413
Less: Allowance for expected credit loss	–	–
Trace Receivable considered good - Unsecured	922,454	57,413
Total trade receivables	922,454	57,413

Years ended December 31, 2022 and December 31, 2021

(In BGN)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	922,024	430	–	–	–	–	922,454
	57,413	–	–	–	–	–	57,413
Undisputed Trade receivables – credit impaired	–	–	–	–	–	–	–
Total trade receivables							922,454
							57,413

2.5 Trade payables

(In BGN)

Particulars	As at December 31	
	2022	2021
Trade payables[(1)]	26,048	2,062
Total trade payables	26,048	2,062
[(1)]Includes dues to subsidiaries	26,048	2,062

Trade payables ageing schedule

Years ended December 31, 2022 and December 31, 2021

(In BGN)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Others	806.00	25,242	–	–	–	26,048
	–	2,062	–	–	–	2,062
Total trade payables	806.00	25,242	–	–	–	26,048
Total trade payables	–	2,062	–	–	–	2,062

2.14 Ratios

The ratios for the years ended December 31, 2022 and December 31, 2021 are as follows:

Particulars	Numerator	Denominator	December 31, 2022	December 31, 2021	Variance	
Current Ratio	Current assets	Current liabilities	1.20	3.66	(67.2%)	*
Debt – Equity Ratio	Total Debt (represents lease liabilities) (1)	Shareholder's Equity	0.50	-	49.6%	**
Debt Service Coverage Ratio	Earnings available for debt service(2)	Debt Service(3)	2.00	-	0.0%	
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	42%	-29%	70.4%	***
Trade receivables turnover ratio	Revenue	Average Trade Receivable	12.75	21.91	(41.8%)	#
Trade payables turnover ratio	Purchases of services and other expenses	Average Trade Payables	46.37	55.76	(16.8%)	
Net capital turnover ratio	Revenue	Working Capital	27.61	1.83	1405.4%	##
Net profit ratio	Net Profit	Revenue	0.03	(0.18)	21.1%	
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed(4)	27%	-33%	60.1%	###

(1)Debt represents only 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

*Current ratio has decreased due to increase in Current Liability.

**Debt Equity ratio has increased due to increase in lease liability.

***ROE ratio has increased due to increase in profits.

#Trade Receivable turnover ratio has decreased due to increase in revenue.

##Net capital turnover ratio ratio has increased due to increase in revenue.

####Return on capital employed has increased due to increase in profits..

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Infosys Austria GmbH

Independent Auditor's report

To the Members of Infosys Austria GMBH

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Infosys Austria GMBH ("the Company"), which comprise the Balance Sheet as at December 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of preparation referred to in Section 1.2 of the special purpose financial statements, of the state of affairs of the Company as at December 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

i) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

iii) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

For Shenoy & Kamath
Chartered Accountants,
Firm Registration Number. 006673S

(M Rathnakar Kamath)
Partner
Membership Number. 202841

UDIN : 23202841BGWLUO7876

Place: Bengaluru

Date: May 20, 2023

Balance Sheet

(In EUR)

Particulars	Note No.	As at December 31, 2022	As at December 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	4,365	5,694
Right-of-Use Asset	2.2	194,528	6,449
Deferred Tax Assets (net)	2.14	56,741	-
Income tax assets (net)	2.14	45,546	39,465
Other non-current assets	2.3	50,661	95,244
Total non - current assets		351,840	146,852
Current assets			
Financial assets			
Trade receivables	2.4	885,416	162,683
Cash and cash equivalents	2.5	811,689	537,235
Loans	2.6	–	838
Other financial assets	2.7	739,110	509,493
Other current assets	2.3	206,246	153,634
Total current assets		2,642,462	1,363,883
Total assets		2,994,302	1,510,735
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.9	80,000	80,000
Other equity		97,191	276,161
Total equity		177,191	356,161
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	2.10	62,810	18,172
Lease Liabilities	2.2	211,515	3,356
Other financial liabilities	2.11	69,331	119,580
Total non - current liabilities		343,655	141,108
Current liabilities			
Financial liabilities			
Borrowings	2.10	434,760	434,760
Trade payables	2.12	137,843	25,244
Lease Liabilities	2.2	2,868	2,868
Other financial liabilities	2.11	1,626,158	387,635
Other current liabilities	2.13	271,826	160,860
Income tax liabilities (net)	2.14	1	2,099
Total current liabilities		2,473,456	1,013,466
Total equity and liabilities		2,994,302	1,510,735

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants
Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership No. 202841

Place: Bengaluru

Date: May 20, 2023

for and on behalf of the Board of Directors of Infosys Austria GmbH

Lilly Vasanthini
Director

Roberto Busin
Director

Statement of Profit and Loss

(In EUR)

Particulars	Note No.	Years ended December 31, 2022	2021
Revenue from operations	2.15	1,806,115	479,674
Other income, net	2.16	5,277	1,224
Total income		1,811,392	480,899
Expenses			
Employee benefit expenses	2.17	50,992	98,473
Cost of technical sub-contractors	2.17	801,156	236,825
Finance Costs	2.18	22,868	4,906
Travel expenses	2.17	3,643	1,845
Cost of software packages and others	2.17	1,062,271	–
Communication expenses	2.17	7,974	7,065
Consultancy and professional charges	2.17	16,311	15,317
Depreciation and amortization expense	2.2 & 2.1	30,102	3,817
Other expenses	2.17	51,786	36,916
Total expenses		2,047,103	405,163
Profit/(loss) before tax		(235,711)	75,736
Tax expense			
Deferred Tax	2.14	(56,741)	1,856
Profit/(loss) for the year		(178,970)	73,880
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/(loss) for the year		(178,970)	73,880

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants
Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership No. 202841

for and on behalf of the Board of Directors of Infosys Austria GmbH

Lilly Vasanthini
Director

Roberto Busin
Director

Place: Bengaluru

Date: May 20, 2023

Statement of Changes in Equity

(In EUR)

Particulars	Equity Share Capital	Other Equity: Reserves & Surplus — Retained earnings	Other Equity: Other comprehensive income — Other items of other comprehensive income	Total equity attributable to equity holders of the Company
Balance as of January 1, 2021	80,000	202,281	–	282,281
Changes in equity for the year ended December 31, 2021			–	
Profit/(Loss) for the year	–	73,880	_	73,880
Balance as of December 31, 2021	80,000	276,161	–	356,161
Changes in equity for the year ended December 31, 2022			–	–
Profit/(Loss) for the year	–	(178,970)	_	(178,970)
Balance as of December 31, 2022	80,000	97,191	–	177,191

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 Austria GmbH

for Shenoy & Kamath
Chartered Accountants
Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership No. 202841

Lilly Vasanthini
Director

Roberto Busin
Director

Place: Bengaluru

Date: May 20, 2023

Statements of Cash Flows

(In EUR)

Particulars	Note No.	Years ended December 31, 2022	2021
Cash flow from operating activities:			
Profit/ (loss) for the year		(178,970)	73,880
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation	2.1 & 2.2	30,102	3,817
Income tax expense	2.14	(56,741)	1,856
Finance cost	2.18	22,868	4,906
Interest income		(5,277)	–
Provision on net Investment in lease		502	–
Exchange differences on translation of assets and liabilities, net		28,005	–
Changes in assets and liabilities			
Trade receivables		(722,734)	(158,049)
Loans, other financial assets and other assets		(281,391)	(662,944)
Trade payables		112,599	13,096
Other financial and other liabilities		1,351,588	614,030
Cash generated from / (used in) operations		300,551	(109,407)
Income tax paid		8,179	47,550
Net cash generated from /(used in) operating activities		292,371	(156,957)
Cash flow from investing activities:			
Expenditure on property, plant and equipment		–	(6,644)
Net cash generated from/ (used in) investing activities		–	(6,644)
Cash flow from financing activities:			
Lease payments		(17,917)	(3,824)
Net cash generated used in financing activities		(17,917)	(3,824)
Net increase/(decrease) in cash and cash equivalents		274,454	(167,425)
Cash and cash equivalents at the beginning of the year		537,235	704,660
Cash and cash equivalents at the end of the year	2.5	811,689	537,235

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 Austria GmbH

for Shenoy & Kamath
Chartered Accountants
Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership No. 202841

Lilly Vasanthini
Director

Roberto Busin
Director

Place: Bengaluru

Date: May 20, 2023

Significant Accounting Policies

Company overview

Infosys Austria GmbH ("Infosys Austria" or "the Company") is a wholly-owned subsidiary of Infosys Limited. The Company renders professional management consulting services, thereby enabling its clients to enhance business performance.

1 Significant accounting policies

1.1 Accounting year

The accounting year of the Company is from January 1 to December 31.

1.2 Basis of preparation of financial statements

These special purpose consolidated financial statements are prepared for inclusion in the Annual Report of the holding Company, Infosys Limited, under the requirements of Section 129 (3) of the Companies Act 2013.

These financial statements are prepared in accordance with Indian Accounting Standards (Ind-AS) under the historical cost convention on the accrual basis. The Ind-AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been 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 Presentation currency

The Company's presentation currency is Euro.

1.4 Use of estimates

The preparation of the financial statements in conformity with Ind-AS requires the management to make estimates and assumptions. These estimates 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.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.5 Property, plant and equipment

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 asset is as follows:

Computer equipment[(1)]	3-5 years

(1) Based on technical evaluation, the Management believes that the useful lives as given above best represent the period over which management expects to use these assets.

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 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.

1.6 Financial instruments

1.6.1 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, which 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.

1.6.2 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.

(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.

1.7 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.

1.8 Impairment

a. Financial assets

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 the Statement of Profit and Loss.

b. Non-financial assets

(i) Property, plant and equipment

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 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 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 depreciation) had no impairment loss been recognized for the asset in prior years.

1.9 Foreign currency

Functional currency

The functional currency of the Company is the EUR.

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 and reported within exchange gains/(losses) on translation of assets and liabilities. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction. The related revenue and expense are recognized using the same exchange rate.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense, and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

1.10 Income taxes

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.

1.11 Statement of Cash Flows

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.

1.12 Other income

Other income is primarily the interest income and exchange gain / loss on translation of other assets and liabilities. Interest Income is recognized using effective interest method.

1.13 Borrowing cost

Borrowing cost are charged to the Statement of Profit and Loss in the period in which they are incurred.

2.1 Property, plant and equipment

The changes in the carrying value of property, plant and equipment for the year ended December 31, 2022 are as follows:

(In EUR)

Particulars	Computer equipment	Total
Gross carrying value as of January 1, 2022	7,536	7,536
Additions	–	–
Deletions	–	–
Gross carrying value as of December 31, 2022	7,536	7,536
Accumulated depreciation as of January 1, 2022	1,842	1,842
Depreciation	1,329	1,329
Accumulated depreciation on deletions	–	–
Accumulated depreciation as of December 31, 2022	3,171	3,171
Carrying value as of December 31, 2022	4,365	4,365
Carrying value as of January 1, 2022	5,694	5,694

The changes in the carrying value of property, plant and equipment for the year ended December 31, 2020 are as follows:

(In EUR)

Particulars	Computer equipment	Total
Gross carrying value as of January 1, 2021	892	892
Additions	6,644	6,644
Deletions	–	–
Gross carrying value as of December 31, 2021	7,536	7,536
Accumulated depreciation as of January 1, 2021	892	892
Depreciation	950	950
Accumulated depreciation on deletions	–	–
Accumulated depreciation as of December 31, 2021	1,842	1,842
Carrying value as of December 31, 2021	5,694	5,694
Carrying value as of January 1, 2021	–	–

2.3 Other assets .

(In EUR)

Particulars	As at December 31, 2022	As at December 31, 2021
Non-current		
Deferred contract cost [(1)]	–	95,244
Investment in lease	50,661	–
	50,661	95,244
Current		
Others		
Withholding taxes and others	206,246	96,488
Deferred Contract cost [(1)]	–	57,146
Total current other assets	206,246	153,634
Total Other Assets	256,907	248,878

(1) Includes technology assets taken over by the Company from a customer as a part of transformation project which is not considered as distinct goods or services and the control related to the assets is not transferred to the Company in accordance with Ind-AS 115 - Revenue from contract with customers. Accordingly, the same has been considered as a reduction to the total contract value and accounted as Deferred contract cost. The Company has entered into a financing arrangement with a third party for these assets which has been considered as financial liability. (Refer to Note 2.11)

2.4 Trade receivables

(In EUR)

Particulars	As at December 31, 2022	As at December 31, 2021
Current		
Unsecured		
Considered good [(1)]	885,416	162,683
Considered doubtful	7,282	25
	892,698	162,708
Less: Allowances for credit losses	7,282	25
Total Trade Receivables	885,416	162,683
[(1)] Includes dues from Holding Company and other fellow subsidiaries (refer note 2.19) -		

2.5 Cash and Cash Equivalents

(In EUR)

Particulars	As at December 31,	
	2022	2021
Balances with banks		
In current accounts	811,689	537,235
Total cash and cash equivalents	811,689	537,235

2.6 Loans

(In EUR)

Particulars	As at December 31,	
	2022	2021
Current		
Other Loans		
Loans to Employees	–	838
Total Current Loans	–	838
Total Loans	–	838

2.7 Other financial assets

(In EUR)

Particulars	As at December 31,	
	2022	2021
Current		
Unbilled Revenue (1)	739,058	297,174
Others(1)(2)	53	212,320
Total Other Financial Assets	739,110	509,493
(1) Financial assets carried at amortized cost	739,110	509,493
(2) Includes dues from Holding Company and other fellow subsidiaries (Refer to Note 2.19)	53	–

2.2 Leases

Accounting Policy

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) 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 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 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 for the 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 asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Following are the changes in the carrying value of right of use assets for the year ended December 31, 2022:

(In EUR)

Particulars	Category of ROU asset		Total
	Computer	Buildings	
Balance as of January 1, 2022	–	6,449	6,449
Additions	216,852	7,214	224,066
Deletion	–	–	–
Depreciation	(25,906)	(10,081)	(35,987)
Balance as of December 31, 2022	190,946	3,582	194,528

Following are the changes in the carrying value of right of use assets for the year ended December 31, 2021:

(In EUR)

Particulars	Category of ROU asset		Total
	Computer	Buildings	
Balance as of January 1, 2022	–	9,316	9,316
Depreciation	–	(2,867)	(2,867)
Balance as of December 31, 2022	–	6,449	6,449

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, 2022 and December 31, 2021 is as follows:

(In EUR)

Particulars	As at December 31,	
	2022	2021
Current lease liabilities	2,868	2,868
Non-current lease liabilities	211,515	3,356
Total	214,383	6,224

The movement in lease liabilities during the years ended December 31, 2022 and December 31, 2021 is as follows:

(In EUR)

Particulars	For the year ended December 31,	
	2022	2021
Balance at the beginning	6,224	10,048
Additions	224,066	–
Finance cost accrued during the period	2,010	–
Payment of lease liabilities	(17,917)	(3,824)
Balance at the end	214,383	6,224

The details regarding the contractual maturities of lease liabilities as at December 31, 2022 and December 31, 2021 on an undiscounted basis are as follows:

(In EUR)

Particulars	As at December 31,	
	2022	2021
Less than one year	124,905	2,868
One to five years	99,525	3,356
Total	224,430	6,224

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.

2.8 Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories were as follows:

(In EUR)

Particulars	As at December 31,	
	2022	2021
Assets:		
Cash and cash equivalents (Refer to Note 2.5)	811,689	537,235
Trade receivables (Refer to Note 2.4)	885,416	162,683
Loans (Refer to Note 2.6)	–	838
Other financial assets (Refer to Note 2.7)[1]	739,110	509,493
Total	2,436,216	1,210,249
Liabilities:		
Trade payables (Refer to Note 2.12)	137,843	25,244
Borrowings (Refer to Note 2.10)	497,571	452,932
Other financial liabilities (Refer to Note 2.11)	1,695,488	497,306
Total	2,330,902	975,482

[1] Excludes unbilled revenue on contracts where the right to consideration is dependent on completion of contractual milestones

All the above financial instruments are carried at amortized cost and the carrying values approximates their fair value.

Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk.

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 EUR 885,416 and EUR 162.683 as at December 31, 2022 and December 31, 2021. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of the customers to which the Company grants credit terms in the normal course of business. The Company uses the expected credit loss model to assess any required allowances; and uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. This matrix takes into account credit reports and other related credit information to the extent available.

Credit risk on cash and cash equivalents is limited as we generally invest in banks with high credit ratings assigned by credit rating agencies.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time.

The Company's principal sources of liquidity are cash and cash equivalents. The Company has taken loan from its related party to meet its working capital requirements.

As of December 31, 2022 and December 31, 2021, the Company had cash and cash equivalents of EUR 811,689 and EUR 537,235.

2.9 Equity

Equity share capital

(In EUR)

Particulars	As at December 31,	
	2022	2021
Authorized		
Equity share capital, EUR 1 par value	80,000	80,000
80,000 (80,000) equity shares		
Issued, Subscribed and Paid-Up	–	–
Equity share capital, EUR 1 par value		
80,000 (80,000) equity shares	80,000	80,000
	80,000	80,000

The details of shareholder holding more than 5% shares as at December 31, 2022 and December 31, 2021 are as follows:

Name of the shareholder	As at December 31,	
	2022	2021
Infosys Limited	100%	100%

2.10 Borrowings

(In EUR)

Particulars	As at December 31,	
	2022	2021
Non-current		
Unsecured Loan from Fellow subsidiary (refer note 2.19)	62,810	18,172
	62,810	18,172
Current		
Unsecured Loan from Fellow subsidiary (refer note 2.19)	434,760	434,760
	434,760	434,760
Total Borrowings	497,571	452,932

2.11 Other financial liablities

(In EUR)

Particulars	As at December 31,	
	2022	2021
Non-current		
Other payables (1)(3)	69,331	119,580
	69,331	119,580
Current		
Others		
Compensated absences	–	9,909
Other payables (1)(2)(3)	1,626,158	377,726
	1,626,158	387,635
Total financial liabilities	1,695,488	507,215
(1) Financial liability carried at amortized cost	1,695,488	497,306
(2) Includes dues from Holding Company and other fellow subsidiaries (Refer note 2.19)		

(3) Deferred contract cost in note 2.3 includes technology assets taken over by the Company from a customer as a part of transformation project which is not considered as distinct goods or services and the control related to the assets is not transferred to the Company in accordance with Ind-AS 115 - Revenue from contract with customers. Accordingly, the same has been considered as a reduction to the total contract value and accounted as deferred contract cost. The Company has entered into a financing arrangement with a third-party for these assets, which has been considered as financial liability.

2.12 Trade payables

(In EUR)

Particulars	As at December 31,	
	2022	2021
Trade payables (1)	137,843	25,244
	137,843	25,244
(1) Includes dues from Holding Company and other fellow subsidiaries	–	–

2.13 Other liabilities

(In EUR)

Particulars	As at December 31,	
	2022	2021
Current		
Unearned revenue	-	61,229
Others		
Withholding taxes and others	271,826	99,631
	271,826	160,860

2.14 Income taxes

Income tax expense in the Statement of Profit and Loss comprises:

(In EUR)

Particulars	Years ended December 31,	
	2022	2021
Current taxes	–	1,856
Deferred taxes	(56,741)	–
Income tax expense	(56,741)	1,856

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 as follows:

(In EUR)

Particulars	Years ended December 31,	
	2022	2021
Profit before income taxes	(235,711)	75,736
Enacted tax rates in Austria	25.00%	25.00%
Computed expected tax expense	(58,928)	18,934
Effect of unrecognized deferred tax assets	–	(18,934)
Tax Provision / Reversals	–	1,856
Effective non-deductible expenses	2,364	–
Others	(177)	–
Income tax expense	(56,741)	1,856

The applicable Austria statutory tax rate for years ended December 31, 2022 and December 31, 2021 is 25% each.

The details of income tax assets and income tax liabilities are as follows:

(In EUR)

Particulars	As at December 31,	
	2022	2021
Income tax assets	45,546	39,465
Current income tax liabilities	1	2,099
Net current income tax assets/ (liability) at the end	45,545	37,366

The gross movement in the current income tax asset/ (liability) for the year ended are as follows:

(In EUR)

Particulars	Years ended December 31,	
	2022	2021
Net current income tax asset/ (liability) at the beginning	37,366	(8,328)
Income tax paid	8,179	47,550
Current income tax expense	–	(1,856)
Net current income tax asset/ (liability) at the end	45,545	37,366

2.15 Revenue from operations

(In EUR)

Particulars	Years ended December 31,	
	2022	2021
Income from software services	1,806,115	479,674
Total revenue from operation	1,806,115	479,674

2.16 Other income

(In EUR)

Particulars	Years ended December 31,	
	2022	2021
Miscellaneous income, net	5277	1,224
Total other income	5,277	1,224

2.17 Expenses

(In EUR)

Particulars	Years ended December 31,	
	2022	2021
Employee benefit expenses		
Salaries including bonus	50,221	97,869
Contribution to provident and other funds	397	145
Staff welfare	375	460
	50,992	98,473
Other expenses		
Cost of technical subcontractors	801,156	236,825
Legal & Professional Charges	16,311	15,317
Communication Expenses	7,974	7,065
Cost of software packages and others	1,062,271	–
Rates and taxes	1,940	1,798
Travel expenses	3,643	1,845
Provision for post-sales client support and warranties	–	587
Exchange losses/ (gains) on translation of other assets and liabilities	28,611	33,960
Others	21,234	571
	1,943,141	297,967

2.18 Finance costs

(In EUR)

Particulars	Years ended December 31,	
	2022	2021
Interest expense on loan from fellow subsidiary	16,614	3,681
Others	6,254	1,224
Total finance costs	22,868	4,906

2.19 Related party transactions

List of related parties:

Name of Holding Companies	Country	Holding as at December 31,	
		2021	2020
Infosys Ltd	India	100%	100%

Name of fellow subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)[(1)]	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)[(1)]	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)[(1)]	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)[(1)]	China
Infosys Nova Holdings LLC. (Infosys Nova)[(1)]	U.S.
EdgeVerve Systems Limited (EdgeVerve)[(1)]	India
Skava Systems Private Limited (Skava Systems)[(1) (27)]	India
Kallidus Inc, (Kallidus)[(28)]	U.S.
Infosys Chile SpA[(1)]	Chile
Infosys Arabia Limited[(2) (27)]	Saudi Arabia
Infosys Consulting Ltda.[(1)]	Brazil
Infosys CIS LLC[(15)]	Russia
Infosys Luxembourg S.a.r.l[(1)]	Luxembourg
Infosys Americas Inc. (Infosys Americas)[(1)]	U.S.
Infosys Public Services, Inc. USA (Infosys Public Services)[(1)]	U.S.
Infosys Canada Public Services Inc[(20) (39)]	Canada
Infosys BPM Limited[(1) (47)]	India
Infosys (Czech Republic) Limited s.r.o.[(3)]	Czech Republic
Infosys Poland Sp z.o.o[(3)]	Poland
Infosys McCamish Systems LLC[(3)]	U.S.
Portland Group Pty Ltd[(3)]	Australia
Infosys BPO Americas LLC.[(3)]	U.S.
Infosys Consulting Holding AG (Infosys Lodestone)[(1)]	Switzerland
Infosys Management Consulting Pty Limited[(4)]	Australia
Infosys Consulting AG[(4)]	Switzerland
Infosys Consulting GmbH[(4)]	Germany
Infosys Consulting S.R.L.[(1)]	Romania
Infosys Consulting SAS[(4)]	France
Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.)(4)[(38)]	Czech Republic
Infy Consulting Company Ltd[(4)]	U.K.
Infy Consulting B.V.[(4)]	The Netherlands
Infosys Consulting S.R.L.[(2)]	Argentina
Infosys Consulting (Belgium) NV[(5)]	Belgium

Name of fellow subsidiaries	Country
Panaya Inc. (Panaya)[1]	U.S.
Panaya Ltd.[6]	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH)[6]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[1] [27]	U.K.
Brilliant Basics Limited[7] [27]	U.K.
Infosys Consulting Pte. Ltd. (Infosys Singapore)[1]	Singapore
Infosys Middle East FZ LLC[8]	Dubai
Fluido Oy[8]	Finland
Fluido Sweden AB (Extero)[11]	Sweden
Fluido Norway A/S[11]	Norway
Fluido Denmark A/S[11]	Denmark
Fluido Slovakia s.r.o[11]	Slovakia
Infosys Compaz Pte. Ltd[9]	Singapore
Infosys South Africa (Pty) Ltd[8]	South Africa
WongDoody Holding Company Inc. (WongDoody)[1] [40]	U.S.
WDW Communications, Inc[10] [41]	U.S.
WongDoody, Inc[10] [42]	U.S.
HIPUS Co., Ltd[9]	Japan
Stater N.V.[9]	The Netherlands
Stater Nederland B.V.[12]	The Netherlands
Stater XXL B.V.[12]	The Netherlands
HypoCasso B.V.[12]	The Netherlands
Stater Participations B.V.[12]	The Netherlands
Stater Belgium N.V./S.A.[13]	Belgium
Stater Gmbh[12] [32]	Germany
Outbox systems Inc. dba Simplus (US)[16]	U.S.
Simplus North America Inc.[17] [31]	Canada
Simplus ANZ Pty Ltd.[17]	Australia
Simplus Australia Pty Ltd[18]	Australia
Sqware Peg Digital Pty Ltd[19] [35]	Australia
Simplus Philippines, Inc.[17]	Philippines
Simplus Europe, Ltd.[17] [33]	U.K.
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)[11]	U.K.
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[21]	Ireland
Infosys Limited Bulgaria EOOD[1]	Bulgaria
Kaleidoscope Animations, Inc.[16]	U.S.
Kaleidoscope Prototyping LLC[23]	U.S.
GuideVision s.r.o.[14]	Czech Republic
GuideVision Deutschland GmbH[22]	Germany
GuideVision Suomi Oy[22]	Finland
GuideVision Magyarország Kft[22]	Hungary
GuideVision Polska SP.Z.O.O[22]	Poland
GuideVision UK Ltd[22]	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[16]	U.S.
Beringer Capital Digital Group Inc[16] [45]	U.S.
Mediotype LLC[24] [45]	U.S.

Name of fellow subsidiaries	Country
Beringer Commerce Holdings LLC(24) (45)	U.S.
SureSource LLC(25) (43)	U.S.
Blue Acorn LLC(25) (43)	U.S.
Simply Commerce LLC(25) (43)	U.S.
iCiDIGITAL LLC(26) (44)	U.S.
Infosys BPM UK Limited(3)	U.K.
Infosys Turkey Bilgi Teknolojileri Limited Sirketi(1)	Turkey
Infosys Germany Holding Gmbh(1) (29)	Germany
Infosys Automotive and Mobility GmbH & Co. KG(1) (30)	Germany
Infosys Green Forum(1) (36)	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)(37)	Malaysia
Infosys Business Solutions LLC(1) (46)	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))(48)	Germany
oddity GmbH (49)	Germany
oddity (Shanghai) Co., Ltd. (50)	China
oddity Limited (Taipei) (50)	Taiwan
oddity space GmbH (49)	Germany
oddity jungle GmbH (49)	Germany
oddity code GmbH (49)	Germany
oddity code d.o.o (51)	Serbia
oddity waves GmbH (49)	Germany
oddity group services GmbH (49)	Germany
Infosys Public Services Canada Inc. (20) (52)	Canda
BASE life science AG (54)	Switzerland
BASE life science GmbH (54)	Germany
BASE life science A/S (53)	Denmark
BASE life science S.A.S (54)	France
BASE life science Ltd. (54)	U.K.
BASE life science S.r.l. (54)	Itlay
Innovisor Inc.(54)	U.S.
BASE life science Inc.(54)	U.S.
BASE life science S.L.(54) (55)	Spain
Panaya Germany GmbH (6) (56)	Germany

(1) Wholly-owned subsidiary of Infosys Limited
(2) Majority owned and controlled subsidiary of Infosys Limited
(3) Wholly-owned subsidiary of Infosys BPM Limited
(4) Wholly-owned subsidiary of Infosys Consulting Holding AG
(5) Majority owned and controlled subsidiary of Infosys Consulting Holding AG
(6) Wholly-owned subsidiary of Panaya Inc.
(7) Wholly-owned subsidiary of Brilliant Basics Holding Limited.
(8) Wholly-owned subsidiary of Infosys Consulting Pte. Ltd.
(9) Majority owned and controlled subsidiary of Infosys Consulting Pte. Ltd.
(10) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody)
(11) Wholly-owned subsidiary of Fluido Oy
(12) Wholly-owned subsidiary of Stater N.V
(13) Majority owned and controlled subsidiary of Stater Participations B.V.
(14) Wholly-owned subsidiary of Infy Consulting Company Limited
(15) Liquidated effective January 28, 2021.
(16) Wholly-owned subsidiary of Infosys Nova Holdings LLC

[17] Wholly-owned subsidiary of Outbox Systems Inc.

[18] Wholly-owned subsidiary of Simplus ANZ Pty Ltd

[19] Wholly-owned subsidiary of Simplus Australia Pty Ltd

[20] Wholly-owned subsidiary of Infosys Public Services, Inc.

[21] Wholly-owned subsidiary of Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)

[22] Wholly-owned subsidiary of GuideVision s.r.o.

[23] Wholly-owned subsidiary of Kaleidoscope Animations, Inc.

[24] Wholly-owned subsidiary of Blue Acorn iCi Inc

[25] Wholly-owned subsidiary of Beringer Commerce Holdings LLC

[26] Wholly-owned subsidiary of Beringer Capital Digital Group Inc.

[27] Under liquidation

[28] Liquidated effective March 9,2021

[29] Incorporated on March 23, 2021

[30] On March 28, 2021 Infosys Limited and Infosys Germany Holding Gmbh registered Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm.

[31] Liquidated effective April 27,2021

[32] Incorporated on August 4, 2021

[33] Liquidated effective July 20, 2021

[34] Liquidated effective September 1, 2021

[35] Liquidated effective September 2, 2021

[36] Incorporated on August 31, 2021

[37] On December 14, 2021, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)

[38] Liquidated effective December 16, 2021

[39] Liquidated effective November 23, 2021

[40] Wholly-owned subsidiary of Infosys Limited, merged with WongDoody Inc, effective December 31, 2021

[41] Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody), merged with WongDoody Inc, effective December 31, 2021

[42] Wholly-owned subsidiary of Infosys Limited, effective December 31, 2021

[43] Merged with Beringer Commerce Holdings LLC, effective January 1, 2022

[44] Merged with Beringer Capital Digital Group Inc, effective January 1, 2022

[45] Merged with Blue Acorn iCi Inc, effective January 1, 2022

[46] Incorporated on February 20, 2022

[47] On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

[48] On March 22, 2022, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))

[49] On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly owned subsidiary of Infosys Consulting Pte. Ltd) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and oddity GmbH.

[50] Wholly-owned subsidiary of oddity GmbH

[51] Wholly-owned subsidiary of oddity code GmbH.

[52] Incorporated on July 8, 2022

[53] On September 1, 2022, Infosys Consulting Pte. Ltd. (a Wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

[54] Wholly-owned subsidiary of BASE life science A/S

[55] Incorporated on September 6, 2022

[56] Incorporated effective December 15, 2022

The details of amounts due to or due from related parties as at December 31, 2021 and December 31, 2020 are as follows:

(In EUR)

Particulars	As at December 31,	
	2022	2021
Trade receivable		
Infosys Limited	159,520	98,170
	159,520	98,169.93
Other financial assets		
Infosys Limited	53	212,320
	53	212,320.00
Other financial liabilities		
Infosys Limited	635,111	310,177
Infosys Consulting Pte Ltd.	434,760	
Infosys Automotive and Mobilit	160,981	
Trade Payable	635,111	310,177
Infosys (Czech Republic) Ltd	21,534	–
Infosys Technologies China	14,854	–
Infosys BPO Ltd.	20,104	–
	56,492	–
Borrowings [1]		
Infosys Consulting Pte Ltd.	62,810	452,932
	62,810	452,932

[1] The above loan was given in accordance with the terms and conditions of the loan agreement and carries an interest rate of 1.2% per annum.

The details of the related parties transactions entered into by the Company for the years ended December 31, 2022 and December 31, 2021 are as follows:

(In EUR)

Particulars	As at December 31,	
	2022	2021
Revenue transactions:		
Purchase of Services		
Infosys Limited	549,807	84,221
Infosys China	12,210	2,671
Infosys BPM limited	55,882	2,108
Infosys (Czech Republic) Ltd	61,885	8,634
	679,784	97,634
Sale of services		
Infosys Limited	61,350	98,169.93
	61,350	98,169.93
Interest expense		
Infosys Consulting Pte Ltd.	16,614	4,906
	16,614	4,906

2.20 Segment reporting

The Company is engaged in providing consultancy service in a single geography. 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. Its operations are, therefore, considered to constitute a single segment in the context of Ind-AS 108.

2.21 Trade receivables

(In EUR)

Particulars	As at December 31,	
	2022	2021
Current		
Trade Receivable considered good - Unsecured	892,698	162,708
Less: Allowance for expected credit loss	7,282	25
Trace Receivable considered good - Unsecured	885,416	162,683
Total trade receivables	885,416	162,683

Years ended December 31, 2022 and December 31, 2021

(In EUR)

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	(282,150)	983,709	156,248	48,693	(13,802)	–	892,698
	32,373	152,630	(9,398)	(12,897)	–	–	162,708
Undisputed Trade receivables – credit impaired	–	–	–	–	–	–	–
Less: Allowance for credit loss							7,282
							25
Total trade receivables							885,416
							162,683

2.22 Trade payables

(In EUR)

Particulars	As at December 31,	
	2022	2021
Trade payables[(1)]	137,843	25,244
Total trade payables	137,843	25,244
[(1)] Includes dues to subsidiaries	137,843	25,244

Trade payables ageing schedule

Years ended December 31, 2022 and December 31, 2021

(In EUR)

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
Others	49,426.55	80,212	8,205	–	–	137,843
	–	–	25,244	–	–	25,244
Total trade payables	49,426.55	80,212	8,205	–	–	137,843
Total trade payables	–	–	25,244	–	–	25,244

2.23 Ratios

The ratios for the years ended March 31, 2023 and March 31, 2022 are as follows:

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance
Current Ratio	Current assets	Current liabilities	1.07	1.11	(4.1%)
Debt – Equity Ratio	Total Debt (represents lease liabilities) [(1)]	Shareholder's Equity	1.21	0.02	6823.5%*
Debt Service Coverage Ratio	Earnings available for debt service[(2)]	Debt Service[(3)]	(7.03)	21.60	(132.6%)**
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	(0.67)	0.23	(390.0%)***
Trade receivables turnover ratio	Revenue	Average Trade Receivable	3.45	5.73	(39.9%)****
Trade payables turnover ratio	Purchases of services and other expenses	Average Trade Payables	23.83	15.91	49.8%#
Net capital turnover ratio	Revenue	Working Capital	10.69	1.37	680.7%##
Net profit ratio	Net Profit	Revenue	(0.13)	0.16	(182.7%)###
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed[(4)]	(0.64)	0.22	(385.7%)####

(1) Debt represents only 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

* Debt Equity ratio has increased due to increase in lease liability.

** Debt service coverage ratio has decreased due to increase in losses.

*** Return on Equity ratio has decreased due to increase in losses.

**** Trade receivables turnover ratio ratio has decreased due to increase in revenue.

Trade payable turnover ratio ratio has increased due to increase in purchase of services.

Net capital turnover ratio ratio has increased due to increase in revenue.

Net profit ratio has decreased due to increase in losses.

Return on capital employed has decreased due to increase in losses.

Infosys Financial Services GmbH

Independent Auditor's report

To the Members of Infosys Financial Services GmbH

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Infosys Financial Services GmbH ("the Company"), which comprise the Balance Sheet as at December 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of preparation referred to in Section 1.2 of the special purpose financial statements, of the state of affairs of the Company as at December 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

i) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

iii) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

For Shenoy & Kamath
Chartered Accountants,
Firm's Registration Number. 006673S

(M Rathnakar Kamath)
Partner
Membership Number. 202841

UDIN : 23202841BGWLUS7026

Place: Bengaluru

Date : May 20, 2023

Balance Sheet

In ₹

Particulars	Note No.	As at December 31	
		2022	2021
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	2,41,410	921
Total non - current Assets		2,41,410	921
Current assets			
Financial assets			
Trade receivables	2.2	59,61,09,294	56,95,97,513
Cash and cash equivalents	2.3	10,36,49,902	9,04,59,945
Other financial assets	2.4	7,06,20,141	7,38,49,297
Other current assets	2.5	12,59,477	5,19,540
Total current assets		77,16,38,815	73,44,26,295
Total Assets		77,18,80,225	73,44,27,216
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.6	18,12,750	18,12,750
Other equity		(1,12,03,204)	(1,38,29,362)
Total equity		(93,90,454)	(1,20,16,612)
LIABILITIES			
Current liabilities			
Financial liabilities			
Trade payables	2.7	67,50,14,137	64,71,69,705
Other financial liabilities	2.8	1,83,23,980	1,17,04,416
Other liabilities	2.9	8,79,32,562	8,75,69,707
Total current liabilities		78,12,70,679	74,64,43,828
Total equity and liabilities		77,18,80,225	73,44,27,216

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

for and on behalf of Board of Directors of Infosys Financial Services GmbH

David Binny
Director

Atul Mayadeo
Director

Place: Bengaluru

Date: May 20, 2023

Statement of Profit and Loss

In ₹

Particulars	Note No.	Years ended December 31	
		2022	2021
Revenue from operations	2.11	11,05,33,338	8,71,34,971
Other income, net	2.12	27,58,603	–
Total income		11,32,91,942	8,71,34,971
Expenses			
Employee benefit expenses	2.13	10,05,80,749	6,83,23,622
Cost of technical sub-contractors		–	1,18,55,946
Travel expenses		25,47,697	28,785
Communication expenses		2,91,887	2,81,290
Consultancy and professional charges		59,50,284	30,53,465
Depreciation expense	2.1	1,09,046	–
Other expenses	2.13	9,43,667	10,81,273
Total expenses		11,04,23,330	8,46,24,382
Profit before tax		28,68,611	25,10,589
Tax expense:			
Current tax	2.10	–	–
Profit for the year		28,68,611	25,10,589
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation		(2,42,453)	6,93,779
Total other comprehensive income / (loss), net of tax		(2,42,453)	6,93,779
Total comprehensive income for the year		26,26,158	32,04,368
Earnings per equity share			
Equity shares of par value € 25,000/- each			
Basic & Diluted		2,626,158	3,204,368
Number of shares used in computing earning per share			
Basic & Diluted		1	1

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Place: Bengaluru

Date: May 20, 2023

for and on behalf of Board of Directors of Infosys Financial Services GmbH

David Binny
Director

Atul Mayadeo
Director

Statement of Changes in Equity

In ₹

Particulars	Equity Share Capital	Other Equity			Total equity attributable to equity holders of the Company
		Reserves & Surplus		Other Comprehensive Income	
		Securities premium	Retained earnings	Exchange Difference on Translation	
Balance as of January 1, 2021	18,12,750	5,21,612	(1,04,58,476)	(70,96,866)	(1,52,20,980)
Changes in equity for the year ended December 31, 2021					
Profit for the year	–	–	25,10,589	–	25,10,589
Exchange differences on translation	–	–	–	6,93,779	6,93,779
Balance as of December 31, 2021	18,12,750	5,21,612	(79,47,887)	(64,03,087)	(1,20,16,612)
Changes in equity for the year ended December 31, 2022					
Profit for the year	–	–	28,68,611	–	28,68,611
Exchange differences on translation	–	–	–	(2,42,453)	(2,42,453)
Balance as of December 31, 2022	18,12,750	5,21,612	(50,79,276)	(66,45,540)	(93,90,454)

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Place: Bengaluru

Date: May 20, 2023

for and on behalf of Board of Directors of Infosys Financial Services GmbH

David Binny
Director

Atul Mayadeo
Director

Statements of Cash Flows

In ₹

Particulars	Years ended December 31	
	2022	2021
Cash flow from operating activities:		
Profit for the year	28,68,611	25,10,589
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation	1,09,046	–
Other adjustments	(2,04,889)	60
Exchange differences on translation of assets and liabilities	(2,42,453)	6,93,779
Changes in assets and liabilities		
Trade receivables	(2,65,11,782)	5,07,98,404
Other financial assets and other assets	24,89,219	1,17,49,220
Trade payables	2,78,44,433	(3,03,47,460)
Other financial liabilities and other liabilities	69,82,418	2,37,26,486
Net cash generated by operating activities	1,33,34,603	5,91,31,078
Cash flow from investing activities:		
Expenditure on property, plant and equipment	(1,44,646)	–
Net cash from investing activities	(1,44,646)	–
Cash flow from financing activities:		
Net cash from financing activities	–	–
Effect of exchange differences on translation of foreign currency cash and cash equivalents		
Net increase in cash and cash equivalents	1,31,89,958	5,91,31,078
Cash and cash equivalents at the beginning of the year	9,04,59,945	3,13,28,867
Cash and cash equivalents at the end of the year	10,36,49,902	9,04,59,945

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

for and on behalf of Board of Directors of Infosys Financial Services GmbH

David Binny
Director

Atul Mayadeo
Director

Place: Bengaluru

Date: May 20, 2023

Significant accounting policies

Company overview

Infosys Financial Services GmbH ("the Company") (formerly known as Panaya GmbH) is a wholly-owned subsidiary of Panaya Inc., USA. The Company develops and markets solutions for ERP systems, by identifying the changes on the ERP system through automated analysis.

1 Significant accounting policies

1.1 Accounting year

The accounting year of the Company is from January 1 to December 31.

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 Limited under the requirements of Section 129 (3) of the Companies Act 2013.

These financial statements are prepared in accordance with Indian Accounting Standards (Ind-AS) under the historical cost convention on the accrual basis. The Ind-AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been 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 Presentation currency

The Company's presentation currency is the Indian Rupee.

1.4 Use of estimates

The preparation of the financial statements in conformity with Ind-AS requires the Management to make estimates and assumptions that affect the accounting policies and reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Examples of such estimates allowance for credit losses, future obligations under employee benefit plans, income taxes, and the useful lives of property, plant and equipment.

1.5 Revenue recognition

The Company derives its revenue principally from the sale of its ERP systems analysis services including activation and monthly service fees. Revenues from services are recognized as services are performed or on a straight-line basis if service is ongoing. Revenue is recognized provided that arrangement (usually in the form of a purchase order) exists, the fee is fixed and determinable and collection is reasonably assured. If uncertainties exist, revenue is recognized when the uncertainties are resolved.

Effective January 1, 2019, the Company adopted Ind-AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as at January 1, 2019. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method.

When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period. Arrangements to deliver software products generally have three elements: license, implementation, and Annual Technical Services (ATS). The Company has applied the principles under Ind-AS 115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost-plus margin approach. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized ratably over the period in which the services are rendered.

Deferred Contract Cost

Deferred contract costs are incremental costs of obtaining a contract, which are recognized as assets and amortized over the term of the contract.

Contract Modification

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Tax

The Company presents revenues net of indirect taxes in its Statement of Profit and Loss.

1.6 Provisions

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.

1.7 Property, plant and equipment

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	3-5 years
Furniture and fixtures	5 years

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.
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.

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 net profit 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.

1.8 Financial instruments

1.8.1 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, which 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 at trade date.

1.8.2 Subsequent measurement

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. 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. 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.

(iii) Financial assets at fair value through profit or loss

A financial asset, which is not classified in any of the above categories, is subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. 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.

1.9 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.

1.10 Impairment

a. Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets, which are not fair-valued through profit or loss. Loss allowance for trade receivables 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 profit or loss.

b. Non-financial assets

(i) Property, plant and equipment

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 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 for the 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.

1.11 Employee Benefits

Compensated absences

The Company has a policy on compensated absences, which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid or availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

1.12 Foreign currency

Functional currency

The functional currency of the Company is the EURO.

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 net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

The translation of financial statements from functional currency to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the Balance Sheet date and for revenue, expense and cash-flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in exchange differences on translation under other components of equity.

1.13 Income taxes

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 previous 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.

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.

1.14 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing, and financing activities of the Company are segregated.

1.15 Other income

The Company has adopted Appendix B to Ind-AS 21, Foreign Currency Transactions and Advance Consideration, which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

1.16 Earnings per share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.

2.1 Property, plant and equipment

The changes in the carrying value of property, plant and equipment for the year ended December 31, 2022 are as follows:

In ₹

Particulars	Computer equipment	Furniture and fixtures	Total
Gross carrying value as of January 1, 2022	22,24,341	1,07,002	23,31,343
Additions	1,39,665	4,980	1,44,646
Deletions	–	–	–
Translation Differences	–	–	–
Gross carrying value as of December 31, 2022	23,64,006	1,11,982	24,75,988
Accumulated depreciation as of January 1, 2022	(22,23,672)	(1,06,749)	(23,30,421)
Depreciation	(1,00,812)	(8,234)	(1,09,046)
Accumulated depreciation on deletions	–	–	–
Translation Differences	2,01,623	3,265	2,04,889
Accumulated depreciation as of December 31, 2022	(21,22,861)	(1,11,717)	(22,34,578)
Carrying value as of December 31, 2022	2,41,146	264	2,41,410
Carrying value as of January 1, 2022	669	253	921

The changes in the carrying value of property, plant and equipment for the year ended December 31, 2021 are as follows:

In ₹

Particulars	Computer equipment	Furniture and fixtures	Total
Gross carrying value as of January 1, 2021	23,70,130	1,14,015	24,84,145
Additions	–	–	–
Deletions	–	–	–
Translation Differences	(1,45,789)	(7,013)	(1,52,802)
Gross carrying value as of December 31, 2021	22,24,341	1,07,002	23,31,343
Accumulated depreciation as of January 1, 2021	(23,69,418)	(1,13,745)	(24,83,163)
Depreciation	–	–	–
Accumulated depreciation on deletions	–	–	–
Translation Differences	1,45,745	6,997	1,52,742
Accumulated depreciation as of December 31, 2021	(22,23,672)	(1,06,749)	(23,30,421)
Carrying value as of December 31, 2021	669	253	921
Carrying value as of January 1, 2021	713	269	982

2.2 Trade receivables

In ₹

Particulars	As at December 31, 2022	As at December 31, 2021
Current		
Unsecured		
Considered good [(1)]	59,61,09,294	56,95,97,513
Total trade receivables	59,61,09,294	56,95,97,513
[(1)] Includes dues from related parties (Refer to Note2.15)	59,61,09,294	56,95,97,513

Trade receivables ageing schedule

Year ended December 31, 2022

In ₹

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	–	–	596,109,294	–	–	–	596,109,294
Undisputed Trade receivables – credit impaired	–	–	–	–	–	–	–
	–	–	596,109,294	–	–	–	596,109,294
Less: Allowance for credit loss							–
Total trade receivables[(1)]							596,109,294

Year ended December 31, 2021

In ₹

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	–	–	569,597,513	–	–	–	569,597,513
Undisputed Trade receivables – credit impaired	–	–	–	–	–	–	–
	–	–	569,597,513	–	–	–	569,597,513
Less: Allowance for credit loss							–
Total trade receivables[(1)]							569,597,513

2.3 Cash and cash equivalents

In ₹

Particulars	As at December 31 2022	As at December 31 2021
Balances with banks		
In current accounts	10,36,49,902	9,04,59,945
Total Cash and Cash equivalents	10,36,49,902	9,04,59,945

2.4 Other financial assets

In ₹

Particulars	As at December 31, 2022	As at December 31, 2021
Current		
Others [(1)]	7,06,20,141	7,38,49,297
Total current other financial assets	7,06,20,141	7,38,49,297
Financial assets carried at amortized cost	7,06,20,141	7,38,49,297
[(1)] Includes dues from related parties (Refer to Note no. 2.15)	7,06,20,141	7,38,49,297

2.5 Other assets

In ₹

Particulars	As at December 31, 2022	2021
Current		
Withholding taxes and others	12,59,477	5,19,540
Total current other assets	12,59,477	5,19,540

2.6 Equity

Equity share capital

In ₹

Particulars	As at December 31, 2022	2021
Authorized		
Equity share capital (1 Equity share of par value € 25,000 each)	18,12,750	18,12,750
Issued, Subscribed and Paid-Up (wholly owned by Panaya Inc.)		
Equity share capital (1 Equity share of par value € 25,000 each)	18,12,750	18,12,750
Total Equity share capital	18,12,750	18,12,750

The details of shareholder holding more than 5% shares are follows:

Name of the shareholder	As at December 31 2022	2021
Panaya Inc	100%	100%

2.7 Trade Payables

In ₹

Particulars	As at December 31, 2022	2021
Trade payables [(1)]	67,50,14,137	64,71,69,705
Total trade payables	67,50,14,137	64,71,69,705
[(1)] Includes dues to related parties (Refer to Note no. 2.15)	67,46,02,529	64,71,69,705

Trade payables ageing schedule

Year ended December 31, 2022

In ₹

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Others	–	675,014,137	–	–	–	675,014,137
Total trade payables	–	675,014,137	–	–	–	675,014,137

Year ended December 31, 2021

In ₹

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Others	–	647,169,705	–	–	–	647,169,705
Total trade payables	–	647,169,705	–	–	–	647,169,705

2.8 Other financial liabilities

In ₹

Particulars	As at December 31,	
	2022	2021
Current		
Accrued compensation to employees[1]	1,22,97,143	67,11,686
Accrued expenses[1]	14,75,992	14,10,348
Compensated absences	45,50,844	35,82,382
Other Payables[1]	–	–
Total current other financial liabilities	1,83,23,980	1,17,04,416
[1] Financial liability carried at amortized cost	1,37,73,135	81,22,034

2.9 Other liabilities

In ₹

Particulars	As at December 31,	
	2022	2021
Current		
Withholding and other taxes payable	9,51,645	5,50,029
Unearned revenue	8,69,80,917	8,70,19,678
Total current other liabilities	8,79,32,562	8,75,69,707

2.10 Income taxes

Income tax expense in the statement of profit and loss comprises:

In ₹

Particulars	As at December 31,	
	2022	2021
Current taxes	–	–
Deferred taxes	–	–
Income tax expense	–	–

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 as follows:

In ₹

Particulars	As at December 31,	
	2022	2021
Profit before income taxes	28,68,611	25,10,589
Enacted tax rates in Germany	32.50%	32.50%
Computed expected tax expense	9,32,299	8,15,941
Effect of unrecognized deferred tax assets	(9,32,299)	(8,15,941)
Income tax expense	–	–

The applicable statutory tax rate in Germany for years ending December 31, 2022 and December 31, 2021 is 32.50%.

2.11 Revenue from operations

In ₹

Particulars	Years ended December 31	
	2022	2021
Revenue from products and platforms	11,05,33,338	8,71,34,971
Total revenue from operations	11,05,33,338	8,71,34,971

Trade receivables and Contract Balances

The company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. 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.

Trade receivables are presented net of impairment in the Balance Sheet.

During the year ended December 31, 2022, the Company recognized revenue of ₹ 4,19,34,654 arising from opening unearned revenue as of January 1, 2022.

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 Group expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind-AS 115, the Group 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 at December 31, 2022, other than those meeting the exclusion criteria mentioned above, is ₹86,980,917. Out of this, the Group expects to recognize revenue of around 66% within the next one year and the remaining thereafter. The contracts can generally be terminated by the customers and typically includes an enforceable termination penalty payable by them.

Disaggregate revenue information

The disaggregated revenues from contracts with customers for the years ended December 31, 2022 and December 31, 2021 by geography are as follows.

In ₹

Particulars	Years ended December 31,	
	2022	2021
Revenues by geography [1]		
EMEA	11,05,33,338	8,71,34,971
Total Revenue	11,05,33,338	8,71,34,971

[1] Geographical revenue is based on the domicile of customer

2.12 Other income

In ₹

Particulars	Years ended December 31	
	2022	2021
Exchange gain/(loss) of assets and liabilities	–	–
Others	27,58,603	–
Total other income	27,58,603	–

2.13 Expenses

In ₹

Particulars	Years ended December 31	
	2022	2021
Employee benefit expenses		
Salaries, including bonus	10,02,22,664	6,82,10,433
Staff welfare	3,58,085	1,13,190
Total employee benefit expenses	10,05,80,749	6,83,23,622

In ₹

Particulars	Years ended December 31	
	2022	2021
Other expenses		
Repairs and Maintenance	–	39,508
Brand and Marketing	1,45,876	2,61,660
Operating lease payments	–	35,702
Rates and taxes	3,103	6,976
Insurance	1,48,728	2,06,596
Others	6,45,960	5,30,832
Total other expenses	9,43,667	10,81,273

2.14 Financial instruments

Financial instruments by category

The carrying value of financial instruments as of December 31, 2022 and December 31, 2021 were as follows:

In ₹

Particulars	Carrying value as on December 31	
	2022	2021
Assets:		
Cash and cash equivalents (Refer to Note No. 2.3)	10,36,49,902	9,04,59,945
Trade receivables (Refer to Note No. 2.2)	59,61,09,294	56,95,97,513
Other financial assets (Refer to Note No. 2.4)	7,06,20,141	7,38,49,297
Total	77,03,79,337	73,39,06,755
Liabilities:		
Trade payables (Refer to Note No. 2.7)	67,50,14,137	64,71,69,705
Other financial liabilities (Refer to Note No. 2.8)	1,37,73,135	81,22,034
Total	68,87,87,273	65,52,91,739

All the above financial instruments are carried at amortized cost and the carrying values approximates their fair value.

Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Group'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 ₹ 596,109,294 and ₹ 569,597,513 as of December 31, 2022 and December 31, 2021, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in the EMEA region. 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 expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes, credit ratings from international credit rating agencies and the Company's historical experience for customers.

The following table gives details in respect of percentage of revenues generated from top customer and top five customers:

in %

Particulars	Years ended December 31,	
	2022	2021
Revenue from top customer	13.5%	15.5%
Revenue from top five customers	52.7%	53.7%

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the years ended December 31, 2022 and December 31, 2021 was nil and nil, respectively.

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents.
As of December 31, 2021, the Company had a working capital of ₹ - 96,31,864 including cash and cash equivalents of ₹ 10,36,49,902. As of December 31, 2021, the Company had a working capital of ₹ -1,20,17,534 including cash and cash equivalents of ₹ 9,04,59,947.

As of December 31, 2022 and December 31, 2021, the outstanding compensated absences were ₹ 45,50,844 and ₹ 35,82,382 respectively.

The details regarding the contractual maturities of significant financial liabilities as of December 31, 2022 are as follows:

In ₹

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	67,50,14,137	–	–	–	67,50,14,137
Other financial liabilities	1,37,73,135	–	–	–	1,37,73,135

The details regarding the contractual maturities of significant financial liabilities as of December 31, 2021 are as follows:

In ₹

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	64,71,69,705	–	–	–	64,71,69,705
Other financial liabilities	81,22,034	–	–	–	81,22,034

2.15 Related party transactions

List of related parties:

Name of subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)(1)	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)(1)	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)(1)	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)(1)	China
Infosys Nova Holdings LLC. (Infosys Nova)(1)	U.S.
EdgeVerve Systems Limited (EdgeVerve)(1)	India
Infosys Austria GmbH(1)	Austria
Skava Systems Private Limited (Skava Systems)(1)(27)	India
Kallidus Inc, (Kallidus)(28)	U.S.
Infosys Chile SpA(1)	Chile
Infosys Arabia Limited(2)(27)	Saudi Arabia
Infosys Consulting Ltda.(1)	Brazil
Infosys CIS LLC(15)	Russia
Infosys Luxembourg S.a.r.l(1)	Luxembourg
Infosys Americas Inc. (Infosys Americas)(1)	U.S.
Infosys Public Services, Inc. USA (Infosys Public Services)(1)	U.S.
Infosys Canada Public Services Inc(20)(39)	Canada
Infosys BPM Limited(1)(47)	India
Infosys (Czech Republic) Limited s.r.o.(3)	Czech Republic
Infosys Poland Sp z.o.o(3)	Poland
Infosys McCamish Systems LLC(3)	U.S.
Portland Group Pty Ltd(3)	Australia
Infosys BPO Americas LLC.(3)	U.S.
Infosys Consulting Holding AG (Infosys Lodestone)(1)	Switzerland
Infosys Management Consulting Pty Limited(4)	Australia
Infosys Consulting AG(4)	Switzerland
Infosys Consulting GmbH(4)	Germany
Infosys Consulting S.R.L.(1)	Romania

Name of subsidiaries	Country
Infosys Consulting SAS[(4)]	France
Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.)[(4)(38)]	Czech Republic
Infosys Consulting (Shanghai) Co., Ltd.[(4)(34)]	China
Infy Consulting Company Ltd[(4)]	U.K.
Infy Consulting B.V.[(4)]	The Netherlands
Infosys Consulting S.R.L.[(2)]	Argentina
Infosys Consulting (Belgium) NV[(5)]	Belgium
Panaya Inc. (Panaya)[(1)]	U.S.
Panaya Ltd.[(6)]	Israel
Brilliant Basics Holdings Limited (Brilliant Basics)[(1)(27)]	U.K.
Brilliant Basics Limited[(7)(27)]	U.K.
Infosys Consulting Pte. Ltd. (Infosys Singapore)[(1)]	Singapore
Infosys Middle East FZ LLC[(8)]	Dubai
Fluido Oy[(8)]	Finland
Fluido Sweden AB (Extero)[(11)]	Sweden
Fluido Norway A/S[(11)]	Norway
Fluido Denmark A/S[(11)]	Denmark
Fluido Slovakia s.r.o[(11)]	Slovakia
Infosys Compaz Pte. Ltd[(9)]	Singapore
Infosys South Africa (Pty) Ltd[(8)]	South Africa
WongDoody Holding Company Inc. (WongDoody)[(1)(40)]	U.S.
WDW Communications, Inc[(10)(41)]	U.S.
WongDoody, Inc[(10)(42)]	U.S.
HIPUS Co., Ltd[(9)]	Japan
Stater N.V.[(9)]	The Netherlands
Stater Nederland B.V.[(12)]	The Netherlands
Stater XXL B.V.[(12)]	The Netherlands
HypoCasso B.V.[(12)]	The Netherlands
Stater Participations B.V.[(12)]	The Netherlands
Stater Belgium N.V./S.A.[(13)]	Belgium
Stater Gmbh[(12)](32)	Germany
Outbox systems Inc. dba Simplus (US)[(16)]	U.S.
Simplus North America Inc.[(17)(31)]	Canada
Simplus ANZ Pty Ltd.[(17)]	Australia
Simplus Australia Pty Ltd[(18)]	Australia
Sqware Peg Digital Pty Ltd[(19)(35)]	Australia
Simplus Philippines, Inc.[(17)]	Philippines
Simplus Europe, Ltd.[(17)(33)]	U.K.
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)[(11)]	U.K.
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[(21)]	Ireland
Infosys Limited Bulgaria EOOD[(1)]	Bulgaria
Kaleidoscope Animations, Inc.[(16)]	U.S.
Kaleidoscope Prototyping LLC[(23)]	U.S.
GuideVision s.r.o.[(14)]	Czech Republic
GuideVision Deutschland GmbH[(22)]	Germany
GuideVision Suomi Oy[(22)]	Finland

Name of subsidiaries	Country
GuideVision Magyarország Kft[22]	Hungary
GuideVision Polska SP.Z.O.O[22]	Poland
GuideVision UK Ltd[22]	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[16]	U.S.
Beringer Capital Digital Group Inc[16][45]	U.S.
Mediotype LLC[24][45]	U.S.
Beringer Commerce Holdings LLC[24][45]	U.S.
SureSource LLC[25][43]	U.S.
Blue Acorn LLC[25][43]	U.S.
Simply Commerce LLC[25][43]	U.S.
iCiDIGITAL LLC[26][44]	U.S.
Infosys BPM UK Limited[3]	U.K.
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[1]	Turkey
Infosys Germany Holding Gmbh[1][29]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1][30]	Germany
Infosys Green Forum[1][36]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[37]	Malaysia
Infosys Business Solutions LLC[1][46]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH (“Kristall”)[48]	Germany
oddity GmbH [49]	Germany
oddity (Shanghai) Co., Ltd. [50]	China
oddity Limited (Taipei) [50]	Taiwan
oddity space GmbH [49]	Germany
oddity jungle GmbH [49]	Germany
oddity code GmbH [49]	Germany
oddity code d.o.o [51]	Serbia
oddity waves GmbH [49]	Germany
oddity group services GmbH [49]	Germany
Infosys Public Services Canada Inc. [20][52]	Canda
BASE life science AG [54]	Switzerland
BASE life science GmbH [54]	Germany
BASE life science A/S [53]	Denmark
BASE life science S.A.S [54]	France
BASE life science Ltd. [54]	U.K.
BASE life science S.r.l. [54]	Itlay
Innovisor Inc.[54]	U.S.
BASE life science Inc.[54]	U.S.
BASE life science S.L.[54][55]	Spain
Panaya Germany GmbH [6][56]	Germany

[1] Wholly-owned subsidiary of Infosys Limited

[2] Majority-owned and controlled subsidiary of Infosys Limited

[3] Wholly-owned subsidiary of Infosys BPM Limited

[4] Wholly-owned subsidiary of Infosys Consulting Holding AG

[5] Majority-owned and controlled subsidiary of Infosys Consulting Holding AG

[6] Wholly-owned subsidiary of Panaya Inc.

[7] Wholly-owned subsidiary of Brilliant Basics Holding Limited.

(8) Wholly-owned subsidiary of Infosys Consulting Pte. Ltd.

(9) Majority-owned and controlled subsidiary of Infosys Consulting Pte. Ltd.

(10) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody)

(11) Wholly-owned subsidiary of Fluido Oy

(12) Wholly-owned subsidiary of Stater N.V

(13) Majority-owned and controlled subsidiary of Stater Participations B.V.

(14) Wholly-owned subsidiary of Infy Consulting Company Limited

(15) Liquidated effective January 28, 2021.

(16) Wholly-owned subsidiary of Infosys Nova Holdings LLC

(17) Wholly-owned subsidiary of Outbox Systems Inc.

(18) Wholly-owned subsidiary of Simplus ANZ Pty Ltd

(19) Wholly-owned subsidiary of Simplus Australia Pty Ltd

(20) Wholly-owned subsidiary of Infosys Public Services, Inc.

(21) Wholly-owned subsidiary of Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)

(22) Wholly-owned subsidiary of GuideVision s.r.o.

(23) Wholly-owned subsidiary of Kaleidoscope Animations, Inc.

(24) Wholly-owned subsidiary of Blue Acorn iCi Inc

(25) Wholly-owned subsidiary of Beringer Commerce Holdings LLC

(26) Wholly-owned subsidiary of Beringer Capital Digital Group Inc.

(27) Under liquidation

(28) Liquidated effective March 9,2021

(29) Incorporated on March 23, 2021

(30) On March 28, 2021 Infosys Limited and Infosys Germany Holding Gmbh registered Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm.

(31) Liquidated effective April 27,2021

(32) Incorporated on August 4, 2021

(33) Liquidated effective July 20, 2021

(34) Liquidated effective September 1, 2021

(35) Liquidated effective September 2, 2021

(36) Incorporated on August 31, 2021

(37) On December 14, 2021, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)

(38) Liquidated effective December 16, 2021

(39) Liquidated effective November 23, 2021

(40) Wholly-owned subsidiary of Infosys Limited, merged with WongDoody Inc, effective December 31, 2021

(41) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody), merged with WongDoody Inc, effective December 31, 2021

(42) Wholly-owned subsidiary of Infosys Limited, effective December 31, 2021

(43) Merged with Beringer Commerce Holdings LLC, effective January 1, 2022

(44) Merged with Beringer Capital Digital Group Inc, effective January 1, 2022

(45) Merged with Blue Acorn iCi Inc, effective January 1, 2022

(46) Incorporated on February 20, 2022

(47) On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

(48) On March 22, 2022, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))

(49) On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly owned subsidiary of Infosys Consulting Pte. Ltd) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and oddity GmbH.

(50) Wholly-owned subsidiary of oddity GmbH

(51) Wholly-owned subsidiary of oddity code GmbH.

(52) Incorporated on July 8, 2022

(53) On September 1, 2022, Infosys Consulting Pte. Ltd. (a Wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

(54) Wholly-owned subsidiary of BASE life science A/S

(55) Incorporated on September 6, 2022

(56) Incorporated effective December 15, 2022

The details of amounts due to or due from related parties as at December 31, 2022 and December 31, 2021 are as follows:

In ₹

Particulars	As at December 31	
	2022	2021
Trade receivables		
Panaya Ltd	59,61,09,294	56,95,97,513
	59,61,09,294	56,95,97,513
Other financial assets		
Panaya Ltd	7,06,20,141	7,38,49,297
	7,06,20,141	7,38,49,297
Trade payables		
Panaya Ltd.	67,46,02,529	64,71,69,705
	67,46,02,529	64,71,69,705

The details of the related parties transactions entered into by the Company, for the years ended December 31, 2022 and December 31, 2021 are as follows:

In ₹

Particulars	As at December 31	
	2022	2021
Revenue transactions:		
Purchase of services		
Panaya Ltd.	–	1,18,55,946
	–	1,18,55,946
Sale of services		
Panaya Ltd	27,58,603	–
	27,58,603	–

2.16 Segment reporting

The Company is engaged in developing and marketing solutions in a single geography. 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 analysis of performance of the Company as a whole. Its operations are, therefore, considered to constitute a single segment in the context of Ind-AS 108, Segment Reporting.

2.17 Ratios

The ratios for the years ended December 31, 2022 and December 31, 2021 are as follows:

Particulars	Numerator	Denominator	December, 2022	December, 2021	Variance	
Current Ratio	Current assets	Current liabilities	1.0	1.0	0.4%	
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	-26.8%	-18.4%	-8.4%	
Trade receivables turnover ratio	Revenue	Average Trade Receivable	0.2	0.1	29.5%	*
Trade payables turnover ratio	Purchases of services and other expenses	Average Trade Payables	0.0	0.0	-40.2%	**
Net capital turnover ratio	Revenue	Working Capital	-11.5	-7.3	58.3%	***
Net profit ratio	Net Profit	Revenue	2.6%	2.9%	-0.3%	
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed(1)	-30.5%	-21.0%	-9.6%	

(1) Tangible net worth + deferred tax liabilities + Lease Liabilities

* Revenue growth has resulted in an improvement in the ratio.

** Reduction in the expenses has resulted in an improvement in the ratio.

*** Revenue growth along with higher efficiency on working capital improvement has resulted in an improvement in the ratio

Infosys South Africa (Pty) Ltd

Independent Auditor's Report

To the Members of Infosys South Africa (Pty) Ltd

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Infosys South Africa (Pty) Ltd ("the Company"), which comprise the Balance Sheet as at December 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements gives a true and fair view in conformity with the basis of preparation referred to in Section 1.2 of the special purpose financial statements, of the state of affairs of the Company as at December 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objective is to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

i) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

iii) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

For Shenoy & Kamath
Chartered Accountants
Firm's Registration Number. 006673S

M Rathnakar Kamath
Partner
Membership Number. 202841

UDIN : 23202841BGWLUK3578

Place: Bengaluru

Date: May 20, 2023

Balance Sheet

(In ZAR)

Particulars	Note No.	As at December 31, 2022	As at December 31, 2021
ASSETS			
Non-current assets			
Deferred tax assets (net)	2.13	85,636	–
Total non - current Assets		85,636	–
Current assets			
Financial assets			
Trade receivables	2.1	595,530	–
Cash and cash equivalents	2.2	16,915,970	76,045
Other current assets	2.3	712,540	–
Total current assets		18,224,040	76,045
Total Assets		18,309,676	76,045
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.4	7,835,760	154,860
Other equity		835,244	(85,999)
Total equity		8,671,004	68,861
LIABILITIES			
Non-current liabilities			
Total non - current liabilities		–	–
Current liabilities			
Financial liabilities			
Trade payables	2.5	8,413,764	–
Other financial liabilities	2.6	199,149	7,184
Other current liabilities	2.7	600,644	–
Income Tax Liabilities (Net)	2.13	425,116	–
Total current liabilities		9,638,671	7,184
Total equity and liabilities		18,309,676	76,045

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants
Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership No. 202841

Place: Bengaluru

Date: May 20, 2023

for and on behalf of the Board of Directors of Infosys South Africa (Pty) Ltd

Arul S
Authorized Signatory

Arunabha Das
Authorized Signatory

Statement of Profit and Loss

(In ZAR)

Particulars	Note No.	Years ended December 31, 2022	2021
Revenue from operations	2.8	11,453,830	–
Other income, net	2.9	8,373	–
Total income		11,462,203	–
Expenses			
Employee benefit expenses	2.10	1,344,792	–
Cost of technical sub-contractors		8,289,368	–
Communication expenses		13,332	–
Consultancy and professional charges	2.11	387,668	10,059
Other expenses	2.12	132,372	6,738
Total expenses		10,167,531	16,797
Profit/(loss) before tax		1,294,672	(16,797)
Tax expense			
Current tax	2.13	459,064	–
Deferred tax	2.13	(85,636)	–
Profit/(loss) for the year		921,243	(16,797)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		–	–
Items that will be reclassified subsequently to profit or loss		–	–
Total other comprehensive income, net of tax		–	–
Total comprehensive income/(loss) for the year		921,243	(16,797)

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants
Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership No. 202841

Place: Bengaluru

Date: May 20, 2023

for and on behalf of the Board of Directors of Infosys South Africa (Pty) Ltd

Arul S
Authorized Signatory

Arunabha Das
Authorized Signatory

Statement of Changes in Equity

(In ZAR)

Particulars	Equity Share Capital	Other Equity Reserves & Surplus Retained earnings	Total equity attributable to equity holders of the Company
Balance as at January 1, 2021	154,860	(69,202)	85,658
Changes in equity for the year ended December 31, 2021			
Profit/ (loss) for the year		(16,797)	(16,797)
Balance as at December 31, 2021	154,860	(85,999)	68,861
Changes in equity for the year ended December 31, 2022			
Increase in equity share capital on account of fresh issue	7,680,900	–	7,680,900
Profit/ (loss) for the year		921,243	921,243
Balance as at December 31, 2022	7,835,760	835,244	8,671,004

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants
Firm's Registration Number: 006673S

for and on behalf of the Board of Directors of Infosys South Africa (Pty) Ltd

M. Rathnakar Kamath
Partner
Membership No. 202841

Arul S
Authorized Signatory

Arunabha Das
Authorized Signatory

Place: Bengaluru

Date: May 20, 2023

Statements of Cash Flows

(In ZAR)

Particulars	Years ended December 31, 2022	2021
Cash flow from operating activities:		
Profit/(loss) for the year	1,294,672	(16,797)
Adjustments to reconcile net profit to net cash provided by operating activities:		
Change in asset and liabilities	7,898,302	–
Trade receivable	(595,530)	–
Other current Assets	(712,540)	–
Trade payables	8,413,764	–
Other current liabilities	792,608	–
Cash generated from operations	9,192,973	(16,797)
Income tax paid	(33,949)	–
Net cash generated by operating activities	9,159,025	(16,797)
Net cash used in investing activities	–	–
Cash flow from financing activities:		
Proceed from issue of share capital	7,680,900	–
Net cash generated from/ (used in) financing activities	7,680,900	–
Net increase/ (decrease) in cash and cash equivalents	16,839,925	(16,797)
Cash and cash equivalents at the beginning of the year	76,045	92,842
Cash and cash equivalents at the end of the year	16,915,970	76,045

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants
Firm's Registration Number: 006673S

for and on behalf of the Board of Directors of Infosys South Africa (Pty) Ltd

M. Rathnakar Kamath
Partner
Membership No. 202841

Arul S
Authorized Signatory

Arunabha Das
Authorized Signatory

Place: Bengaluru

Date: May 20, 2023

Company Overview and Significant Accounting Policies

Company overview

Infosys South Africa (Pty) Ltd is a wholly-owned subsidiary of Infosys Consulting PTE Limited. The purpose of the Company is to expand locally, as the same exists or as may hereafter be amended from time to time.

1 Significant accounting policies

1.1 Accounting year

The accounting year of the Company is from January to December.

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 Limited, under the requirements of Section 129 (3) of the Companies Act 2013

These financial statements are prepared in accordance with Indian Accounting Standards (Ind-AS) under the historical cost convention on the accrual basis. The Ind-AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. 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 Reporting currency

The Company's reporting currency is ZAR

1.4 Use of estimates

The preparation of the financial statements in conformity with Ind-AS requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities, and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.5 Foreign currency

Functional currency

The functional currency of the Company is the ZAR. These financial statements are presented In ZAR.

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 net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense, and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

1.6 Income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized in the other comprehensive income or directly in equity, respectively.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets are recognized only to the existent that it is probable that future taxable profit will be available against which the temporary differences can be utilized."

1.7 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.8 Investments

Associates are entities over which the Company has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. The Company's investment in associates includes goodwill identified on acquisition.

2.1 Trade receivables

(In ZAR)

Particulars	As at December 31, 2022	2021
Current		
Trade Receivable considered good - Unsecured	600,588	–
Less: Allowance for expected credit loss	5,058	–
Total trade receivables[1]	595,530	–
[1] Includes dues from related party (refer note no. 2.14)	38,575	–

Trade Receivables Ageing schedule

Years ended December 31, 2022 and December 31, 2021

(In ZAR)

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	–	600,588	–	–	–	–	600,588
Less: Allowance for credit loss		5,058					5,058
							–
Total trade receivables[1]	–	595,530	–	–	–	–	595,530

2.2 Cash and Cash Equivalents

(In ZAR)

Particulars	As at December 31, 2022	2021
Balances with banks		
In current and deposit accounts	16,915,969	76,045
	16,915,969	76,045

Particulars	As at December 31, 2022	2021
In current accounts		
Citi Bank Account	16,915,969	76,045
Total cash and cash equivalents as per Balance Sheet	16,915,969	76,045

2.3 Other assets

(In ZAR)

Particulars	As at December 31, 2022	2021
Current		
Others		
Employee Advance	4,177	–
Unbilled revenue	684,187	–
VAT receivable	24,177	–
	712,540	–

2.4 Equity

Equity share capital

(In ZAR)

Particulars	As at December 31, 2022	2021
Authorized Equity shares, ZAR 10 par value 100,000 (100,000) equity shares	1,000,000	1,000,000
Issued, Subscribed and Paid-Up Equity shares, ZAR 10 par value 7,835,760 (783,576) equity shares (2021: 154,860 (15,486) equity shares)	7,835,760	154,860

The details of shareholder holding more than 5% shares as at December 31, 2022 and December 31, 2021 are as follows:

Name of the shareholder	As at December 31, 2022	2021
Infosys Consulting Pte. Ltd	100%	100%

Reconciliation of Number of Shares

The reconciliation of the number of shares outstanding and the amount of share capital as at December 31, 2022 and December 31, 2021 is as follows:

Particulars	As at December 31, 2022	
	Number of shares	Amount
Number of shares at the beginning of the period	15,486	154,860
Add: Shares issued during the year	768,090	7,680,900
Number of shares at the end of the period	783,576	7,835,760

2.5 Trade payables

(In ZAR)

Particulars	As at December 31, 2022	2021
Trade payables[(1)]	8,413,764	–
Total trade payables	8,413,764	–
[(1)] Includes dues from related party (refer note no. 2.14)	8,380,265	–

Trade payables ageing schedule

Years ended December 31, 2022 and December 31, 2021

(In ZAR)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Others	–	8,413,764	–	–	–	8,413,764
Total trade payables	–	8,413,764	–	–	–	8,413,764

2.6 Other financial liabilities

(In ZAR)

Particulars	As at December 31, 2022	2021
Current		
Financial liabilities		
Accrued expenses	199,149	7,184
Total financial liabilities	199,149	7,184

2.7 Other liabilities

(In ZAR)

Particulars	As at December 31,	
	2022	2021
Current		
Others		
VAT and withholding taxes	293,441	–
Social security liabilities and others	708	–
Provident Fund liabilities	652	–
Provision for performance bonus	233,593	–
Compensated absences	72,249	–
	600,643	–

2.8 Revenue from operations

(In ZAR)

Particulars	Years ended December 31,	
	2022	2021
Income from software services	11,453,830	–
Total revenue from operation	11,453,830	–

2.9 Other income

(In ZAR)

Particulars	Years ended December 31,	
	2022	2021
Interest income on deposits with bank	8,373	–
Total other income	8,373	–

Expenses

2.10 Employee Benefit Expenses

(In ZAR)

Particulars	Years ended December 31,	
	2022	2021
Employee benefit expenses		
Salaries, including bonus	1,344,292	–
Staff welfare	500	–
	1,344,792	–

2.11 Consultancy and professional charges

(In ZAR)

Particulars	Years ended December 31,	
	2022	2021
Consultancy and professional charges		
Registration and filling fees	–	10,059
Consultancy and professional charges	237,668	–
Auditor's remuneration	150,000	–
Total consultancy and professional charges	387,668	10,059

2.12 Other Expenses

(In ZAR)

Particulars	Years ended December 31,	
	2022	2021
Bank charges	10,744	6,738
Brand and marketing	260	–
Travelling costs	45,557	–
Exchange losses/ (gains) on translation of other assets and liabilities	64,588	–
Allowances for credit losses on financial assets	11,223	–
Total other expenses	132,372	6,738

2.13 Income taxes

Income tax expense in the statement of profit and loss comprises:

(In ZAR)

Particulars	Years ended December 31,	
	2022	2021
Current taxes	459,064	–
Deferred taxes	(85,636)	–
Income tax expense	373,428	–

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 ZAR)

Particulars	Years ended December 31,	
	2022	2021
Profit before income taxes	1,294,672	–
Enacted tax rates in South Africa	28.00%	–
Computed expected tax expense	362,508	–
DTA not created on loss	(24,080)	–
Income tax expense	338,428	–

The details of income tax assets and income tax liabilities as of December 31, 2022 and December 31, 2021 are as follows:

(In ZAR)

Particulars	As at December 31	
	2022	2021
Current income tax liabilities	(459,064)	–
Income tax assets	33,949	–
Net current income tax assets/ (liability) at the end	(425,116)	–

The gross movement in the current income tax asset/ (liability) for the years ended December 31, 2022 and December 31, 2021 is as follows:

(In ZAR)

Particulars	Years ended December 31,	
	2022	2021
Net current income tax asset/ (liability) at the beginning	–	–
Income tax paid	33,949	–
Current income tax expense	(459,064)	–
Net current income tax asset/ (liability) at the end	(425,116)	–

The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

(In ZAR)

Particulars	As at December 31,	
	2022	2021
Deferred income tax assets/ (liabilities):		
Provision For performance bonus	65,406	–
Compensated absences	20,230	–
Total deferred income tax assets/ (liabilities)	85,636	–

2.14 Related party transactions

Name of holding company	Country	Holding as at December 31,	
		2022	2021
Infosys Consulting Pte. Ltd. (Infosys Singapore)	Singapore	100%	100%

Name of Ultimate holding company	Country	Holding as at December 31,	
		2022	2021
Infosys Limited	India	100%	100%

List of related parties:

Name of subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)[1]	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)[1]	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)[1]	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)[1]	China
Infosys Nova Holdings LLC. (Infosys Nova)[1]	U.S.
EdgeVerve Systems Limited (EdgeVerve)[1]	India
Infosys Austria GmbH[1]	Austria
Skava Systems Private Limited (Skava Systems)[1][27]	India
Kallidus Inc, (Kallidus)[28]	U.S.
Infosys Chile SpA[1]	Chile
Infosys Arabia Limited[2][27]	Saudi Arabia
Infosys Consulting Ltda.[1]	Brazil
Infosys CIS LLC[15]	Russia
Infosys Luxembourg S.a.r.l[1]	Luxembourg
Infosys Americas Inc. (Infosys Americas)[1]	U.S.
Infosys Public Services, Inc. USA (Infosys Public Services)[1]	U.S.
Infosys Canada Public Services Inc[20][39]	Canada
Infosys BPM Limited[1][47]	India
Infosys (Czech Republic) Limited s.r.o.[3]	Czech Republic
Infosys Poland Sp z.o.o[3]	Poland
Infosys McCamish Systems LLC[3]	U.S.
Portland Group Pty Ltd[3]	Australia
Infosys BPO Americas LLC.[3]	U.S.

Name of subsidiaries	Country
Infosys Consulting Holding AG (Infosys Lodestone)[1]	Switzerland
Infosys Management Consulting Pty Limited[4]	Australia
Infosys Consulting AG[4]	Switzerland
Infosys Consulting GmbH[4]	Germany
Infosys Consulting S.R.L.[1]	Romania
Infosys Consulting SAS[4]	France
Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.)[4][38]	Czech Republic
Infosys Consulting (Shanghai) Co., Ltd.[4][34]	China
Infy Consulting Company Ltd[4]	U.K.
Infy Consulting B.V.[4]	The Netherlands
Infosys Consulting S.R.L.[2]	Argentina
Infosys Consulting (Belgium) NV[5]	Belgium
Panaya Inc. (Panaya)[1]	U.S.
Panaya Ltd.[6]	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH)[6]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[1][27]	U.K.
Brilliant Basics Limited[7][27]	U.K.
Infosys Consulting Pte. Ltd. (Infosys Singapore)[1]	Singapore
Infosys Middle East FZ LLC[8]	Dubai
Fluido Oy[8]	Finland
Fluido Sweden AB (Extero)[11]	Sweden
Fluido Norway A/S[11]	Norway
Fluido Denmark A/S[11]	Denmark
Fluido Slovakia s.r.o[11]	Slovakia
Infosys Compaz Pte. Ltd[9]	Singapore
WongDoody Holding Company Inc. (WongDoody)[1][40]	U.S.
WDW Communications, Inc[10][41]	U.S.
WongDoody, Inc[10][42]	U.S.
HIPUS Co., Ltd[9]	Japan
Stater N.V.[9]	The Netherlands
Stater Nederland B.V.[12]	The Netherlands
Stater XXL B.V.[12]	The Netherlands
HypoCasso B.V.[12]	The Netherlands
Stater Participations B.V.[12]	The Netherlands
Stater Belgium N.V./S.A.[13]	Belgium
Stater Gmbh[12][32]	Germany
Outbox systems Inc. dba Simplus (US)[16]	U.S.
Simplus North America Inc.[17][31]	Canada
Simplus ANZ Pty Ltd.[17]	Australia
Simplus Australia Pty Ltd[18]	Australia
Sqware Peg Digital Pty Ltd[19][35]	Australia
Simplus Philippines, Inc.[17]	Philippines
Simplus Europe, Ltd.[17][33]	U.K.
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)[11]	U.K.
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[21]	Ireland

Name of subsidiaries	Country
Infosys Limited Bulgaria EOOD[(1)]	Bulgaria
Kaleidoscope Animations, Inc.[(16)]	U.S.
Kaleidoscope Prototyping LLC[(23)]	U.S.
GuideVision s.r.o.[(14)]	Czech Republic
GuideVision Deutschland GmbH[(22)]	Germany
GuideVision Suomi Oy[(22)]	Finland
GuideVision Magyarország Kft[(22)]	Hungary
GuideVision Polska SP.Z.O.O[(22)]	Poland
GuideVision UK Ltd[(22)]	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[(16)]	U.S.
Beringer Capital Digital Group Inc[(16)(45)]	U.S.
Mediotype LLC[(24)(45)]	U.S.
Beringer Commerce Holdings LLC[(24)(45)]	U.S.
SureSource LLC[(25)(43)]	U.S.
Blue Acorn LLC[(25)(43)]	U.S.
Simply Commerce LLC[(25)(43)]	U.S.
iCiDIGITAL LLC[(26)(44)]	U.S.
Infosys BPM UK Limited[(3)]	U.K.
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[(1)]	Turkey
Infosys Germany Holding Gmbh[(1)(29)]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[(1)(30)]	Germany
Infosys Green Forum[(1)(ZZ]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[(37)]	Malaysia
Infosys Business Solutions LLC[(1)(46)]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[(48)]	Germany
oddity GmbH [(49)]	Germany
oddity (Shanghai) Co., Ltd. [(50)]	China
oddity Limited (Taipei) [(50)]	Taiwan
oddity space GmbH [(49)]	Germany
oddity jungle GmbH [(49)]	Germany
oddity code GmbH [(49)]	Germany
oddity code d.o.o [(51)]	Serbia
oddity waves GmbH [(49)]	Germany
oddity group services GmbH [(49)]	Germany
Infosys Public Services Canada Inc. [(20)(52)]	Canda
BASE life science AG [(54)]	Switzerland
BASE life science GmbH [(54)]	Germany
BASE life science A/S [(53)]	Denmark
BASE life science S.A.S [(54)]	France
BASE life science Ltd. [(54)]	U.K.
BASE life science S.r.l. [(54)]	Itlay
Innovisor Inc.[(54)]	U.S.
BASE life science Inc.[(54)]	U.S.
BASE life science S.L.[(54)(55)]	Spain
Panaya Germany GmbH [(6)(56)]	Germany

[1] Wholly-owned subsidiary of Infosys Limited
[2] Majority-owned and controlled subsidiary of Infosys Limited
[3] Wholly-owned subsidiary of Infosys BPM Limited
[4] Wholly-owned subsidiary of Infosys Consulting Holding AG
[5] Majority-owned and controlled subsidiary of Infosys Consulting Holding AG
[6] Wholly-owned subsidiary of Panaya Inc.
[7] Wholly-owned subsidiary of Brilliant Basics Holding Limited.
[8] Wholly-owned subsidiary of Infosys Consulting Pte. Ltd.
[9] Majority-owned and controlled subsidiary of Infosys Consulting Pte. Ltd.
[10] Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody)
[11] Wholly-owned subsidiary of Fluido Oy
[12] Wholly-owned subsidiary of Stater N.V
[13] Majority-owned and controlled subsidiary of Stater Participations B.V.
[14] Wholly-owned subsidiary of Infy Consulting Company Limited
[15] Liquidated effective January 28, 2021.
[16] Wholly-owned subsidiary of Infosys Nova Holdings LLC
[17] Wholly-owned subsidiary of Outbox Systems Inc.
[18] Wholly-owned subsidiary of Simplus ANZ Pty Ltd
[19] Wholly-owned subsidiary of Simplus Australia Pty Ltd
[20] Wholly-owned subsidiary of Infosys Public Services, Inc.
[21] Wholly-owned subsidiary of Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)
[22] Wholly-owned subsidiary of GuideVision s.r.o.
[23] Wholly-owned subsidiary of Kaleidoscope Animations, Inc.
[24] Wholly-owned subsidiary of Blue Acorn iCi Inc
[25] Wholly-owned subsidiary of Beringer Commerce Holdings LLC
[26] Wholly-owned subsidiary of Beringer Capital Digital Group Inc.
[27] Under liquidation
[28] Liquidated effective March 9,2021
[29] Incorporated on March 23, 2021
[30] On March 28, 2021 Infosys Limited and Infosys Germany Holding Gmbh registered Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm.
[31] Liquidated effective April 27,2021
[32] Incorporated on August 4, 2021
[33] Liquidated effective July 20, 2021
[34] Liquidated effective September 1, 2021
[35] Liquidated effective September 2, 2021
[36] Incorporated on August 31, 2021
[37] On December 14, 2021, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)
[38] Liquidated effective December 16, 2021
[39] Liquidated effective November 23, 2021
[40] Wholly-owned subsidiary of Infosys Limited, merged with WongDoody Inc, effective December 31, 2021
[41] Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody), merged with WongDoody Inc, effective December 31, 2021
[42] Wholly-owned subsidiary of Infosys Limited, effective December 31, 2021
[43] Merged with Beringer Commerce Holdings LLC, effective January 1, 2022
[44] Merged with Beringer Capital Digital Group Inc, effective January 1, 2022
[45] Merged with Blue Acorn iCi Inc, effective January 1, 2022
[46] Incorporated on February 20, 2022
[47] On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.
[48] On March 22, 2022, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))
[49] On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly owned subsidiary of Infosys Consulting Pte. Ltd) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and oddity GmbH.
[50] Wholly-owned subsidiary of oddity GmbH
[51] Wholly-owned subsidiary of oddity code GmbH.
[52] Incorporated on July 8, 2022
[53] On September 1, 2022, Infosys Consulting Pte. Ltd. (a Wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.
[54] Wholly-owned subsidiary of BASE life science A/S
[55] Incorporated on September 6, 2022
[56] Incorporated effective December 15, 2022

The details of amounts due to or due from related parties as at December 31, 2022 and December 31, 2021 are as follows:

(In ZAR)

Particulars	As at December 31	
	2022	2021
Trade receivables		
Infosys Limited	38,575	–
	38,575	–
Trade payable		
Infosys Limited	8,380,265	–
	8,380,265	–

The details of the related parties transactions entered into by the Company for the years ended December 31, 2022 and December 31, 2021 are as follows:

(In ZAR)

Particulars	Years ended December 31,	
	2022	2021
Purchase of Services		
Infosys Limited	8,289,368	–
	8,289,368	–

2.15 Financial instruments

1.1 Financial instruments

1.1.1 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.

1.1.2 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

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.

(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.

1.2 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.

Financial instruments by category

The carrying value and fair value of financial instruments by categories were as follows:

(In ZAR)

Particulars	As at December 31,	
	2022	2021
Assets:		
Cash and cash equivalents (Refer to Note 2.2)	16,915,970	76,045
Trade receivables (Refer to Note 2.1)	595,530	–
Other financial assets (Refer to Note 2.3)	712,540	–
Total	18,224,040	76,045
Liabilities:		
Trade payables (Refer to Note 2.5)	8,413,764	–
Other financial liabilities (Refer to Note 2.6)	199,149	–
Total	8,612,912	–

All the above financial instruments are carried at amortized cost and the carrying values approximates their fair value.

Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk.

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 ZAR 595,530 as at December 31, 2022. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of the customers to which the Company grants credit terms in the normal course of business. The Company uses the expected credit loss model to assess any required allowances; and uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. This matrix takes into account credit reports and other related credit information to the extent available.

Credit risk on cash and cash equivalents is limited as we generally invest in banks with high credit ratings assigned by credit rating agencies.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time.

The Company's principal sources of liquidity are cash and cash equivalents. The Company has taken loan from its related party to meet its working capital requirements.

As of December 31, 2022 and December 31, 2021, the Company had cash and cash equivalents of ZAR 16,915,970 and ZAR 76,045.

2.16 Ratios

The ratios for the years ended December 31, 2022 and December 31, 2021 are as follows:

Particulars	Numerator	Denominator	December 31,		Variance
			2022	2021	
Current Ratio	Current assets	Current liabilities	1.9	10.6	(82%)*
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	21%	(22%)	43%#
Trade receivables turnover ratio	Revenue	Average Trade Receivable	38.5	–	0.0%
Trade payables turnover ratio	Purchases of services and other expenses	Average Trade Payables	2.4	–	0.0%
Net capital turnover ratio	Revenue	Working Capital	1.3	–	0.0%
Net profit ratio	Net Profit	Revenue	8.0%	–	8.0%
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed[1]	15%	(24%)	39%

(1) Tangible net worth + deferred tax liabilities + Lease Liabilities

* As the operational activities of the entity started in the CY 2022 due to which there is variation of 82% in the current ratio.

\# In CY 2021 entity was not fully operational and revenue started growing from CY 2022

Infosys Nova Holdings LLC

Independent Auditor's report

To the Members Infosys Nova Holding LLC

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Infosys Nova Holding LLC ("the Company"), which comprise the Balance Sheet as at December 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of preparation referred to in Section 1.2 of the special purpose financial statements, of the state of affairs of the Company as at December 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our 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.

Report on other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that:

i) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

iii) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

UDIN: 23202841BGWLWO1397

For Shenoy & Kamath
Chartered Accountants,
Firm Registration Number. 006673S

(M Rathnakar Kamath)
Partner
Membership Number. 202841

Place: Bengaluru

Date: May 22, 2023

Balance Sheet

(In US$)

Particulars	Note No.	As at December 31, 2022	As at December 31, 2021
ASSETS			
Non-current assets			
Financial assets			
Investments	2.1	361,759,929	361,759,929
Income tax assets (net)	2.6	4,404	2,001
Total non-current assets		361,764,333	361,761,930
Current assets			
Financial assets			
Cash and cash equivalents	2.2	8,596,833	11,643,264
Other current assets	2.3	915,609	1,390,445
Total current assets		9,512,442	13,033,709
Total Assets		371,276,775	374,795,639
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.7	372,000,010	372,000,010
Other equity		(2,762,803)	(5,621,260)
Total equity		369,237,207	366,378,750
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	2.4	1,596,388	1,535,696
Other financial liabilities	2.5	–	2,803,829
Total non-current liabilities		1,596,388	4,339,525
Current liabilities			
Financial liabilities			
Other financial liabilities	2.5	441,648	4,077,364
Income tax liabilities (net)	2.6	1,532	–
Total current liabilities		443,180	4,077,364
Total equity and liabilities		371,276,775	374,795,639

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Place: Bengaluru
Date: May 22, 2023

for and on behalf of the Board of Directors of Infosys Nova Holdings LLC

Inderpreet Sawhney
Authorized Signatory

Statement of Profit and Loss

(In US$)

Particulars	Note No.	Year ended December 31	
		2022	2021
Other income, net	2.8	3,809,263	264,468
Total income		3,809,263	264,468
Expenses			
Finance cost	2.9	461,896	946,282
Insurance expenses		474,836	474,836
Consultancy and professional charges		11,746	47,384
Fair Value changes to contingent consideration	2.10	–	396,886
Other expenses	2.11	797	34,285
Total expenses		949,274	1,899,673
Profit/(loss) before tax		2,859,989	(1,635,205)
Tax expense			
Current tax - Prior year	2.6	1,532	–
Profit/(loss) for the year		2,858,457	(1,635,205)
Total other comprehensive income, net of tax		–	–
Total comprehensive income for the period		2,858,457	(1,635,205)

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Place: Bengaluru

Date: May 22, 2023

for and on behalf of the Board of Directors of Infosys Nova Holdings LLC

Inderpreet Sawhney
Authorized Signatory

Statement of Changes in Equity

(In US$)

Particulars	Equity Share Capital	Other Equity Reserves & Surplus Retained earnings	Total equity attributable to equity holders of the Company
Balance as of January 1, 2021	356,000,010	(3,986,055)	352,013,955
Changes in equity for the year ended December 31, 2021			
Increase in Share Capital	16,000,000		16,000,000
Profit for the year	–	(1,635,205)	(1,635,205)
Balance as of December 31, 2021	372,000,010	(5,621,260)	366,378,750
Changes in equity for the year ended December 31, 2022			
Increase in Share Capital	–	–	–
Profit for the year	–	2,858,457	2,858,457
Balance as of December 31, 2022	372,000,010	(2,762,803)	369,237,207

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Place: Bengaluru

Date: May 22, 2023

for and on behalf of the Board of Directors of Infosys Nova Holdings LLC

Inderpreet Sawhney
Authorized Signatory

Statements of Cash Flows

(In US$)

Particulars	Year ended December 31, 2022	2021
Cash flow from operating activities:		
Profit/(loss) for the year	2,858,457	(1,635,205)
Adjustments to reconcile net profit to net cash provided by operating activities:		
Prepaid expense	474,836	472,835
Interest income on loan	–	(7,984)
Interest expense on Loan	60,692	19,633
Changes in FV of Contingent consideration	–	396,886
Interest on contingent consideration	401,204	926,649
Reversal of contingent consideration	(3,040,749)	–
Advance tax set-off	(871)	–
Cash flow before working capital changes	753,569	172,814
Net cash flow from operating activities	753,569	172,814
Cash flow from investing activities:		
Investment in equity instruments of Subsidiaries		
Outbox Systems Inc. dba Simplus	–	(9,000,000)
Kaleidocope Animations INC	–	(4,712,713)
Beringer Capital Digital Group Inc	–	(127,884)
Payment of contingent consideration pertaining to acquisition of business	(3,800,000)	–
Net cash used in investing activities	(3,800,000)	(13,840,597)
Cash flow from financing activities:		
Equity Infusion	–	16,000,000
Loan Given to Outbox Systems LLC	–	5,043,895
Net cash used in financing activities	–	21,043,895
Net decrease in cash and cash equivalents	(3,046,431)	7,376,112
Cash and cash equivalents at the beginning of the year	11,643,264	4,267,152
Cash and cash equivalents at the end of the year	8,596,833	11,643,264
Supplementary information:		
Restricted cash balance	–	–

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Place: Bengaluru
Date: May 22, 2023

for and on behalf of the Board of Directors of Infosys Nova Holdings LLC

Inderpreet Sawhney
Authorized Signatory

Significant Accounting Policies

Company overview

Infosys Nova Holdings LLC (Infosys Nova or the Company) is a wholly-owned subsidiary of Infosys Limited. The purpose of the Company is to engage in any lawful act or activity for which corporation may be organized under the Delaware General Corporation Law, as the same exists or as may hereafter be amended from time-to-time.

1 Significant accounting policies

1.1 Accounting year

The accounting year of the Company is from January 1 to December 31.

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 of Infosys Limited under the requirements of Section 129 (3) of the Companies Act 2013.

These financial statements are prepared in accordance with Indian Accounting Standards (Ind-AS) under the historical cost convention on the accrual basis. The Ind-AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.3 Reporting currency

The Company's reporting currency is US$.

1.4 Use of estimates and judgements

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the Notes to the financial statements.

1.5 Foreign currency

1.5.1 Functional currency

The functional currency of the Company is US$. These financial statements are presented in US$.

1.5.2 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 net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense, and cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

1.6 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing, and financing activities of the Company are segregated.

1.7 Investments

Associates are entities over which the Company has significant influence but no control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. The Company's investment in associates includes goodwill identified on acquisition.

2.1 Investments

(In US$)

Particulars	As at December 31,	
	2022	2021
Non-current investments		
Unquoted		
Long-term investments - at cost		
Investments in equity instruments of Subsidiaries		
Outbox Systems Inc. dba Simplus (100 shares of common stock at a par value of $0.01 per share)	199,509,943	199,509,943
Kaleidocope Animations INC (429150 shares of voting common capital stock)	40,368,762	40,368,762
Blue Acorn iCi Inc (100 equity shares fully paid up, par value $ 1 each)	121,881,224	73,315,000
Beringer Capital Digital Group Inc (100 equity shares fully paid up, par value $ 1 each)	–	48,566,224
Total non-current investments	361,759,929	361,759,929

2.2 Cash and cash equivalents

(In US$)

Particulars	As at December 31,	
	2022	2021
Balances with banks		
In current and deposit accounts	8,596,833	11,643,264
	8,596,833	11,643,264
Deposit with more than 12 months maturity	–	–
Balances with banks held as margin money deposits against guarantees	–	–

The deposits maintained by the Company with banks and financial institution comprise of time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

2.3 Other assets

(In US$)

Particulars	As at December 31,	
	2022	2021
Current		
Prepaid expenses	915,609	1,390,445
	915,609	1,390,445

2.4 Borrowings

(In US$)

Particulars	As at December 31,	
	2022	2021
Loan from IPS	1,596,388	1,535,696
	1,596,388	1,535,696

2.5 Other financial liabilities

(In US$)

Particulars	As at December 31,	
	2022	2021
Non Current		
Contingent consideration	–	2,803,829
Total Non-Current Other Financial Liabilities	–	2,803,829
Current		
Contingent consideration	–	3,635,716
Others	441,648	441,648
Total Current Other Financial Liabilities	441,648	4,077,364

2.6 Income taxes

Income tax expense in the statement of profit and loss comprises:

(In USD)

Particulars	Year ended December 31,	
	2022	2021
Current taxes	–	–
Current taxes - prior year	1,532	–
Deferred taxes	–	–
Income tax expense	1,532	–

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 USD)

Particulars	Year ended December 31,	
	2022	2021
Profit before income taxes	2,859,989	(1,635,205)
Tax rate	21.00%	21.00%
Computed expected tax expense	600,598	-
DTA not created on loss	(5,047)	-
Effect of non-deductible expenses	(595,551)	-
Prior Period Tax expense	1,532	-
Income tax expense	1,532	-

The following table provides the details of income tax assets and income tax liabilities as of December 31, 2022, December 31, 2021.

(In USD)

Particulars	As at December 31	
	2022	2021
Current income tax liabilities	1,532	-
Income tax assets	4,404	2,001
Net current income tax assets/ (liability) at the end	2,872	2,001

The gross movement in the current income tax asset/ (liability) for the year ended December 31, 2022 and December 31, 2021 is as follows:

(In USD)

Particulars	As at December 31	
	2022	2021
Net current income tax asset/ (liability) at the beginning	2,001	-
Income tax paid/Set Off	871	2,001
Net current income tax asset/ (liability) at the end	2,872	2,001

2.7 Equity

Equity share capital

(In US$)

Particulars	As at December 31,	
	2022	2021
Equity shares		
Authorized share capital	372,000,010	372,000,010
Issued, Subscribed and Paid-Up	372,000,010	372,000,010

The details of shareholder holding more than 5% shares as at December 31, 2022 and December 31, 2021 are as follows:

Name of the shareholder	As at December 31,	
	2022	2021
Infosys Limited	100%	100%

2.8 Other income

(In US$)

Particulars	Years ended December 31,	
	2022	2021
Interest on loan to Simplus	–	7,984
Miscellaneous income	731,938	256,484
Contingent consideration reversal	3,040,749	–
Interest from bank	36,576	–
Total other income	3,809,263	264,468

2.9 Finance cost

(In US$)

Particulars	Years ended December 31,	
	2022	2021
Interest on contingent consideration	401,204	926,649
Interest expense on Loan	60,692	19,633
Total Finance Cost	461,896	946,282

2.10 Fair value changes in contingent consideration

(In US$)

Particulars	Years ended December 31,	
	2022	2021
Fair Value Changes in Contingent Consideration	–	396,886
Total	–	396,886

2.11 Expenses

(In US$)

Particulars	Years ended December 31,	
	2022	2021
Bank charges	–	50
Rates and taxes	797	678
Other expenses	–	33,557
Total Expenses	797	34,285

2.12 Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories as of December 31, 2022 are as follows:

(In US$)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer to Note 2.2)	8,596,833	–	–	–	–	8,596,833	8,596,833
Total	8,596,833	–	–	–	–	8,596,833	8,596,833
Liabilities:							
Borrowings (Refer to Note 2.4)	1,596,388	–	–	–	–	1,596,388	1,596,388
Other financial liabilities (Refer to Note 2.5)	–	–	441,648	–	–	441,648	441,648
Total	1,596,388	–	441,648	–	–	2,038,036	2,038,036

The carrying value and fair value of financial instruments by categories as of December 31, 2021 are as follows:

(In US$)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer to Note 2.2)	11,643,264	–	–	–	–	11,643,264	11,643,264
Total	11,643,264	–	–	–	–	11,643,264	11,643,264
Liabilities:							
Borrowings (Refer to Note 2.4)	1,535,696	–	–	–	–	1,535,696	1,535,696
Other financial liabilities (Refer to Note 2.5)	–	–	6,881,193	–	–	6,881,193	6,881,193
Total	1,535,696	–	6,881,193	–	–	8,416,889	8,416,889

2.13 Related party transactions

List of related parties:

Name of holding company	Country	Holding as at December 31,	
		2022	2021
Infosys Limited	India	70%	70%

Name of subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)[(1)]	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)[(1)]	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)[(1)]	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)[(1)]	China
EdgeVerve Systems Limited (EdgeVerve)[(1)]	India
Infosys Austria GmbH[(1)]	Austria
Skava Systems Private Limited (Skava Systems)[(1)(27)]	India
Kallidus Inc, (Kallidus)[(28)]	U.S.
Infosys Chile SpA[(1)]	Chile
Infosys Consulting Ltda.[(1)]	Brazil
Infosys CIS LLC[(15)]	Russia
Infosys Luxembourg S.a.r.l[(1)]	Luxembourg
Infosys Americas Inc. (Infosys Americas)[(1)]	U.S.
Infosys Public Services, Inc. USA (Infosys Public Services)[(1)]	U.S.
Infosys Canada Public Services Inc[(20)(39)]	Canada
Infosys BPM Limited[(1)(47)]	India
Infosys (Czech Republic) Limited s.r.o.[(3)]	Czech Republic
Infosys Poland Sp z.o.o[(3)]	Poland
Infosys McCamish Systems LLC[(3)]	U.S.
Portland Group Pty Ltd[(3)]	Australia
Infosys BPO Americas LLC.[(3)]	U.S.
Infosys Consulting Holding AG (Infosys Lodestone)[(1)]	Switzerland
Infosys Management Consulting Pty Limited[(4)]	Australia
Infosys Consulting AG[(4)]	Switzerland
Infosys Consulting GmbH[(4)]	Germany
Infosys Consulting S.R.L.[(1)]	Romania
Infosys Consulting SAS[(4)]	France
Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.)(4)(38)	Czech Republic
Infosys Consulting (Shanghai) Co., Ltd.[(4)(34)]	China
Infy Consulting Company Ltd[(4)]	U.K.
Infy Consulting B.V.[(4)]	The Netherlands
Infosys Consulting S.R.L.[(2)]	Argentina
Infosys Consulting (Belgium) NV[(5)]	Belgium
Panaya Inc. (Panaya)[(1)]	U.S.
Panaya Ltd.[(6)]	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH)[(6)]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[(1)(27)]	U.K.
Brilliant Basics Limited[(7)(27)]	U.K.
Infosys Consulting Pte. Ltd. (Infosys Singapore)[(1)]	Singapore

Name of subsidiaries	Country
Infosys Middle East FZ LLC[8]	Dubai
Fluido Oy[8]	Finland
Fluido Sweden AB (Extero)[11]	Sweden
Fluido Norway A/S[11]	Norway
Fluido Denmark A/S[11]	Denmark
Fluido Slovakia s.r.o[11]	Slovakia
Infosys Compaz Pte. Ltd[9]	Singapore
Infosys South Africa (Pty) Ltd[8]	South Africa
WongDoody Holding Company Inc. (WongDoody)[1][40]	U.S.
WDW Communications, Inc[10][41]	U.S.
WongDoody, Inc[10][42]	U.S.
HIPUS Co., Ltd[9]	Japan
Stater N.V.[9]	The Netherlands
Stater Nederland B.V.[12]	The Netherlands
Stater XXL B.V.[12]	The Netherlands
HypoCasso B.V.[12]	The Netherlands
Stater Participations B.V.[12]	The Netherlands
Stater Belgium N.V./S.A.[13]	Belgium
Stater Gmbh[12][32]	Germany
Outbox systems Inc. dba Simplus [US][16]	U.S.
Simplus North America Inc.[17][31]	Canada
Simplus ANZ Pty Ltd.[17]	Australia
Simplus Australia Pty Ltd[18]	Australia
Sqware Peg Digital Pty Ltd[19][35]	Australia
Simplus Philippines, Inc.[17]	Philippines
Simplus Europe, Ltd.[17][33]	U.K.
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)[11]	U.K.
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[21]	Ireland
Infosys Limited Bulgaria EOOD[1]	Bulgaria
Kaleidoscope Animations, Inc.[16]	U.S.
Kaleidoscope Prototyping LLC[23]	U.S.
GuideVision s.r.o.[14]	Czech Republic
GuideVision Deutschland GmbH[22]	Germany
GuideVision Suomi Oy(22)	Finland
GuideVision Magyarország Kft[22]	Hungary
GuideVision Polska SP.Z.O.O[22]	Poland
GuideVision UK Ltd[22]	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[16]	U.S.
Beringer Capital Digital Group Inc[16][45]	U.S.
Mediotype LLC[24][45]	U.S.
Beringer Commerce Holdings LLC[24][45]	U.S.
SureSource LLC[25][43]	U.S.
Blue Acorn LLC[25][43]	U.S.
Simply Commerce LLC[25][43]	U.S.
iCiDIGITAL LLC[26][44]	U.S.

Name of subsidiaries	Country
Infosys BPM UK Limited[3]	U.K.
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[1]	Turkey
Infosys Germany Holding Gmbh[1][29]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1][30]	Germany
Infosys Green Forum[1][36]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[37]	Malaysia
Infosys Business Solutions LLC[1][46]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")[48]	Germany
oddity GmbH [49]	Germany
oddity (Shanghai) Co., Ltd. [50]	China
oddity Limited (Taipei) [50]	Taiwan
oddity space GmbH [49]	Germany
oddity jungle GmbH [49]	Germany
oddity code GmbH [49]	Germany
oddity code d.o.o [51]	Serbia
oddity waves GmbH [49]	Germany
oddity group services GmbH [49]	Germany
Infosys Public Services Canada Inc. [20][52]	Canda
BASE life science AG [54]	Switzerland
BASE life science GmbH [54]	Germany
BASE life science A/S [53]	Denmark
BASE life science S.A.S [54]	France
BASE life science Ltd. [54]	U.K.
BASE life science S.r.l. [54]	Itlay
Innovisor Inc.[54]	U.S.
BASE life science Inc.[54]	U.S.
BASE life science S.L.[54][55]	Spain
Panaya Germany GmbH [6][56]	Germany

(1) Wholly-owned subsidiary of Infosys Limited
(2) Majority-owned and controlled subsidiary of Infosys Limited
(3) Wholly-owned subsidiary of Infosys BPM Limited
(4) Wholly-owned subsidiary of Infosys Consulting Holding AG
(5) Majority-owned and controlled subsidiary of Infosys Consulting Holding AG
(6) Wholly-owned subsidiary of Panaya Inc.
(7) Wholly-owned subsidiary of Brilliant Basics Holding Limited.
(8) Wholly-owned subsidiary of Infosys Consulting Pte. Ltd.
(9) Majority-owned and controlled subsidiary of Infosys Consulting Pte. Ltd.
(10) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody)
(11) Wholly-owned subsidiary of Fluido Oy
(12) Wholly-owned subsidiary of Stater N.V
(13) Majority-owned and controlled subsidiary of Stater Participations B.V.
(14) Wholly-owned subsidiary of Infy Consulting Company Limited
(15) Liquidated effective January 28, 2021.
(16) Wholly-owned subsidiary of Infosys Nova Holdings LLC

[17] Wholly-owned subsidiary of Outbox Systems Inc.

[18] Wholly-owned subsidiary of Simplus ANZ Pty Ltd

[19] Wholly-owned subsidiary of Simplus Australia Pty Ltd

[20] Wholly-owned subsidiary of Infosys Public Services, Inc.

[21] Wholly-owned subsidiary of Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)

[22] Wholly-owned subsidiary of GuideVision s.r.o.

[23] Wholly-owned subsidiary of Kaleidoscope Animations, Inc.

[24] Wholly-owned subsidiary of Blue Acorn iCi Inc

[25] Wholly-owned subsidiary of Beringer Commerce Holdings LLC

[26] Wholly-owned subsidiary of Beringer Capital Digital Group Inc.

[27] Under liquidation

[28] Liquidated effective March 9,2021

[29] Incorporated on March 23, 2021

[30] On March 28, 2021 Infosys Limited and Infosys Germany Holding Gmbh registered Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm.

[31] Liquidated effective April 27,2021

[32] Incorporated on August 4, 2021

[33] Liquidated effective July 20, 2021

[34] Liquidated effective September 1, 2021

[35] Liquidated effective September 2, 2021

[36] Incorporated on August 31, 2021

[37] On December 14, 2021, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)

[38] Liquidated effective December 16, 2021

[39] Liquidated effective November 23, 2021

[40] Wholly-owned subsidiary of Infosys Limited, merged with WongDoody Inc, effective December 31, 2021

[41] Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody), merged with WongDoody Inc, effective December 31, 2021

[42] Wholly-owned subsidiary of Infosys Limited, effective December 31, 2021

[43] Merged with Beringer Commerce Holdings LLC, effective January 1, 2022

[44] Merged with Beringer Capital Digital Group Inc, effective January 1, 2022

[45] Merged with Blue Acorn iCi Inc, effective January 1, 2022

[46] Incorporated on February 20, 2022

[47] On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

[48] On March 22, 2022, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))

[49] On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly owned subsidiary of Infosys Consulting Pte. Ltd) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and oddity GmbH.

[50] Wholly-owned subsidiary of oddity GmbH

[51] Wholly-owned subsidiary of oddity code GmbH.

[52] Incorporated on July 8, 2022

[53] On September 1, 2022, Infosys Consulting Pte. Ltd. (a Wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

[54] Wholly-owned subsidiary of BASE life science A/S

[55] Incorporated on September 6, 2022

[56] Incorporated effective December 15, 2022

The details of amounts due to or due from related parties as at December 31, 2022 and December 31, 2021 are as follows:

(In US$)

Particulars	As at December 31,	
	2022	2021
Loan taken		
Infosys Public Services, Inc (Refer to Note 2.4)	1,596,388	1,535,696
	1,596,388	1,535,696

The details of the related party transaction entered into by the company for the years ended December 31, 2022 and December 31, 2021 are as follows:

(In US$)

Particulars	As at December 31,	
	2022	2021
Capital Transactions		
Financing Transaction		
Equity [(1)]		
Outbox Systems Inc. dba Simplus	–	9,000,000
Kaleidocope Animations INC	–	12,713
Blue Acorn iCi Inc	48,566,224	480,332
Beringer Capital Digital Group Inc	(48,566,224)	89,199
	–	9,582,244
Loan (Net of repayment)		
Outbox Systems Inc. dba Simplus	–	(5,035,911)
	–	(5,035,911)
Revenue transaction		
Interest Income		
Outbox Systems Inc. dba Simplus (Refer to Note 2.8)	–	7,984
	–	7,984
Interest Expense		
Infosys Public Services, Inc (Refer to Note 2.9)	60,692	19,633
	60,692	19,633

[(1)] Refer to Note 2.1 on Investments for details

2.14 Ratios

The ratios for the years ended December 31, 2022 and December 31, 2021 are as follows:

Particulars	Numerator	Denominator	December 31, 2022	December 31, 2021	Variance
Current Ratio	Current assets	Current liabilities	21.5	3.2	571.5%*
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	0.8%	-0.5%	1.2%
Net capital turnover ratio	Revenue	Working Capital	42.0%	3.0%	39.0%
Net profit ratio	Net Profit	Revenue	75.0%	-618.3%	693.3%#
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed[(1)]	0.8%	-0.4%	1.2%

[(1)] Tangible net worth + deferred tax liabilities + Lease Liabilities

* Current ratio has increased due to decrease in current liabilities on account of reversal of contingent considertion.

Net Profit ratio has increased due to contingent consideration reversal of USD 3Mn in the year ended December 31, 2022.

Infosys Consulting Holding AG

Independent Auditor's Report

To the General Meeting of Infosys Consulting Holding AG, Kloten

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Infosys Consulting Holding AG, Kloten (the Company), which comprise the Balance Sheet as at 31 December 2022 and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and 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 provisions of Swiss law, and the requirements of the Swiss audit profession, 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.

Board of Directors' Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors 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 Board of Directors 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 Board of Directors 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 Swiss law and SA-CH 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 based on these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERT Suisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Furthermore, we confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Deloitte AG

Jan Meyer
Licensed Audit Expert ,
Auditor in Charge

Aude Salord
Licensed Audit Expert

Zürich, 28 April 2023

JM/ASA/cbr

Balance Sheet

In CHF

Particulars	Note No.	As at December 31, 2022	2021
Assets			
Cash and cash equivalents		374,410.38	8,781,533.41
Other short-term receivables from third parties		269,478.19	222,796.28
Other short-term receivables from subsidiaries		565.73	182,022.10
Total current assets		644,454.30	9,186,351.79
Loans to subsidiaries		0.00	5,410,728.88
Loans to affiliates		46,576,182.35	20,158,167.06
Investments	2.1	27,808,211.35	28,264,508.80
Total non-current assets		74,384,393.70	53,833,404.74
TOTAL ASSETS		75,028,848.00	63,019,756.53
Liabilities and equity			
Trade accounts payable to third parties		0.00	51.00
Other short-term liabilities to third parties		2.48	2.48
Other short-term liabilities to subsidiaries		6,680,980.12	5,559.78
Accrued expenses and deferred income		620,044.56	85,890.97
Total short-term liabilities		7,301,027.16	91,504.23
Loans from subsidiaries		4,721,755.43	6,224,254.64
Total long-term liabilities		4,721,755.43	6,224,254.64
Total liabilities		12,022,782.59	6,315,758.87
Share capital	2.2	25,696,000.00	25,696,000.00
Statutory retained earnings		3,005,585.14	2,638,751.07
Voluntary retained earnings		28,002,412.52	21,032,565.22
Net result for the year		6,302,067.75	7,336,681.37
Total equity		63,006,065.41	56,703,997.66
TOTAL LIABILITIES AND EQUITY		75,028,848.00	63,019,756.53

Income Statement

In CHF

Particulars	Note No.	Years ended December 31, 2022	2021
Dividends		6,418,555.65	9,000,000.00
Gross profit		6,418,555.65	9,000,000.00
Office and administration expenses		(25,699.20)	(24,211.50)
Consulting expenses		(22,928.44)	(17,090.53)
Depreciation	2.3	0.00	(1,627,231.33)
Operating expenses		(48,627.64)	(1,668,533.36)
Earnings before interest and tax (EBIT)		6,369,928.01	7,331,466.64
Financial expenses		(646,534.20)	(657,608.75)
Financial income		808,522.45	249,688.47
Net financial result		161,988.25	(407,920.28)
Extraordinary expenses	2.4	(204,631.23)	0.00
Extraordinary income	2.5	12,290.16	459,689.02
Net extraordinary result		(192,341.07)	459,689.02
Earnings before tax (EBT)		6,339,575.19	7,383,235.38
Tax expenses		(37,507.44)	(46,554.01)
Net result for the year		6,302,067.75	7,336,681.37

Summary of Significant Accounting Policies

1.1 Basis of preparation

The financial statements of Infosys Consulting Holding AG ("the Company") have been prepared in accordance with the provisions of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below. Swiss law allows the company to create, and as a consequence also release hidden reserves in its financial statements.

The Company's ultimate parent, Infosys Ltd. incorporated in India, prepares consolidated financial statements in accordance with International Financial Reporting Standards (IFRS IASB), which include the financial statements of the Company. In accordance with the Swiss Code of Obligations, the Company is therefore exempt from preparing a management report, a Cash Flow Statement and certain additional disclosures in the notes to the financial statements.

1.2 Foreign currency

The Company's functional currency is the Swiss Franc (CHF) as this is assessed to be the principal currency of the economic environment in which it operates.

Transactions in foreign currency are translated into the functional currency at the exchange rate prevailing at the transaction date. Monetary assets and liabilities in foreign currency outstanding at the balance sheet date are converted at the balance sheet date exchange rate, whereby unrealized losses are recorded in the income statement and unrealized profits are deferred. Non-monetary assets and liabilities in foreign currency are translated at the historical foreign exchange rate at the date of the transaction."

1.3 Investments

Investments are initially recorded at acquisition cost. Investments are annually assessed for impairment and are adjusted to their recoverable value, if required, on an individual basis as appropriate.

Notes to the Financial Statements

2. Information on Balance Sheet and income statement items

2.1 Investments

Particulars		Years ended December 31,	
		2022	2021
Company: Infosys Consulting GmbH			
Location: Garching b. München, Germany			
Share capital:	EUR	2,086,000.00	2,086,000.00
Directly held percentage of ownership and voting rights:		100.00%	100.00%
Company: Infosys Consulting AG			
Location: Kloten, Switzerland			
Share capital:	CHF	120,000.00	120,000.00
Directly held percentage of ownership and voting rights:		100.00%	100.00%
Company: Infosys Management Consulting Pty Ltd			
Location: Pyrmont, Australia			
Share capital:	AUD	3,500,300.00	3,500,300.00
Directly held percentage of ownership and voting rights:		100.00%	100.00%
Company: Infosys Consulting Company Ltd.			
Location: London, UK			
Share capital:	GBP	14,050,000.00	14,050,000.00
Directly held percentage of ownership and voting rights:		100.00%	100.00%
Company: Infosys Consulting (Belgium) SA			
Location: Brüssel, Belgium			
Share capital:	EUR	489,326.00	489,326.00
Directly held percentage of ownership and voting rights:		100.00%	100.00%
Company: Infy Consulting B.V.			
Location: 's-Gravenhage, Netherlands			
Share capital:	EUR	90,000.00	90,000.00
Directly held percentage of ownership and voting rights:		100.00%	100.00%
Company: Infosys Consulting SAS			
Location: Paris, France			
Share capital:	EUR	80,000.00	80,000.00
Directly held percentage of ownership and voting rights:		100.00%	100.00%
Company: Infosys Consulting S.R.L.			
Location: Buenos Aires, Argentina			
Share capital:	ARS	0.00	30,000,000.00
Directly held percentage of ownership and voting rights:		0.00%	98.17%
Indirectly held percentage of ownership and voting rights:		1.83%	1.83%

Business purpose of the companies: Management Consulting

2.2 Share Capital

As at 31 December 2022, the share capital consists of 23,050 common shares of CHF 1,000 / par value and 26,460 preferred shares of CHF 100 / par value.

2.3 Depreciation

In 2021, an impairment on investments has been booked under depreciation in the income statement. In 2022, no such impairment was needed. As such, no depreciation expense has been recorded.

2.4 Extraordinary expenses

In CHF

Particulars	Years ended December 31,	
	2022	2021
Loss on Sale of investment	204,631.23	0.00

2.5 Extraordinary income

In CHF

Particulars	Years ended December 31,	
	2022	2021
Profit on Sales of investment	0.00	389,624.26
Refund of taxes for expatriates	12,290.16	70,064.76

2.6 Guarantees

In CHF

Particulars	Years ended December 31,	
	2022	2021
Rental Guarantee on behalf of Infosys Consulting AG	503,200.00	503,200.00
Payment Guarantee on behalf of Infosys Consulting AG	50,000.00	50,000.00

2.7 Full-time equivalents

The Company does not have any employees (2022: no employees).

Proposal on the appropriation of voluntary retained earnings

The Board of Directors proposes to appropriate the voluntary retained earnings as follows:

In CHF

Particulars	Years ended December 31, 2022
Voluntary retained earnings (brought forward)	28,002,412.52
Net profit for the year	6,302,067.75
Total voluntary retained earnings	34,304,480.27
Allocation to statutory retained earnings (5 %)	315,103.39
Dividend	0.00
To be carried forward	33,989,376.88

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Infosys Arabia Limited

Independent Auditor's report

To the Members of Infosys Arabia Limited

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Infosys Arabia Limited ("the Company"), which comprise the Balance Sheet as at December 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of preparation referred to in Section 1.2 of the special purpose financial statements, of the state of affairs of the Company as at December 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Emphasis of Matter:

As discussed in Note 1.2 to the financial statements, the stockholders of Infosys Arabia Limited approved a plan of liquidation on 25th January 2022, and the Company determined liquidation is imminent. As a result, the Company changed its basis of accounting from the going concern basis to a liquidation basis. Our opinion is not modified with respect to this matter.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

i) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

iii) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

UDIN : 23202841BGWLWW2476

For Shenoy & Kamath
Chartered Accountants,

Firm Registration Number. 006673S

(M Rathnakar Kamath)
Partner

Membership Number. 202841

Place: Bengaluru

Date: May 22, 2023

Balance Sheet

(In SAR)

Particulars	Note	As at December 31, 2022	As at December 31, 2021
ASSETS			
Current assets			
Financial assets			
Cash and cash equivalents	2.1	1,678,751	1,678,751
Total current assets		1,678,751	1,678,751
Total assets		1,678,751	1,678,751
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.2	1,678,751	1,678,751
Other equity		–	–
Total equity		1,678,751	1,678,751
Total equity and liabilities		1,678,751	1,678,751

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants

Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner

Membership Number: 202841

for and on behalf of the Board of Directors of Infosys Arabia Limited

Balakrishna Doddaballapur
Authorized Signatory

Place: Bengaluru

Date: May 22, 2023

Statement of Profit and Loss

(In SAR)

Particulars	Note	Year ended December 31, 2022	2021
Other income, net		–	–
Total income		–	–
Expenses			
Total expenses		–	–
Profit/ (loss) before tax		–	–
Tax expense		–	–
Profit/ (loss) for the year		–	–
Total other comprehensive income, net of tax		–	–
Total comprehensive income/ (loss) for the year		–	–

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants

Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner

Membership Number: 202841

Place: Bengaluru
Date: May 22, 2023

for and on behalf of the Board of Directors of Infosys Arabia Limited

Balakrishna Doddaballapur
Authorized Signatory

Statement of Changes in Equity

(In SAR)

Particulars	Equity share capital	Other equity Reserves and Surplus Retained earnings	Total equity attributable to equity holders of the Company
Balance as of January 1, 2021	–	–	–
Changes in equity for the year ended December 31, 2021			
Equity share capital	1,678,751	–	1,678,751
Balance as of December 31, 2021	1,678,751	–	1,678,751
Balance as of January 1, 2022	1,678,751	–	1,678,751
Changes in equity for the year ended December 31, 2022			
Equity share capital	–	–	–
Balance as of December 31, 2022	1,678,751	–	1,678,751

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants

Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner

Membership Number: 202841

Place: Bengaluru
Date: May 22, 2023

for and on behalf of the Board of Directors of Infosys Arabia Limited

Balakrishna Doddaballapur
Authorized Signatory

Statements of Cash Flows

(In SAR)

Particulars	Year ended December 31, 2022	2021
Cash flow from operating activities:		
Profit/ (loss) for the year	–	–
Adjustments to reconcile net profit to net cash provided by operating activities:	–	–
Net cash generated by operating activities	–	–
Cash flow from investing activities:		
Investment in associate	–	–
Net cash used in investing activities	–	–
Cash flow from financing activities:		
Increase in equity share capital	–	–
Net cash generated by financing activities	–	–
Net increase in cash and cash equivalents	–	–
Cash and cash equivalents at the beginning of the year	1,678,751	1,678,751
Cash and cash equivalents at the end of the year	1,678,751	1,678,751

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants

Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner

Membership Number: 202841

Place: Bengaluru
Date: May 22, 2023

for and on behalf of the Board of Directors of Infosys Arabia Limited

Balakrishna Doddaballapur
Authorized Signatory

Company Overview and Significant Accounting Policies

Company overview

Infosys Arabia Limited is a subsidiary of Infosys Limited. The purpose of the Company is to engage in any lawful act or activity for which corporation may be organized under the Law of Kingdom of Saudi Arabia, as the same exists or as may hereafter be amended from time to time, incorporated on August 12, 2016.

1 Significant accounting policies

1.1 Accounting year

The accounting year of the Company is from January 1, 2022 to December 31, 2022.

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 Limited under the requirements of Section 129 (3) of the Companies Act 2013.

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis. The Ind-AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been 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.

The company applied for liquidation on January 25, 2022, accordingly, these financial statements have not been prepared on a going concern basis. Instead, these financial statements have been prepared on liquidation basis. Assets and liabilities are presented as current. Assets have been recorded at their realizable value and liabilities recorded at their known estimated settlement value.

1.3 Reporting currency

The Company's reporting currency is the Saudi Riyal.

1.4 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities, and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.5 Foreign currency

Functional currency

The functional currency of the Company is the Saudi Riyal. These financial statements are presented in Saudi Riyal.

1.6 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.1 Cash and cash equivalents

(In SAR)

Particulars	As at December 31,	
	2022	2021
Balances with banks		
In current and deposit accounts	1,678,751	1,678,751
	1,678,751	1,678,751
Deposit with more than 12 months maturity	–	–
Balances with banks held as margin money deposits against guarantees	–	–

2.2 Equity

Equity share capital

(In SAR)

Particulars	As at December 31,	
	2022	2021
Authorized share capital (SAR 16,787.51 par value, 100 equity shares)	1,678,751	1,678,751
Issued, subscribed and paid-up (SAR 16,787.51 par value, 100 equity shares)	1,678,751	1,678,751

The details of shareholder holding more than 5% shares as at December 31, 2022 and December 31, 2021 are as follows:

Particulars	As at December 31,	
	2022	2021
Name of the shareholder		
Infosys Limited	70%	70%
Saudi Prerogative Company	30%	30%

2.3 Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories as of December 31, 2022 were as follows:

(In SAR)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer to Note No. 2.1)	1,678,751	–	–	–	–	1,678,751	1,678,751
Total	1,678,751	–	–	–	–	1,678,751	1,678,751

2.4 Related party transactions

List of related parties

Name of holding company	Country	Holding as at December 31,	
		2022	2021
Infosys Limited	India	70%	70%

Name of subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)[(1)]	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)[(1)]	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)[(1)]	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)[(1)]	China
Infosys Nova Holdings LLC. (Infosys Nova)[(1)]	U.S.
EdgeVerve Systems Limited (EdgeVerve)[(1)]	India
Infosys Austria GmbH[(1)]	Austria
Skava Systems Private Limited (Skava Systems)[(1)](27)	India
Kallidus Inc, (Kallidus)[(28)]	U.S.
Infosys Chile SpA[(1)]	Chile
Infosys Consulting Ltda.[(1)]	Brazil
Infosys CIS LLC[(15)]	Russia
Infosys Luxembourg S.a.r.l[(1)]	Luxembourg
Infosys Americas Inc. (Infosys Americas)[(1)]	U.S.
Infosys Public Services, Inc. USA (Infosys Public Services)[(1)]	U.S.
Infosys Canada Public Services Inc[(20) (39)]	Canada
Infosys BPM Limited[(1) (47)]	India
Infosys (Czech Republic) Limited s.r.o.[(3)]	Czech Republic
Infosys Poland Sp z.o.o[(3)]	Poland
Infosys McCamish Systems LLC[(3)]	U.S.
Portland Group Pty Ltd[(3)]	Australia
Infosys BPO Americas LLC.[(3)]	U.S.
Infosys Consulting Holding AG (Infosys Lodestone)[(1)]	Switzerland
Infosys Management Consulting Pty Limited[(4)]	Australia
Infosys Consulting AG[(4)]	Switzerland
Infosys Consulting GmbH[(4)]	Germany

Name of subsidiaries	Country
Infosys Consulting S.R.L.[1]	Romania
Infosys Consulting SAS[4]	France
Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.)[4] [38]	Czech Republic
Infosys Consulting (Shanghai) Co., Ltd.[4] [34]	China
Infy Consulting Company Ltd[4]	U.K.
Infy Consulting B.V.[4]	The Netherlands
Infosys Consulting S.R.L.[2]	Argentina
Infosys Consulting (Belgium) NV[5]	Belgium
Panaya Inc. (Panaya)[1]	U.S.
Panaya Ltd.[6]	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH)[6]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[1] [27]	U.K.
Brilliant Basics Limited[7] [27]	U.K.
Infosys Consulting Pte. Ltd. (Infosys Singapore)[1]	Singapore
Infosys Middle East FZ LLC[8]	Dubai
Fluido Oy[8]	Finland
Fluido Sweden AB (Extero)[11]	Sweden
Fluido Norway A/S[11]	Norway
Fluido Denmark A/S[11]	Denmark
Fluido Slovakia s.r.o[11]	Slovakia
Infosys Compaz Pte. Ltd[9]	Singapore
Infosys South Africa (Pty) Ltd[8]	South Africa
WongDoody Holding Company Inc. (WongDoody)[1] [40]	U.S.
WDW Communications, Inc[10] [41]	U.S.
WongDoody, Inc[10] [42]	U.S.
HIPUS Co., Ltd[9]	Japan
Stater N.V.[9]	The Netherlands
Stater Nederland B.V.[12]	The Netherlands
Stater XXL B.V.[12]	The Netherlands
HypoCasso B.V.[12]	The Netherlands
Stater Participations B.V.[12]	The Netherlands
Stater Belgium N.V./S.A.[13]	Belgium
Stater Gmbh[12] [32]	Germany
Outbox systems Inc. dba Simplus (US)[16]	U.S.
Simplus North America Inc.[17] [31]	Canada
Simplus ANZ Pty Ltd.[17]	Australia
Simplus Australia Pty Ltd[18]	Australia
Sqware Peg Digital Pty Ltd[19] [35]	Australia
Simplus Philippines, Inc.[17]	Philippines
Simplus Europe, Ltd.[17] [33]	U.K.
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)[11]	U.K.
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[21]	Ireland
Infosys Limited Bulgaria EOOD[1]	Bulgaria
Kaleidoscope Animations, Inc.[16]	U.S.
Kaleidoscope Prototyping LLC[23]	U.S.
GuideVision s.r.o.[14]	Czech Republic

Name of subsidiaries	Country
GuideVision Deutschland GmbH[22]	Germany
GuideVision Suomi Oy[22]	Finland
GuideVision Magyarország Kft[22]	Hungary
GuideVision Polska SP.Z.O.O[22]	Poland
GuideVision UK Ltd[22]	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[16]	U.S.
Beringer Capital Digital Group Inc[16] [45]	U.S.
Mediotype LLC[24] [45]	U.S.
Beringer Commerce Holdings LLC[24] [45]	U.S.
SureSource LLC[25] [43]	U.S.
Blue Acorn LLC[25] [43]	U.S.
Simply Commerce LLC[25] [43]	U.S.
iCiDIGITAL LLC[26] [44]	U.S.
Infosys BPM UK Limited[3]	U.K.
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[1]	Turkey
Infosys Germany Holding Gmbh[1] [29]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1] [30]	Germany
Infosys Green Forum[1] [36]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[37]	Malaysia
Infosys Business Solutions LLC[1] [46]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[48]	Germany
oddity GmbH [49]	Germany
oddity (Shanghai) Co., Ltd. [50]	China
oddity Limited (Taipei) [50]	Taiwan
oddity space GmbH [49]	Germany
oddity jungle GmbH [49]	Germany
oddity code GmbH [49]	Germany
oddity code d.o.o [51]	Serbia
oddity waves GmbH [49]	Germany
oddity group services GmbH [49]	Germany
Infosys Public Services Canada Inc. [20] [52]	Canda
BASE life science AG [54]	Switzerland
BASE life science GmbH [54]	Germany
BASE life science A/S [53]	Denmark
BASE life science S.A.S [54]	France
BASE life science Ltd. [54]	U.K.
BASE life science S.r.l. [54]	Itlay
Innovisor Inc.[54]	U.S.
BASE life science Inc.[54]	U.S.
BASE life science S.L.[54] [55]	Spain
Panaya Germany GmbH [6] [56]	Germany

[1] Wholly-owned subsidiary of Infosys Limited

[2] Majority owned and controlled subsidiary of Infosys Limited

[3] Wholly-owned subsidiary of Infosys BPM Limited

[4] Wholly-owned subsidiary of Infosys Consulting Holding AG

[5] Majority owned and controlled subsidiary of Infosys Consulting Holding AG

[6] Wholly-owned subsidiary of Panaya Inc.

(7) Wholly-owned subsidiary of Brilliant Basics Holding Limited.

(8) Wholly-owned subsidiary of Infosys Consulting Pte. Ltd.

(9) Majority owned and controlled subsidiary of Infosys Consulting Pte. Ltd.

(10) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody)

(11) Wholly-owned subsidiary of Fluido Oy

(12) Wholly-owned subsidiary of Stater N.V

(13) Majority owned and controlled subsidiary of Stater Participations B.V.

(14) Wholly-owned subsidiary of Infy Consulting Company Limited

(15) Liquidated effective January 28, 2021.

(16) Wholly-owned subsidiary of Infosys Nova Holdings LLC

(17) Wholly-owned subsidiary of Outbox Systems Inc.

(18) Wholly-owned subsidiary of Simplus ANZ Pty Ltd

(19) Wholly-owned subsidiary of Simplus Australia Pty Ltd

(20) Wholly-owned subsidiary of Infosys Public Services, Inc.

(21) Wholly-owned subsidiary of Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)

(22) Wholly-owned subsidiary of GuideVision s.r.o.

(23) Wholly-owned subsidiary of Kaleidoscope Animations, Inc.

(24) Wholly-owned subsidiary of Blue Acorn iCi Inc

(25) Wholly-owned subsidiary of Beringer Commerce Holdings LLC

(26) Wholly-owned subsidiary of Beringer Capital Digital Group Inc.

(27) Under liquidation

(28) Liquidated effective March 9,2021

(29) Incorporated on March 23, 2021

(30) On March 28, 2021 Infosys Limited and Infosys Germany Holding Gmbh registered Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm.

(31) Liquidated effective April 27,2021

(32) Incorporated on August 4, 2021

(33) Liquidated effective July 20, 2021

(34) Liquidated effective September 1, 2021

(35) Liquidated effective September 2, 2021

(36) Incorporated on August 31, 2021

(37) On December 14, 2021, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)

(38) Liquidated effective December 16, 2021

(39) Liquidated effective November 23, 2021

(40) Wholly-owned subsidiary of Infosys Limited, merged with WongDoody Inc, effective December 31, 2021

(41) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody), merged with WongDoody Inc, effective December 31, 2021

(42) Wholly-owned subsidiary of Infosys Limited, effective December 31, 2021

(43) Merged with Beringer Commerce Holdings LLC, effective January 1, 2022

(44) Merged with Beringer Capital Digital Group Inc, effective January 1, 2022

(45) Merged with Blue Acorn iCi Inc, effective January 1, 2022

(46) Incorporated on February 20, 2022

(47) On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

(48) On March 22, 2022, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))

(49) On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly owned subsidiary of Infosys Consulting Pte. Ltd) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and oddity GmbH.

(50) Wholly-owned subsidiary of oddity GmbH

(51) Wholly-owned subsidiary of oddity code GmbH.

(52) Incorporated on July 8, 2022

(53) On September 1, 2022, Infosys Consulting Pte. Ltd. (a Wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

(54) Wholly-owned subsidiary of BASE life science A/S

(55) Incorporated on September 6, 2022

(56) Incorporated effective December 15, 2022

Infosys Germany Holding GmbH

Independent Auditor's Report

To the Members of Infosys Germany Holding Gmbh

Report on the Special Purpose Financial Statements

Opinion We have audited the accompanying special purpose financial statements of Infosys Germany Holding Gmbh ("the Company"), which comprise the Balance Sheet as at December 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of preparation referred to in Section 1.2 of the special purpose financial statements, of the state of affairs of the Company as at December 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Board of Directors areManagement is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the reparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Board of Directors aremanagement is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors aremanagement is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives is to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

i) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

iii) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

For Shenoy & Kamath
Chartered Accountant.
Firm Registration Number. 006673S

M. Rathnakar Kamath
Partner
Membership Number. 202841

UDIN : 23202841BGWLUL3825

Place: Bengaluru.

Date: May 20, 2023

Balance Sheet

In EUR

Particulars	Note	As at December 31, 2022	As at December 31, 2021
ASSETS			
Current assets			
Financial Assets			
Cash and cash equivalents	2.1	192,270	199,051
Other current assets	2.2	803	–
Total current assets		193,073	199,051
Total Assets		193,073	199,051
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.3	200,000	200,000
Other equity		(7,113)	(949)
Total equity		192,887	199,051
Liabilities			
Current liabilities			
Financial liabilities			
Trade Payables	2.5	185	–
Total Current liabilities		185	–
Total equity and liabilities		193,073	199,051

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Place: Bengaluru
Date: May 20, 2023

for and on behalf of the Board of Directors of Infosys Germany Holding GmBH

Florian Lorenz
Director

Statement of Profit and Loss

In EUR

Particulars	Note	Year ended December 31, 2022	2021
Revenue		–	–
Expenses			
Consultancy and professional charges	2.4	4,424	–
Other expense	2.4	1,740	949
Total expenses		6,164	949
Loss before tax		(6,164)	(949)
Loss for the year		(6,164)	(949)
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 loss, net of tax		–	–
Total comprehensive loss for the year		(6,164)	(949)

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Place: Bengaluru
Date: May 20, 2023

for and on behalf of the Board of Directors of Infosys Germany Holding GmBH

Florian Lorenz
Director

Statement of changes in Equity

In EUR

Particulars	Equity Share Capital	Other Equity		Total equity attributable to equity holders of the Company
		Reserves & Surplus	Share application money pending allotment	
Balance as at January 01, 2021	–	–	–	–
Changes in equity for the year ended December 31, 2022				
Increase in equity share capital on account of fresh issue	200,000	–	–	200,000
Loss for the year	–	(949)	–	(949)
Balance as at December 31, 2021	200,000	(949)	–	199,051
Balance as at January 01, 2022	200,000	(949)	–	199,051
Changes in equity for the year ended December 31, 2022			–	–
Increase in equity share capital on account of fresh issue	–	–	–	–
Loss for the year	–	(6,164)	–	(6,164)
Balance as at December 31, 2022	200,000	(7,113)	–	192,887

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Place: Bengaluru

Date: May 20, 2023

for and on behalf of the Board of Directors of Infosys Germany Holding GmBH

Florian Lorenz
Director

Statements of Cash Flows

In EUR

Particular	Note	Year ended December 31, 2022	2021
Cash flow from operating activities:			
Loss for the year		(6,164)	(949)
Adjustments to reconcile net profit to net cash provided by operating activities		–	–
Changes in assets and liabilities			
Trade payables	2.5	185	–
Other assets	2.2	(803)	–
Cash generated from operations		(6,781)	(949)
Income tax paid		–	–
Net cash used in operating activities		(6,781)	(949)
Cash flow from financing activities:			
Proceed from issue of share capital		–	200,000
Net cash from financing activities		–	200,000
Net increase in cash and cash equivalents		(6,781)	199,051
Cash and cash equivalents at the beginning of the period		199,051	–
Cash and cash equivalents at the end of the period		192,270	199,051

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Place: Bengaluru
Date: May 20, 2023

for and on behalf of the Board of Directors of Infosys Germany Holding GmBH

Florian Lorenz
Director

Company Overview and Significant Accounting Policies

Company overview

Infosys Germany Holding GmBH is a wholly-owned subsidiary of Infosys Limited incorporated on March 31, 2021.The company was setup as a legal requirement for incorporation of the subsidiary Infosys Automotive and Mobility GmBH and CoKG

1 Significant accounting policies

1.1 Accounting year

The accounting year of the Company is from January to December .

1.2 Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. 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 Reporting currency

The Company's reporting currency is EUR

1.4 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities, and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.5 Foreign currency

Functional currency

The functional currency of the Company is the EUR. These financial statements are presented In EUR.

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 net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense, and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

1.6 Statement of Cash Flows

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.

1.7 Income taxes

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.

1.8 Financial instruments

1.9.1 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.

1.9.2 Subsequent measurement

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

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.

(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. 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.

1.9.3 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.

1.9 Cash and cash equivalents

In EUR

Particulars	As at December 31,	
	2022	2021
Balance with banks		
In current and deposit accounts	192,270	199,051
Total Cash and cash equivalents	192,270	199,051

2.1 Other Assets

In EUR

Particulars	As at December 31,	
	2022	2021
Current		
Reimbursable VAT	803	–
Total Other Assets	803	–

2.2 EQUITY

Equity share capital

In EUR

Particulars	As at December 31,	
	2022	2021
Authorized share capital (200,000 Equity share of par value €1 each)	200,000	200,000
Issued, Subscribed and Paid-Up (200000 Equity share of par value €1 each)	200,000	200,000

The details of shareholder holding more than 5% shares as at December 31, 2022 and December 31, 2021 are set out below :

Name of the shareholder	As at December 31,	
	2022	2021
Infosys Limited	100%	100%

2.3 Other expenses

In EUR

Particulars	Year ended Decemeber 31,	
	2022	2021
Legal and professional charges	4,424	–
Bank Charges	1,740	949
Total	6,164	949

2.5 TRADE PAYABLES

In EUR

Particulars	As at December 31,	
	2022	2021
Trade payables(1)	185	–
Total trade payables	185	–
(1)Includes dues to subsidiaries	–	–

Trade payables ageing schedule

Year ended December 31, 2022 and December 31, 2021

In EUR

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Others	–	185.00	–	–	–	185.00
	–	–	–	–	–	–
Total trade payables	–	185.00	–	–	–	185.00
Total trade payables	–	–	–	–	–	–

2.6 FINANCIAL INSTRUMENTS

Financial instruments by category

The carrying value and fair value of financial instruments by categories were as follows:

In EUR

Particulars	As at December 31,	
	2022	2021
Assets		
Cash and cash equivalents (Refer to Note 2.1)	192,270	199,051
Total	192,270	199,051
Liabilities		
Trade Payables (Refer to Note 2.5)	185	–
Total	185	–

2.7 RELATED PARTY TRANSACTIONS

List of holding companies:

Name of the holding company	Country	Holding as at December 31,	
		2022	2021
Infosys Limited	India	100.00%	100.00%

List of related parties:

Name of fellow subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)[1]	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)[1]	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)[1]	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)[1]	China
Infosys Nova Holdings LLC. (Infosys Nova)[1]	U.S.
EdgeVerve Systems Limited (EdgeVerve)[1]	India
Infosys Austria GmbH[1]	Austria
Skava Systems Private Limited (Skava Systems)[1][27]	India
Kallidus Inc, (Kallidus)[28]	U.S.
Infosys Chile SpA[1]	Chile
Infosys Arabia Limited[2][27]	Saudi Arabia
Infosys Consulting Ltda.[1]	Brazil
Infosys CIS LLC[15]	Russia
Infosys Luxembourg S.a.r.l[1]	Luxembourg
Infosys Americas Inc. (Infosys Americas)[1]	U.S.
Infosys Public Services, Inc. USA (Infosys Public Services)[1]	U.S.
Infosys Canada Public Services Inc[20][39]	Canada

Name of fellow subsidiaries	Country
Infosys BPM Limited[(1)(47)]	India
Infosys (Czech Republic) Limited s.r.o.[(3)]	Czech Republic
Infosys Poland Sp z.o.o[(3)]	Poland
Infosys McCamish Systems LLC[(3)]	U.S.
Portland Group Pty Ltd[(3)]	Australia
Infosys BPO Americas LLC.[(3)]	U.S.
Infosys Consulting Holding AG (Infosys Lodestone)[(1)]	Switzerland
Infosys Management Consulting Pty Limited[(4)]	Australia
Infosys Consulting AG[(4)]	Switzerland
Infosys Consulting GmbH[(4)]	Germany
Infosys Consulting S.R.L.[(1)]	Romania
Infosys Consulting SAS[(4)]	France
Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.)[(4)(38)]	Czech Republic
Infosys Consulting (Shanghai) Co., Ltd.[(4)(34)]	China
Infy Consulting Company Ltd[(4)]	U.K.
Infy Consulting B.V.[(4)]	The Netherlands
Infosys Consulting S.R.L.[(2)]	Argentina
Infosys Consulting (Belgium) NV[(5)]	Belgium
Panaya Inc. (Panaya)[(1)]	U.S.
Panaya Ltd.[(6)]	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH)[(6)]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[(1)(27)]	U.K.
Brilliant Basics Limited[(7)(27)]	U.K.
Infosys Consulting Pte. Ltd. (Infosys Singapore)[(1)]	Singapore
Infosys Middle East FZ LLC[(8)]	Dubai
Fluido Oy[(8)]	Finland
Fluido Sweden AB (Extero)[(11)]	Sweden
Fluido Norway A/S[(11)]	Norway
Fluido Denmark A/S[(11)]	Denmark
Fluido Slovakia s.r.o[(11)]	Slovakia
Infosys Compaz Pte. Ltd[(9)]	Singapore
Infosys South Africa (Pty) Ltd[(8)]	South Africa
WongDoody Holding Company Inc. (WongDoody)[(1)(40)]	U.S.
WDW Communications, Inc[(10)(41)]	U.S.
WongDoody, Inc[(10)(42)]	U.S.
HIPUS Co., Ltd[(9)]	Japan
Stater N.V.[(9)]	The Netherlands
Stater Nederland B.V.[(12)]	The Netherlands
Stater XXL B.V.[(12)]	The Netherlands
HypoCasso B.V.[(12)]	The Netherlands
Stater Participations B.V.[(12)]	The Netherlands
Stater Belgium N.V./S.A.[(13)]	Belgium
Stater Gmbh[(12)(32)]	Germany
Outbox systems Inc. dba Simplus (US)[(16)]	U.S.
Simplus North America Inc.[(17)(31)]	Canada
Simplus ANZ Pty Ltd.[(17)]	Australia

Name of fellow subsidiaries	Country
Simplus Australia Pty Ltd[18]	Australia
Sqware Peg Digital Pty Ltd[19][35]	Australia
Simplus Philippines, Inc.[17]	Philippines
Simplus Europe, Ltd.[17][33]	U.K.
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)[11]	U.K.
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[21]	Ireland
Infosys Limited Bulgaria EOOD[1]	Bulgaria
Kaleidoscope Animations, Inc.[16]	U.S.
Kaleidoscope Prototyping LLC[23]	U.S.
GuideVision s.r.o.[14]	Czech Republic
GuideVision Deutschland GmbH[22]	Germany
GuideVision Suomi Oy[22]	Finland
GuideVision Magyarország Kft[22]	Hungary
GuideVision Polska SP.Z.O.O[22]	Poland
GuideVision UK Ltd[22]	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[16]	U.S.
Beringer Capital Digital Group Inc[16][45]	U.S.
Mediotype LLC[24][45]	U.S.
Beringer Commerce Holdings LLC[24][45]	U.S.
SureSource LLC[25][43]	U.S.
Blue Acorn LLC[25][43]	U.S.
Simply Commerce LLC[25][43]	U.S.
iCiDIGITAL LLC[26][44]	U.S.
Infosys BPM UK Limited[3]	U.K.
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[1]	Turkey
Infosys Automotive and Mobility GmbH & Co. KG[1][30]	Germany
Infosys Green Forum[1][36]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[37]	Malaysia
Infosys Business Solutions LLC[1][46]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[48]	Germany
oddity GmbH [49]	Germany
oddity (Shanghai) Co., Ltd. [50]	China
oddity Limited (Taipei) [50]	Taiwan
oddity space GmbH [49]	Germany
oddity jungle GmbH [49]	Germany
oddity code GmbH [49]	Germany
oddity code d.o.o [51]	Serbia
oddity waves GmbH [49]	Germany
oddity group services GmbH [49]	Germany
Infosys Public Services Canada Inc. [20][52]	Canda
BASE life science AG [54]	Switzerland
BASE life science GmbH [54]	Germany
BASE life science A/S [53]	Denmark
BASE life science S.A.S [54]	France
BASE life science Ltd. [54]	U.K.
BASE life science S.r.l. [54]	Itlay

Name of fellow subsidiaries	Country
Innovisor Inc.[54]	U.S.
BASE life science Inc.[54]	U.S.
BASE life science S.L.[54][55]	Spain
Panaya Germany GmbH [6][56]	Germany

[1] Wholly-owned subsidiary of Infosys Limited

[2] Majority owned and controlled subsidiary of Infosys Limited

[3] Wholly-owned subsidiary of Infosys BPM Limited

[4] Wholly-owned subsidiary of Infosys Consulting Holding AG

[5] Majority owned and controlled subsidiary of Infosys Consulting Holding AG

[6] Wholly-owned subsidiary of Panaya Inc.

[7] Wholly-owned subsidiary of Brilliant Basics Holding Limited.

[8] Wholly-owned subsidiary of Infosys Consulting Pte. Ltd.

[9]Majority owned and controlled subsidiary of Infosys Consulting Pte. Ltd.

[10] Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody)

[11]Wholly-owned subsidiary of Fluido Oy

[12]Wholly-owned subsidiary of Stater N.V

[13]Majority owned and controlled subsidiary of Stater Participations B.V.

[14]Wholly-owned subsidiary of Infy Consulting Company Limited

[15]Liquidated effective January 28, 2021.

[16] Wholly-owned subsidiary of Infosys Nova Holdings LLC

[17] Wholly-owned subsidiary of Outbox Systems Inc.

[18] Wholly-owned subsidiary of Simplus ANZ Pty Ltd

[19]Wholly-owned subsidiary of Simplus Australia Pty Ltd

[20]Wholly-owned subsidiary of Infosys Public Services, Inc.

[21]Wholly-owned subsidiary of Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)

[22]Wholly-owned subsidiary of GuideVision s.r.o.

[23] Wholly-owned subsidiary of Kaleidoscope Animations, Inc.

[24]Wholly-owned subsidiary of Blue Acorn iCi Inc

[25]Wholly-owned subsidiary of Beringer Commerce Holdings LLC

[26]Wholly-owned subsidiary of Beringer Capital Digital Group Inc.

[27] Under liquidation

[28] Liquidated effective March 9,2021

[30] On March 28, 2021 Infosys Limited and Infosys Germany Holding Gmbh registered Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm.

[31] Liquidated effective April 27,2021

[32] Incorporated on August 4, 2021

[33] Liquidated effective July 20, 2021

[34] Liquidated effective September 1, 2021

[35] Liquidated effective September 2, 2021

[36] Incorporated on August 31, 2021

[37] On December 14, 2021, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)

[38] Liquidated effective December 16, 2021

[39] Liquidated effective November 23, 2021

[40] Wholly-owned subsidiary of Infosys Limited, merged with WongDoody Inc, effective December 31, 2021

[41] Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody), merged with WongDoody Inc, effective December 31, 2021

[42] Wholly-owned subsidiary of Infosys Limited, effective December 31, 2021

[43] Merged with Beringer Commerce Holdings LLC, effective January 1, 2022

[44] Merged with Beringer Capital Digital Group Inc, effective January 1, 2022

[45] Merged with Blue Acorn iCi Inc, effective January 1, 2022

[46] Incorporated on February 20, 2022

[47] On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

[48] On March 22, 2022, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))

[49] On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly owned subsidiary of Infosys Consulting Pte. Ltd) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and oddity GmbH.

[50] Wholly-owned subsidiary of oddity GmbH

[51] Wholly-owned subsidiary of oddity code GmbH.

[52] Incorporated on July 8, 2022

[53] On September 1, 2022, Infosys Consulting Pte. Ltd. (a Wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

[54] Wholly-owned subsidiary of BASE life science A/S

[55] Incorporated on September 6, 2022

[56] Incorporated effective December 15, 2022

The details of the related parties transactions entered into

by the Company for the year ended December 31, 2022 and December 31, 2021 is as follows:

In EUR

Particulars	Year ended December 31,	
	2022	2021
Capital transactions		
Financing transactions		
Equity		
Infosys Limited	–	200,000

2.8 Ratios

The ratios for the years ended December 31, 2022 and December 31, 2021 are as follows:

Particulars	Numerator	Denominator	December 31, 2022	December 31, 2021	Variance
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	-3.1%	-0.2%	-2.9%
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed(1)	-3.2%	-0.5%	-2.7%

[1] Tangible net worth + deferred tax liabilities + Lease Liabilities

Infosys Americas Inc.

Independent Auditor's Report

To the Members of Infosys Americas Inc.,

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Infosys Americas Inc., ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of preparation referred to in Section 1.2 of the special purpose financial statements, of the state of affairs of the Company as at March 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Emphasis of Matter:

As discussed in Note 1.2 to the financial statements, the stockholders of Infosys Americas Inc. approved a plan of liquidation on 11th January 2023, and the Company determined liquidation is imminent. As a result, the Company changed its basis of accounting from the going concern basis to a liquidation basis. Our opinion is not modified with respect to this matter.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

i) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

iii) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

UDIN : 23202841BGWLWP2455

For Shenoy & Kamath
Chartered Accountants,
Firm Registration Number. 006673S

(M Rathnakar Kamath)
Partner
Membership Number. 202841

Place: Bengaluru

Date: May 22, 2023

Balance Sheet

In USD

Particulars	Note No.	As at March 31	
		2023	2022
ASSETS			
Current assets			
Financial assets			
Cash and cash equivalents	2.1	71,064	73,334
Total current assets		71,064	73,334
Total Assets		71,064	73,334
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.2	100,000	100,000
Other equity		(31,386)	(29,116)
Total equity		68,614	70,884
LIABILITIES			
Current liabilities			
Financial liabilities			
Other financial liabilities	2.3	2,450	2,450
Total current liabilities		2,450	2,450
Total equity and liabilities		71,064	73,334

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
hartered Accountants
Firm Registration Number: 006673S

for and on behalf of the Board of Directors of Infosys Americas Inc

M. Rathnakar Kamath
Partner
Membership Number: 202841

Inderpreet Sawhney
Authorized Signatory

Place: Bengaluru
Date: May 22, 2023

Statement of Profit and Loss

In USD, except equity share and per equity share data

Particulars	Note No.	Year ended March 31	
		2023	2022
Other Income	2.4	951	–
Total income		951	–
Expenses			
Consultancy and professional charges	2.5	2,549	2,667
Other expenses	2.5	672	1,230
Total expenses		3,221	3,897
Loss before tax		(2,270)	(3,897)
Tax expense		–	–
Loss for the year		(2,270)	(3,897)
Total other comprehensive income, net of tax		–	–
Total comprehensive loss for the period		(2,270)	(3,897)
Earnings per equity share			
Equity shares of par value USD 10/- each			
Basic (USD)		(0.23)	(0.39)
Diluted (USD)		(0.23)	(0.39)
Weighted average equity shares used in computing earnings per equity share			
Basic		10,000	10,000
Diluted		10,000	10,000

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
hartered Accountants
Firm Registration Number: 006673S

for and on behalf of the Board of Directors of Infosys Americas Inc

M. Rathnakar Kamath
Partner
Membership Number: 202841

Inderpreet Sawhney
Authorized Signatory

Place: Bengaluru

Date: May 22, 2023

Statement of Changes in Equity

In USD

Particulars	Equity Share Capital	Other Equity Reserves & Surplus Retained earnings	Total equity attributable to equity holders of the Company
Balance as of March 31, 2021	100,000	(25,219)	74,781
Changes in equity for the year ended March 31, 2022			
Loss for the year		(3,897)	(3,897)
Balance as of March 31, 2022	100,000	(29,116)	70,884
Changes in equity for the year ended March 31, 2023			
Loss for the year		(2,270)	(2,270)
Balance as of March 31, 2023	100,000	(31,386)	68,614

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
hartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Place: Bengaluru

Date: May 22, 2023

for and on behalf of the Board of Directors of Infosys Americas Inc

Inderpreet Sawhney
Authorized Signatory

Statements of Cash Flows

In USD

Particulars	Year ended March 31, 2023	2022
Cash flow from operating activities:		
Loss for the year	(2,270)	(3,897)
Adjustments to reconcile net profit to net cash provided by operating activities:		
Interest from Bank	(951)	–
Cash used in operations	(3,221)	(3,897)
Income taxes paid/refunded	–	–
Net cash used in operating activities	(3,221)	(3,897)
Cash flow from investing activities:		
Interest from Bank	951	–
Net cash generated from investing activities	951	–
Cash flow from financing activities:		
Net cash generated from financing activities	–	–
Net decrease in cash and cash equivalents	(2,270)	(3,897)
Cash and cash equivalents at the beginning of the year	73,334	77,231
Cash and cash equivalents at the end of the year	71,064	73,334
Supplementary information:		
Restricted cash balance	–	–

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for and on behalf of the Board of Directors of Infosys Americas Inc

for Shenoy & Kamath
hartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Inderpreet Sawhney
Authorized Signatory

Place: Bengaluru

Date: May 22, 2023

Significant Accounting Policies

Company overview

Infosys Americas Inc (Infosys Americas) is a wholly-owned subsidiary of Infosys Limited.

1 Significant accounting policies

1.1 Accounting year

The accounting year of the Company is from April 1 to March 31.

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 Limited under the requirements of Section 129 (3) of the Companies Act 2013. These financial statements are prepared in accordance with Indian Accounting Standards (Ind-AS) under the historical cost convention on the accrual basis. The Ind-AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. Accounting policies have been 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.

The Company applied for liquidation on 11th January 2023, accordingly, these financial statements have not been prepared on a going concern basis. Instead, these financial statements have been prepared on liquidation basis. Assets and liabilities are presented as current. Assets have been recorded at their realizable value and liabilities recorded at their known estimated settlement value.

1.3 Presentation currency

The Company's presentation currency is USD.

1.4 Use of estimates

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.5 Provisions

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.

1.6 Financial instruments

1.6.1 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.

1.6.2 Subsequent measurement

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

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.

(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.

1.7 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.

1.8 Impairment

Financial assets

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets, which are not fair valued through profit or loss. Loss allowance for trade receivables 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 as an impairment gain or loss in profit or loss.

1.9 Foreign currency

1.9.1 Functional currency

The functional currency of the Company is the US Dollars. These financial statements are presented in US Dollars.

1.9.2 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 net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the year in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

1.10 Income taxes

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 reporting 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.

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.

1.11 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the year 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.

1.12 Earnings per share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year.

1.13 Other Income

Other income is comprised primarily of interest income, recognized using the effective interest method.

2.1 Financial Assets

Cash and cash equivalents

In USD

Particulars	As at March 31	
	2023	2022
Balances with banks		
In current accounts	71,064	73,334
	71,064	73,334

2.2 Equity

Equity share capital

in USD, except as otherwise stated

Particulars	As at March 31	
	2023	2022
Authorized		
Equity shares		
10,000 (10,000) equity shares of USD 10 par value	100,000	100,000
Issued, Subscribed and Paid-Up		
Equity shares	100,000	100,000
10,000 (10,000) equity shares of USD 10 par value		
	100,000	100,000

The details of shareholder holding more than 5% shares as at March 31, 2023 and March 31, 2022 are set out below :

in No., except as stated otherwise

Name of the shareholder	As at March 31,			
	2023		2022	
	Number of shares	% held	Number of shares	% held
Infosys Limited	10,000	100	10,000	100

2.3 Other Financial Liablities

In USD

Particulars	As at March 31	
	2023	2022
Current		
Others		
Accrued expenses	2,450	2,450
Total financial liabilities	2,450	2,450

2.4 Other Income

In USD

Particulars	Years ended March 31	
	2023	2022
Other Income		
Interest from bank	951	–
	951	–

2.5 Expenses

In USD

Particulars	Years ended March 31	
	2023	2022
Consultancy and professional charges		
Professional charges	2,549	2,667
	2,549	2,667
Other expenses		
Rates and taxes	–	808
Bank Charges	672	422
	672	1,230

2.6 Financial Instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories were as follows:

In USD

Particulars	As at March 31,	
	2023	2022
Assets:		
Cash and cash equivalents (Refer to Note 2.1)	71,064	73,334
Total	71,064	73,334
Liabilities:		
Other financial liabilities (Refer to Note 2.3)	2,450	2,450
Total	2,450	2,450

All the above financial instruments are carried at amortized cost and the carrying value approximates the fair value.

Financial risk management

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents. The Company has no outstanding borrowings.

The Company had a working capital of USD 68,614 and USD 70,884 as of March 31, 2023 and March 31, 2022 respectively, which includes cash & cash equivalents of USD 71,064 and USD 73,334 as of March 31, 2023 and March 31, 2022 respectively.

2.7 Related Party Transactions

List of related parties:

Name of Holding Company	Country	Holding as at March 31	
		2023	2022
Infosys Ltd	India	100%	100%

List of related parties:

Name of fellow subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)[(1)]	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)[(1)]	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)[(1)]	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)[(1)]	China
Infosys Nova Holdings LLC. (Infosys Nova)[(1)]	U.S.
EdgeVerve Systems Limited (EdgeVerve)[(1)]	India
Infosys Austria GmbH[(1)]	Austria
Skava Systems Private Limited (Skava Systems)[(1)(26)]	India
Infosys Chile SpA[(1)]	Chile
Infosys Arabia Limited[(2)(26)]	Saudi Arabia
Infosys Consulting Ltda.[(1)]	Brazil
Infosys Luxembourg S.a.r.l[(1)]	Luxembourg
Infosys Public Services, Inc. USA (Infosys Public Services)[(1)]	U.S.
Infosys Canada Public Services Inc[(19)(35)]	Canada
Infosys BPM Limited[(1)(43)]	India
Infosys (Czech Republic) Limited s.r.o.[(3)]	Czech Republic
Infosys Poland Sp z.o.o[(3)]	Poland
Infosys McCamish Systems LLC[(3)]	U.S.
Portland Group Pty Ltd[(3)]	Australia
Infosys BPO Americas LLC.[(3)]	U.S.
Infosys Consulting Holding AG (Infosys Lodestone)[(1)]	Switzerland
Infosys Management Consulting Pty Limited[(4)]	Australia
Infosys Consulting AG[(4)]	Switzerland
Infosys Consulting GmbH[(4)]	Germany
Infosys Consulting S.R.L.[(1)]	Romania
Infosys Consulting SAS[(4)]	France
Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.)[(4)(34)]	Czech Republic
Infosys Consulting (Shanghai) Co., Ltd.[(4)(30)]	China
Infy Consulting Company Ltd[(4)]	U.K.
Infy Consulting B.V.[(4)]	The Netherlands
Infosys Consulting S.R.L.[(45)]	Argentina
Infosys Consulting (Belgium) NV[(4)]	Belgium
Panaya Inc. (Panaya)[(1)]	U.S.
Panaya Ltd.[(6)]	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH)[(54)]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[(1)(26)]	U.K.
Brilliant Basics Limited[(7)(26)]	U.K.
Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)[(1)]	Singapore
Infosys Middle East FZ LLC[(8)]	Dubai
Fluido Oy[(8)]	Finland
Fluido Sweden AB (Extero)[(11)]	Sweden
Fluido Norway A/S[(11)]	Norway
Fluido Denmark A/S[(11)]	Denmark
Fluido Slovakia s.r.o[(11)]	Slovakia
Infosys Compaz Pte. Ltd[(9)]	Singapore

Name of fellow subsidiaries	Country
Infosys South Africa (Pty) Ltd[8]	South Africa
WongDoody Holding Company Inc. (WongDoody)[1][36]	U.S.
WDW Communications, Inc[10][37]	U.S.
WongDoody, Inc[10][38]	U.S.
HIPUS Co., Ltd[9]	Japan
Stater N.V.[9]	The Netherlands
Stater Nederland B.V.[12]	The Netherlands
Stater XXL B.V.[12]	The Netherlands
HypoCasso B.V.[12]	The Netherlands
Stater Participations B.V.[12]	The Netherlands
Stater Belgium N.V./S.A.[13]	Belgium
Stater Gmbh[12][28]	Germany
Outbox systems Inc. dba Simplus (US)[15]	U.S.
Simplus North America Inc.[16][27]	Canada
Simplus ANZ Pty Ltd.[16]	Australia
Simplus Australia Pty Ltd[17]	Australia
Sqware Peg Digital Pty Ltd[18][31]	Australia
Simplus Philippines, Inc.[16]	Philippines
Simplus Europe, Ltd.[16][29]	U.K.
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)[11]	U.K.
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[20]	Ireland
Infosys Limited Bulgaria EOOD[1]	Bulgaria
Kaleidoscope Animations, Inc.[15]	U.S.
Kaleidoscope Prototyping LLC[22]	U.S.
GuideVision s.r.o.[14]	Czech Republic
GuideVision Deutschland GmbH[21]	Germany
GuideVision Suomi Oy[21]	Finland
GuideVision Magyarország Kft[21]	Hungary
GuideVision Polska Sp. z.o.o[21]	Poland
GuideVision UK Ltd[21][26]	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[15]	U.S.
Beringer Capital Digital Group Inc[15][41]	U.S.
Mediotype LLC[23][41]	U.S.
Beringer Commerce Holdings LLC[23][41]	U.S.
SureSource LLC[24][39]	U.S.
Blue Acorn LLC[24][39]	U.S.
Simply Commerce LLC[24][39]	U.S.
iCiDIGITAL LLC[25][40]	U.S.
Infosys BPM UK Limited[3]	U.K.
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[1]	Turkey
Infosys Germany Holding Gmbh[1]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1]	Germany
Infosys Green Forum[1][32]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[37]	Malaysia
Infosys Business Solutions LLC[1][42]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")[44]	Germany

Name of fellow subsidiaries	Country
oddity GmbH [46]	Germany
oddity (Shanghai) Co., Ltd. [47]	China
oddity Limited (Taipei) [47]	Taiwan
oddity space GmbH [46]	Germany
oddity jungle GmbH [46]	Germany
oddity code GmbH [46]	Germany
oddity code d.o.o [48]	Serbia
oddity waves GmbH [46]	Germany
oddity group services GmbH [46]	Germany
Infosys Public Services Canada Inc. [19][5]	Canda
BASE life science AG [50]	Switzerland
BASE life science GmbH [50]	Germany
BASE life science A/S [49]	Denmark
BASE life science S.A.S [50]	France
BASE life science Ltd. [50]	U.K.
BASE life science S.r.l. [50]	Itlay
Innovisor Inc.[50]	U.S.
BASE life science Inc.[50]	U.S.
BASE life science S.L.[50][51]	Spain
Panaya Germany GmbH [6][52]	Germany
Infosys Norway [8][53]	Norway

(1) Wholly-owned subsidiary of Infosys Limited

(2) Majority-owned and controlled subsidiary of Infosys Limited

(3) Wholly-owned subsidiary of Infosys BPM Limited

(4) Wholly-owned subsidiary of Infosys Consulting Holding AG

(5) Incorporated on July 8, 2022

(6) Wholly-owned subsidiary of Panaya Inc.

(7) Wholly-owned subsidiary of Brilliant Basics Holding Limited.

(8) Wholly-owned subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

(9) Majority-owned and controlled subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

(10) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody)

(11) Wholly-owned subsidiary of Fluido Oy

(12) Wholly-owned subsidiary of Stater N.V

(13) Majority-owned and controlled subsidiary of Stater Participations B.V.

(14) Wholly-owned subsidiary of Infy Consulting Company Limited

(15) Wholly-owned subsidiary of Infosys Nova Holdings LLC

(16) Wholly-owned subsidiary of Outbox Systems Inc.

(17) Wholly-owned subsidiary of Simplus ANZ Pty Ltd

(18) Wholly-owned subsidiary of Simplus Australia Pty Ltd

(19) Wholly-owned subsidiary of Infosys Public Services, Inc.

(20) Wholly-owned subsidiary of Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)

(21) Wholly-owned subsidiary of GuideVision s.r.o.

(22) Wholly-owned subsidiary of Kaleidoscope Animations, Inc.

(23) Wholly-owned subsidiary of Blue Acorn iCi Inc

(24) Wholly-owned subsidiary of Beringer Commerce Holdings LLC

(25) Wholly-owned subsidiary of Beringer Capital Digital Group Inc.

(26) Under liquidation

(27) Liquidated effective April 27,2021

(28) Incorporated on August 4, 2021

(29) Liquidated effective July 20, 2021

(30) Liquidated effective September 1, 2021

(31) Liquidated effective September 2, 2021

(32) Incorporated on August 31, 2021

(33) On December 14, 2021, Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.), a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)

(34) Liquidated effective December 16, 2021

(35) Liquidated effective November 23, 2021

(36) Wholly-owned subsidiary of Infosys Limited, merged with WongDoody Inc, effective December 31, 2021

(37) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody), merged with WongDoody Inc, effective December 31, 2021

(38) Wholly-owned subsidiary of Infosys Limited, effective December 31, 2021

(39) Merged with Beringer Commerce Holdings LLC, effective January 1, 2022

(40) Merged with Beringer Capital Digital Group Inc, effective January 1, 2022

(41) Merged with Blue Acorn iCi Inc, effective January 1, 2022

(42) Incorporated on February 20, 2022

(43) On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

(44) On March 22, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.), a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")).

(45) Infosys Consulting S.R.L. (Argentina) (formerly a Wholly-owned subsidiary of Infosys Consulting Holding AG) became the majority owned and controlled subsidiary of Infosys Limited with effect from April 1, 2022

(46) On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.)) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and oddity GmbH.

(47) Wholly-owned subsidiary of oddity GmbH

(48) Wholly-owned subsidiary of oddity code GmbH.

(49) On September 1, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.) (a Wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

(50) Wholly-owned subsidiary of BASE life science A/S

(51) Incorporated on September 6, 2022

(52) Incorporated effective December 15, 2022

(53) Incorporated effective February 7, 2023.

(54) Infosys Financial Services GmbH. (formerly Panaya GmbH) became a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.) with effect from February 23, 2023.

2.8 Ratios

The ratios for the years ended March 31, 2023 and March 31, 2022 are as follows:

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance
Current Ratio	Current assets	Current liabilities	29.0	29.9	(3.1%)
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	(3.3%)	(5.4%)	2.1%
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed[1]	(3.3%)	(5.5%)	2.2%

(1) Tangible net worth

Infosys BPM UK Limited

Independent Auditor's Report

To the Members of Infosys BPM U K Limited

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Infosys BPM U K Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of preparation referred to in Section 1.2 of the special purpose financial statements, of the state of affairs of the Company as at March 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objective is to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

i) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

iii) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

UDIN: 23202841BGWLUJ3684

For Shenoy & Kamath
Chartered Accountants.
Firm Registration Number. 006673S

M. Rathnakar kamath
Partner
Membership Number. 202841

Place: Bengaluru

Date: May 20,2023

Balance Sheet as at

(In GBP)

Particulars	Note No.	As at March 31, 2023
Assets		
Current assets		
Financial assets :		
Cash and cash equivalents	2.1	81,400
Other current assets	2.3	4,810
Total current assets		86,210
Total assets		86,210
Equity and liabilities		
Equity		
Equity share capital	2.2	100,000
Other equity		(18,290)
Total equity		81,710
Liabilities		
Current liabilities		
Financial liabilities:		
Other financial liabilities	2.4	4,500
Total current liabilities		4,500
Total equity and liabilities		86,210

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants
Firm's Registration Number: 006673S

M Ratnakar Kamath
Partner
Membership No. 202841

for and on behalf of the Board of Directors of
Infosys BPM UK Limited

Ritesh Gandhi
Director

Place: Bengaluru
Date: May 20, 2023

Statement of Profit and Loss for the

(In GBP)

Particulars	Note No.	Year ended March 31, 2023
Revenue from operations		–
Other income, net		–
Total income		–
Expenses		
Cost of technical sub-contractors and professional charges	2.5	6,000
Other expenses	2.5	12,290
Total expenses		18,290
Loss for the period		(18,290)
Total other comprehensive income, net of tax		–
Total comprehensive income / (loss) for the period		(18,290)

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants
Firm's Registration Number: 006673S

M Ratnakar Kamath
Partner
Membership No. 202841

for and on behalf of the Board of Directors of
Infosys BPM UK Limited

Ritesh Gandhi
Director

Place: Bengaluru

Date: May 20, 2023

Statement of changes in equity

(In GBP)

Particulars	Equity share capital	Other equity Reserves & surplus Retained earnings	Total equity attributable to equity holders of the company
Balance as at April 01, 2022	–	–	–
Changes in equity for the year ended March 31, 2023			
Capital Infusion during the period	100,000	–	100,000
Loss for the period	–	(18,290)	(18,290)
Balance as at March 31, 2023	100,000	(18,290)	81,710

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants
Firm's Registration Number: 006673S

M Ratnakar Kamath
Partner
Membership No. 202841

for and on behalf of the Board of Directors of
Infosys BPM UK Limited

Ritesh Gandhi
Director

Place: Bengaluru
Date: May 20, 2023

Statement of cash flows

Accounting policy

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the group are segregated. The Group considers all highly liquid investments, that are readily convertible to known amounts of cash, to be cash equivalents.

(In GBP)

Particulars	Year ended March 31, 2023
Cash flows from operating activities :	
Loss for the period	(18,290)
Changes in assets and liabilities	
Loans, other financial assets and other assets	(4,810)
Other financial liabilities, other liabilities and provisions	4,500
Net cash used in operating activities	(18,600)
Cash flows from investing activities :	–
Cash flow from financing activities :	
Capital infusion	100,000
Net cash generated from financing activities	100,000
Net decrease in cash and cash equivalents	81,400
Cash and cash equivalents at the beginning	–
Cash and cash equivalents at the end	81,400
Supplementary information:	
Restricted cash balance	–

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants
Firm's Registration Number: 006673S

M Ratnakar Kamath
Partner
Membership No. 202841

Place: Bengaluru
Date: May 20, 2023

for and on behalf of the Board of Directors of
Infosys BPM UK Limited

Ritesh Gandhi
Director

Notes to the financial statements for the year ended March 31, 2023

1. Company overview

1.1 Company overview

Infosys BPM UK Limited (the 'Company') is incorporated to provide services that would involve in carrying UK-regulated activities, and hence would require us to be authorized by the Financial Conduct Authority (FCA).

The Company was formed on December 09, 2020 as a private limited company under the registrar of companies for England and Wales. The Company was formed by Infosys BPM Limited (formerly known as Infosys BPO Limited), a subsidiary of Infosys Limited.

1.2 Basis of preparation of financial statements

These special purpose financial statements are prepared for inclusion in the Annual Report of the holding company, Infosys BPM Limited, and ultimate holding company Infosys Limited under the requirements of Section 129 (3) of the Companies Act 2013.

These financial statements are prepared in accordance with Indian Accounting Standards (Ind-AS) under the historical cost convention on the accrual basis, except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The Ind-AS are prescribed under Section 133 of the Act and read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied, except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.3 Reporting currency

The Company's reporting currency is the Great Britain Pound (GBP).

1.4 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind-AS requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities, and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Previous year figures :

On May 05, 2022, the Holding company has infused capital amounting to GBP 100,000 and there are no other transactions preceding that. Hence, comparative data for previous year is not presented in the financial statements.

1.5 Foreign currency

Functional currency

The functional currency of the Company is the Great Britain Pound. These financial statements are presented in GBP

Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in the net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities, denominated in a foreign currency and measured at fair value, are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities, denominated in a foreign currency and measured at historical cost, are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense, and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

1.6 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2. Member's equity

As at March 31, 2023, the Company had one member, Infosys BPM Limited (the "Member"). The Member owns 100% of the interests of the Company.

2.1 Cash and cash equivalents

(In GBP)

Particulars	As at March 31, 2023
Current account	81,400

2.2 Equity share capital

(In GBP)

Particulars	As at March 31, 2023
Authorized equity shares, GBP 1 par value 100,000 equity shares	100,000
Issued, subscribed and paid-up equity shares, GBP 1 par value 100,000 equity shares	100,000

2.3 Other current assets

(In GBP)

Particulars	For the year ended March 31,2023
Prepaid expenses	4,510
VAT and others	300
Total	4,810

2.4 Other financial liabilities

(In GBP)

Particulars	For the year ended March 31,2023
Provision for expenses	4,500
Total	4,500

2.5 Expenses

(In GBP)

Particulars	For the year ended March 31,2023
Legal and professional charges	6,000
Insurance charges	12,290
Total	18,290

2.6 List of related parties :

Name of related parties	Country	Holding as at March 31, 2023
Holding company		
Infosys BPM Limited	India	100%
Ultimate holding company		
Infosys Limited	India	100%

Fellow subsidiaries	Country
Infosys (Czech Republic) Limited s.r.o.[1]	Czech Republic
Infosys Poland Sp z.o.o[1]	Poland
Infosys BPO Americas LLC.[1]	U.S.
Infosys McCamish Systems LLC [1]	U.S.
Portland Group Pty Ltd. [1]	Australia
Infosys Technologies (China) Co. Limited (Infosys China)[2]	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)[2]	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)[2]	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)[2]	China
Infosys Nova Holdings LLC. (Infosys Nova)[2]	U.S.
EdgeVerve Systems Limited (EdgeVerve)[2]	India
Infosys Austria GmbH[2]	Austria
Skava Systems Private Limited (Skava Systems)[2] [26]	India
Infosys Chile SpA[2]	Chile
Infosys Arabia Limited[3] [26]	Saudi Arabia
Infosys Consulting Ltda.[2]	Brazil

Fellow subsidiaries	Country
Infosys Luxembourg S.a.r.l[(2)]	Luxembourg
Infosys Americas Inc. (Infosys Americas)[(2) (26)]	U.S.
Infosys Public Services, Inc. USA (Infosys Public Services)[(2)]	U.S.
Infosys Canada Public Services Inc[(19) (35)]	Canada
Infosys Consulting Holding AG (Infosys Lodestone)[(2)]	Switzerland
Infosys Management Consulting Pty Limited[(4)]	Australia
Infosys Consulting AG[(4)]	Switzerland
Infosys Consulting GmbH[(4)]	Germany
Infosys Consulting S.R.L.[(2)]	Romania
Infosys Consulting SAS[(4)]	France
Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.)[(4) (34)]	Czech Republic
Infosys Consulting (Shanghai) Co., Ltd.[(4) (30)]	China
Infy Consulting Company Ltd[(4)]	U.K.
Infy Consulting B.V.[(4)]	The Netherlands
Infosys Consulting S.R.L.[(44)]	Argentina
Infosys Consulting (Belgium) NV[(4)]	Belgium
Panaya Inc. (Panaya)[(2)]	U.S.
Panaya Ltd.[(6)]	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH)[(53)]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[(2) (26)]	U.K.
Brilliant Basics Limited[(7) (26)]	U.K.
Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)[(2)]	Singapore
Infosys Middle East FZ LLC[(8)]	Dubai
Fluido Oy[(8)]	Finland
Fluido Sweden AB (Extero)[(11)]	Sweden
Fluido Norway A/S[(11)]	Norway
Fluido Denmark A/S[(11)]	Denmark
Fluido Slovakia s.r.o[(11)]	Slovakia
Infosys Compaz Pte. Ltd[(9)]	Singapore
Infosys South Africa (Pty) Ltd[(8)]	South Africa
WongDoody Holding Company Inc. (WongDoody)[(2) (36)]	U.S.
WDW Communications, Inc[(10) (37)]	U.S.
WongDoody, Inc[(10) (38)]	U.S.
HIPUS Co., Ltd[(9)]	Japan
Stater N.V.[(9)]	The Netherlands
Stater Nederland B.V.[(12)]	The Netherlands
Stater XXL B.V.[(12)]	The Netherlands
HypoCasso B.V.[(12)]	The Netherlands
Stater Participations B.V.[(12)]	The Netherlands
Stater Belgium N.V./S.A.[(13)]	Belgium
Stater Gmbh[(12) (28)]	Germany
Outbox systems Inc. dba Simplus (US)[(15)]	U.S.
Simplus North America Inc.[(16) (27)]	Canada
Simplus ANZ Pty Ltd.[(16)]	Australia

Fellow subsidiaries	Country
Simplus Australia Pty Ltd[17]	Australia
Sqware Peg Digital Pty Ltd[18] [31]	Australia
Simplus Philippines, Inc.[16]	Philippines
Simplus Europe, Ltd.[16] [29]	U.K.
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)[11]	U.K.
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[20]	Ireland
Infosys Limited Bulgaria EOOD[2]	Bulgaria
Kaleidoscope Animations, Inc.[15]	U.S.
Kaleidoscope Prototyping LLC[22]	U.S.
GuideVision s.r.o.[14]	Czech Republic
GuideVision Deutschland GmbH[21]	Germany
GuideVision Suomi Oy[21]	Finland
GuideVision Magyarország Kft[21]	Hungary
GuideVision Polska Sp. z.o.o[21]	Poland
GuideVision UK Ltd[21] [26]	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[15]	U.S.
Beringer Capital Digital Group Inc[15] [41]	U.S.
Mediotype LLC[23] [41]	U.S.
Beringer Commerce Holdings LLC[23] [41]	U.S.
SureSource LLC[24] [39]	U.S.
Blue Acorn LLC[24] [39]	U.S.
Simply Commerce LLC[24] [39]	U.S.
iCiDIGITAL LLC[25] [40]	U.S.
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[2]	Turkey
Infosys Germany Holding Gmbh[2]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[2]	Germany
Infosys Green Forum[2] [32]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[33]	Malaysia
Infosys Business Solutions LLC[2] [42]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[43]	Germany
oddity GmbH [45]	Germany
oddity (Shanghai) Co., Ltd. [46]	China
oddity Limited (Taipei) [46]	Taiwan
oddity space GmbH [45]	Germany
oddity jungle GmbH [45]	Germany
oddity code GmbH [45]	Germany
oddity code d.o.o [47]	Serbia
oddity waves GmbH [45]	Germany
oddity group services GmbH [45]	Germany
Infosys Public Services Canada Inc. [19] [5]	Canda
BASE life science AG [49]	Switzerland
BASE life science GmbH [49]	Germany
BASE life science A/S [48]	Denmark
BASE life science S.A.S [49]	France

Fellow subsidiaries	Country
BASE life science Ltd. (49)	U.K.
BASE life science S.r.l. (49)	Itlay
Innovisor Inc.(49)	U.S.
BASE life science Inc.(49)	U.S.
BASE life science S.L.(49) (50)	Spain
Panaya Germany GmbH (6) (51)	Germany
Infosys Norway (8) (52)	Norway

(1) Wholly-owned subsidiary of Infosys BPM Limited

(2) Wholly-owned subsidiary of Infosys Limited

(3) Majority owned and controlled subsidiary of Infosys Limited

(4) Wholly-owned subsidiary of Infosys Consulting Holding AG

(5) Incorporated on July 8, 2022

(6) Wholly-owned subsidiary of Panaya Inc.

(7) Wholly-owned subsidiary of Brilliant Basics Holding Limited.

(8) Wholly-owned subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

(9) Majority owned and controlled subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

(10) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody)

(11) Wholly-owned subsidiary of Fluido Oy

(12) Wholly-owned subsidiary of Stater N.V

(13) Majority owned and controlled subsidiary of Stater Participations B.V.

(14) Wholly-owned subsidiary of Infy Consulting Company Limited

(15) Wholly-owned subsidiary of Infosys Nova Holdings LLC

(16) Wholly-owned subsidiary of Outbox Systems Inc.

(17) Wholly-owned subsidiary of Simplus ANZ Pty Ltd

(18) Wholly-owned subsidiary of Simplus Australia Pty Ltd

(19) Wholly-owned subsidiary of Infosys Public Services, Inc.

(20) Wholly-owned subsidiary of Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)

(21) Wholly-owned subsidiary of GuideVision s.r.o.

(22) Wholly-owned subsidiary of Kaleidoscope Animations, Inc.

(23) Wholly-owned subsidiary of Blue Acorn iCi Inc

(24) Wholly-owned subsidiary of Beringer Commerce Holdings LLC

(25) Wholly-owned subsidiary of Beringer Capital Digital Group Inc.

(26) Under liquidation

(27) Liquidated effective April 27,2021

(28) Incorporated on August 4, 2021

(29) Liquidated effective July 20, 2021

(30) Liquidated effective September 1, 2021

(31) Liquidated effective September 2, 2021

(32) Incorporated on August 31, 2021

(33) On December 14, 2021, Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.), a wholly-owned subsidiary of Infosys Limited, acquired 100% of voting interests in Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)."

(34) Liquidated effective December 16, 2021

(35) Liquidated effective November 23, 2021

(36) Wholly-owned subsidiary of Infosys Limited, merged with WongDoody Inc, effective December 31, 2021.

(37) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody), merged with WongDoody Inc, effective December 31, 2021.

(38) Wholly-owned subsidiary of Infosys Limited, effective December 31, 2021

(39) Merged with Beringer Commerce Holdings LLC, effective January 1, 2022

(40) Merged with Beringer Capital Digital Group Inc, effective January 1, 2022

(41) Merged with Blue Acorn iCi Inc, effective January 1, 2022

(42) Incorporated on February 20, 2022

(43) On March 22, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.), a wholly-owned subsidiary of Infosys, Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))."

(44) Infosys Consulting S.R.L. (Argentina) (formerly a Wholly-owned subsidiary of Infosys Consulting Holding AG) became the majority owned and controlled subsidiary of Infosys Limited with effect from April 1, 2022"

(45) On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.)) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and oddity GmbH.

(46) Wholly-owned subsidiary of oddity GmbH

(47) Wholly-owned subsidiary of oddity code GmbH.

(48) On September 1, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.) (a wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

(49) Wholly-owned subsidiary of BASE life science A/S

(50) Incorporated on September 6, 2022

(51) Incorporated effective December 15, 2022

(52) Incorporated effective February 7, 2023.

(53) Infosys Financial Services GmbH. (formerly Panaya GmbH) became a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.) with effect from February 23, 2023.

2.7 Analytical ratios

The analytical ratios for the year ended March 31, 2023 are as follows :

Particulars	Numerator	Denominator	Year ended March 31, 2023
Current ratio	Current assets	Current liability	19.2
Return on equity (ROE)	Net profits after taxes	Shareholder's Equity	(22.4%)
Return on capital employed (ROCE)	Earning before interest and taxes	Capital employed[1]	(21.2%)

(1) Tangible net worth + Deferred tax liabilities + Lease liabilities

for and on behalf of the Board of Directors of Infosys BPM UK Limited

Ritesh Gandhi
Director

Place: Bengaluru

Date: May 20, 2023

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Panaya Germany GmbH

Independent Auditor's report

To the Members of Panaya Germany GmbH

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Panaya Germany GmbH ("the Company"), which comprise the Balance Sheet as at December 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of preparation referred to in Section 1.2 of the special purpose financial statements, of the state of affairs of the Company as at December 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

i) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

iii) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

UDIN : 23202841BGWLUW3523

For Shenoy & Kamath
Chartered Accountants,

Firm Registration Number. 006673S

(M Rathnakar Kamath)
Partner

Membership Number. 202841

Place: Bengaluru

Date: May 20, 2023

Balance Sheet

in €

Particulars	Note	As at December 31 2022
ASSETS		
Current Assets		
Financial assets		
Cash and Cash Equivalents	2.1	**25,378**
Total Current Assets		**25,378**
Total Assets		**25,378**
EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	2.2	**25,000**
Other Equity		**(122)**
Total Equity		**24,878**
Liabilities		
Current Liabilities		
Financial Liabilities		
Trade Payables	2.3	**500**
Total Current Liabilities		**500**
Total Equity And Liabilities		**25,378**

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants

Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner

Membership Number: 202841

Place: Bengaluru
Date: May 20, 2023

for and on behalf of Board of Directors of Panaya Germany GmbH

David Binny
Director

Statement of Profit and Loss

in €

Particulars	Note	Year ended December 31 2022
Total income		–
Expenses		
Other expenses	2.4	**122**
Total expenses		**122**
Profit before tax		**(122)**
Tax expense:		
Current tax		–
Profit for the year		**(122)**
Other comprehensive income		
Items that will be reclassified subsequently to profit or loss		
Exchange differences on translation		–
Total other comprehensive income/ (loss), net of tax		–
Total comprehensive income for the year		**(122)**

The accompanying notes form an integral part of the financial statements.

The numbers are from December 15, 2022 to December 31, 2022

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants

Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner

Membership Number: 202841

Place: Bengaluru
Date: May 20, 2023

for and on behalf of Board of Directors of Panaya Germany GmbH

David Binny
Director

Statement of Changes in Equity

in €

Particulars	Equity share capital	Other equity reserves & surplus		Total equity attributable to equity holders of the Company
		Securities premium	Retained earnings	
Changes in equity for the year ended December 31, 2022				
Increase in equity share capital on account of fresh issue	25,000	–	–	25,000
Profit/ (loss) for the year	–	–	(122)	(122)
Balance as of December 31, 2022	25,000	–	(122)	24,878

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for and on behalf of Board of Directors of Panaya Germany GmbH

for Shenoy & Kamath
Chartered Accountants

Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner

Membership Number: 202841

David Binny
Director

Place: Bengaluru

Date: May 20, 2023

Statements of Cash Flows

in €

Particulars	Year ended December 31 2022
Cash flow from operating activities:	
Profit/ (loss) for the year	**(122)**
Changes in assets and liabilities	
Trade payables	**500**
Cash generated from/ (used in) operations	**378**
Income taxes paid	–
Net cash generated by/ (used in) operating activities	**378**
Cash flow from financing activities:	
Proceed from issue of share capital	**25,000**
Net cash from/ (used in) financing activities	**25,000**
Net increase/ (decrease) in cash and cash equivalents	**25,378**
Cash and cash equivalents at the beginning of the year	–
Cash and cash equivalents at the end of the year	**25,378**

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for and on behalf of Board of Directors of Panaya Germany GmbH

for Shenoy & Kamath
Chartered Accountants

Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner

Membership Number: 202841

David Binny
Director

Place: Bengaluru

Date: May 20, 2023

Significant accounting policies

Company overview

Panaya Germany GmbH ("the Company") is a wholly-owned subsidiary of Panaya Inc., USA incorporated on December 15, 2022. The Company develops and markets solutions for ERP systems, by identifying the changes on the ERP system through automated analysis.

1 Significant accounting policies

1.1 Accounting year

The accounting year of the Company is from January 1 to December 31.

1.2 Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Accounting Standards (Ind-AS) under the historical cost convention on the accrual basis. The Ind-AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. 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 Presentation currency

The Company's presentation currency is the EURO (€).

1.4 Use of estimates

The preparation of the financial statements in conformity with Ind-AS requires the Management to make estimates and assumptions that affect the accounting policies and reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements, and reported amounts of revenues and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Examples of such estimates allowance for credit losses, future obligations under employee benefit plans, income taxes, and the useful lives of property, plant and equipment.

1.5 Financial instruments

1.5.1 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, which 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 at trade date.

1.5.2 Subsequent measurement

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. 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. 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.

(iii) Financial assets at fair value through profit or loss

A financial asset, which is not classified in any of the above categories, is subsequently fair-valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. 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.

1.6 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.

1.7 Foreign currency

Functional currency

The functional currency of the Company is the EURO (€).

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 net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cashflow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

The translation of financial statements from functional currency to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the Balance Sheet date and for revenue, expense and cashflow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in exchange differences on translation under other components of equity.

1.8 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing, and financing activities of the Company are segregated.

2.1 Cash and cash equivalents

in €

Particulars	As at December 31, 2022
Balances with banks	
In current accounts	**25,378**
Total cash and cash equivalents	**25,378**

2.2 Equity

Equity share capital

in €

Particulars	As at December 31, 2022
Authorized	
1 Equity share of par value € 25,000 each	**25,000**
Issued, subscribed and paid-up (wholly owned by Panaya Inc.)	
1 Equity share of par value € 25,000 each	**25,000**
Total equity share capital	**25,000**

2.3 Trade payables

Year ended December 31, 2022

in €

Particulars	As at December 31, 2022
Trade payables (1)	**500**
Total trade payables	**500**
(1) Includes dues to related parties (Refer to Note 2.6)	500

Trade payables ageing schedule

(In EUR)

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
Others	500.00	–	–	–	–	500.00
Total trade payables	500.00	–	–	–	–	500.00

2.4 Expenses

in €

Particulars	Year ended December 31 2022
Other expenses	
Bank charges	**122**
Total other expenses	**122**

2.5 Financial instruments

Financial instruments by category

The carrying value of financial instruments as of December 31, 2022 were as follows:

in €

Particulars	Carrying value as on December 31
	2022
Assets:	
Cash and cash equivalents (Refer to Note 2.1)	25,378
Total	25,378
Liabilities:	
Trade payables (Refer to Note 2.3)	500
Total	500

All the above financial instruments are carried at amortized cost and the carrying values approximates their fair value.

Financial risk management

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company has no trade receivables as of December 31, 2022 and no credit risk is perceived.

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents.

As of December 31, 2022, the Company had cash and cash equivalents of € 25,378.

The Company has no outstanding borrowings and no liquidity risk is perceived.

2.6 Related party transactions

List of related parties

Name of subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)[1]	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)[1]	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)[1]	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)[1]	China
Infosys Nova Holdings LLC. (Infosys Nova)[1]	U.S.
EdgeVerve Systems Limited (EdgeVerve)[1]	India
Infosys Austria GmbH[1]	Austria
Skava Systems Private Limited (Skava Systems)[1](27)	India
Kallidus Inc, (Kallidus)[28]	U.S.
Infosys Chile SpA[1]	Chile
Infosys Arabia Limited[2](27)	Saudi Arabia
Infosys Consulting Ltda.[1]	Brazil
Infosys CIS LLC[15]	Russia
Infosys Luxembourg S.a.r.l[1]	Luxembourg
Infosys Americas Inc. (Infosys Americas)[1]	U.S.
Infosys Public Services, Inc. USA (Infosys Public Services)[1]	U.S.
Infosys Canada Public Services Inc[20](39)	Canada
Infosys BPM Limited[1](47)	India
Infosys (Czech Republic) Limited s.r.o.[3]	Czech Republic
Infosys Poland Sp z.o.o[3]	Poland

Name of subsidiaries	Country
Infosys McCamish Systems LLC[3]	U.S.
Portland Group Pty Ltd[3]	Australia
Infosys BPO Americas LLC.[3]	U.S.
Infosys Consulting Holding AG (Infosys Lodestone)[1]	Switzerland
Infosys Management Consulting Pty Limited[4]	Australia
Infosys Consulting AG[4]	Switzerland
Infosys Consulting GmbH[4]	Germany
Infosys Consulting S.R.L.[1]	Romania
Infosys Consulting SAS[4]	France
Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.)[4](38)	Czech Republic
Infosys Consulting (Shanghai) Co., Ltd.[4](34)	China
Infy Consulting Company Ltd[4]	U.K.
Infy Consulting B.V.[4]	The Netherlands
Infosys Consulting S.R.L.[2]	Argentina
Infosys Consulting (Belgium) NV[5]	Belgium
Panaya Inc. (Panaya)[1]	U.S.
Panaya Ltd.[6]	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH)[6]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[1](27)	U.K.
Brilliant Basics Limited[7](27)	U.K.
Infosys Consulting Pte. Ltd. (Infosys Singapore)[1]	Singapore
Infosys Middle East FZ LLC[8]	Dubai
Fluido Oy[8]	Finland
Fluido Sweden AB (Extero)[11]	Sweden
Fluido Norway A/S[11]	Norway
Fluido Denmark A/S[11]	Denmark
Fluido Slovakia s.r.o[11]	Slovakia
Infosys Compaz Pte. Ltd[9]	Singapore
Infosys South Africa (Pty) Ltd[8]	South Africa
WongDoody Holding Company Inc. (WongDoody)[1](40)	U.S.
WDW Communications, Inc[10](41)	U.S.
WongDoody, Inc[10](42)	U.S.
HIPUS Co., Ltd[9]	Japan
Stater N.V.[9]	The Netherlands
Stater Nederland B.V.[12]	The Netherlands
Stater XXL B.V.[12]	The Netherlands
HypoCasso B.V.[12]	The Netherlands
Stater Participations B.V.[12]	The Netherlands
Stater Belgium N.V./S.A.[13]	Belgium
Stater Gmbh[12](32)	Germany
Outbox systems Inc. dba Simplus (US)[16]	U.S.
Simplus North America Inc.[17](31)	Canada
Simplus ANZ Pty Ltd.[17]	Australia
Simplus Australia Pty Ltd[18]	Australia
Sqware Peg Digital Pty Ltd[19](35)	Australia

Name of subsidiaries	Country
Simplus Philippines, Inc.[17]	Philippines
Simplus Europe, Ltd.[17](33)	U.K.
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)[11]	U.K.
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[21]	Ireland
Infosys Limited Bulgaria EOOD[1]	Bulgaria
Kaleidoscope Animations, Inc.[16]	U.S.
Kaleidoscope Prototyping LLC[23]	U.S.
GuideVision s.r.o.[14]	Czech Republic
GuideVision Deutschland GmbH[22]	Germany
GuideVision Suomi Oy[22]	Finland
GuideVision Magyarország Kft[22]	Hungary
GuideVision Polska SP.Z.O.O[22]	Poland
GuideVision UK Ltd[22]	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[16]	U.S.
Beringer Capital Digital Group Inc[16](45)	U.S.
Mediotype LLC[24](45)	U.S.
Beringer Commerce Holdings LLC[24](45)	U.S.
SureSource LLC[25](43)	U.S.
Blue Acorn LLC[25](43)	U.S.
Simply Commerce LLC[25](43)	U.S.
iCiDIGITAL LLC[26](44)	U.S.
Infosys BPM UK Limited[3]	U.K.
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[1]	Turkey
Infosys Germany Holding Gmbh[1](29)	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1](30)	Germany
Infosys Green Forum[1](36)	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[37]	Malaysia
Infosys Business Solutions LLC[1](46)	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH (“Kristall”))[48]	Germany
oddity GmbH [49]	Germany
oddity (Shanghai) Co., Ltd. [50]	China
oddity Limited (Taipei) [50]	Taiwan
oddity space GmbH [49]	Germany
oddity jungle GmbH [49]	Germany
oddity code GmbH [49]	Germany
oddity code d.o.o [51]	Serbia
oddity waves GmbH [49]	Germany
oddity group services GmbH [49]	Germany
Infosys Public Services Canada Inc. [20](52)	Canda
BASE life science AG [54]	Switzerland
BASE life science GmbH [54]	Germany
BASE life science A/S [53]	Denmark
BASE life science S.A.S [54]	France
BASE life science Ltd. [54]	U.K.
BASE life science S.r.l. [54]	Itlay

Name of subsidiaries	Country
Innovisor Inc.[54]	U.S.
BASE life science Inc.[54]	U.S.
BASE life science S.L.[54](55)	Spain

(1) Wholly-owned subsidiary of Infosys Limited
(2) Majority-owned and controlled subsidiary of Infosys Limited
(3) Wholly-owned subsidiary of Infosys BPM Limited
(4) Wholly-owned subsidiary of Infosys Consulting Holding AG
(5) Majority-owned and controlled subsidiary of Infosys Consulting Holding AG
(6) Wholly-owned subsidiary of Panaya Inc.
(7) Wholly-owned subsidiary of Brilliant Basics Holding Limited.
(8) Wholly-owned subsidiary of Infosys Consulting Pte. Ltd.
(9) Majority-owned and controlled subsidiary of Infosys Consulting Pte. Ltd.
(10) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody)
(11) Wholly-owned subsidiary of Fluido Oy
(12) Wholly-owned subsidiary of Stater N.V
(13) Majority-owned and controlled subsidiary of Stater Participations B.V.
(14) Wholly-owned subsidiary of Infy Consulting Company Limited
(15) Liquidated effective January 28, 2021.
(16) Wholly-owned subsidiary of Infosys Nova Holdings LLC
(17) Wholly-owned subsidiary of Outbox Systems Inc.
(18) Wholly-owned subsidiary of Simplus ANZ Pty Ltd
(19) Wholly-owned subsidiary of Simplus Australia Pty Ltd
(20) Wholly-owned subsidiary of Infosys Public Services, Inc.
(21) Wholly-owned subsidiary of Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)
(22) Wholly-owned subsidiary of GuideVision s.r.o.
(23) Wholly-owned subsidiary of Kaleidoscope Animations, Inc.
(24) Wholly-owned subsidiary of Blue Acorn iCi Inc
(25) Wholly-owned subsidiary of Beringer Commerce Holdings LLC
(26) Wholly-owned subsidiary of Beringer Capital Digital Group Inc.
(27) Under liquidation
(28) Liquidated effective March 9,2021
(29) Incorporated on March 23, 2021
(30) On March 28, 2021 Infosys Limited and Infosys Germany Holding Gmbh registered Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm.
(31) Liquidated effective April 27,2021
(32) Incorporated on August 4, 2021
(33) Liquidated effective July 20, 2021
(34) Liquidated effective September 1, 2021
(35) Liquidated effective September 2, 2021
(36) Incorporated on August 31, 2021
(37) On December 14, 2021, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)
(38) Liquidated effective December 16, 2021
(39) Liquidated effective November 23, 2021
(40) Wholly-owned subsidiary of Infosys Limited, merged with WongDoody Inc, effective December 31, 2021
(41) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody), merged with WongDoody Inc, effective December 31, 2021
(42) Wholly-owned subsidiary of Infosys Limited, effective December 31, 2021
(43) Merged with Beringer Commerce Holdings LLC, effective January 1, 2022
(44) Merged with Beringer Capital Digital Group Inc, effective January 1, 2022
(45) Merged with Blue Acorn iCi Inc, effective January 1, 2022
(46) Incorporated on February 20, 2022
(47) On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.
(48) On March 22, 2022, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH (“Kristall”))
(49) On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH (“Kristall”)) (a wholly owned subsidiary of Infosys Consulting Pte. Ltd) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and oddity GmbH.
(50) Wholly-owned subsidiary of oddity GmbH

[51] Wholly-owned subsidiary of oddity code GmbH.

[52] Incorporated on July 8, 2022

[53] On September 1, 2022, Infosys Consulting Pte. Ltd. (a Wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

[54] Wholly-owned subsidiary of BASE life science A/S

[55] Incorporated on September 6, 2022

The details of amounts due to or due from related parties as at December 31, 2022 are as follows:

in €

Particulars	As at December 31 2022
Trade Payables	
Panaya Inc.	**500**
	500

2.7 Segment reporting

The Company is engaged in developing and marketing solutions in a single geography. 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 analysis of performance of the Company as a whole. Its operations are, therefore, considered to constitute a single segment in the context of Ind-AS 108, Segment Reporting.

2.8 Ratios

The ratios for the year ended December 31, 2022 are as follows:

Particulars	Numerator	Denominator	December 31,2022
Current Ratio	Current assets	Current liabilities	50.8

Infosys Business Solutions LLC

Independent Auditor's Report

To the shareholder of Infosys Business Solutions LLC

Opinion

We have audited the financial statements of Infosys Business Solutions LLC ("the Company"), which comprise the statement of financial position as at 31 December 2022, the Statement of Profit and Loss and Other Comprehensive Income, Statement of Changes in Shareholder's Equity and Statement of Cash Flows for the period from 20 February 2022 to 31 December 2022, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the period from 20 February 2022 to 31 December 2022 in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Code of Ethics for Professional Accountants ("IESBA Code") issued by the International Ethics Standards Board for Accountants, and we have fulfilled our other ethical responsibilities in accordance with its requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and Those Charged with Governance ("TCWG") for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing, the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

•Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Reporting on other legal and regulatory requirements

Further, as required by Qatar Financial Centre Law, law number 7 of 2005 and general rule 9.5.1, we report that:

(1) We have obtained all the information and explanation considered necessary for the purpose of our audit;

(2) The Company has maintained proper books of account and the financial statements are in agreement therewith;

(3) The financial statements have been properly prepared in accordance with the QFC Rules and Regulations; and

(4) The financial statements have been prepared in accordance with International Financial Reporting Standards.

In addition, we report that nothing has come to our attention which causes us to believe that the Company has breached any of the applicable provisions of the Qatar Financial Centre Law, law number 7 of 2005 or its articles of association, which would materially affect its activities, or its financial position as at 31 December 2022.

Gavin Brown
BDO Jawad Habib Qatar
for Accounting, Auditing and Consulting

Doha, State of Qatar
30 April 2023

Statement of Financial Position

(Expressed in Qatari Riyals)

Particulars	Note No.	As at December 31, 2022
ASSETS		
Current assets		
Cash and cash equivalents	8.1	4,347,043
Trade and other receivables	8.2	1,804,005
Total current assets		6,151,048
Non-current asset		
Deferred tax assets (net)	8.4	1,821
Total non-current asset		1,821
Total assets		6,152,869
LIABILITIES AND EQUITY		
Current liabilities		
Trade Payables	5	856,466
Current tax liabilities	8.3	155,272
Other current liabilities	8.5	143,971
Total current liabilities		1,155,709
Total liabilities		1,155,709
Equity		
10,000 Common Stock @ USD 100 per Common Stock	8.6	3,616,100
Retained earnings		1,381,060
		4,997,160
Total liabilities and equity		6,152,869

These financial statements, were approved by the shareholder on 30 April 2023 and signed on their behalf by the following:

Mr. Varun Rathore
Director

Statement of Profit or Loss and other Comprehensive Income

For the period from 20 February 2022 to 31 December 2022

(Expressed in Qatari Riyals)

Particulars	Note No.	Years ended December 31, 2022
Revenue	8.7	4,112,317
Cost of sales	8.8	(1,925,805)
Gross profit		2,186,512
Operating expenses:		
Administrative expenses	8.9	(651,561)
Total operating expenses		(651,561)
Operating profit		1,534,951
Other loss Net	8.10	(440)
Profit before tax		1,534,511
Income tax expense:		(153,451)
Current Tax	8.3	(155,272)
Deferred Tax	8.4	1,821
Net Profit for the period		1,381,060
Other comprehensive income		-
Total comprehensive income for the year		1,381,060

Statement of Changes in Shareholder's Equity

For the period from 20 February 2022 to 31 December 2022

(Expressed in Qatari Riyals)

Particulars	Share Capital	Retained earnings	Total
As at 20 February 2022	–	–	–
Share capital Introduced	3,616,100	–	3,616,100
Total comprehensive income for the period	–	1,381,060	1,381,060
As at 31 December 2022	3,616,100	1,381,060	4,997,160

Statement of Cash Flows

For the period from 20 February 2022 to 31 December 2022

(Expressed in Qatari Riyals)

Particulars	Notes	Years ended December 31, 2022
Cash flows from operating activities		
Net profit before income tax for the period		1,534,511
Changes in working capital:		
Increase in trade and other receivables	8.2	(1,804,005)
Increase in Other liabilities and provisions	5,8.5	1,000,437
Cash generated from operations		730,943
Net cash generated from operating activities (A)		730,943
Net cash used in investing activities (B)		–
Cash flows from financing activities		
Share capital Introduced		3,616,100
Net cash generated from financing activities (C)		3,616,100
Net changes in Cash and cash equivalents (A+B+C)		4,347,043
Cash and cash equivalents, beginning of the period		–
Cash and cash equivalents, end of the period	8.1	4,347,043

Notes to the Financial statements

For the period from 20 February 2022 to 31 December 2022

1 Legal status and principal activities

Infosys Business Solutions-LLC ("the Company"), was incorporated on 20 February 2022, as a Company with limited liability under the provisions of the Qatar Financial Centre Regulation No.2 of 2005.

The principal activity of the Company is to providing professional services in relation to:

1. Information technology consultancy activities;

2. Software Development; and

3. Advisory/consulting in relation to Strategic, operating model and organizational planning and other business performance services.

The registered address of the Company is Units 96-102, Piazza Level QQ05A, Regus AL Jaidah Business Centre, The Pearl, Doha, Qatar.

2 Basis of preparation

Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as promulgated by the International Accounting Standards Board ("IASB"), interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and the requirements Of the Qatar Financial Centre Companies Law.

Basis of Presentation

The financial statements have been prepared under the historical cost convention and going concern basis. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies.

Functional and presentation currency

These financial statements are presented in Qatari Riyal ("QAR") which is the Company's functional currency.

Improvements/amendments to IFRS/IAS

Improvements/amendments to IFRS/IAS contained numerous amendments to IFRS/IAS that the IASB considers non-urgent but necessary. 'Improvements to IFRS' comprise amendments that result in accounting changes to presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS standards. The amendments are effective for the Company's future accounting period with earlier adoption.

Standards, amendments and interpretations effective and adopted in the period 2022.

None of the amendments to standards or new standards that were made effective in the period 2022 had any significant effect on these financial statements.

Standards, amendments and interpretations issued and effective in the period 2022 but not relevant.

The following new amendments to existing standard and interpretation to published standard is mandatory for accounting year beginning on or after 1 January 2022 or subsequent years, but is not relevant to the Company's operations:

Standard or i nterpretation	Title	Effective for annual periods beginning on or after
IAS 16	Property, Plant and Equipment — Proceeds before	1 January 2022
	Intended Use	
IAS 41	Agriculture – Taxation in fair value measurements	1 January 2022
IAS 37	Provisions, Contingent liabilities and Contingent assets - Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
IFRS 1	First-time Adoption of International Reporting Standards – Subsidiary as a first-time adopter	1 January 2022
IFRS 3	Business combinations - Reference to the Conceptual Framework	1 January 2022
IFRS 9	Financial Instruments – Fees in the '10 per cent' test for the derecognition of financial liabilities	1 January 2022

Standards, amendments and interpretations issued but not yet effective in the period 2022.

The new/amended accounting standards and interpretations have been issued but are not mandatory for financial period ended 31 December 2022 is as follows. They have not been adopted in preparing the financial statements for the period ended 31 December 2022 and will or may have an effect on the entity's future financial statements. In all cases, the entity intends to apply these standards from application date as indicated in the following table:

Standard or interpretation	Title	Effective for annual periods beginning on or after
IAS 1	Presentation of financial statements – Disclosure of accounting policies / Classification of Liabilities as Current or Non-Current/ Non-current liabilities with covenants	1 January 2023/ 1 January 2024
IAS 8	Accounting policies, changes in accounting estimates and errors – Definition of accounting estimates	1 January 2023
IAS 12	Income taxes – Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
IFRS 16	Lease – Amendment – Liability in a sale and lease back	1 January 2024
IFRS 17	Insurance contracts	1 January 2023

Early adoption of amendments or standards in the period 2022

The Company did not early-adopt any new or amended standards in the year 2022. There would have been no change in the operational results of the Company for the year ended 31 December 2022 had the Company early adopted any of the above standards applicable to the Company.

Use of estimates and judgments

The preparation of the financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and 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 estimates are revised and in any future periods affected. Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in note 7.

3 Significant accounting policies

The following accounting policies, which comply with IFRS, have been applied consistently to all periods presented in these financial statements.

Financial Instruments

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through

Other Comprehensive Income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. Amount due from related parties that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies for Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market-place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

The Company's financial assets include the amount due from related parties and bank balances.

Financial assets at amortized cost (amount due from related parties).

This category is the most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets 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.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. The Company's financial assets at amortized cost includes amounts due from related parties and bank balances.

Revenue recognition

a. To recognize revenues, the Company applies the following five step approach:

    i. Identify the contract with a customer,

    ii. Identify the performance obligations in the contract,

    iii. Determine the transaction price,

    iv. Allocate the transaction price to the performance obligations in the contract, and

    v. Recognize revenues when a performance obligation is satisfied.

b. At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgement to determine whether each product or service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligations based on their relative stand-alone selling price or residual method. Standalone selling prices are determined based on sale prices for the components when it is regularly sold separately. In cases where the Company is unable to determine the stand-alone selling price, the Company uses third-party prices. For similar deliverables, or the Company uses the expected cost-plus margin approach in estimating the standalone selling price.

c. For performance obligations where control is transferred over time, revenues are recognized by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the promised products or services to be provided.

The Company accounts for variable considerations, such as volume discounts, as a reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which the Company may be entitled.

The timing of revenue recognition may differ from the timing of invoicing to customer. The Company classifies its rights to consideration in exchange for deliverables as either an accounts receivable or an unbilled revenue. Unbilled revenue represents earnings in excess of billings, while unearned income represents billings in excess of earnings.

Revenue is measured based on the consideration specified in a contract with the customer. The Company recognizes revenue when it transfers control over goods or services to a customer.

In view of the risks associated with the delivery of its services to and the collection of the amounts the Company considers that it is acting as a principal in these arrangements and, therefore, has recognized the costs and associated revenue on a gross, as opposed to a net basis.

Provisions

A provision is recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Employees' Benefits

The cost of short-term employee benefits is recognized in the period in which the service is rendered and are not discounted.

The expected cost of compensated absence is recognized as an expense when the employee renders services that increase their entitlement or in case of no accumulating absence, when the absence occur.

Taxation

Income tax is calculated as per Qatar Financial Centre Tax Law effective from 01 January 2010. QFC imposed a flat tax rate of 10% on local source business profit.

The tax expense for the period comprises current and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized in the Other Comprehensive Income or directly in equity, respectively.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets are recognized only to the existent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period and the amortized cost in foreign currency translated at the exchange rate at the end of the period. Realized and unrealized foreign exchange differences arising on translation are recognized in the profit or loss.

Leases

At inception of a contract the Company assesses whether a contract is or contains a lease. A contract is, or contains, a lease if 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:

a. The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct asset or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.

b. The Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and

c. The Company has the right to direct the use of the asset.

d. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

   i. The Company has the right to operate the asset; or

   ii. The Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on assessment of a contract that contains a lease component, the Company identifies the non-lease component in the contract and break the lease and non-lease component and present the same separately i.e., lease component is capitalized as part of right-of-use asset and non-lease component is presented separately.

Right-of-use asset

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments in the measurement of the lease liability comprise the following:

a. Fixed payments, including in-substance fixed payments;

b. Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

c. Amounts expected to be payable under a residual value guarantee; and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension, or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of equipment that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4 Financial risk management

Overview

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies, and processes for measuring and managing risk, and the Company's management of capital.

The Director has an overall responsibility for the Company and oversight of the Company's risk management framework.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk is attributable to trade and other receivables, cash at bank and due from a related party. Cash is held with reputable bank. Balance due from a related party is considered fully recoverable by management.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk mainly relates to trade and other payables and due to a related party. The Company's approach to managing liquidity is to ensure, as far as possible, to maintain sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The majority of the Company's transactions are conducted in QAR and USD. QAR is currently pegged to USD; hence, the Company has no significant exposure to currency risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

Capital management

The Directors' policy is to maintain a strong capital base as to maintain shareholders, creditors, and market confidence and to sustain future development of the business. There were no changes in the Company's approach to capital management during the years.

5 Related party transactions and balances

The Company in the normal course of business carries out transactions with other business enterprises that fall within the definition of related parties contained in International Accounting Standard No. 24. The transactions among related parties are carried out at terms mutually agreed amongst them.

Related party transactions and balances

During the year the Company enter into a Subcontracting Agreement with Infosys Limited ("the Shareholder"). Where Infosys Limited bills the Company at total cost-plus markup of 18% on total cost for the services given to the Company. Other services which are in the nature of cost reimbursement are invoiced at cost.

Trade payables

Balance with related party

(Expressed in Qatari Riyals)

Particulars	As at December 31, 2022
Infosys Limited	856,466
Total	856,466

Transactions with related party

(Expressed in Qatari Riyals)

Particulars	As at December 31, 2022
Rent	13,090
Technical sub-contracted cost	74,092
Professional expenses incurred on behalf of Company	482,785
Total	569,967

6 Fair value of financial instruments

Fair value measurement

A number of assets and liabilities included in the Company's financial statements require measurement at, and/or disclosure Of, fair value. The most significant areas requiring the use of management estimates and assumptions relate to contingencies. The fair value measurement Of the Company's financial and non-financial assets and liabilities utilizes market Observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorized into different levels based on how Observable the inputs used in the valuation technique utilized are (the 'fair value hierarchy'):

- Level 1: Quoted prices in active markets for identical items (unadjusted);
- Level 2: Observable direct or indirect inputs Other than Level 1 inputs; and
- Level 3: Unobservable inputs

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers Of items between levels are recognized in the period they Occur.

The financial assets and financial liabilities Of the Company either require fair value measurements or only fair value disclosures as at 31 December 2022.

Financial assets of the Company comprise trade and other receivables (excluding prepayments and advances), and cash and cash equivalent. Financial liabilities include trade and other payables and due to a related party.

The carrying amounts of the financial instruments stated above, approximate their fair value as at 31 December 2022.

7 Accounting estimates and judgment

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Determination of the lease term of contracts

In determining the lease term, management considers facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options are only included in the lease term if lease is reasonably certain to be extended.

Impairment losses on financial assets

The Company reviews its receivables to assess impairment losses. In determining whether impairment losses should be recognized in the profit or loss, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for impairment is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The measurement of the expected credit loss allowance for financial assets measured at amortized cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g., the likelihood of customers defaulting and the resulting losses).

8 Notes to the financial statements

8.1 Cash and cash equivalents

(Expressed in Qatari Riyals)

Particulars	As at December 31, 2022
Cash and cash equivalents consist of the following:	
Cash at bank- Current accounts	4,347,043

The balance in Qatari Riyal, which are kept in current account with local scheduled banks bearing no interest is as follows.

(Expressed in Qatari Riyals)

Particulars	As at December 31, 2022
Current Accounts	
Citi Bank	4,347,043

8.2 Trade receivables and other receivables

(Expressed in Qatari Riyals)

Particulars	As at December 31, 2022
Trade Receivables	
Unsecured	
Considered good	1,821,455
Considered doubtful	–
	1,821,455
Less: Allowance for expected credit loss	(18,215)
Trade Receivables net	1,803,240
Other Receivables	
Receivables from Related Party	765
Total Other receivables	765
Total	1,804,005

8.3 Income taxes

(Expressed in Qatari Riyals)

Particulars	As at December 31, 2022
Income tax expense in the Statement of Profit and Loss comprises:	
Current tax	155,272
Deferred tax	(1,821)
Income tax Expense	153,451

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 as follows:

(Expressed in Qatari Riyals)

Particulars	Years ended December 31, 2022
Profit before income taxes	1,534,511
Enacted tax rates in State of Qatar	10.00%
Computed expected tax expense	153,451
Income Tax Expense	153,451

The following table provides the the details of income tax assets and income tax liabilities as of 31 December 2022 are as follows.

(Expressed in Qatari Riyals)

Particulars	As at December 31, 2022
Current income tax liabilities	(155,272)
Income tax assets	–
Net current income tax assets/ (liability) at the end	(155,272)

The gross movement in the current income tax asset/ (liability) for the year ended 31 December 2022 is as follows:

(Expressed in Qatari Riyals)

Particulars	Years ended December 31, 2022
Net current income tax asset/ (liability) at the beginning	–
Income tax paid	–
Current income tax expense	(155,272)
Income Tax Expense	(155,272)

The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

(Expressed in Qatari Riyals)

Particulars	As at December 31, 2022
Deferred income tax assets	
Provision for debtors	1,821
Net current income tax assets/ (liability) at the end	1,821

8.4 Deferred tax

Details of the deferred tax liability, amounts recognized in profit or loss and amounts recognized in other comprehensive income are as follows:

(Expressed in Qatari Riyals)

Particulars	Carrying value as on 20 February22	Changes through Profit and Loss	Changes Through OCI	Translation Difference	Carrying value as of 31 December 22
Deferred Income tax assets /(Liabilities)					
Provision for debtors	–	1,821	–	–	1,821
Total deferred Income Tax assets/(liabilities)	–	1,821	–	–	1,821

8.5 Other liabilities

(Expressed in Qatari Riyals)

Particulars	As at December 31, 2022
Accruals for Professional and legal fees	89,541
Compensated absences	54,430
	143,971

8.6 Equity share capital

(Expressed in Qatari Riyals)

Particulars	As at December 31, 2022
Authorized Equity shares, USD 100 (364 QAR) par value 2,000,000 (20,000) equity shares	7,280,000
Issued, Subscribed and Paid-Up Equity shares, USD 100 (361.61 QAR) par value 1,000,000 (10,000) equity shares	3,616,100

The Company has only one class of shares referred to as equity shares having a par value of USD 100/-. Each holder of equity shares is entitled to one vote per share.

The details of shareholder holding more than 5% shares as at 31 December 2022 are as follows:

(Expressed in Qatari Riyals)

Name of the Shareholder	% of Share	As at December 31, 2022
Infosys Limited (India)	100%	3,616,100

8.7 Revenue

(Expressed in Qatari Riyals)

	Years ended December 31, 2022
Revenue from services	4,112,317

8.8 Cost of sales

(Expressed in Qatari Riyals)

Particulars	Years ended December 31,2022
Employee benefit costs	1,851,713
Cost of technical sub-contractors[(1)]	74,092
Total	1,925,805

[(1)] Infosys Limited (Holding Company)

8.9 General and administrative expenses

(Expressed in Qatari Riyals)

Particulars	Years ended December 31, 2022
Consultancy and professional charges	532,325
Auditor's remuneration	40,000
Travelling costs	29,604
Provision for expected credit loss	18,215
Bank charges and commission	15,576
Rent	13,090
Telephone expenses	2,030
Postage and courier	723
Total	651,561

8.10 Other loss, net

(Expressed in Qatari Riyals)

Particulars	Years ended December 31, 2022
Unrealized Foreign Exchange Loss	440
Total	440

9 Subsequent Events

Subsequent to the year end, there have been no events noted that would require adjustments or further disclosure to the financial statements.

10 Contingent Liabilities

There are no contingent liabilities as of 31 December 2022.

Infosys Singapore Pte Ltd.

Independent Auditor's Report

To the Members of Infosys Singapore Pte Ltd. (formerly known as Infosys Consulting Pte Ltd.)

Report on the special purpose financial statements

Opinion

We have audited the accompanying special purpose financial statements of Infosys Singapore Pte Ltd. (formerly known as Infosys Consulting Pte Ltd.) ("the Company"), which comprise the Balance Sheet as at December 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of Section 129 (3) of the Companies Act 2013.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of preparation referred to in Section 1.2 of the special purpose financial statements, of the state of affairs of the Company as at December 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Management's responsibilities for the special purpose financial statements

The Company's Management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including Other Comprehensive Income, Changes in Equity and Cash Flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the special purpose financial statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

i) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

iii) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

UDIN : 23202841BGWMDX5126

For Shenoy & Kamath
Chartered Accountants,
Firm Registration Number. 006673S

(M Rathnakar Kamath)
Partner
Membership Number. 202841

Place: Bengaluru

Date: June 1, 2023

Balance Sheet

(In SGD)

Particulars	Note no.	As at December 31	
		2022	2021
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	120,176	66,669
Right-of-use assets	2.18	24,224,797	416,506
Financial assets			
Investments	2.3	508,539,163	380,720,629
Loans	2.2	–	524,883
Other non-current assets	2.6	1,870,874	3,620,672
Total non-current assets		534,755,010	385,349,359
Current assets			
Financial assets			
Trade receivables	2.4	11,323,723	1,747,265
Cash and cash equivalents	2.5	11,402,897	22,888,741
Loans	2.2	240,901,414	33,515,313
Other financial assets	2.3	10,548,487	7,954,282
Other current assets	2.6	4,942,635	2,408,199
Total current assets		279,119,156	68,513,800
Total assets		813,874,166	453,863,159
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.8	10,990,000	10,990,000
Redeemable Preference share		510,200,000	249,200,000
Other equity		(75,442,385)	(95,613,533)
Total equity		445,747,615	164,576,467
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	2.10 (a)	21,641,535	38,067,494
Lease Liabilities	2.18	20,113,939	59,975
Other financial liabilities	2.10 (b)	2,160,861	133,672,384
Total non-current liabilities		43,916,335	171,799,853
Current liabilities			
Financial liabilities			
Borrowings	2.10 (a)	195,802,432	97,985,357
Trade payables	2.9	2,008,551	1,119,089
Lease Liabilities	2.18	6,073,489	392,295
Other financial liabilities	2.10 (b)	120,068,861	16,365,511
Other current liabilities	2.11	255,672	337,489
Provisions	2.12	1,211	61,549
Income tax liabilities, net	2.13	–	1,225,549
Total current liabilities		324,210,216	117,486,839

Total equity and liabilities	**813,874,166**	453,863,159

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 Singapore Pte Ltd. (formerly known as Infosys Consulting Pte Ltd.)

for Shenoy & Kamath
Chartered Accountants
Firm Registration Number : 006673S

M. Rathnakar Kamath
Partner
Membership No. 202841

Andal Alwan
Director

Place : Bengaluru

Date: June 1, 2023

Statement of Profit and Loss

(In SGD) except equity share and per equity share data

Particulars	Note	Years ended December 31	
		2022	2021
Revenue from operations	2.14	39,539,293	14,724,204
Other income, net	2.15	20,796,029	30,235,558
Total income		60,335,322	44,959,762
Expenses			
Employee benefit expenses	2.16	13,623,052	7,746,973
Cost of technical sub-contractors		10,802,366	3,814,514
Travel expenses		107,181	433
Cost of software packages and others	2.16	3,755,180	2,337,799
Communication expenses		106,638	41,798
Consultancy and professional charges		530,021	481,610
Depreciation expense	2.1	5,456,602	384,181
Finance cost		6,269,569	1,894,169
Other expenses	2.17	616,751	5,186,793
Total expenses		41,267,360	21,888,270
Profit/(loss) before tax		19,067,962	23,071,492
Tax expense			
Current tax	2.13	(1,103,186)	1,183,727
Deferred tax	2.13	–	–
Profit/(Loss) for the year		20,171,148	21,887,765
Other comprehensive income / (loss)			
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/(loss) for the period/year		20,171,148	21,887,765

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants
Firm Registration Number : 006673S

M. Rathnakar Kamath
Partner
Membership No. 202841

Place : Bengaluru

Date: June 1, 2023

for and on behalf of the Board of Directors of Infosys Singapore Pte Ltd. (formerly known as Infosys Consulting Pte Ltd.)

Andal Alwan
Director

Statement of Changes in Equity

(In SGD)

Particulars	Equity share capital	Redeemable Preference share	Other equity: Reserves and Surplus – Retained earnings	Total equity attributable to equity holders of the Company
Balance as of January 1, 2021	10,990,000	249,200,000	(117,501,298)	142,688,702
Changes in equity for the year ended December 31, 2021				
Profit for the year	–	–	21,887,765	21,887,765
Balance as of December 31, 2021	10,990,000	249,200,000	(95,613,533)	164,576,467
Changes in equity for the year ended December 31, 2022				
Issuance of preference share	–	261,000,000	–	261,000,000
Impact on adoption of amendment to Ind-AS 37#	–	–	–	–
Profit for the year	–	–	20,171,148	20,171,148
Balance as of December 31, 2022	10,990,000	510,200,000	(75,442,385)	445,747,615

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants
Firm Registration Number : 006673S

M. Rathnakar Kamath
Partner
Membership No. 202841

Place : Bengaluru

Date: June 1, 2023

for and on behalf of the Board of Directors of Infosys Singapore Pte Ltd. (formerly known as Infosys Consulting Pte Ltd.)

Andal Alwan
Director

Statements of Cash Flows

(In SGD)

Particulars	Note No.	Years ended December 31	
		2022	2021
Cash flows from operating activities			
Profit/(Loss) for the year		20,171,148	21,887,765
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation and amortization expense	2.1 & 2.18	5,456,602	384,181
Income tax expense	2.13	(1,103,186)	1,183,727
Dividend received from subsidiaries		(12,018,224)	(31,710,121)
Impairment loss recognized / (reversed) under expected credit loss model		34,299	58
Finance Cost		6,269,569	1,894,169
Interest Income		(5,283,297)	(894,066)
Fair value loss (gain) on derivative financial instruments		21,695,617	18,941,614
Fair value gain on contingent consideration		(1,324,413)	(50,582)
Fair value changes on redemption liability		(6,381,310)	4,400,829
Fair value loss (gain) on call and put options		(1,615,419)	–
Provision for post-sales client support and warranties		(60,338)	61,549
Other adjustments		–	–
Exchange differences on translation of assets and liabilities		(15,507,039)	(17,248,550)
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(15,275,849)	(1,772,802)
Other financial assets and other assets		2,320,548	(10,036,571)
Trade payables		889,462	1,135,374
Other financial liabilities, other liabilities and provisions		(10,176,635)	13,253,979
Cash generated from / (used in) operations		(11,908,465)	1,430,553
Income taxes paid	2.13	(122,363)	(86,613)
Net cash generated by / (used in) operating activities		(12,030,828)	1,343,940
Cash flow from investing activities			
Purchase of property, plant and equipment		(103,196)	(80,699)
Investment in subsidiaries		(121,237,280)	(5,271,825)
Loans to related companies		(207,931,017)	(26,327,045)
Contingent consideration paid to sellers of Fluido		(2,362,940)	–
Refund received from Singtel sellers		228,437	–
Repayments received from loan to a related company		–	2,364,141
Interest received		1,012,098	445,644
Dividend received		12,018,224	31,710,121
Net cash from/(used in) investing activities		(318,375,674)	2,840,337
Cash flow from financing activities			
Loans from related companies		170,007,131	34,799,000
Repayments of loans from related companies		(78,174,874)	(11,900,657)
Proceed from issue of Redeemable Preference Shares		261,000,000	–
Cash settlement for derivative financial instruments		(27,539,922)	(10,727,999)
Repayment of lease liabilities		(3,869,229)	(343,287)
Interest paid		(2,502,448)	(716,834)
Net cash from / (used in) financing activities		318,920,658	11,110,223

Particulars	Note No.	Years ended December 31	
		2022	2021
Net increase/(decrease) in cash and cash equivalents		(11,485,844)	15,294,500
Cash and cash equivalents at the beginning of the year	2.5	22,888,741	7,594,241
Cash and cash equivalents at the end of the year	2.5	11,402,897	22,888,741

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 Singapore Pte Ltd. (formerly known as Infosys Consulting Pte Ltd.)

for Shenoy & Kamath
Chartered Accountants
Firm Registration Number : 006673S

M. Rathnakar Kamath
Partner
Membership No. 202841

Andal Alwan
Director

Place : Bengaluru

Date: June 1, 2023

Significant accounting policies

Company overview

Infosys Singapore Pte Ltd. (formerly known as Infosys Consulting Pte Ltd.) is a wholly-owned subsidiary of Infosys Limited. The Company renders professional management consulting services, thereby enabling its clients to enhance business performance.

1 Significant accounting policies

1.1 Accounting year

The accounting year of the Company is from January 1 to December 31.

1.2 Basis of preparation of financial statements

These special purpose financial statements are prepared for inclusion in the Annual Report of the Ultimate Holding Company Infosys Limited under the requirements of Section 129 (3) of the Companies Act 2013. These financial statements are prepared in accordance with Indian Accounting Standards (Ind-AS), under the historical cost convention on the accrual basis. The Ind-AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operate (i.e. the "functional currency"). The functional currency of the Company is SGD., and the financial statements are also presented in SGD. All amounts included in the financial statements are reported in SGD, 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 Presentation currency

The Company's presentation currency is SGD.

1.4 Use of estimates

The preparation of the financial statements in conformity with Ind-AS requires the Management to make estimates and assumptions that affect the application of accounting policies and the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.5 Revenue recognition

The Company derives revenues primarily from consultancy services.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Arrangements with customers for software related services are either on a fixed-timeframe or on a time-and-material basis.

1.5.1 Time and material

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

1.5.2 Fixed price

Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method.

1.5.3 Unbilled/ Unearned

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

1.5.4 Volume discounts

The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts/ incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the Company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The Company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

1.5.5 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.

1.5.6Tax

The Company presents revenues net of indirect taxes in its Statement of Profit and Loss.

1.6 Provisions

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.

1.7 Post-sales client support

The Company provides its clients with a fixed-period post-sales support on its fixed-price, fixed-timeframe contracts. Costs associated with such support services are accrued at the time when related revenues are recorded in the Statement of Profit and Loss. The Company estimates such costs based on historical experience and the estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence.

1.8 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. Provisions for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete 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.

1.9 Property, plant and equipment

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	5 years

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

[(1)] For these class of assets, 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.

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. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

1.10 Financial instruments

1.10.1 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, which 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.

1.10.2 Subsequent measurement

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

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.

(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. 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.

1.10.3 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.

1.11 Impairment

a. Financial assets

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets, which are not fair valued through profit or loss. Loss allowance for trade receivables 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 or Loss.

b. Non-financial assets

(i) Property, plant and equipment

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 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 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 depreciation) had no impairment loss been recognized for the asset in prior years.

1.12 Employee benefits

Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non- accumulating compensated absences is recognized in the period in which the absences occur.

1.13 Foreign currency

Functional currency

The functional currency of the Company is the SGD. These financial statements are presented in SGD.

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 the transaction. The related revenue and expense are recognized using the same exchange rate.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

1.14 Income taxes

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 equity or 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.

1.15 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.16 Other income

Other income is comprised primarily of interest income and exchange gain on translation of other assets and liabilities.

1.17 Earnings per share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.

1.18 Borrowing cost

Borrowing cost are charged to the Statement of Profit and Loss in the period in which they occurred.

1.19 Leases:

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: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) 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 Infosys'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 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 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 for the 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 asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows."

2.1 Property, plant and equipment

The changes in the carrying value of property, plant and equipment for the year ended December 31, 2022 are as follows:

(In SGD)

Particulars	Plant and machinery	Computer equipment	Furniture and fixtures	Office Equipment	Total
Gross carrying value as of January 1, 2022	–	287,544	298,327	8,285	594,156
Additions	–	103,196	–	–	103,196
Deletions	–	(3,577)	–	(1,518)	(5,095)
Gross carrying value as of December 31, 2022	0	387,163	298,327	6,767	692,257
Accumulated depreciation as of January 1, 2022	–	(220,875)	(298,327)	(8,285)	(527,487)
Depreciation	–	(49,689)	–	–	(49,689)
Accumulated depreciation on deletions	–	3,577	–	1,518	5,095
Accumulated depreciation as of December 31, 2022	–	(266,987)	(298,327)	(6,767)	(572,081)
Carrying value as of December 31, 2022	–	120,176	–	–	120,176
Carrying value as of January 1, 2022	–	66,669	–	–	66,669

The changes in the carrying value of property, plant and equipment for the year ended December 31, 2021 are as follows:

(In SGD)

Particulars	Plant and machinery	Computer equipment	Furniture and fixtures	Office Equipment	Total
Gross carrying value as of January 1, 2021	–	206,845	298,327	8,285	513,457
Additions	–	80,699	–	–	80,699
Gross carrying value as of December 31, 2021	0	287,544	298,327	8,285	594,156
Accumulated depreciation as of January 1, 2021	–	(199,762)	(298,327)	(8,037)	(506,126)
Depreciation	–	(21,113)	–	(248)	(21,361)
Accumulated depreciation as of December 31, 2021	–	(220,875)	(298,327)	(8,285)	(527,487)
Carrying value as of December 31, 2021	–	66,669	–	–	66,669
Carrying value as of January 1, 2021	–	7,083	–	248	7,331

2.2 Loans

(In SGD)

Particulars	As at December 31	
	2022	2021
Non-current		
Unsecured, considered good		
Loan to Subsidiary[(1)]	–	524,883
Total Non-current loans	–	524,883
Current		
Loans Receivables considered good - Secured		
Loan to Subsidiary[(1)]	240,901,414	33,491,587
Loans and advances to employees	–	23,726
Total current loans	240,901,414	33,515,313
[(1)] Includes dues from related parties (Refer to Note No.2.19)	240,901,414	34,016,469

2.3 Other financial assets

(In SGD)

Particulars	As at December 31	
	2022	2021
Non-current		
Investment	508,539,163	380,720,629
	508,539,163	380,720,629
Current		
Unbilled Revenues[1]	7,487,359	1,798,086
Rental deposits [1]	58,080	58,889
Intercompany – Receivable – Non revenue	–	174,245
Mark to Market forward contracts and options	2,992,476	422,329
share application mo	10,072	5,500,263
Others [1][2]	500	470
Total current other financial assets	10,548,487	7,954,282
Total	519,087,650	388,674,911
[1] Financial assets carried at amortized cost	519,087,650	388,674,911
[2] Includes dues from related party (Refer to Note No.2.19)	37,569	186,886

2.4 Trade receivables

(In SGD)

Particulars	As at December 31	
	2022	2021
Unsecured		
Considered good [1]	11,323,723	1,747,265
Total trade receivables	11,323,723	1,747,265
[1] Includes dues from related parties (Refer to Note No.2.19)	5,247,461	1,741,824

2.5 Cash and cash equivalents

(In SGD)

Particulars	As at December 31	
	2022	2021
Balances with banks		
In current accounts	11,402,157	22,887,959
Cash on hand	740	782
Total Cash and Cash equivalents	11,402,897	22,888,741

2.6 Other assets

(In SGD)

Particulars	As at December 31	
	2022	2021
Non-current		
Other Financial Asset receivables	258,035	–
Investment in lease - Noncurrent	(2,580)	–
Other Financial Asset receivables	1,615,419	–
Deferred contract cost	–	3,620,672
	1,870,874	3,620,672
Current		
Others		
Prepaid expenses [(1)]	557,976	35,352
Deferred contract cost	3,923,828	2,172,403
Joining Bonus	26,984	–
Unbilled Revenues	10,118	–
Withholding taxes and others	393,892	116,762
Government Grant receivable	29,837	83,682
Total current other assets	4,942,635	2,408,199
[(1)] Includes dues from related party (Refer to Note No.2.19)	–	–

2.7 Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories as of December 31, 2022 and December 31, 2021 were as follows:

(In SGD)

Particulars	As at December 31	
	2022	2021
Assets		
Cash and cash equivalents (Refer to Note No. 2.5)	11,402,897	22,888,741
Trade receivables (Refer to Note No. 2.4)	11,323,723	1,747,265
Loans (Refer to Note No.2.2)	240,901,414	33,515,313
Other financial assets (Refer to Note No.2.3)	519,087,650	388,674,911
Total	782,715,684	446,826,230
Liabilities		
Trade payables (Refer to Note No. 2.9)	2,008,551	1,119,089
Borrowings (Refer to Note 2.10 (a))	217,443,967	136,052,851
Lease Liability (Refer to Note 2.18)	26,187,428	452,270
Other financial liabilities (Refer to Note No.2.10)	116,192,227	132,622,382
Total	361,832,173	270,246,592

All the above financial assets and liabilities are carried at amortized cost and the carrying values approximates their fair value.

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 SGD 11,323,723 and SGD 1,747,265 as of December 31, 2022 and December 31, 2021, respectively and unbilled revenue amounting to SGD 7,497,477 and SGD 1,798,086 as of December 31, 2022 and December 31, 2021, 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. The Company uses ECL model to assess any required allowances and uses a provision matrix to compute the ECL allowance for trade receivables and unbilled revenues. The matrix takes into account credit reports and other related credit information to the extent available.

Credit risk exposure

The recognition/ (reversal) for lifetime ECL on customer balances for the year ended December 31, 2022 was SGD 34,299 and allowance for year ended December 31, 2021 was SGD 58 respectively.

(In SGD)

Particulars	Year ended December 31,	
	2022	2021
Balance at the beginning	23,771	23,713
Impairment loss recognized / (reversed)	34,299	58
Balance at the end	58,070	23,771

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies.

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents.

As of December 31, 2022, the Company had a negative working capital of SGD 45,091,060 including cash and cash equivalents of SGD 11,402,897. As of December 31, 2021, the Company had a negative working capital of SGD 48,973,039 including cash and cash equivalents of SGD 22,888,741

As of December 31, 2022 and December 31, 2021, the outstanding compensated absences were SGD 112,389 and SGD 104,403 respectively.

2.8 Equity

Equity share capital

(In SGD, except as otherwise stated)

Particulars	As at December 31, 2022	As at December 31, 2021
Authorized		
10,990,000 (10,990,000) equity shares of SGD 1/- par value	10,990,000	10,990,000
Issued, subscribed and paid-up		
10,990,000 (10,990,000) equity shares of SGD 1/- par value	10,990,000	10,990,000
	10,990,000	10,990,000

The details of shareholders holding more than 5% shares are as follows :

(In SGD, except as otherwise stated)

Name of the shareholder	As at December 31, 2022		As at December 31, 2021	
	Number of shares	% held	Number of shares	% held
Infosys Limited	1,09,90,000	100.00	1,09,90,000	100.00
	10,990,000	100.00	10,990,000	100.00

2.9 Trade payables

(In SGD)

Particulars	As at December 31, 2022	As at December 31, 2021
Trade payables *	2,008,551	1,119,089
Total trade payables	2,008,551	1,119,089
*Includes dues to related parties (Refer to Note No.2.19)	15,132	–

2.10 Other financial liabilities

2.10 (a) Borrowings

(In SGD)

Particulars	As at December 31, 2022	As at December 31, 2021
Non-current		
Unsecured Loans	21,641,535	38,067,494
	21,641,535	38,067,494
Current		
Unsecured Loans	195,802,432	97,985,357
	195,802,432	97,985,357
Total Borrowings	217,443,967	136,052,851
(2) Includes dues to related parties (Refer to Note No.2.19)	217,443,967	136,052,851

2.10 (b) Other financial liabilities

(In SGD)

Particulars	As at December 31, 2022	As at December 31, 2021
Non-current		
Others	2,160,861	10,272,707
Other Financial Liabilities	–	123,399,677
	2,160,861	133,672,384
Current		
Intercompany – Payable – Non revenue	1,177,522	629,609
Mark to Market forward contracts & options valuation	3,764,245	7,038,403

Particulars	As at December 31,	
	2022	2021
Contingent Consideration	6,507,958	3,821,234
Financial liability – under revenue deals	2,072,234	1,986,914
Compensated absences	112,389	104,403
Accrued bonus and incentives	566,662	619,461
Other payables [2]	105,867,851	2,165,487
	120,068,861	16,365,511
Total other financial liabilities	122,229,722	150,037,895
Financial liability carried at amortized cost	116,192,227	132,622,382
Financial liability carried at fair value through profit or loss	2,072,234	–
[2] Includes dues to related parties (Refer to Note No.2.19)	1,215,092	642,250

2.11 Other liabilities

(In SGD)

Particulars	As at December 31,	
	2022	2021
Current		
Unearned revenue	17,693	8,196
Withholding taxes and others	79,008	85,452
VAT Account	158,971	243,841
Total current other liabilities	255,672	337,489

2.12 Provisions

(In SGD)

Particulars	As at December 31,	
	2022	2021
Current		
Others		
Post-sales client support	1,211	61,549
Total current Provisions	1,211	61,549

Provision for post-sales client support

The movement in the provision for post-sales client support is as follows:

(In SGD)

Particulars	Year ended December 31,	
	2022	2021
Balance at the beginning	61,549	–
Provision recognized / (reversed)	(60,338)	61,549
Balance at the end	1,211	61,549

Provision for post-sales client support and other provisions are expected to be utilized over a period of six months to one year.

2.13 Income taxes

Income tax expense in the Statement of Profit and Loss comprises:

(In SGD)

Particulars	Years ended December 31,	
	2022	2021
Current taxes	(1,103,186)	1,183,727
Income tax expense	(1,103,186)	1,183,727

Current tax expense for the years ended December 31, 2022 and December 31, 2021 includes reversal (net of provisions) amounting to SGD 1,236,156 and provisions (net of reversals) of SGD 7,041 respectively, pertaining to prior 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 as follows:

(In SGD)

Particulars	Years ended December 31,	
	2022	2021
Profit/(Loss) before income tax	19,067,962	23,071,492
Enacted tax rates (%)	17.00%	17.00%
Computed expected tax expense	3,241,554	3,922,154
Prior period tax expense	(1,236,156)	(85,818)
Permanent Difference	338,699	3,547,069
Exempt Income	(2,043,098)	(5,390,721)
Deferred Tax - not recognized on loss	(1,537,155)	(884,963)
Others	132,970	76,006
Income tax expense	(1,103,186)	1,183,727

The applicable Singapore statutory tax rate for year ended December 31, 2022 is 17.00% and tax rate for the year ended December 31, 2021 is 17.00%.

The details of income tax assets and income tax liabilities are as follows :

(In SGD)

Particulars	Years ended December 31, 2022	2021
Income tax assets	–	–
Current income tax liabilities	–	1,225,549
Net current income tax assets / (liability) at the end	–	(1,225,549)

The gross movement in the current income tax asset / (liability) is as follows:

(In SGD)

Particulars	Years ended December 31, 2022	2021
Net current income tax asset / (liability) at the beginning	(1,225,549)	(128,435)
Income tax paid	122,363	86,613
Current income tax expense	1,103,186	(1,183,727)
Net current income tax asset / (liability) at the end	–	(1,225,549)

2.14 Revenue from operations

(In SGD)

Particulars	Years ended December 31, 2022	2021
Income from consultancy services	39,539,293	14,724,204
Total revenue from operations	39,539,293	14,724,204

Disaggregate revenue information

The disaggregated revenues from contracts with customers by offerings for the year ended December 31, 2022 are as follows. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

(In SGD)

Particulars	Years ended December 31, 2022	2021
Revenue by offerings		
Core	12,409,903	10,305,405
Digital	27,129,390	4,397,712
Total	39,539,293	14,703,117

Digital Services

Digital Services comprise of service and solution offerings of the Company that enable our clients to transform their businesses. These include offerings that enhance customer experience, leverage AI-based analytics and big data, engineer digital products and IoT, modernize legacy technology systems, migrate to cloud applications and implement advanced cyber security systems.

Core Services

Core Services comprise traditional offerings of the Company that have scaled and industrialized over a number of years. These primarily include application management services, proprietary application development services, independent validation solutions, product engineering and management, infrastructure management services, traditional enterprise application implementation, support and integration services.

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.

The Company's receivables are rights to consideration that are unconditional. Unbilled revenues comprising revenues in excess of billings from time and material contracts and fixed price maintenance contracts 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 price 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 price contracts (contract asset) are classified as non-financial 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 December 31, 2022 , the Company recognized revenue of SGD 5,963 arising from opening unearned revenue as of January 1, 2022.

During the year ended December 31, 2021, the Company recognized revenue of SGD Nil arising from opening unearned revenue as of January 1, 2021.

During the year ended December 31, 2022 , SGD Nil of unbilled revenue pertaining to fixed price development contracts as of January 1, 2022 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 including unit of work-based contracts. 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 fluctuations.

The aggregate value of performance obligations that are completely or partially unsatisfied as at December 31, 2022, other than those meeting the exclusion criteria mentioned above, is SGD 43,691 . The contracts can generally be terminated by the customers and typically includes an enforceable termination penalty payable by them. Generally, customers have not terminated contracts without cause.

2.15 Other income

(In SGD)

Particulars	Years ended December 31,	
	2022	2021
Interest received on financial assets carried at amortized cost		
Interest received on Employee Loans and Others	63,842	129,942
Interest Income On Loan To Subsidiary	5,283,297	894,066
Finance Income under revenue deals	1,828	–
Exchange gains/(losses) on translation of assets and liabilities	(21,695,617)	(18,941,613)
Others	37,142,679	48,153,163
	20,796,029	30,235,558

2.16 Employee benefit expenses & cost of software

(In SGD)

Particulars	Years ended December 31,	
	2022	2021
Employee benefit expenses		
Salaries including bonus	13,623,052	7,746,973
Total employee benefit expenses	13,623,052	7,746,973
Cost of software packages and others		
For own use	–	–
Third-party items bought for service delivery to clients	3,755,180	2,337,799
Total cost of software packages and others	3,755,180	2,337,799

2.17 Other expenses

(In SGD)

Particulars	Years ended December 31,	
	2022	2021
Other expenses		
Power and fuel	3,405	1,894
Brand and marketing	12,307	10,881
Printing and stationery	1,747	2,737
Rates and taxes	39,824	–
Repairs and maintenance	177,549	379,446
Insurance	92,396	70,114
Provision for post-sales client support and others	(60,338)	61,549
Statutory audit fees	21,285	21,930
Bank charges	6,204	4,362
Others	322,372	4,633,880
Total other expenses	616,751	5,186,793

2.18 Leases

The changes in the carrying value of right of use assets for the year ended December 31, 2022 are as follows:

(In SGD)

Particulars	Category of ROU asset			Total
	Buildings	Computer Equipment	Vehicles	
Balance as of January 1, 2022	367,818	48,688	–	416,506
Additions	–	29,309,835	–	29,309,835
Deletion	–	–	–	–
Translation Difference	–	(94,631)	–	(94,631)
Depreciation	(339,524)	(5,067,389)	–	(5,406,913)
Balance as of December 31, 2022	28,294	24,196,503	–	24,224,797

The changes in the carrying value of right of use assets for the year ended December 31, 2021 are as follows:

(In SGD)

Particulars	Category of ROU asset			Total
	Buildings	Computer Equipment	Vehicles	
Balance as of January 1, 2021	798,193	8,150	–	806,343
Additions	–	60,200	–	60,200
Deletion	(87,217)	–	–	(87,217)
Depreciation	(343,158)	(19,662)	–	(362,820)
Balance as of December 31, 2021	367,818	48,688	–	416,506

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 is as follows :

(In SGD)

Particulars	As at December 31	
	2022	2021
Current lease liabilities	6,073,489	392,295
Non-current lease liabilities	20,113,939	59,975
Total	26,187,428	452,270

The movement in lease liabilities during the year ended is as follows:

(In SGD)

Particulars	For the year ended December 31,	
	2022	2021
Balance at the beginning	452,270	812,188
Additions	29,309,835	60,200
Finance cost accrued during the period	471,534	10,386
Payment of lease liabilities	(3,869,229)	(343,287)
Others	– 176,982	(87,217)
Balance at the end	26,187,428	452,270

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.

The table below provides details regarding the contractual maturities of lease liabilities as at December 31, 2022 December 31, 2021 and on an undiscounted basis:

(In SGD)

Particulars	As at December 31,	
	2022	2021
Less than one year	6,489,293	399,714
One to five years	20,815,724	56,960
More than five years	-	-
Total	27,305,017	456,674

2.19 Related party transactions

List of holding companies:

Name of the holding company	Country	Holding as at December 31,	
		2022	2021
Infosys Limited	India	100.00%	100.00%

List of related parties:

Name of fellow subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)[1]	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)[1]	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)[1]	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)[1]	China
Infosys Nova Holdings LLC. (Infosys Nova)[1]	U.S.
EdgeVerve Systems Limited (EdgeVerve)[1]	India
Infosys Austria GmbH[1]	Austria
Skava Systems Private Limited (Skava Systems)[1] [27]	India
Kallidus Inc, (Kallidus)[28]	U.S.
Infosys Chile SpA[1]	Chile
Infosys Arabia Limited[2] [27]	Saudi Arabia
Infosys Consulting Ltda.[1]	Brazil
Infosys CIS LLC[15]	Russia
Infosys Luxembourg S.a.r.l[1]	Luxembourg
Infosys Americas Inc. (Infosys Americas)[1]	U.S.
Infosys Public Services, Inc. USA (Infosys Public Services)[1]	U.S.
Infosys Canada Public Services Inc[20] [39]	Canada
Infosys BPM Limited[1] [47]	India
Infosys (Czech Republic) Limited s.r.o.[3]	Czech Republic
Infosys Poland Sp z.o.o[3]	Poland
Infosys McCamish Systems LLC[3]	U.S.
Portland Group Pty Ltd[3]	Australia
Infosys BPO Americas LLC.[3]	U.S.
Infosys Consulting Holding AG (Infosys Lodestone)[1]	Switzerland
Infosys Management Consulting Pty Limited[4]	Australia
Infosys Consulting AG[4]	Switzerland
Infosys Consulting GmbH[4]	Germany
Infosys Consulting S.R.L.[1]	Romania
Infosys Consulting SAS[4]	France
Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.)[4] [38]	Czech Republic

Name of fellow subsidiaries	Country
Infosys Consulting (Shanghai) Co., Ltd.(4) (34)	China
Infy Consulting Company Ltd(4)	U.K.
Infy Consulting B.V.(4)	The Netherlands
Infosys Consulting S.R.L.(2)	Argentina
Infosys Consulting (Belgium) NV(5)	Belgium
Panaya Inc. (Panaya)(1)	U.S.
Panaya Ltd.(6)	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH)(6)	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)(1) (27)	U.K.
Brilliant Basics Limited(7) (27)	U.K.
Infosys Middle East FZ LLC(8)	Dubai
Fluido Oy(8)	Finland
Fluido Sweden AB (Extero)(11)	Sweden
Fluido Norway A/S(11)	Norway
Fluido Denmark A/S(11)	Denmark
Fluido Slovakia s.r.o(11)	Slovakia
Infosys Compaz Pte. Ltd(9)	Singapore
Infosys South Africa (Pty) Ltd(8)	South Africa
WongDoody Holding Company Inc. (WongDoody)(1) (40)	U.S.
WDW Communications, Inc(10) (41)	U.S.
WongDoody, Inc(10) (42)	U.S.
HIPUS Co., Ltd(9)	Japan
Stater N.V.(9)	The Netherlands
Stater Nederland B.V.(12)	The Netherlands
Stater XXL B.V.(12)	The Netherlands
HypoCasso B.V.(12)	The Netherlands
Stater Participations B.V.(12)	The Netherlands
Stater Belgium N.V./S.A.(13)	Belgium
Stater Gmbh(12) (32)	Germany
Outbox systems Inc. dba Simplus (US)(16)	U.S.
Simplus North America Inc.(17) (31)	Canada
Simplus ANZ Pty Ltd.(17)	Australia
Simplus Australia Pty Ltd(18)	Australia
Sqware Peg Digital Pty Ltd(19) (35)	Australia
Simplus Philippines, Inc.(17)	Philippines
Simplus SGDpe, Ltd.(17) (33)	U.K.
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)(11)	U.K.
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)(21)	Ireland
Infosys Limited Bulgaria EOOD(1)	Bulgaria
Kaleidoscope Animations, Inc.(16)	U.S.
Kaleidoscope Prototyping LLC(23)	U.S.
GuideVision s.r.o.(14)	Czech Republic
GuideVision Deutschland GmbH(22)	Germany
GuideVision Suomi Oy(22)	Finland
GuideVision Magyarország Kft(22)	Hungary

Name of fellow subsidiaries	Country
GuideVision Polska SP.Z.O.O[22]	Poland
GuideVision UK Ltd[22]	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[16]	U.S.
Beringer Capital Digital Group Inc[16] [45]	U.S.
Mediotype LLC[24] [45]	U.S.
Beringer Commerce Holdings LLC[24] [45]	U.S.
SureSource LLC[25] [43]	U.S.
Blue Acorn LLC[25] [43]	U.S.
Simply Commerce LLC[25] [43]	U.S.
iCiDIGITAL LLC[26] [44]	U.S.
Infosys BPM UK Limited[3]	U.K.
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[1]	Turkey
Infosys Germany Holding Gmbh[1] [29]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1] [30]	Germany
Infosys Green Forum[1] [36]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[37]	Malaysia
Infosys Business Solutions LLC[1] [46]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[48]	Germany
oddity GmbH [49]	Germany
oddity (Shanghai) Co., Ltd. [50]	China
oddity Limited (Taipei) [50]	Taiwan
oddity space GmbH [49]	Germany
oddity jungle GmbH [49]	Germany
oddity code GmbH [49]	Germany
oddity code d.o.o [51]	Serbia
oddity waves GmbH [49]	Germany
oddity group services GmbH [49]	Germany
Infosys Public Services Canada Inc. [20] [52]	Canda
BASE life science AG [54]	Switzerland
BASE life science GmbH [54]	Germany
BASE life science A/S [53]	Denmark
BASE life science S.A.S [54]	France
BASE life science Ltd. [54]	U.K.
BASE life science S.r.l. [54]	Itlay
Innovisor Inc.[54]	U.S.
BASE life science Inc.[54]	U.S.
BASE life science S.L.[54] [55]	Spain
Panaya Germany GmbH [6] [56]	Germany

(1) Wholly-owned subsidiary of Infosys Limited

(2) Majority owned and controlled subsidiary of Infosys Limited

(3) Wholly-owned subsidiary of Infosys BPM Limited

(4) Wholly-owned subsidiary of Infosys Consulting Holding AG

(5) Majority owned and controlled subsidiary of Infosys Consulting Holding AG

(6) Wholly-owned subsidiary of Panaya Inc.

(7) Wholly-owned subsidiary of Brilliant Basics Holding Limited.

(8) Wholly-owned subsidiary of Infosys Consulting Pte. Ltd.

(9) Majority owned and controlled subsidiary of Infosys Consulting Pte. Ltd.

(10) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody)

(11) Wholly-owned subsidiary of Fluido Oy

(12) Wholly-owned subsidiary of Stater N.V

(13) Majority owned and controlled subsidiary of Stater Participations B.V.

(14) Wholly-owned subsidiary of Infy Consulting Company Limited

(15) Liquidated effective January 28, 2021.

(16) Wholly-owned subsidiary of Infosys Nova Holdings LLC

(17) Wholly-owned subsidiary of Outbox Systems Inc.

(18) Wholly-owned subsidiary of Simplus ANZ Pty Ltd

(19) Wholly-owned subsidiary of Simplus Australia Pty Ltd

(20) Wholly-owned subsidiary of Infosys Public Services, Inc.

(21) Wholly-owned subsidiary of Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)

(22) Wholly-owned subsidiary of GuideVision s.r.o.

(23) Wholly-owned subsidiary of Kaleidoscope Animations, Inc.

(24) Wholly-owned subsidiary of Blue Acorn iCi Inc

(25) Wholly-owned subsidiary of Beringer Commerce Holdings LLC

(26) Wholly-owned subsidiary of Beringer Capital Digital Group Inc.

(27) Under liquidation

(28) Liquidated effective March 9,2021

(29) Incorporated on March 23, 2021

(30) On March 28, 2021 Infosys Limited and Infosys Germany Holding Gmbh registered Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm.

(31) Liquidated effective April 27,2021

(32) Incorporated on August 4, 2021

(33) Liquidated effective July 20, 2021

(34) Liquidated effective September 1, 2021

(35) Liquidated effective September 2, 2021

(36) Incorporated on August 31, 2021

(37) On December 14, 2021, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)

(38) Liquidated effective December 16, 2021

(39) Liquidated effective November 23, 2021

(40) Wholly-owned subsidiary of Infosys Limited, merged with WongDoody Inc, effective December 31, 2021

(41) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody), merged with WongDoody Inc, effective December 31, 2021

(42) Wholly-owned subsidiary of Infosys Limited, effective December 31, 2021

(43) Merged with Beringer Commerce Holdings LLC, effective January 1, 2022

(44) Merged with Beringer Capital Digital Group Inc, effective January 1, 2022

(45) Merged with Blue Acorn iCi Inc, effective January 1, 2022

(46) Incorporated on February 20, 2022

(47) On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

(48) On March 22, 2022, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))

(49) On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly owned subsidiary of Infosys Consulting Pte. Ltd) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and oddity GmbH.

(50) Wholly-owned subsidiary of oddity GmbH

(51) Wholly-owned subsidiary of oddity code GmbH.

(52) Incorporated on July 8, 2022

(53) On September 1, 2022, Infosys Consulting Pte. Ltd. (a Wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

(54) Wholly-owned subsidiary of BASE life science A/S

(55) Incorporated on September 6, 2022

(56) Incorporated effective December 15, 2022

The details of amounts due to or due from related parties as at December 31, 2022 and December 31, 2021 are as follows :

(In SGD)

Particulars	As at December 31	
	2022	2021
Trade receivables		
Infosys Limited	2,262,183	1,217,465
Infosys Management Consulting Pty Ltd	–	11,022
Infosys Compaz Pte. Ltd	2,985,278	513,337
	5,247,461	1,741,824
Loans		
Infosys Automotive and Mobility GmbH & Co.KG	153,360,296	4,613,989
Infosys Austria	711,253	692,303
Infosys Tech (Shanghai)Co. Ltd	8,916,456	9,434,912
Infosys Germany GmbH	57,656,492	–
Infosys Malaysia Sdn Bhd	1,014,912	–
Panaya Ltd	19,242,005	19,275,265
	240,901,414	34,016,469
Borrowings		
Hipus Co., Ltd	62,518,756	64,223,619
Infosys Public Services, Inc	55,927,367	–
Infosys Consulting Holding AG	29,062,601	29,714,132
Infosys Poland sp. z o o	12,350,865	–
McCamish Systems LLC	20,817,598	–
Stater N.V.	36,766,780	42,115,100
	217,443,967	136,052,851
Other financial assets		
Infosys Consulting Holding AG	16,918	–
Infosys Limited	–	127,181
Infosys Consulting AG	–	3,701
Infy Consulting B.V	–	8,941
Infy Consulting Company Ltd	–	47,063
Infosys Consulting AG	20,651	–
	37,569	186,886
Trade payables		
Infosys (Czech Republic) Limited s.r.o.	7,152	–
Infosys Technologies (China) Co. Limited (Infosys China)	1,303	–
Infosys BPM Limited	6,677	–
	15,132	–
Investments		
Infosy Fluido Oy	88,855,398	88,855,398
Infosys Compaz Pte. Ltd	14,983,520	14,983,520
Stater N.V.	236,433,504	236,433,504
Hipus Co., Ltd	40,434,060	40,434,060
Infosys South Africa (Pty) LTD	696,452	14,146
Infosys Malaysia SDN BHD	6,586,943	–
BASE life science A/S	120,513,452	–

Particulars	As at December 31	
	2022	2021
Infosys Germany GmbH	35,833	–
Infosys Middle East FZ-LLC	1	1
	508,539,163	380,720,629
Other Financial Liabilities		
Infosys Automotive and Mobility GmbH & Co.KG	768,713	–
Infosys Compaz Pte. Ltd	352,415	–
Infosys Management Consulting Pty Ltd	54,964	–
Infosys Limited	39,000	642,250
	1,215,092	642,250

The details of the related parties transactions entered into by the Company for the years ended December 31, 2022 and December 31, 2021 are as follows:

(In SGD)

Particulars	Years ended December 31,	
	2022	2021
Capital transactions		
Financing transactions		
Capital Infusion		
Purchase of Redeemable Preference shares by Infosys Limited	261,000,000	–
	261,000,000	–
Revenue transactions		–
Purchase of services, shared facilities and personnel		–
Infosys Automotive and Mobility GmbH & Co.KG	1,097,932	–
Infosys (Czech Republic) Limited s.r.o.	18,681	–
Infosys Technologies (China) Co. Limited (Infosys China)	3,828	–
Infosys Limited	3,589,680	640,505
Infy Consulting B.V.	–	364
Infosys Consulting GmbH	–	7,841
Infosys BPM Limited	17,222	–
Infosys Consulting AG	35,350	61,963
	4,762,693	710,673
Interest Income		
Infosys Automotive and Mobility GmbH & Co.KG	2,520,087	28,863
Infosys Austria	23,505	5,882
Infosys Tech (Shanghai)Co. Ltd	348,908	364,687
Infosys Germany GmbH	1,284,628	–
Infosys Malaysia SDN BHD	14,912	–
Panaya Ltd	1,091,257	494,634
	5,283,297	894,066
Interest expense		
Hipus Co., Ltd	854,772	729,618
Infosys Public Services, Inc	1,927,289	–
Infosys Consulting Holding AG	71,148	183,951
Infosys Poland sp. z o o	236,538	–
McCamish Systems LLC	838,231	–

Particulars	Years ended December 31,	
	2022	2021
Stater N.V.	749,193	368,448
Infosys Limited	429,085	-
	5,106,256	1,282,017
Dividend received from subsidiaries		
Hipus Co., Ltd	1,076,443	1,111,462
Fluido Oy	–	– 797
Infosys Compaz Pte. Ltd	–	12,000,000
Stater N.V.	10,941,781	18,599,456
	12,018,224	31,710,121
Sale of services		
Infosys Compaz Pte. Ltd	4,415,257	2,436,075
Infosys Limited	24,244,418	10,878,124
Infosys Management Consulting Pty Ltd	63,842	129,606
Infosys Consulting (Shanghai) Co Ltd	–	337
	28,723,517	13,444,142

2.20 SEGMENT REPORTING

The Company is engaged in providing consultancy service in a single geography. 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. Its operations are, therefore, considered to constitute a single segment in the context of Ind-AS 108, Segment Reporting.

Trade receivables ageing schedule for the years ended December 31, 2022 and December 31,2021

(In SGD)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	–	9,368,293	1,955,821	(683)	3	289	11,323,723
	–	1,770,699	–	3	1	(23,438)	1,747,265
Total Trade Receivables	–						11,323,723
	–						1,747,265

Trade payables ageing schedule for the years ended as on December 31, 2022 and December 31,2021

(In SGD)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Outstanding trade payables	–	2,008,551	–	(58)	58	2,008,551
		1,119,088	(58)	(12,860)	12,918	1,119,088

2.27 Ratios

The ratios for the years ended Decmber 31, 2022 and Decmber 31, 2021 are as follows:

Particulars	Numerator	Denominator	December 31, 2022	December 31, 2021	Variance
Current Ratio	Current assets	Current liabilities	0.86	0.58	48%
Debt – Equity Ratio	Total Debt (represents lease liabilities) [1]	Shareholder's Equity	0.06	0.00	2038%
Debt Service Coverage Ratio	Earnings available for debt service[2]	Debt Service[3]	1.16	2.25	(49%)
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	0.07	0.10	(33%)
Trade receivables turnover ratio	Revenue	Average Trade Receivable	6.05	8.37	(28%)
Trade payables turnover ratio	Purchases of services and other expenses	Average Trade Payables	10.19	20.78	(51%)
Net capital turnover ratio	Revenue	Working Capital	(0.9)	(0.3)	192%
Net profit ratio	Net Profit	Revenue	51.0%	148.7%	(66%)
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed[4]	4.0%	14.0%	(71%)

[1] Debt represents only 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

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Infosys Germany GmbH

Independent Auditor's Report

To the Members of Infosys Germany GmbH

Report on the Special Purpose Consolidated Financial Statements

Opinion We have audited the accompanying special purpose consolidated financial statements of Infosys Germany GmbH ("the Company"), which comprise the Balance Sheet as at December 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose consolidated financial statements"). The special purpose consolidated financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose consolidated financial statements give a true and fair view in conformity with the basis of preparation referred to in Section 1.2 of the special purpose consolidated financial statements, of the state of affairs of the Company as at December 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose consolidated 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 consolidated 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 consolidated 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 consolidated financial statements.

Management's Responsibilities for the Special Purpose Consolidated Financial Statements

The Company's Management is responsible for the preparation of these special purpose consolidated 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 consolidated financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the reparation and Presentation of the special purpose consolidated 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 consolidated financial statements, the Company's Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Consolidated Financial Statements

Our objectives is to obtain reasonable assurance about whether the special purpose consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the special purpose consolidated 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 consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose consolidated 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 consolidated financial statements.

i) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

iii) the special purpose consolidated financial statements which comprises the Balance Sheet as at December 31, 2022, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

For Shenoy & Kamath
Chartered Accountant,

Firm Registration Number. 006673S

M. Rathnakar Kamath
Partner

Membership Number. 202841

UDIN : 23202841BGWMFV8015

Place: Bengaluru.

Date: May 31, 2023

Consolidated Balance Sheet

(in EUR)

Particulars	Note	As at December 31, 2022	2021
Assets			
Non-current assets			
Property, plant and equipment	2.2	1,257,337	–
Right of use assets	2.12	59,486	–
Goodwill	2.3	20,890,264	–
Intangible Assets	2.3	9,428,571	–
Financial assets			–
Other financial assets	2.6	4,222,222	–
Income tax assets (net)	2.13	1,953,168	–
Total Non-current assets		37,811,049	–
Current assets			
Financial Assets			
Trade receivables	2.4	5,940,139	–
Cash and cash equivalents	2.5	4,022,128	12,500
Other financial assets	2.6	3,762,370	–
Other current assets	2.7	4,633,193	–
Total Current assets		18,357,830	12,500
Total Assets		56,168,879	12,500
Equity and liabilities			
Equity			
Equity Share Capital	2.8	25,000	12,500
Other equity		(4,135,703)	–
Total equity		(4,110,703)	12,500
Liabilities			
Non-current liabilities			
Deferred tax liabilities (net)		2,873,931	–
Borrowings		40,334,687	–
Total non-current liabilities		43,208,618	–
Current liabilities			
Financial Liabilities			
Trade payables	2.9	629,204	–
Lease Liabilities	2.12	55,407	–
Other financial liabilities	2.10	8,955,725	–
Other liabilities	2.11	5,368,844	–
Income tax liabilities (net)	2.13	2,061,784	–
Total current liabilities		17,070,964	–
Total equity and liabilities		56,168,879	12,500

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Bengaluru

Date: May 31, 2023

for and on behalf of the Board of Directors of
Infosys Germany GmbH

Andrea Hendrickx
Partner

Consolidated Statement of Profit and Loss

(in EUR, except equity share data)

Particulars	Note	Year ended December 31,2022	For the period July 21, 2021 to December 31, 2021
Revenue from operations	2.14	23,803,896	–
Other Income, net	2.15	33,005	–
Total Income		23,836,902	–
Expenses			
Employee benefit expenses	2.16	15,175,753	–
Cost of technical sub-contractors		5,468,980	–
Travel expenses		342,976	–
Cost of software packages and others	2.16	483,477	–
Communication expenses		165,654	–
Consultancy and professional charges		298,161	–
Depreciation and amortisation expense		3,432,066	–
Finance Cost		1,319,425	–
Other expenses	2.16	1,587,828	–
Total Expenses		28,274,319	–
Profit before tax		(4,437,417)	–
Tax Expense/ (benefit):			
Current tax	2.13	592,123	–
Deferred tax	2.13	(845,286)	–
Profit for the period		(4,184,254)	–
Other Comprehensive Income			
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations, net		48,551	–
Total other comprehensive income/(loss), net of tax		48,551	–
Total comprehensive income for the period		(4,135,703)	–
Earnings per equity share			
Earnings per equity share of EUR 1 each			
Basic and diluted		165	–
Weighted average equity shares used in computing earnings per equity share			
Basic and diluted		25,000	12,500

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Bengaluru
Date: May 31, 2023

for and on behalf of the Board of Directors of
Infosys Germany GmbH

Andrea Hendrickx
Partner

Consolidated Statement of Changes in Equity

(in EUR)

Particulars	Equity Share capital Amount	Other Equity -Retained earnings	Other Comprehensive Income	Total equity attributable to equity holders of the company
Balance as at July 21, 2021	–	–	–	–
Changes in equity for the year ended December 31, 2021				
Issue of shares	12,500	–	–	12,500
Profit for the period	–	–	–	–
Balance as at December 31, 2021	12,500	–	–	12,500
Balance as at January 1, 2022	12,500	–	–	12,500
Changes in equity for the period ended December 31, 2022				
Issue of Shares	12,500	–	–	12,500
Exchange differences on translation of foreign operations	–	–	48,551	48,551
Profit for the period	–	(4,184,254)	–	(4,184,254)
Balance as at December 31, 2022	25,000	(4,184,254)	48,551	(4,110,703)

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Bengaluru
Date: May 31, 2023

for and on behalf of the Board of Directors of
Infosys Germany GmbH

Andrea Hendrickx
Partner

Consolidated Statement of Cash Flows

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 EUR)

Particulars	Note	Year ended December 31,2022	For the period July 21, 2021 to December 31, 2021
Cash flow from operating activities:			
Profit for the period		(4,184,254)	–
Adjustments to reconcile net profit to net cash provided by operating activities :			
Income tax expense	2.13	(253,162)	–
Depreciation and amortization		3,432,066	–
Finance Cost		1,319,425	–
Interest income on financial assets carried at amortized cost	2.15	(438)	–
Profit on sale of Property, Plant and Equipment		(4,987)	
Gain on lease modifications		(27,581)	–
Changes in assets and liabilities			
Trade receivables		(1,134,548)	–
Other financial Assets and other assets		(11,554,380)	–
Trade payables		(231,430)	–
Other financial liabilities and other liabilities		6,320,190	–
Cash generated from operations		(6,319,099)	–
Income taxes paid		(1,074,976)	–
Net cash generated from operations		(7,394,075)	–
Cash flow from investing activities			
Payment made for acquisition of business net of cash		(27,413,865)	–
Purchase of Property Plant and Equipment		(615,655)	–
Sale proceeds from Property Plant and Equipment		25,947	–
Other receipts		438	
Net cash used in investing activities		(28,003,135)	–
Cash flow from financing activities			
Issues of shares		12,500	12,500
Loan from Holding Company		39,433,317	–
Payment of lease liabilities		(87,530)	–
Net cash from financing activities		39,358,287	12,500
Effect of exchange rate on translation of foreign currency cash and cash equivalents		48,551	–
Net (decrease)/increase in cash and cash equivalents		3,961,077	12,500
Cash and cash equivalents at the beginning of the period		12,500	–
Cash and cash equivalents at the end of the period		4,022,128	12,500

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached for

Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Bengaluru

Date: May 31, 2023

for and on behalf of the Board of Directors of
Infosys Germany GmbH

Andrea Hendrickx
Partner

Overview and Notes to the consolidated financial statements

1 Overview

1.1 Company overview

Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) ("the Company") was incorporated in Germany on July 21, 2021 and wholly-owned by VRB Vorratsgesellschaften GmbH . On March 22, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.), a wholly-owned subsidiary of Infosys Limited acquired 100% of the Company. Infosys Germany GmbH offers its customers digital marketing, experience, and commerce agency services, in particular strategy development, conception, creation, development and implementation of multi-channel campaigns, content marketing, branding, digital experience design incl. UX/UI, 3D/digital twin solutions, animation and film production, digital services, web and e-commerce solutions.

1.2 Basis of preparation of consolidated financial statements

These special purpose consolidated financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of Section 129 (3) of the Companies Act 2013. These financial statements are prepared in accordance with Indian Accounting Standards (Ind-AS) under the historical cost convention on the accrual basis. The Ind-AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendments 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 Euro ("EUR") and the financial statements are also presented in Euro. All amounts included in the financial statements are reported in Euro, 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. During the year, the Company has acquired 6 subsidiary 'Oddity Jungle GmbH', 'Oddity Space GmbH', 'Oddity Waves GmbH' and 'Oddity Group Services GmbH', 'Oddity Code GmbH' with its subsidiary 'Oddity Code D.o.o' , and 'Oddity Gmbh' with its subsidiary 'Oddity Limited(Taipei)' & 'Oddity Shanghai Co. , Ltd.' on April 20, 2022. Accordingly, the current year financials include financial statements of all the subsidiaries from April 21, 2022 and Comparative figures are of Standalone Infosys Germany GmbH.

1.3 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind-AS requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Examples of such estimates include computation of percentage of completion which requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts to be expended, impairment losses on financial assets, future obligations under employee benefit plans, income taxes, post-sales customer support and the useful lives of property, plant and equipment.

1.4 Critical accounting Estimates

1.4.1 Revenue recognition

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 maintenance 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 maintenance 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 maintenance 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 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.

1.4.2 Income taxes

The Company's major tax jurisdictions is the Germany., though the Company also files tax returns in Serbia, Taiwan and Shanghai.

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 no. 2.13.

1.4.3Property, 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 2.2).

1.4.4 Leases

Ind-AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors, such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Infosys'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 material changes are required to lease period relating to the existing lease contracts (Refer to Note no. 2.12).

1.4.5 Business combinations and intangible assets

Business combinations are accounted for using Ind-AS 103, Business Combinations. Ind-AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. These valuations are conducted by external valuation experts. Estimates are required to be made in determining the value of contingent consideration, value of option arrangements and intangible assets. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by the Management.

Notes to the Consolidated financial statements

2.1 Business combinations

Accounting policy

Business combinations have been accounted for using the acquisition method under the provisions of Ind-AS 103, Business Combinations.

The purchase price in an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The purchase price also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognized in the Consolidated Statement of Profit and Loss.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Business combinations between entities under common control is accounted for at carrying value of the assets acquired and liabilities assumed in the Group's consolidated financial statements.

The payments related to options issued by the Group over the non-controlling interests in its subsidiaries are accounted as financial liabilities and initially recognized at the estimated present value of gross obligations. Such options are subsequently measured at fair value in order to reflect the amount payable under the option at the date at which it becomes exercisable. In the event that the option expires unexercised, the liability is derecognized.

Transaction costs that the Group incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

Acquisition

Oddity

On April 20, 2022, Infosys Germany GmbH (a wholly-owned subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)) acquired 100% voting interests in oddity GmbH, oddity group services GmbH, oddity space GmbH, oddity jungle GmbH, oddity code GmbH and oddity waves GmbH (collectively known as oddity), Germany-based digital marketing, experience, and commerce agency. This acquisition is expected to strengthen the Group's creative, branding and experience design capabilities in Germany and across Europe.

The purchase price is allocated to assets acquired and liabilities assumed based upon determination of fair values at the date of acquisition as follows:

(in EUR)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net Assets[(1)]	6,116,207	–	6,116,207
Intangible assets –			
Customer contracts and relationships#	–	12,200,000	12,200,000
Deferred tax liabilities on intangible assets	–	(3,721,000)	(3,721,000)
Total	6,116,207	8,479,000	14,595,207
Goodwill			20,890,264
Total purchase price			35,485,471

(1) Includes cash and cash equivalents acquired of EUR 2,519,452.

\# The estimated useful life is around 5 years

The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill. The primary items that generated this goodwill are the value of the acquired assembled workforce and estimated synergies neither of which qualify as an intangible asset.

Goodwill is not tax-deductible.

The purchase consideration of EUR 35,485,471 includes cash of EUR 29,933,317 and contingent consideration with an estimated fair value of EUR 5,552,154 as on the date of acquisition.

At the acquisition date, the key inputs used in determination of the fair value of contingent consideration are the probabilities assigned towards achievement of financial targets and discount rate of 12.5%. The undiscounted value of contingent consideration as of December 31, 2022 was EUR 6,500,000. Additionally, these acquisitions have retention bonus payable to the employees of the acquiree over three years, subject to their continuous employment with the Group along with achievement of financial targets for the respective years. Bonus is recognized in employee benefit expenses in the Statement of Profit and Loss over the period of service.

Fair value of trade receivables acquired, is EUR 4,805,592 as of acquisition date, and as of December 31, 2022, the amounts are fully collected.

2.2 Property, Plant and Equipment

Accounting Policy

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Computer equipment [(1)]	3-5 years
Furniture and fixtures [(1)]	5 years
Office equipment [(1)]	5 years
Leasehold improvements	Lower of lease term or Useful life

(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.

Leasehold improvements are amortized over the lower of the lease term or the useful life of the asset.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Impairment

Property, plant and equipment and Intangible assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell or the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit ("CGU") to which the asset belongs. 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 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, 2022 were as follows:

(in EUR)

Particulars	Office Equipment	Computer Equipment	Furniture & Fixtures	Leasehold Improvement	Total
Gross carrying value as of January 1,2022	–	–	–	–	–
Additions due to business Combination	532,391	362,997	124,491	210,559	1,230,439
Additions	555,890	6,563	29,264	23,939	615,655
Deletions	(27,366)	–	–	–	(27,366)
Gross carrying value as of Dec 31,2022	1,060,915	369,560	153,755	234,498	1,818,728
Accumulated Depreciation as of January 1,2022	–	–	–	–	–
Depreciation for the year	(204,515)	(318,920)	(17,077)	(27,283)	(567,796)
Accumulated depreciation on deletions	6,405	–	–	–	6,405
Accumulated Depreciation as of December 31,2022	(198,110)	(318,920)	(17,077)	(27,283)	(561,391)
Carrying value as of December 31,2022	862,805	50,640	136,678	207,215	1,257,337

The changes in the carrying value of property, plant and equipment for the year ended December 31, 2021 were as follows:

(in EUR)

Particulars	Office Equipment	Computer Equipment	Furniture & Fixtures	Leasehold Improvement	Total
Gross carrying value as of July 21,2021	–	–	–	–	–
Additions	–	–	–	–	–
Deletions	–	–	–	–	–
Gross carrying value as of December 31,2021	–	–	–	–	–
Accumulated Depreciation as of July 1,2021	–	–	–	–	–
Depreciation	–	–	–	–	–
Accumulated depreciation on deletions	–	–	–	–	–
Accumulated Depreciation as of December 31,2021	–	–	–	–	–
Carrying value as of July 1,2021	–	–	–	–	–
Carrying value as of December 31,2021	–	–	–	–	–

The aggregate depreciation has been included under depreciation and amortization expense in the Statement of Profit and Loss.

2.3 Goodwill and Intangible Assets

2.3.1 Goodwill

Accounting policy

Goodwill represents the purchase consideration in excess of the Group'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.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognized in the Consolidated Statement of Profit and Loss and is not reversed in the subsequent period.

Following is a summary of changes in the carrying amount of goodwill:

(in EUR)

Particulars	As at December 31,	
	2022	2021
Carrying value at the beginning	–	–
Goodwill on acquisitions	20,890,264	
Translation differences	–	–
Carrying value at the end	20,890,264	–

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the CGU or groups of CGUs.

2.3.2 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 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 for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Consolidated 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 Consolidated 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, 2022 are as follows :

(in EUR)

Particulars	Customer related
Gross carrying value as at January 1, 2022	–
Additions	–
Acquisition through business combination	12,200,000
Deletions	–
Translation difference	–
Gross carrying value as at December 31, 2022	12,200,000
Accumulated amortization as at January 1, 2022	–
Additions	–
Amortization expense	2,771,429
Deletions	–
Translation differences	–
Accumulated amortization as at December 31, 2022	2,771,429
Carrying value as at January 1, 2022	–
Carrying value as at December 31, 2022	9,428,571

Estimated Useful Life (in years)	5 years
Estimated Remaining Useful Life (in years)	4 years

The amortization expense has been included under depreciation and amortization expense in the Consolidated Statement of Profit and Loss.

2.4 Trade receivables

(in EUR)

Particulars	As at December 31,	
	2022	2021
Current		
Unsecured		
Considered good [(1)]	5,989,689	–
Less: Allowances for credit losses	(49,550)	–
Total trade receivables	5,940,139	–
[(1)] Includes dues from related party (refer note 2.17 (b))	495,813	

Trade Receivable ageing schedule as on December 31, 2022

(in EUR)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	5,172,969	816,720					5,989,689
Less: Allowance for credit loss	–	–	–	–	–	–	(49,550)
Total trade receivables							5,940,139

2.5 Cash and cash equivalents

(in EUR)

Particulars	As at December 31,	
	2022	2021
Cash in Hand	2,898	–
Cheque in Hand	25,000	–
Balances with Bank		
In current accounts	3,994,230	12,500
	4,022,128	12,500

2.6 Other Financial Assets

(in EUR)

Particulars	As at December 31,	
	2022	2021
Non Current		
Prepaid Expense [(1)(2)]	4,222,222	–
	4,222,222	–
Current		
Prepaid Expense [(1)(2)]	3,558,987	–
Electricity And Other Deposits	203,383	–
	3,762,370	–
Total	7,984,592	–

[(1)] Financial assets carried at amortized cost. 7,781,209

[(2)] Includes acquisition related prepayments 7,388,889

2.7 Other Current Assets

(in EUR)

Particulars	As at December 31,	
	2022	2021
Current		
Payment to vendors for supply of goods	5,348	–
Unbilled Revenue[(1)]	37,048	–
VAT Receivable	4,587,199	–
Others	3,599	–
Total other Current assets	4,633,193	–

[(1)]Classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

2.8 Equity

Equity Share Capital

(in EUR, except equity share data)

Particulars	As at December 31,	
	2022	2021
Authorized		
Equity shares, EUR 25,000 (EUR 25000) EUR 1 par value		
25,000 (25,000) equity shares	25,000	25,000
Issued, subscribed and paid-up		
Equity shares, EUR 25,000 (EUR 12,500) EUR 1 par value		
25,000 (12,500) equity shares fully paid up	25,000	12,500
	25,000	12,500

The Company has only one class of shares referred to as equity shares having a par value of EUR 1. Each holder of equity shares is entitled to one vote per share.

The details of shareholder holding more than 5% shares as at:

Name of the shareholder	As at December 31, 2022		As at December, 2021	
	Number of shares	% held	Number of shares	% held
VRB Vorratsgesellschaften GmbH	–	–	12,500	100%
Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)	25,000	100%	–	–

The reconciliation of the number of shares outstanding and the amount of share capital as at :

(in EUR- except as stated otherwise)

Particulars	As at December 31,			
	2022		2021	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the period	12,500	12,500	–	–
Add: Shares issued during the period	12,500	12,500	12,500	12,500
At the end of the period	25,000	25,000	12,500	12,500

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.

2.9 Trade payables

(in EUR)

Particulars	As at December 31,	
	2022	2021
Trade payables	629,204	–
	629,204	–

Trade Payable ageing schedule as on December 31, 2022

(in EUR)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Others	570,866	58,338	–	–	–	629,204
Total trade payables						629,204

2.10 Other Financial Liabilities

(in EUR)

Particulars	As at December 31,	
	2022	2021
Current		
Others		
Compensated absences	221,572	–
Accrued compensation to employees[(1)]	1,566,209	–
Accrued expenses[(1)]	1,080,063	–
Others payables [(1)]	6,087,881	–
	8,955,725	–
[(1)] Financial liability carried at amortized cost	8,734,154	–

2.11 Other Liabilities

(in EUR)

Particulars	As at December 31,	
	2022	2021
Current		
Unearned revenue	41,284	–
VAT Payable	5,007,367	–
Withholding Tax	211,445	–
Others	108,748	–
	5,368,844	–

2.12 Leases

Accounting Policy

The Company's lease asset classes 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 assets") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The 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.

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 using the effective interest rate method 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, incremental borrowing rates in the countries of domicile of the 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 asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Following are the changes in the carrying value of right of use assets for the year ended December 31, 2022

(In EUR)

Particulars	Buildings
Balance as of January 1, 2021	–
Additions	249,435
Deletions	97,108
Depreciation	92,841
Translation differences	–
Balance as of December 31, 2022	59,486

Following are the changes in the carrying value of right of use assets for the year ended December 31, 2021

(in EUR)

Particulars	Buildings
Balance as of July 21, 2021	–
Additions	–
Deletions	–
Depreciation	–
Translation differences	–
Balance as of December 31, 2021	–

The following is the break-up of current and non-current lease liability as at December 31, 2022 and December 31, 2021:

(in EUR)

Particulars	As at December 31,	
	2022	2021
Current Lease Liability	55,407	–
Total	55,407	–

The following is the movement in lease liability during the year ended December 31, 2022

Particulars	For the Years ended December 31,	
	2022	2021
Balance as of January 1, 2022	–	–
Additions	120,369	–
Deletions	(97,108)	–
Interest accrued during the period	4,297	–
Lease Payments	(87,530)	–
Translation differences	4,565	–
Balance as of December 31, 2022	(55,407)	–

The table below provides details regarding the contractual maturities of lease liabilities on undiscounted basis as at December 31, 2022

(in EUR)

Particulars	As at December 31,	
	2022	2021
Less than one year	56,274	–
One to five years	–	–
More than five years	–	–
Total	56,274	–

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.

The aggregate depreciation on ROU assets has been included under depreciation and amortization expense in the Statement of Profit and Loss.

2.13 Income taxes

Accounting Policy

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in the condensed 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. Deferred income taxes are not provided on the undistributed earnings of the branches where it is expected that the earnings of the branches will not be distributed in the foreseeable future. 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 EUR)

Particulars	Year ended December 31,2022	For the period July 21, 2021 to December 31, 2021
Current tax	592,123	–
Deferred tax credit/(expense)	(845,286)	–
Income tax expense	(253,162)	–

Entire deferred income tax for the years ended December 31, 2022 and December 31, 2021 respectively relates to origination and reversal of temporary differences.

A reconciliation of income tax provision to the amount computed by applying the statutory income tax rate to the income before taxes is summarized below:

(in EUR)

Particulars	Year ended December 31,2022	For the period July 21, 2021 to December 31, 2021
Profit before incomes taxes	(4,437,417)	–
Enacted tax rate	30.5%	30.5%
Computed expected tax expense	(1,354,300)	–
Effect of unrecognized deferred tax assets	132,494	–
Effect of differential tax rates	40,810	–
Effect of non-deductible expenses	1,082,913	–
Others	(155,079)	–
Income tax expense	(253,162)	–

The details of income tax assets and income tax liabilities are as follows:

(in EUR)

Particulars	For the years ended December 31,	
	2022	2021
Income tax assets	1,953,168	–
Current Income tax liabilities	(2,061,784)	–
Net income tax liabilities	(108,616)	–

The gross movement in the current income tax asset/ (liability) for the years ended December 31, 2022 and December 31, 2021 is as follows:

(in EUR)

Particulars	For the year ended December 31,	
	2022	2021
Net income tax liabilities	–	
Income tax paid	1,074,976	–
Income tax expense	(592,123)	–
Income tax liabilities acquired	(591,469)	–
Net income tax liability at the end	(108,616)	–

The movement in gross deferred income tax Liabilities for the year ended December 31, 2022 is as follows:

(in EUR)

Particulars	Carrying Value as on January 1, 2022	Additions	Changes through Profit & Loss	Carrying Value as on December 31, 2022
Deferred income tax Liabilities				
Goodwill		3,721,000	(845,286)	2,875,714
Right of use assets		(2,633)	–	(2,633)
Others		850	–	850
Total deferred income tax Liabilities	–	3,719,217	(845,286)	2,873,931

The movement in gross deferred income tax liabilities for the year ended December 31, 2021 is as follows

(in EUR)

Particulars	Carrying Value as on July 21,2021	Additions	Changes through Profit & Loss	Carrying Value as on December 31, 2021
Deferred income tax Liabilities				
Goodwill	–	–		
Right of use assets				
Others				
Total deferred income tax Liabilities	–	–	–	–

2.14 Revenue

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties, in writing, to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognized upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration the Company has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. The Company allocates the transaction price to each distinct performance obligation based on the relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In the absence of such evidence, the primary method used to estimate standalone selling price is the expected cost plus a margin, under which the Company estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services.

The Company's contracts may include variable consideration, including rebates, volume discounts and penalties. The Company includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue on time-and-material contracts are recognized as the related services are performed. Fixed-price maintenance 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 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 contract because the services are generally discrete in nature and not repetitive.

Revenue from other fixed-price and 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 term of the contracts and are recognized in net profit in the period when these estimates change or when the estimates are revised. Revenues and the estimated total costs or efforts are subject to revision as the contract progresses. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

The billing schedules agreed with customers include periodic performance-based billing and / or milestone based progress billings. Revenues in excess of billing are classified as unbilled revenue while billing in excess of revenues are classified as contract liabilities (which we refer to as Unearned Revenues).

The Company presents revenues net of indirect taxes in its statement of profit and loss

Revenues for the year ended March 31, 2023 and March 31, 2022 are follows:

(in EUR)

Particulars	Year ended December 31,2022	For the period July 21, 2021 to December 31, 2021
Revenue from sale of services [1]	23,803,896	–
Total	23,803,896	–

(1) Includes Revenue from related parties (refer note 2.17 (c))

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the period ended January 1, 2022 to December 31, 2022 by geography.

(in EUR)

Particulars	Year ended December 31,2022	For the period July 21, 2021 to December 31, 2021
Revenues by Geography*		
Europe	23,462,357	–
Rest of the world	341,539	–
Total	23,803,896	–

* Geographical revenues is based on the domicile of customer

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 maintenance 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-price 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.

2.15 Other income

Accounting policy

Other income is comprised primarily of interest income 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 Euro. The functional currency for Oddity Gmbh, Oddity Code GmbH, Oddity Jungle GmbH, Oddity Space GmbH, Oddity Waves GmbH and Oddity Group Services GmbH is the Euro. The functional currency for Oddity Code D.o.o is the Serbian Dinar , for Oddity Limited(Taipei) is the New Taiwan dollar and for oddity Shanghai Co., Ltd is Renminbi. These financial statements are presented in Euro.

Other income / (expense) consists of the following:

in EUR

Particulars	Year ended December 31,2022	For the period July 21, 2021 to December 31, 2021
Interest income on financial assets carried at amortized cost	438	–
Miscellaneous income, net	32,567	–
Total	33,005	–

2.16 Expenses

(in EUR)

Particulars	Year ended December 31,2022	For the period July 21, 2021 to December 31, 2021
Employee benefit expenses		
Salaries including bonus	15,044,807	–
Staff welfare	130,946	–
	15,175,753	–
Cost of software packages and others		
For own use	483,477	–
	483,477	–
Other expenses		
Rates and taxes	7,292	–
Brand and Marketing	145,510	–
Repair and Maintenance	296,514	–
Insurance	146,387	–
Short-term leases	516,968	–
Statutory Audit fees	60,000	–
Others	415,157	–
Total	1,587,828	–

2.17 Related Party Transactions

(a) List of related parties:

Name of the company	Country	Holding as at December 31,	
		2022	2021
Holding			
VRB Vorratsgesellschaften GmbH	Germany	–	100%
Infosys Singapore Pte Limited[23]	Singapore	100%	–
Ultimate Holding			
Infosys Limited	India	100%	–
Name of subsidiaries			
Oddity GmbH [24]	Germany	100%	–
Oddity Code GmbH [24]	Germany	100%	–
Oddity Code D.o.o [24][25]	Serbia	100%	–
Oddity Jungle GmbH [24]	Germany	100%	–
Oddity Waves GmbH [24]	Germany	100%	–
Oddity Space GmbH [24]	Germany	100%	–
Oddity Group Services GmbH [24]	Germany	100%	–
Oddity Limited(Taipei) [24][26]	Taiwan	100%	–
oddity Shanghai Co., Ltd. [24][26]	Shanghai	100%	–

Fellow subsidiaries

Name of fellow subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)[1]	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)[1]	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)[1]	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)[1]	China
Infosys Nova Holdings LLC. (Infosys Nova)[1]	U.S.
EdgeVerve Systems Limited (EdgeVerve)[1]	India
Infosys Austria GmbH[1]	Austria
Skava Systems Private Limited (Skava Systems)[1][22]	India
Infosys Chile SpA[1]	Chile
Infosys Arabia Limited[2][22]	Saudi Arabia
Infosys Consulting Ltda.[1]	Brazil
Infosys Luxembourg S.a.r.l[1]	Luxembourg
Infosys Americas Inc. (Infosys Americas)[1]	U.S.
Infosys Public Services, Inc. USA (Infosys Public Services)[1]	U.S.
Infosys BPM Limited[1]	India
Infosys (Czech Republic) Limited s.r.o.[3]	Czech Republic
Infosys Poland Sp z.o.o[3]	Poland
Infosys McCamish Systems LLC[3]	U.S.
Portland Group Pty Ltd[3]	Australia
Infosys BPO Americas LLC.[3]	U.S.
Infosys Consulting Holding AG (Infosys Lodestone)[1]	Switzerland
Infosys Management Consulting Pty Limited[4]	Australia
Infosys Consulting AG[4]	Switzerland
Infosys Consulting GmbH[4]	Germany
Infosys Consulting S.R.L.[1]	Romania

Name of fellow subsidiaries	Country
Infosys Consulting SAS[4]	France
Infy Consulting Company Ltd[4]	U.K.
Infy Consulting B.V.[4]	The Netherlands
Infosys Consulting S.R.L.[2]	Argentina
Infosys Consulting (Belgium) NV[5]	Belgium
Panaya Inc. (Panaya)[1]	U.S.
Panaya Ltd.[6]	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH)[6]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[1][22]	U.K.
Brilliant Basics Limited[7][22]	U.K.
Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.) [1]	Singapore
Infosys Middle East FZ LLC[8]	Dubai
Fluido Oy[8]	Finland
Fluido Sweden AB (Extero)[11]	Sweden
Fluido Norway A/S[11]	Norway
Fluido Denmark A/S[11]	Denmark
Fluido Slovakia s.r.o[11]	Slovakia
Infosys Compaz Pte. Ltd[9]	Singapore
WongDoody, Inc[10]	U.S.
HIPUS Co., Ltd[9]	Japan
Stater N.V.[9]	The Netherlands
Stater Nederland B.V.[12]	The Netherlands
Stater XXL B.V.[12]	The Netherlands
HypoCasso B.V.[12]	The Netherlands
Stater Participations B.V.[12]	The Netherlands
Stater Belgium N.V./S.A.[13]	Belgium
Stater Gmbh[12]	Germany
Outbox systems Inc. dba Simplus (US)[15]	U.S.
Simplus ANZ Pty Ltd.[16]	Australia
Simplus Australia Pty Ltd[17]	Australia
Simplus Philippines, Inc.[16]	Philippines
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)[11]	U.K.
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[19]	Ireland
Infosys Limited Bulgaria EOOD[1]	Bulgaria
Kaleidoscope Animations, Inc.[15]	U.S.
Kaleidoscope Prototyping LLC[21]	U.S.
GuideVision s.r.o.[14]	Czech Republic
GuideVision Deutschland GmbH[20]	Germany
GuideVision Suomi Oy[20]	Finland
GuideVision Magyarország Kft[20]	Hungary
GuideVision Polska SP.Z.O.O[20]	Poland
GuideVision UK Ltd[20]	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[15]	U.S.
Infosys BPM UK Limited[3]	U.K.
Infosys Turkey Bilgi Teknolojikeri Limited Sirketi[1]	Turkey

Name of fellow subsidiaries	Country
Infosys Germany Holding Gmbh[(1)]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[(1)]	Germany
Infosys Green Forum[(1)]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)	Malaysia
Infosys Business Solutions LLC[(1)]	Qatar
Infosys Public Services Canada Inc. [(18)(27)]	Canda
BASE life science AG [(29)]	Switzerland
BASE life science GmbH [(29)]	Germany
BASE life science A/S [(28)]	Denmark
BASE life science S.A.S [(29)]	France
BASE life science Ltd. [(29)]	U.K.
BASE life science S.r.l. [(29)]	Itlay
Innovisor Inc.[(29)]	U.S.
BASE life science Inc.[(29)]	U.S.
BASE life science S.L.[(29)(30)]	Spain
Panaya Germany GmbH [(6)(31)]	Germany

(1) Wholly-owned subsidiary of Infosys Limited

(2) Majority owned and controlled subsidiary of Infosys Limited

(3) Wholly-owned subsidiary of Infosys BPM Limited

(4) Wholly-owned subsidiary of Infosys Consulting Holding AG

(5) Majority owned and controlled subsidiary of Infosys Consulting Holding AG

(6) Wholly-owned subsidiary of Panaya Inc.

(7) Wholly-owned subsidiary of Brilliant Basics Holding Limited.

(8) Wholly-owned subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

(9) Majority owned and controlled subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

(10) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody)

(11) Wholly-owned subsidiary of Fluido Oy

(12) Wholly-owned subsidiary of Stater N.V

(13) Majority owned and controlled subsidiary of Stater Participations B.V.

(14) Wholly-owned subsidiary of Infy Consulting Company Limited

(15) Wholly-owned subsidiary of Infosys Nova Holdings LLC

(16) Wholly-owned subsidiary of Outbox Systems Inc.

(17) Wholly-owned subsidiary of Simplus ANZ Pty Ltd

(18) Wholly-owned subsidiary of Infosys Public Services, Inc.

(19) Wholly-owned subsidiary of Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)

(20) Wholly-owned subsidiary of GuideVision s.r.o.

(21) Wholly-owned subsidiary of Kaleidoscope Animations, Inc.

(22) Under liquidation

(23) On March 22, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.), a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))

(24) On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly owned subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and oddity GmbH.

(25) Wholly-owned subsidiary of oddity GmbH

(26) Wholly-owned subsidiary of oddity code GmbH.

(27) Incorporated on July 8, 2022

(28) On September 1, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.) (a Wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

(29) Wholly-owned subsidiary of BASE life science A/S

(30) Incorporated on September 6, 2022

[31] Incorporated effective December 15, 2022

(b) The details of amounts due to or due from as at December 31, 2022 are as follows:

(in EUR)

Particulars	As at December 31, 2022	As at December 31, 2021
Trade receivables		
Infosys Limited	222,913	–
Wongdoody Inc.	258,742	–
Infosys Poland Sp z.o.o	2,367	–
Infosys Compaz Pte. Ltd.	11,791	–
	495,813	–
Loans taken (including interest accrued)		
Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)	40,334,687	–
	40,334,687	–

(c) The details of the related party transactions entered into by the Company for the period January 01, 2022 to December 31,2022 are as follows:

(in EUR)

Particulars	Year ended December 31,2022	For the period July 21, 2021 to December 31, 2021
Revenue transactions:		
Sale of services		
Infosys Limited	450,543	–
Wongdoody Inc.	258,742	–
Infosys Poland Sp z.o.o	2,367	–
Infosys Compaz Pte. Ltd.	11,791	–
	723,443	–

(in EUR)

Particulars	Year ended December 31,2022	For the period July 21, 2021 to December 31, 2021
Capital transaction		
Loans taken (including interest accrued)	40,334,687	–
Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)	40,334,687	–

Infosys (Czech Republic) Limited s.r.o.

Introduction

The nature of the services (business process outsourcing) provided by Infosys (Czech Republic) Limited s.r.o. (hereinafter the "Company") is in line with the following trade licenses in the Czech Republic:

1. Production, trade and services not listed in annexes 1 to 3 of the Trade Licensing Act.

Fields of activity:

- services in the area of administration and services of an organizational and economic nature,
- provision of software, information technology consulting, data processing, hosting and related activities and web portals,
- guidance and consulting activities, production of expert studies and opinions,
- research and development in the field of natural and technical sciences or social sciences,
- intermediation in trade and services,
- translation and interpretation activities.

2. Activities of accounting advisors and accounts keeping

Description of activities:

Technical contact centre

Providing technical support to Infosys clients' personnel and/or customers via phone, mail, or chat.

Support is provided in most of the European languages.

Finance and accounting

Providing expert accounting support in the following areas:

- Accounts payable
- Accounts receivable
- Travel and expense
- General ledger

Insurance services

Processes:

Underwriting support (end-to-end process – all stages of insurance policies)

Banking services

Providing services to European clients of American banking institutions in the process of on-boarding new reporting software.

Digital Content Management

Analyzing, updating, and reporting on digital content for a major American hi-tech manufacturer.

Sales support

Support of sales and quoting activities in the European Union for an American hi-tech manufacturer.

Other services

Small client operations with the following processes:

- Translation and interpretation support
- Remote warehouse software support
- Remote quality control
- Transition and due-diligence support
- Project management support
- Process management and operation consulting
- Application development and maintenance
- IT services management

Information according to Section 21(2) of Act No. 563/1991, on Accounting

- Facts which occurred after the Balance Sheet date and are material for the fulfilment of the purpose of this Annual Report

There were no subsequent events except for the changes in statutory bodies.

Change of the statutory executive:

On April 14, 2023, Kapil Jain ceased to be the Statutory Executive of the Company.

On April 15, 2023, Ritesh Gandhi became the Statutory Executive of the Company.

Change in the Supervisory Board:

On April 14, 2023, Ritesh Gandhi ceased to be a member and the chairman of the Supervisory Board of the Company.

The change of the Statutory Executive and the change in the Supervisory Board were registered in the Register of Companies on April 17, 2023.

- Expected development of the reporting entity's activities

The revenues from services for 2022-23 amounted to CZK 1,205,873 thousand compared with CZK 676,260 thousand for 2021-22. The number of employees as at March 31, 2023 (including employees on maternity and parental leave) amounted to 1,592 (March 31, 2022 – 745 employees).

It is expected that in 2023-24 there will be 1,751 employees (excluding employees on maternity and parental leave) and a turnover of CZK 1,447,047 thousand.

The Statutory Executive of the Company is not aware of any other matter or circumstance that has occurred since the end of the reporting period that has significantly affected or may affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

- R&D activities: none

- Acquisition of treasury shares or ownership interests

  The Company has acquired no treasury shares or ownership interests.

- Activities in the area of environmental protection

The Company tries to reach for ecological and thrifty handling with raw materials, energy, water and other sources when providing services in order to improve the inputs efficiency.

- Labor law relations

The Company fulfils and meets all conditions and duties stipulated by the Czech Labour Code.

- The Company does not have any branch or other component of its business enterprise abroad.

Appendices:

1. Balance Sheet as at March 31, 2023
2. Profit and Loss Statement for the year ended March 31, 2023
3. Notes to the Financial Statement
4. Report on Relations 2022-23
5. Audit Report

Date: June 2, 2023

Ritesh Gandhi
Company Statutory Executive

Independent Auditor's Report

To the Partner of

Infosys (Czech Republic) Limited s.r.o.

Having its registered office at: Vlněna 526/1, Trnitá, 602 00 Brno

Opinion

We have audited the accompanying financial statements of Infosys (Czech Republic) Limited s.r.o. (hereinafter also the "Company") prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the Balance Sheet as of March 31, 2023, and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Infosys (Czech Republic) Limited s.r.o. as of March 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with accounting regulations applicable in the Czech Republic.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application guidelines. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information in the Annual Report

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. The Statutory Executive is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e., whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- The other information is prepared in compliance with applicable law or regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

Responsibilities of the Company's Statutory Executive and Supervisory Board for the Financial Statements

The Statutory Executive is responsible for the preparation and fair presentation of the financial statements in accordance with accounting regulations applicable in the Czech Republic and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Statutory Executive is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Statutory Executive either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance. But is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement

when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Statutory Executive.
- Conclude on the appropriateness of the Statutory Executive's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Statutory Executive and Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

In Prague on June 2, 2023

Audit firm

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,			
		2023			2022
		Gross	Adjustment	Net	Net
	TOTAL ASSETS	773,720	138 206	635 514	415 056
B.	Fixed assets	169,155	137 929	31 226	42 777
B.I.	Intangible fixed assets	3 092	2 610	482	1 100
B.I.2.	Valuable rights	3 092	2 610	482	1 100
B.I.2.1.	Software	3 092	2 610	482	1 100
B.II.	Tangible fixed assets	166 063	135 319	30 744	41 677
B.II.1.	Land and structures	46 823	37 079	9 744	14 211
B.II.1.2.	Structures	46 823	37 079	9 744	14 211
B.II.2.	Tangible movable assets and sets of tangible movable assets	119 240	98 240	21 000	27 466
C.	Current assets	591 093	277	590 816	359 152
C.II.	Receivables	357 813	277	357 536	159 132
C.II.1.	Long-term receivables	24 696	–	24 696	17 702
C.II.1.4.	Deferred tax asset	13 520	–	13 520	6 100
C.II.1.5.	Receivables - other	11 176	–	11 176	11 602
C.II.1.5.2.	Long-term prepayments made	11 176	–	11 176	11 602
C.II.2.	Short-term receivables	333 117	277	332 840	141 430
C.II.2.1.	Trade receivables	206 289	277	206 012	118 353
C.II.2.4.	Receivables - other	126 828	–	126 828	23 077
C.II.2.4.3.	State - tax receivables	13 074	–	13 074	4 226
C.II.2.4.5.	Estimated receivables	99 206	–	99 206	18 848
C.II.2.4.6.	Sundry receivables	14 548	–	14 548	3
C.IV.	Cash	233 280		233 280	200 020
C.IV.1.	Cash on hand	4 976	–	4 976	–
C.IV.2.	Cash at bank	228 304	–	228 304	200 020
D.	Other assets	13 472	–	13 472	13 127
D.1.	Deferred expenses	13 369	–	13 369	13 127
D.3.	Accrued income	103	–	103	–

Liabilities

(In CZK thousand)

Sl. No.	Particulars	As at March 31, 2023	As at March 31, 2022
	TOTAL LIABILITIES & EQUITY	635 514	415 056
A.	Equity	271 846	284 270
A.I.	Share capital	18 750	18 750
A.I.1.	Share capital	18 750	18 750
A.III.	Funds from profit	1 875	1 875
A.III.1.	Other reserve funds	1 875	1 875
A.IV.	Retained earnings (+/-)	263 645	234 193
A.IV.1.	Accumulated profits or losses brought forward (+/-)	263 645	234 193
A.V.	Profit or loss for the current period (+/-)	(12 424)	29 452
B.+C.	Liabilities	349 797	117 417
B.	Reserves	42 564	11 520
B.II.	Income tax reserve	–	2 940
B.IV.	Other reserves	42 564	8 580
C.	Payables	307 233	105 897
C.II.	Short-term payables	307 233	105 897
C.II.3.	Short-term prepayments received	115	–
C.II.4.	Trade payables	101 824	8 742
C.II.8.	Other payables	205 294	97 155
C.II.8.3.	Payables to employees	183	47
C.II.8.4.	Social security and health insurance payables	22	13
C.II.8.5.	State - tax payables and subsidies	2	2
C.II.8.6.	Estimated payables	203 886	96 143
C.II.8.7.	Sundry payables	1 201	950
D.	Other liabilities	13 871	13 369
D.1.	Accrued expenses	13 871	13 366
D.2.	Deferred income	–	3

Profit and Loss Account

(In CZK thousand)

Sl. No.	Particulars	Years ended March 31, 2023	2022
I.	Sales of products and services	1 205 873	676 260
A.	Purchased consumables and services	389 418	159 656
A.2.	Consumed material and energy	12 999	5 326
A.3.	Services	376 419	154 330
D.	Staff costs	785 827	440 509
D.1.	Payroll costs	575 524	330 210
D.2.	Social security and health insurance costs and other charges	210 303	110 299
D.2.1.	Social security and health insurance costs	194 935	101 621
D.2.2.	Other charges	15 368	8 678
E.	Adjustments to values in operating activities	18 822	27 022
E.1.	Adjustments to values of intangible and tangible fixed assets	18 714	27 029
E.1.1.	Adjustments to values of intangible and tangible fixed assets - permanent	18 714	27 029
E.3.	Adjustments to values of receivables	108	(7)
III.	Other operating income	27 663	20 621
III.1.	Sales of fixed assets	–	20 484
III.3.	Sundry operating income	27 663	137
F.	Other operating expenses	38 993	23 908
F.1.	Net book value of sold fixed assets	–	20 484
F.3.	Taxes and charges	64	70
F.4.	Reserves relating to operating activities and complex deferred expenses	33 985	382
F.5.	Sundry operating expenses	4 944	2 972
*	Operating profit or loss (+/-)	476	45 786
VI.	Interest income and similar income	4 274	–
VI.2.	Other interest income and similar income	4 274	–
VII.	Other financial income	21 423	8 915
K.	Other financial expenses	38 660	17 292
*	Financial profit or loss (+/-)	(12 963)	(8 377)
**	Profit or loss before tax (+/-)	(12 487)	37 409
L.	Income tax	(63)	7 957
L.1.	Due income tax	7 357	9 525
L.2.	Deferred income tax (+/-)	(7 420)	(1 568)
**	Profit or loss net of tax (+/-)	(12 424)	29 452
***	Profit or loss for the current period (+/-)	(12 424)	29 452
*	Net turnover for the current period	1 259 233	705 796

Statement of Changes in Equity

(In CZK thousand)

Particulars	Share capital	Funds from profit, reserve fund	Accumulated profits or losses brought forward	Profit or loss for the current period	Total Equity
Balance at March 31, 2021	18 750	1 875	231 847	2 347	254 819
Distribution of profit or loss			2 347	(2 347)	
Rounding			(1)		(1)
Profit or loss for the current period				29 452	29 452
Balance at March 31, 2022	18 750	1 875	234 193	29 452	284 270
Distribution of profit or loss			29 452	(29 452)	
Profit or loss for the current period				(12 424)	(12 424)
Balance at March 31, 2023	18 750	1 875	263 645	(12 424)	271 846

Cash Flow Statement

(In CZK thousand)

Sl. No.	Particulars	Years ended March 31, 2023	Years ended March 31, 2022
P.	Opening balance of cash and cash equivalents	200 020	156 796
	Cash flows from ordinary activities (operating activities)		
Z.	Profit or loss before tax	(12 487)	37 409
A.1.	Adjustments for non-cash transactions	48 532	27 404
A.1.1.	Depreciation of fixed assets	18 714	27 029
A.1.2.	Change in provisions and reserves	34 092	375
A.1.5.	Interest expense and interest income	(4 274)	–
A.*	Net operating cash flow before changes in working capital	36 045	64 813
A.2.	Change in working capital	13 544	(2 399)
A.2.1.	Change in operating receivables and other assets	(188 294)	(54 954)
A.2.2.	Change in operating payables and other liabilities	201 838	52 555
A.**	Net cash flow from operations before tax	49 589	62 414
A.4.	Interest received	4 274	–
A.5.	Income tax paid from ordinary operations	(17 499)	(493)
A.***	Net operating cash flows	36 364	61 921
	Cash flows from investing activities		
B.1.	Fixed assets expenditures	(7 163)	(35 122)
B.2.	Proceeds from fixed assets sold	4 059	16 425
B.***	Net investment cash flows	(3 104)	(18 697)
	Cash flow from financial activities		
F.	Net increase or decrease in cash and cash equivalents	33 260	43 224
R.	Closing balance of cash and cash equivalents	233 280	200 020

Notes to the Financial Statements (unconsolidated)

General information and description of the business

Incorporation and description of the Company

Infosys (Czech Republic) Limited s.r.o. (hereinafter the "Company") was incorporated on February 4, 2004, following its registration in the Register of Companies held by the Regional Court in Brno, Insert No. 45386, File C. The principal business activities of the Company include the production, trade and services not listed in Appendices 1 to 3 of the Trade Licensing Act, and accounting advisory, book-keeping and tax records keeping.

Reporting period

April 1, 2022 – March 31, 2023

Company Owners

The Company's shareholder as of March 31, 2022:

INFOSYS BPM LIMITED - 100 %

561229 Bangalore, Electronics City, Hosur Road, Plot Nos. 26/3, 26/4, 26/6 India

Registered Office of the Company

Infosys (Czech Republic) Limited s.r.o. Vlněna 526/1, Trnitá

Postcode 602 00, Brno

Corporate ID

269 18 757

Statutory Body

The sole Statutory Executive of the Company as of March 31, 2023 is: Kapil Jain

Acting on Behalf of the Company

The Statutory Executive acts on behalf of the Company independently.

Members of the Supervisory Board as of March 31, 2023:

Chairman of the Supervisory Board:

Ritesh Gandhi

Member of the Supervisory Board

Jan Skoták

The consolidated financial statements of the broadest group of reporting entities, including the Company as a consolidated entity, are prepared by Infosys Limited, based in Electronics City, Hosur Road, Bangalore, 560 100 India. The consolidated financial statements can be obtained in the consolidating entity's registered office.

The consolidated financial statements of the narrowest group of reporting entities, including the Company as a consolidated entity, are prepared by Infosys BPM Limited based at Plot Nos. 26/3, 26/4, 26/6, Electronics City, Hosur Road, Bangalore, 561229 India. The consolidated financial statements can be obtained at the consolidating entity's registered office.

Changes in the Corporate Records made in the Register of Companies:

In the year ended March 31, 2023, the following changes were recorded:

No changes were recorded.

Organizational Structure

The Company is managed by the Statutory Executive.

Significant Accounting Policies Applied by the Company

The financial statements were prepared in accordance with Act No. 563/1991 Coll., on Accounting, as amended (hereinafter the "Accounting Act") and Regulation No. 500/2002 Coll. of the Ministry of Finance of the Czech Republic, which provides implementation guidance on certain provisions of the Accounting Act for reporting entities that are businesses maintaining double-entry accounting records, as amended (hereinafter the "Regulation").

The financial statements were prepared under the assumption of the Company's ability to operate as a going concern.

Estimation of uncertainties concerning the war in Ukraine: The Company assessed possible impacts on the carrying amounts of receivables and uninvoiced revenues that may arise from the war in Ukraine. In developing assumptions concerning potential future uncertainties in the global economic conditions due to this situation, the Company used both internal and external information sources and related information and economic forecasts as of the date of approval of these financial statements. The Company expects to recover the carrying amount of these assets and will continue to thoroughly monitor all significant changes of future economic conditions.

Based on the information currently available, the Company's management does not expect the ongoing military conflict to have an impact on the going concern assumption. Potential financial consequences (e.g., in relation to the rising energy prices, fuel prices, wage costs and services, etc.) cannot be reliably estimated at the balance sheet date.

(a) Tangible and intangible fixed assets

Tangible and intangible fixed assets are stated at cost. Tangible and intangible fixed assets with the acquisition cost of less than CZK 2.5 thousand are not presented on the face of the balance sheet and are expensed in the year of acquisition. The following table shows the depreciation methods and periods by asset type:

Asset	Depreciation method	Time of depreciation
Office equipment	straight-line	60 months
PC equipment	straight-line	30 - 60 months

Technical improvements on tangible assets held under a lease (buildings) are depreciated on a straight-line basis over the shorter of the lease term or the estimated useful life.

(b) Non-current financial assets

Non-current financial assets are valued in line with Sections 25 and 27 of the Accounting Act and Sections 48 and 51 of the Regulation.

In line with the Act and the Regulation, securities and equity investments are measured at acquisition cost. In the event of impairment of the financial assets, the Company recognizes a provision.

(c) Provisions and reserves

Receivables

The Company establishes provisions against doubtful receivables based on an analysis of individual debtor's solvency.

Reserves

Reserve for outstanding vacation days

The reserve for outstanding vacation days at the balance sheet date is established based on an analysis of the outstanding vacation days and the average payroll costs, including the costs of social security and health insurance payments per employee.

Income tax reserve

The income tax reserve is established due to the fact that the date of preparing the financial statements precedes the date at which the tax liability is determined. In the subsequent reporting period, the reserve is released, and the identified tax liability is recognized. The Company recognizes the income tax reserve in an amount corresponding to the created reserve net of income tax prepayments made if these are lower than the anticipated tax. If such prepayments are higher than or equal to the anticipated tax liability, no income tax reserve is recognized by the Company.

Reserve for warranty claims

The Company establishes a reserve for the risk of warranty claims arising from projects and engagements implemented in the prior reporting period.

Reserve for other risks

The reserve for other risks is established for sundry risks arising from other matters identified by the Company as of the balance sheet date.

(d) Foreign currency translation

Transactions denominated in foreign currencies are translated using a fixed monthly exchange rate determined based on the daily exchange rate promulgated by the Czech National Bank as of the first business day of each calendar month. The exchange rate is applicable for all transactions occurring.

in the relevant month. Customer invoices are translated using the exchange rate promulgated by the Czech National Bank as of the date of the invoice issuance. Payments in CZK from a bank account maintained in a foreign currency (EUR, USD) are translated using an internal exchange rate of Citi Bank a.s., Deutsche Bank. During the reporting period, solely realized foreign exchange rate gains and losses are reported.

At the balance sheet date, the relevant assets and liabilities denominated in foreign currencies are translated at the Czech National Bank's exchange rate prevailing as of that date. Unrealized foreign exchange rate gains and losses are recognized in the profit or loss for the reporting period.

(e) Assets held under leases

The Company reports leasehold assets by including the lease payments in expenses on a straight- line basis over the lease period. Upon the expiry of the lease and exercise of the option to purchase the leased asset, the subject of the lease is reported as part of the Company's assets at purchase (replacement) cost.

(f) Income taxation

The tax payable for the given period includes the tax currently payable and the change in the deferred tax balance.

The tax currently payable includes the estimate of the tax calculated from the tax base using the tax rate applicable on the last day of the reporting period and all additional taxes and tax refunds for prior periods.

The deferred tax is based on all temporary differences between the accounting and tax values of assets and liabilities, using the anticipated tax rate valid for the period in which the tax asset will be realized or the liability settled.

A deferred tax asset is recognized only if it is likely that it will be realized in the following reporting periods.

(g) Classification of payables

The Company classifies a portion of long-term payables, bank loans and financial borrowings maturing within less than one year from the balance sheet date as short-term payables.

Accrued expenses and deferred income are recognized in balance sheet item D 'Other liabilities' as long-term. The presentation treatment corresponds to that of deferred expenses and accrued income in both the current and previous periods.

(h) Other operating income

The Company reports income arising from received grants in the reporting period in which the relevant authorities rule to provide the funding under the grants.

(i) Accruals and deferrals accounts

Deferred expenses include expenses relating to the costs of future reporting periods.

Accrued expenses include expenses relating the current reporting period but the respective cost has not yet been incurred. This principally relates to the impacts of rental/ operating lease payments distributed evenly over the contract term on an accrual basis.

Deferred income consists of income relating to future reporting periods. Income from accrual contracts is recognized when the relating services are carried out and the unbilled income of the current reporting period is recognized as estimated items.

(j) Revenue recognition

Revenues are recognized as of the date of realizing sales net of discounts and income taxes. With regard to long-term contracts for which the course of billing precedes the course of delivering services defined based on the proportion of the time spent to the total contract term, the Company recognizes a proportionate part of such billing on an accrual basis in the form of deferred income. Otherwise, when services are delivered prior to billing, the Company recognizes a proportionate part of such billing on an accrual basis in the form of estimated receivables.

Reserves for potential losses arising from contracts in progress are recognized in the period in which they are likely to be incurred based on estimated contracts as of the balance sheet date.

(k) Cash and cash equivalents

Cash on hand includes cash on hand and stamps and vouchers, or cash in transit relating to this item.

Cash on bank accounts relates to balances on accounts, especially bank accounts, or cash relating to this item.

Cash flows are recognized using the indirect method, with the profit for the period being adjusted by the impacts of non-cash transactions, deferrals, accruals or deferrals of past or future operating income or payments, and income and expense items relating to the investments of cash flows. Cash flows from the Company's operating, investment and financial activities are separated. All highly- liquid investments that are easily convertible into cash are considered known cash equivalents.

(l) Employee benefits

The Company has prepared a policy on compensated cumulated absence. The estimated costs of cumulated absence are determined based on an actuarial valuation conducted by an independent actuary as of each balance sheet date using the method of estimated unit time period.

(m) Related party transactions

The Company's related parties refer to:

- Parties that may exercise, directly or indirectly, a material or controlling influence over the Company and their subsidiaries; and
- Members of the statutory, supervisory and management bodies of the Company or its parent company and close persons of the aforementioned parties, including associates and subsidiaries of those members or persons.

The Company has entered into a transfer pricing agreement with the parent company and fellow subsidiaries. All related party transactions are recorded in line with these transfer pricing agreements.

(n) Subsequent events

The impact of events which occurred between the balance sheet date and the date of preparing the financial statements is presented in the financial statements when these events provided additional information on facts that existed as of the balance sheet date.

When significant post-balance sheet events occurred between the balance sheet date and the date of preparing the financial statements, the impacts of those events are disclosed in the notes to he financial statements but are not presented in the financial statements.

Changes in Accounting Principles and Policies

In the year ended March 31, 2023, no changes were made in the accounting principles and policies.

Tangible fixed assets

(In CZK thousand)

Particulars	Buildings	Machinery and equipment, Account No. 042	Total
Cost	–	–	–
Balance at 1 April 2022	46 823	112 077	158 900
Additions	–	7 163	7 163
Disposals	–	–	–
Exchange rate difference	–	–	–
Reclassification	–	–	–
Balance at March 31, 2023	46 823	119 240	166 063
Accumulated depreciation	–	–	–
Balance at April 1, 2022	32 612	84 611	117 223
Depreciation	4 467	13 629	18 096
Accumulated depreciation on disposals	–	–	–
Reclassification	–	–	–
Balance at March 31, 2023	37 079	98 240	135 319
Net book value at April 1, 2022	14 211	27 466	41 677
Net book value at March 31, 2023	9 744	21 000	30 744

Major additions to fixed assets in the reporting period primarily included new office premises equipment and also the purchase of IT equipment and computers.

None of the Company's assets have been pledged as security.

(In CZK thousand)

Particulars	Buildings	Machinery and equipment, Account No. 042	Total
Cost			
Balance at April 1, 2021	55 102	97 611	152 713
Additions	–	14 639	14 639
Disposals	8 279	–	8 452
Exchange rate difference	–	–	–
Reclassification	–	–	–
Balance at March 31, 2022	46 823	112 077	158 900
Accumulated depreciation			
Balance at April 1, 2021	26 813	72 450	99 263
Depreciation	14 078	12 334	26 412
Accumulated depreciation on disposals	8279	173	8 452
Reclassification	–	–	–
Balance at March 31, 2022	32 612	84 611	117 223
Net book value at April 1, 2021	28 289	25 161	53 450
Net book value at March 31, 2022	14 211	27 466	41 677

Assets held under leases

Operating leases

In the reporting period, the Company held non-residential premises under leases; the premises were located at the following address: Vlněna 526/1, Trnitá, Brno (new lease agreements were entered into with the validity from 15 March 2020 with the option of further extension). The validity of the lease agreement at Holandská 9, Brno, 639 00 was terminated as of March 15, 2020. The total lease expenses amounted to CZK 42,199 thousand and CZK 42,208 thousand in the years ended March 31, 2023 and 2022, respectively.

Trade receivables and payables

(a) Short-term trade receivables amounted to CZK 206,289 thousand (31 March 2022 – CZK 118,353 thousand), of which CZK 83,962 thousand (March 31, 2022 – CZK 90,509 thousand) included past-due receivables. The provision against doubtful receivables amounted to CZK 277 thousand and CZK 169 thousand as of March 31, 2023 and 2022, respectively.

(b) Short-term trade payables amounted to CZK 101,824 thousand (March 31, 2022 – CZK 8,742 thousand), of which CZK 5,747 thousand (March 31, 2022 – CZK 5,831 thousand) included past-due payables. The Company records no payables with a maturity exceeding five years.

Advance payments made

Long-term advance payments made include prepayments (deposit) for the lease of office premises in the amount of CZK 11,176 thousand (March 31, 2022 – CZK 11,602 thousand).

Statement of changes in equity

As of the date of signing the financial statements, no decision was made about the transfer of profit for 2022/2023. The Company's management anticipates transferring the profit generated in the reporting period to retained earnings.

Reserves

(In CZK thousand)

Particulars	Reserve for outstanding vacation days	Reserve for risks	Reserve for income tax	Reserve for other risks	Total
Balance at April 1, 2022	5 143	145	2 940	3 292	11 520
Change in reserves	16 032	262	0	17 690	33 984
Other adjustments	–	–	(2 940*)	–	(2 940)
Balance at March 31, 2023	21 175	407	0	20 982	42 564

- The income tax reserve in the amount of CZK 1,875 thousand (March 31, 2022 – CZK 9,964 thousand), the advance payments made in the amount of CZK 9,077 thousand (31 March 2022 – CZK 7,024 thousand), and the resulting payable is reported in the line State – tax receivables CZK 7,202 thousand (as of March 31, 2022 – Reserve for income tax of CZK 2,940 thousand). As of March 31, 2023, a value-added tax receivable is also reported in the line State – tax receivables of CZK 5,872 thousand (as of March 31, 2022 – CZK 4,226 thousand).

The reserve for risks includes the costs of estimated losses and support subsequent to the sale/generation of income from the sale of services in the amount of CZK 407 thousand (March 31, 2022 – CZK 145 thousand). The reserve for other risks includes a reserve for employee bonuses of CZK 14,960 thousand and a reserve for customer bonuses of CZK 6,022 thousand (as of March 31, 2022 – CZK 3,292 thousand). The reserve for outstanding vacation days amounts to CZK 21,175 thousand (March 31, 2022 – CZK 5,143 thousand).

Sales

In the reporting period, the sales of services were as follows:

(In CZK thousand)

Particulars	Year ended March 31, 2023				Year ended March 31, 2022			
	In-country	Europe + USA	India	Total	In- country	Europe + USA	India	Total
Advisory, HW and SW consulting	92 268	267 983	845 622	1 205 873	72 410	113 356	490 494	676 260
Total	92 268	267 983	845 622	1 205 873	72 410	113 356	490 494	676 260

Related party transactions

(a) Trade receivables and payables

(In CZK thousand)

Particulars	Receivables at March 31, 2023	Receivables at March 31, 2022	Payables at March 31, 2023	Payables at March 31, 2022
Infosys Poland Sp.z.o.o	57	243	0	0
Infosys BPM Ltd	283	418	394	110
Infosys Limited	68 513	51 397	1371	0
Infosys Austria	2 768	543	–	–
Infosys Automotive	54 470	22 293	91785	–
Infosys Consulting (Belgium)	212	467	–	–
Infosys Cons. AG (Switzerland)	705	514	–	–
Infosys Cons. Co.LTD	552	1 741	–	–
Portland Group	883	–	–	–
Infosys Luxembourg	3	1	–	–
Infosys McCamish	2 193	1 241	–	–
Infosys Tech.China	1 587	859	42	77
Infosys Tech.Sweden	35	487	–	–
InfosysTech.S.De.R.L (Mexico)	238	43	–	–
Infosys Turkey	7 549	321	–	–
Infosys Cons S.R.L (Romania)	579	284	–	–
Infosys Cons S.R.L (Lodestone Argentina)	419	73	–	–
InfosysLTDA (BR)	962	–	–	–
Infosys Singapore	1 070	–	–	–
Infosys Middle East FZ-LLC	12	–	–	–
Total	143 090	80 925	93 592	187

(b) Sale of goods and services and purchases thereof

(In CZK thousand)

Year ended March 31, 2023	Sales for the year	Purchases for the year
Portland Group Pty Ltd	1 410	–
Infosys Automotive and Mobility	86 237	–
Infosys Turkey Bilgi Teknolojikeri	7 776	–
Infosys Austria	3 994	–
Infosys Technologies China	3 723	410
Lodestone Argentina	372	–
Lodestone Belgium	2 547	–
Lodestone Brazil	2 064	–
Lodestone Switzerland	2 249	–
Infy Consulting Company Ltd	3 783	–
Infosys Consulting Romania	1 374	–
Lodestone Singapore	1 405	–
Infosys Luxembourg S.à.r.l	12	–
Infosys Technologies, Mexico.	403	–
Infosys Poland sp. z o o	2 386	–
Infosys Technologies (Sweden)	2 767	–
Infosys Limited	845 225	(4 293)
Infosys Middle East FZ-LLC	1 792	–
Infosys BPO Ltd.	3 806	2 116
McCamish Systems LLC	8 146	–
Total	981 471	(1 767)

(In CZK thousand)

Year ended March 31, 2022	Sales for the year	Purchases for the year
Infosys Automotive and Mobility GmbH & Co. KG	22 772	–
Infosys Turkey Bilgi Teknolojikeri Limited Sirketi	334	–
Infosys Austria GmbH	555	–
Infosys Technologies (China) Co. Limited (Infosys China)	883	77
Infosys Consulting S.R.L.(Lodestone Argentina)	76	–
Infosys Consulting (Belgium) NV	476	–
Infosys Consulting AG	528	–
Infy Consulting Company Ltd	1 777	–
Infosys Consulting S.R.L.(Romania)	292	–
Infosys Luxembourg S.a.r.l	1	–
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)	45	–
Infosys Poland Sp z.o.o	554	–
Infosys Technologies (Sweden) AB (Infosys Sweden)	493	–
Infosys Limited	484 776	4 829
Infosys BPM Limited	5 605	177
Infosys McCamish Systems LLC	1 290	–
Total	520 457	5 083

(c) Benefits and Loans Provided to the Members of Statutory and Supervisory Bodies

In the years ended March 31, 2023 and 2022, the Company did not provide any benefits and loans to the members of its statutory bodies.

Services

The total costs of services amounted to CZK 376,419 thousand (March 31, 2022 – CZK 154,330 thousand), which principally included the lease expenses in the amount of CZK 42,199 thousand (March 31, 2022 – CZK 44,682 thousand).

Other operating expenses

Other operating expenses primarily include insurance costs and the costs of a failed investment in fixed assets.

Employees and managers

The average re-calculated number of employees and managers, and the staff costs for the years ended March 31, 2023 and 2022 were as follows:

(In CZK thousand)

Year ended March 31, 2023	Headcount	Payroll costs	Social security and health insurance costs	Social costs
Employees	1 651	572 454	194 163	15 355
Managers	1	3 070	772	13
Total	1 652	575 524	194 935	15 368

(In CZK thousand)

Year ended March 31, 2022	Headcount	Payroll costs	Social security and health insurance costs	Social costs
Employees	760	327 035	100 928	8 671
Managers	1	3 175	693	7
Total	761	330 210	101 621	8 678

Estimated receivables

Total estimated receivables amounted to CZK 99,206 thousand (March 31, 2022 – CZK 18,848 thousand) and included estimated unbilled services of CZK 99,206 thousand (31 March 2022 – CZK 18,848 thousand) and accrual contracts income.

Estimated payables

Total estimated payables amounted to CZK 203,886 thousand (March 31, 2022 – CZK 96,143 thousand) and included estimated unbilled services as well as items included in remuneration of employees.

Accrued Expenses

Total accrued expenses amount to CZK 13,871 thousand (March 31, 2022 – CZK 13,366 thousand). Lease payments under operating leases are charged to expenses on a straight-line basis in the profit and loss account over the lease term. An outstanding part of the lease arising from straight-line recognition (lease incentives) is recorded as accrued expenses.

Other Financial Expenses and Income

Other financial expenses in the amount of CZK 38,660 thousand (March 31, 2022 – CZK 17,292 thousand) and other financial income in the amount of CZK 21,423 thousand (March 31, 2022 – CZK 8,915 thousand) principally included realized and unrealized foreign exchange rate gains and losses.

Due amounts arising from social security and health insurance

The amounts due arising from social security and health insurance amounted to CZK 21,428 thousand (March 31, 2022 – CZK 9,446 thousand), of which the amount of CZK 15,756 thousand (March 31, 2022 – CZK 6,929 thousand) included estimated social security payments by the employer and the amount of CZK 5,672 thousand (March 31, 2022 – CZK 2,817 thousand) included estimated health insurance payments by the employer. As of March 31, 2023 and 2022, these estimated due amounts are reported in the line 'Estimated payables'. None of these amounts were past their due dates.

Fees paid to the Statutory Auditor

This information is presented in the notes to the consolidated financial statements prepared for the consolidation group in which the Company is included.

Income taxation

(a) Tax currently payable

The income tax payable comprises the estimated tax amount for the taxation period ended March 31, 2023, in the amount of CZK 1,875 thousand (taxation period ended March 31, 2022 – CZK 9,964 thousand), and an adjustment of the estimated income tax for the taxation period ended March 31, 2022, of CZK 5,482 thousand (taxation period ended March 31, 2021 – CZK 439 thousand).

(b) Deferred tax

(In CZK thousand)

Particulars	Asset		Liabilities	
	Balance at March 31, 2023	Balance at March 31, 2022	Balance at March 31, 2023	Balance at March 31, 2022
Fixed assets	5 380	4 437	–	–
Receivables	53	32	–	–
Reserves	8 087	1 631	–	–
Other temporary differences	–	–	–	–
Deferred tax asset/ (liability)	13 520	6 100	–	–

In line with the accounting policies presented in Note 2 (f) above, the Company recognized a deferred tax asset, as it assumes that the deferred asset will be recovered, with regard to the result for the year ended March 31, 2023.

In line with the accounting policies presented in Note 2 (f) above, in calculating deferred tax as of March 31, 2023, the applied tax rate amounted to 19% (2021 – 19%).

Off Balance Sheet commitments

The Company has no contractual liabilities reported off the Balance Sheet.

The Company is not aware of any contingent liabilities.

The Company is not aware of any off-balance sheet payables or payables arising from guarantees not reported on the Balance Sheet.

Cash flow statement

For the purposes of the cash flow statement, cash and cash equivalents are defined as cash on hand, cash in transit, cash at bank, including fixed short-term accounts and other financial assets, the value of which can be reliably determined and which are easily convertible into cash. The balance of cash and cash equivalents as of the Balance Sheet date was as follows:

(In CZK thousand)

Particulars	Balance at March 31,	
	2023	2022
Total current financial assets	233 280	200 020
Cash and cash equivalents	233 280	200 020

Cash flows from operating, investment and financial activities presented in the cash flow statement are not offset.

Significant post Balance Sheet events

The changes to the Register of Companies as of April 1, 2023, until the date of these financial statements were as follows:

Statutory Executive:

RITESH GANDHI, born April 23, 1975

GU151HD Camberley, 216 Upper Chobham Road, United Kingdom of Great Britain and Northern Ireland

Appointed on: April 15, 2023

KAPIL JAIN, born March 3, 1967

SW193LA London, 8 Tybenham Road, United Kingdom of Great Britain and Northern Ireland Removed on: 14 April 2023

Chairman of the Supervisory Board:

RITESH GANDHI, born April 23, 1975

GU151HD Camberley, 216 Upper Chobham Road, United Kingdom of Great Britain and Northern Ireland

Removed on: April 14, 2023

Membership removed on: April 14, 2023

As of the Balance Sheet date, the Company's management is not aware of any other significant post balance sheet events that would have a material impact on the financial statements as of March 31, 2023.

Report on Relations

For the accounting period 1st April, 2022 – 31st March, 2023

The Statutory Executive of the Company has drawn up the following Report on the Relations between the controlling person and the controlled person, and between the controlled person and other persons controlled by the same controlling person in the sense of Section 82 of Act No. 90/2012 Coll., the Act on Business Corporations, as amended, for the period April 1, 2022 –March 31, 2023 (hereinafter referred to as the "Decisive Period"). Upon description of the relations, the obligation to keep the trade secrets of the Company has been complied with.

1) Structure of the relations

According to the information available to the Statutory Executive of the Company acting with due managerial care, during the Decisive Period the Company was a member of the Infosys BPM group, in which the controlling person was Infosys BPM Limited (hereinafter referred to as the "Infosys BPM Group"). Infosys BPM Limited is a majority owned and controlled subsidiary of Infosys Limited. The information about the persons belonging to the Infosys BPM Group are stated as at March 31, 2023 and are based on the information available to the Statutory Executive of the Company acting with due managerial care. The structure of the relationships in the Infosys BPM Group is shown in the overview which forms Annex No. 1.

Controlling person:	Infosys BPM Limited, Plot Nos. 26/3, 26/4 and 26/6, Electronics City, Hosur Road, Bangalore, 561229 India
Controlled person:	Infosys (Czech Republic) Limited s.r.o, Brno, Vlněna 526/1, Trnitá, 602 00 Brno, Czech Republic ID No. 269 18 757,

Infosys BPM Limited is the founder and sole shareholder of the Company.

2) Role of the Company in the Infosys BPM Group

The Company is a majority-owned and controlled subsidiary of Infosys BPM Limited. Like other companies within the Infosys BPM Group, the Company leverages the benefits of service delivery globalization, process redesign and technology and thus drives efficiency and cost effectiveness into client's business processes and thereby improves their competitive position by managing their business processes in addition to providing increased value. The Company is a leading provider of business process management services to organizations that outsource their business processes.

The Company provides services to these organizations (customers) mostly directly, partially also as subcontractor of Infosys Poland Sp.z.o.o. or as subcontractor of Infosys Limited or as subcontractor of Infosys BPM Limited. In the latter cases, Infosys Poland Sp.z.o.o. or Infosys Limited or Infosys BPM Limited acts as the prime contractor to the customer and assumes all major risks in relation to the contract with the customer.

3) Manner and means of control of the Company

The Company is controlled in particular via decisions of its sole shareholder (i.e. Infosys BPM Limited) acting in the capacity of the general meeting of the Company. Infosys BPM Limited is 100% shareholder of the Company.

4) Overview of actions made by the controlled person in the interest or at the initiative of the controlling person or persons controlled by the controlling person

In the Decisive Period, the Company made no actions in the interest or at the initiative of the of the controlling person or persons controlled by the controlling person which related to property exceeding 10 percent of the equity of the Company asserted in accordance with the last financial statements.

5) Overview of mutual controlled and controlling persons and between the controlled person and the persons controlled by the same controlling person

a) Contracts between the controlled and the controlling person:

During entire Decisive Period, the subcontracting agreements between the Company (as vendor, respectively supplier) and Infosys BPM Limited (as customer) and Infosys Limited (as customer) were in effect.

(In CZK thousand)

Particulars	Sales for the Decisive Period in TCZK	Purchases for the Decisive Period in TCZK
Infosys BPM Limited	3 806	2 116
Infosys Limited	845 225	-4 293

b) Contracts between the controlled person and the persons controlled by the same controlling person:

During entire Decisive Period, the subcontracting agreement between the Company (as vendor, respectively supplier) and any of the direct or indirect subsidiaries of Infosys Limited and/or Infosys BPM Limited was in effect.

(In CZK thousand)

Particulars	Sales for the Decisive Period
Portland Group Pty Ltd	1 410
Infosys Automotive and Mobilit	86 237
Infosys Turkey Bilgi Teknoloji	7 776
Infosys Austria	3 994
Infosys Technologies China	3 723
Lodestone Argentina	372
Lodestone Belgium	2 547
Lodestone Brazil	2 064
Lodestone Switzerland	2 249

Particulars	Sales for the Decisive Period
Infy Consulting Company Ltd	3 783
Infosys Consulting Romania	1 374
Lodestone Singapore	1 405
Infosys Luxembourg S.à.r.l	12
Infosys Technologies, Mexico.	403
Infosys Poland sp. z o o	2 386
Infosys Technologies (Sweden)	2 767
Infosys Limited	845 225
Infosys Middle East FZ-LLC	1 792
Infosys BPO Ltd.	3 806
McCamish Systems LLC	8 146

(In CZK thousand)

Particulars	Purchase for the Decisive Period
Infosys Technologies China	410
Infosys Limited	(4 293)
Infosys BPO Ltd.	2 116

6) Assessment of detriment and assessment of its settlement

On the ground of the contracts concluded between the Company and controlling person and between the Company and the persons controlled by the same controlling person and on the ground of actions made by Company in the interest or at the initiative of the controlling person or persons controlled by the controlling person no detriment arose to the Company.

7) Assessment of advantages, disadvantages and risks ensuing from the relations between the controlled person and the controlling person and between the controlled person and other persons controlled by the same controlling person

Participation in the Infosys BPM Group is advantageous for the Company as Infosys and Infosys BPM are global groups with strong brands and reputation among potential customers and employees which the Company utilizes in negotiation with customers and potential customers and in attracting qualified and motivated employees.

There are no disadvantages related to the Company's membership in the Infosys BPM Group. No risks ensue from the Company's membership in the Infosys BPM Group.

On June 2, 2023

Ritesh Gandhi
Statutory Executive

Infosys (Czech Republic) Limited s.r.o.

Stater N.V.

1 MANAGEMENT REPORT

The start of the year 2022 can be named as reasonable business as usual; the COVID-19 virus became under control and in the beginning of 2022 there were no major developments. But in February, the Ukraine-Russian war started, what caused geopolitical tensions that, to this day, impact the world, the financial market in general and the mortgage market in particular. This had a substantial impact on Stater as well.

Having said this, our first thoughts are to all individuals all over the world who live in terrible conditions, without access to basic necessity of live. Who live in fear for themselves or for their loved ones.

The impact of the geopolitical situation on the financial market in general and the mortgage market in particular was substantial. After the first quarter, we saw several consequences of this situation which impacted our business and therefore Stater:
Rising interest rates: the mentioned geopolitical tensions resulted in the end of extreme low interest rates. The interest rates throughout the whole raised substantially. As a result, the mortgage transfer market minimized during 2022. This impacted especially the revenues of Stater in the Mid-office services. The rising interest rates also impacted the sale of houses.
Economic uncertainty: after successful years for our clients, in 2022 the situation in the world resulted in uncertainty for our clients. And of course, the need for servicing of the mortgages of our clients in the Netherlands and Belgium remains, the appetite for developing the business was limiting over the year. This resulted in less billable projects for Stater.

These factors, combined with a contra cyclical movement in arrears management, resulted in a difficult year if we look at revenues. As a result of strict cost management, we were able to limit the impact on the Operating Margin. Given market circumstances, we are satisfied with the financial result of 2022. Also from a qualitative perspective, we made good progress. We invested in our services as well as in assurance.

Therefore, we are positive about the (near) future. Our belief is that an entrepreneurial risk will also have an entrepreneurial opportunity. And despite the risks, or even as a results of the risks, we do see a number of opportunities. First and utmost, the changing economic reality will result in a focus on costs at our prospects. With Stater vision that economies of scale are pre-conditional for success in our business, we can support cost saving initiatives at our clients and at prospects. This is an opportunity for us to grow. Another opportunity is the increasing impact of IT and digitization/innovation. In 2019, Stater became part of Infosys group, a global leading IT and BPO organization. We became part of an industrial player in the financial market. The last years, we invested in the cooperation with both shareholders to ensure we will remain in the leading group of mortgage service providers. We are confident this will pay out in the upcoming period. Another opportunity is the increasing interest in assurance. For many years already, assurance is a priority for Stater and we invested ahead of the curve. Currently, this investment will also help us and support us in our strategy of growth.

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dated April 17, 2023.

And already we were able, despite the general situation, to take the next step in our strategy of growth. Although no tenders of existing portfolios were finalized in either the Netherlands or Belgium, we were able to win a number of servicing deals with new originators in the respective countries. Also we made very good progress in the third home country of Stater: Germany. We were able to agree a contract with a new entrant in the German market. And this new entrant is one of the biggest banks in the world. Their confidence Stater is the right business partner for them in this new market, will accelerate our growth strategy in the biggest economy of Europe. Also in the Netherlands and Belgium we expect growth in the upcoming year. We are in constructive conversations with a number of originators; new entrants to the market as well as originators with an existing portfolio.

To realize our strategy and make a successful and compelling offer to prospects, we keep on investing in the Stater organization. In 2022, we finalized the IT transformation plan. With realization of this plan in the upcoming years, we ensure a state of the art IT-platform, which enables the success of our clients in the long term. Together with the short term improvements and business priorities, we will start executing this IT transformation plan in 2023.

Crucial for our success in the future, is an engaged staff. The deployed strategy of investment in staff, from a perspective of employability as well as from a perspective of engagement, continues in 2023. We defined several programs, like house of energy and development programs, to accommodate the growth and well-being of our staff.

Our conclusion is that the market is in a turbulent phase. And most likely, this will be even more turbulent in the upcoming period. Nevertheless, we are well positioned not only to face the challenges, but also to fulfill our strategy. Our strategy is growth via the three pillars Economies of Scale, Assurance and Digitization.

1.1 Organisational structure

In 2022 there were no changes in the management top structure of Stater. For a personal perspective there have been two changes. In November 2022 the Chief Technical Officer (CTO) decided to leave Stater due to other ambitions. As of January 1st 2023, Monique Molenaar-Vader, started at Stater. After approval of the authorities, Monique is appointed as CFRO.

After dismissal of the CTO, the CTO role was divided in an IT Transformation part and a non-IT Transformation part. Both roles reported to the CEO, without Board responsibilities. The non-IT Transformation part was the majority of the IT organization and this role was interim fulfilled by Gert-Jan van der Dussen. The IT Transformation part was headed by the Deputy CTO of Stater Prashant Burse.
On April 11th Jonnes Bouma started. Under approval of authorization, Jonnes will be CTO of Stater.

The management of Stater consists of the CEO (Erwin Dreuning), CFRO (Monique Molenaar-Vader), CTO (vacancy), MD Netherlands (Mario Menheere), MD Belgium (Thomas Bardram) and Arjan Hessels (MD New Business & Innovation). As soon as there is approval on appointing Jonnes Bouma, Jonnes will be part of the Stater Management Board as well. This board is responsible for all Stater activities in the Netherlands, Belgium and Germany.

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1.2 Financial developments 2022

Profit after tax

The net result of Stater for the financial year 2022 is €8.3 million (2021: €10.9 million). Net profit amounted to 4.9% of turnover (2021: 6.6%). The decrease in the result is mainly the consequence of extra costs to resolve and stabilize performance issues, higher costs per FTE (especially due to labor market circumstances), lower project revenues and a decrease housing market in the 2nd half-year 2022.

Liquidity position

Stater's liquidity position still is very good. End 2022 a large part of the excess liquidity (€25.5 million) was lent to Infosys. These funds are structured in a flexible loan, withdrawable within 14 days. The liquidity coverage ratio in 2022 is 1.38 (2021: 1.51) and Stater is well capable of meeting short-term obligations.

In addition, solvency is also still very good. Group equity is 51% (2021: 52%) of the balance sheet total, which makes Stater very solvent.

Revenue

Revenue for Stater Netherlands has increased with 0.8% from €144.5 million in 2021 to €145.7 million in 2022. This is mainly caused by the thriving mortgage market in the Netherlands 1st half-year 2022, and more selling Data/BI and other digital services. On the other hand, lower project revenue due to less project demand clients (mainly due to cost savings by our customers) and no large law & regulation projects this year.

The revenue of Hypocasso (tradename Mender) is also in 2022 lower than in previous years, due to payment breaks, packages from the government, rise in house prices, low unemployment and the saving behavior of consumers.

Stater Belgium experienced an increase in revenue (5.1%). This is mainly a result of the better housing market in 2022 in Belgium.

Operating expenses

The operating expenses increased with 3.8%, from €152 million in 2021 to €157 million in 2022. This is mainly the result of extra costs to increase IT stability and performance and higher costs per FTE for hiring personnel, due to the stressed labor market in the Netherlands.

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1.3 Investments

Stater annually invests a substantial amount in the development and renewal of its mortgage systems and supportive applications. With Infosys Limited as the major shareholder, Stater can go much further in the fields of innovation and digitization (R&D) in the mortgage market and create the desired economies of scales.

The coming years, Stater also wants to invest substantially in the long-term IT strategy. The main streams of this program are: Stable and futureproof IT-platform (via a transformation program) and servicing clients in the Netherlands, Belgium and Germany from one international platform.

1.4 Risks

The risk appetite of Stater is linked (probability * impact) with the residual risk. Stater is risk averse and as a result of this only residual operational risks in the category low are accepted. Residual risks in a higher category are addressed separately.

Stater is convinced that the quality and continuity of its services are extremely important. In Stater's strategic risk assessment, strategic risks are defined. Most prominent are "information security", “availability”, "(International) market risk/developments", "change process" and "human resource". On a regular base, these items are discussed in the Operational Risk Committee. Plans to mitigate are in place and are being monitored. Updates are discussed in the Risk Committee as well. Main focus in 2022 was mitigation of the Availability and Information Security Risk.

From a more operational point of view, in addition to our staff, our IT processes and systems are crucial to ensure our quality, which is why we are constantly optimizing our systems, processes and internal control. Our focus on (internal) control is for example reflected in annual ISAE3402 statements and ISAE3000 statements.
Ensuring continuous improvements is part of the management of risks. E.g. the risk management cycle was optimized for more robustness, GRC tooling has been made the basis for risk reporting, Straight Through Processing (STP) controls were integrated in the in ISAE framework and a Data Protection officer was appointed.

Stater also has a Business Continuity Management certificate and an Information Security Management certificate issued by BSI. BSI is the market leader in the field of auditing, certification and standardization for companies. As far as BCM is concerned: every year Stater practices the fallback of its services, showing that it is in control of its critical business processes, even in the event of calamities. The Crisis Management Team (CMT) also holds annual exercises. Management, together with Senior Managers, form the CMT or deputy CMT.

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Stater applies the Three Lines Model in the design and implementation of risk management. This means all Stater staff have an important role in controlling risks.

Stater does business with originators and customers and has defined credit rating procedures. The company has furthermore articulated guidelines to limit the credit risk it is exposed to with each party. Aside from that, the group continuously monitors its receivables and has a strict reminder procedure in place. The above measures have reduced the credit risk for the group to a minimum. Regarding the liquidity and cashflow risk, Stater has a healthy cash position and is able to finance current investments from operating cashflow. Cashflows are frequently monitored and if necessary Stater can call on the loan to Infosys Consulting Pte. Ltd.

Furthermore, inherent of the business model of Stater are internal and external fraud risks. Stater manages these risks through its processes. On an operational level, Stater works e.g. according to the "four eyes principle" and the "authority to sign" as described in process descriptions. On a tactical and strategic level, Stater's anti-fraud policy serves as central guideline for all employees and activities of Stater. In addition, Stater has installed an Anti-Fraud Working Group, consisting of the fraud coordinators of the relevant organization units. During the reporting period, no material fraud risks have been identified.

1.5 Financial Instruments

The group's primary financial instruments are used to finance the group's operational activities or follow directly from these activities. The group's policy is not to trade in financial instruments.

Stater's credit risk is historically very low. Costs of unpaid invoices have only a very limited impact on the result.

1.6 Staff and remuneration policy

25 years of Stater NV
The year 2022 marked entirely 25 years of Stater. A beautiful anniversary which we celebrated extensively In addition to various smaller activities, we enjoyed the Stater party in September with all colleagues from the Netherlands, Belgium and Germany Stater employees take great pride in open culture and collaboration. This togetherness has allowed the cooperation with Belgium and Germany to take even more shape and has enabled Stater to raise its profile as a European employer on the (labor) market even further.

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Our colleagues
The average number of employed FTEs slightly increased from 927 in 2021 to 936 in 2022. The overall increase is the result of a bigger increase in the Netherlands than the decrease in Belgium. The average number of external staff decreased to 386 FTEs in 2022 (2021: 436 FTEs). Stater will continue to focus on a proper internal/external staff ratio. It is crucial for Stater's business model to match our staff complement to the work on offer. Nevertheless, Stater's policy is to work with internal staff as much as possible.
In total, a good number of training courses were attended by Stater employees. With a focus on continuous development of the organization and people, training and thus possible internal advancement is always encouraged.
The average tenure of a Stater colleague is relatively long. This is due in part to the fact that colleagues are offered many opportunities within Stater, there is a European challenge for everyone and therefore interesting, and with an open and local culture offers conviviality.

Working conditions
In early 2022, we still faced many lockdowns and restrictions on working in the office. This has greatly affected employees. At Stater, we followed government measures and made sufficient provisions so that employees worked safely.
As a result, working from home is fully embedded in the organization and is now part of the new way of working. All home working facilities are facilitated and available to employees.
As employees return to the office more often, more commuting occurs.
Stater also has a whistleblower policy and an external confidential advisor is always available. At Stater, we consider this principles to be of paramount importance in the culture we want to foster. Creating a safe working environment is a recurring theme in the risk inventory and evaluation.

Employment
Stater has a Remuneration policy in place to that promotes sound and effective risk management and supports Stater's business strategies, objectives, core values and long-term interests. Variable remunerations are not granted or guaranteed to staff, except for the Managing Board members (variable income does not exceed 20% of annual income). The remuneration of the Managing Board members is overseen by the Supervisory Board. None of the Managing Board members, or any other staff, does exceed a remuneration of EUR 1M or more.

Diversity
Stater has a very open and family-oriented culture where diversity is highly valued. With Infosys as its parent organization and IT as its core business, Stater has long had the desire to be able to attract knowledge migrants in 2022. Stater IND became a referent and we were able to welcome the first knowledge migrants It is expected that we will continue to expand and optimize this process in the coming years. We were able to welcome more new colleagues from different backgrounds, religions and gender, which we see as complementary and enriching within Stater.

Diversity has long been a priority for Stater's board of directors. This priority stems from the vision that a diverse composition of Stater's senior management contributes to the objectives. In our view, it improves decision-making and business outcomes. Therefore, diversity within the Supervisory Board, Management Board and senior management team has the full attention of the respective responsible bodies. In many places this has already yielded results and in those where it has not yet, a plan of action has been drawn up to bring the male/female distribution in line with the objectives.

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Stater's management aims to have at least one-third of the Supervisory Board, Management Board (statutory and non-statutory) and senior management team be women and at least 30% men.

Below is the situation per 31-12-2022:

	Total	Number of women	Target
Supervisory Board	5*	0	1
Management Board (statutory and non-statutory)	6*	0	1
Senior Management Team	30*	9	11

(* this number may include open positions)

Within the senior management team, this target is almost achieved by 2022 (9 out of 30 people are women), as of January 1, two more women have been appointed to the senior management team and this amounts to 36%. Management (statutory and non-statutory) in 2022 consists of men only. Effective January 1, 2023, subject to approving authorities, a female CFRO has been appointed. The Supervisory Board currently consists only of men.

In order to achieve these specific objectives, a process for each managerial entity is defined.

Supervisory Board members and Chief Executive Officer: With regard to SB members, they are appointed by shareholders, a maximum effort of the SB will be taken to meet the diversity objective. Shareholders are aware of the objective and are expected to reasonably pursue that objective.

Management Board: responsibility of the CEO, in consultation with the SB and where necessary with approval of the shareholders. With the hiring of a female CFRO in the MB a step has been taken.

Senior Management Team: responsibility of the MB. Objective is achieved.
For new hires, this guideline will be applicable. This principle only concerns open positions, filled positions and officers will not be replaced or relocated.

The principle arrangement is that in the event that the target has not yet been achieved, a female candidate will be sought initially. If unavailable, after a pre-arranged period, male candidates will also be searched for.
This principle concerns only open positions, already filled positions and officers will not be replaced or relocated.

1.7 Environmental, Social and Governance (ESG) aspects of entrepreneurship

Sustainability policy is integrated into Stater's growth strategy. Based on ESG principles, Stater formulated policy in 2022 by adopting 5 sustainable ambition statements. These ambitions have been communicated to customers and suppliers through the Stater Sustainability Statement.

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Ambition on customer support in portfolio sustainability
Stater has developed various propositions in recent years, such as the portals, the Sustainability Depot and the EBB execution only application street. By 2022, the sustainability propositions for our customers have expanded to include e.g. the hybrid application street, the sustainability dashboard and external data links (with the RVO, among others). In addition, Stater is a member of the EEM NL HUB (Energy Efficient Mortgages), in which European legislation is translated into Dutch standards. The EEM NL Hub aims to accelerate energy-efficient homes on the Dutch market. Participation gives Stater a knowledge advantage.

Ambition on sustainable operations
The building in Amersfoort has an energy label A. Cooling and heating from natural sources is provided through a CHP system. The cold/heat control in the building is provided in such a way that optimum coordination between supply and demand is possible. Through our energy supplier, Stater purchases 100% NL wind power so that the electricity used is fully renewable. Stater also sets high standards for the quality of waste processing. Out of 27,588 kg of waste by 2022 60% reused and 40% burned with energy generation. No waste was dumped.

Ambition as a good employer
Stater lives up to the principles of being a good employer, encourages sustainable employability and ensures through training that employees are broadly and long-term employable. Examples include the skills program and Stater's guidance for personal development.

Social commitment
Stater wants every employee to be aware of their own sustainability responsibilities. For example, Stater offers every employee the opportunity to volunteer. Most of this work can be done during working hours.
Since September 2020, Stater has partnered with JINC, an organization dedicated to helping young people between the ages of 8 and 16 get started. A total of 30 colleagues were active guest lecturers in 2022 and they provided a total of 18 training sessions. Stater also encourages employees to volunteer in debt relief work such as with ‘Schuldhulpmaatje’ and ONS Bank.

Quality of governance
Stater has been working for some time on sustainable (financial) propositions, sustainability of operations and CSR activities. By 2022, all of these initiatives will be bundled together by starting the Sustainable Stater trajectory. An additional FTE was hired to coordinate. Much attention has been paid to internal communication of the steps the organization is taking on sustainability (intranet). For example, in November, Stater paid special attention to National Climate Week. In this way, employees became more aware of the climate problem, the activities Stater is doing on climate issues and the possibilities employees can do themselves.

Outlook 2023
Based on the sustainable objectives, Sustainable Stater has prepared an annual plan 2023 and where possible these will appear as KPIs in the regular reports. Spearheads for 2023 include further developing customer propositions, further engaging employees by e.g. the creation of the Stater Green Team and the call-out through Ecovadis.

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1.8 General information

Stater provides services in the entire mortgage value chain. We facilitate the orientation, provide services for the application, service the mortgage in the complete life cycle and provided arrears management services. That makes us the ideal outsourcing partner. Both in the Netherlands and internationally. Our goal is to allow consumers in the mortgage market to take out their mortgage safely, quickly and without problems, and to have it managed themselves. We do this for more than 40 money lenders.

1.9 Outlook 2023

Last year Stater again saw an increase of 2.5% in the number of mortgage loans (Back Office activities) and a further increase in the average price of housing (average increase Assets under Management per loan +7.3%). Stater is aware of developments in all areas of mortgages. Both new products and growing competition are important developments, which has consequences for Stater and the entire chain. With its strategy, shareholder and internal organization, Stater is excellently positioned to remain successful in the mortgage market.

In 2023 Stater will continue to tailor its services to the wishes and needs of our clients and continue to invest in order to remain at the front of developments in the mortgage market, in terms of digitization, further efficiency improvements and stable & future proof IT Platform.

With the right focus and optimum efficiency Stater will support the strategy to our home market the Netherlands and our other focus markets Germany and Belgium. Goal is to grow with existing customers and gain new customers by introducing new products and excelling in service and efficiency.

In response to the geo political tensions, Stater has taken additional technical and organizational measures to address in particularly the increased risk of cyber incidents.

The geopolitical tensions, resulted, among other things, in high inflation and increased interest rates. This economic developments impact the mortgage industry Stater is active in. Impact will mainly be seen in the Mid Office activities and also in the appetite for clients to invest in new services. On the other hand, prospects of Stater will have more appetite in cost efficient solutions which we can provide. Because of the measures taken, the prudent way of entrepreneurship through the years and the business model of Stater, Stater's continuity is not at risk. Nevertheless, these unpredictable times have an impact on people and organizations. Stater MB had complete focus on the situation and is committed to expand the success in the past to the future.

Stater is and will remain a financial healthy company. Nevertheless, we will closely monitor the situation and evaluate different scenarios on solvency, liquidity and operations to ensure out continuity in the short and long term.

Amersfoort, April 17, 2023

E.R. Dreuning CEO

M. Molenaar-Vader CFRO

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CONSOLIDATED ANNUAL ACCOUNTS 2022

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Related to auditor's report
dated April 17, 2023.

1 CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2022
(before appropriation of results)

		2022		2021	
		x €1,000	x €1,000	x €1,000	x €1,000
ASSETS					
Fixed assets					
Intangible fixed assets	(1)		26,266		23,746
Tangible fixed assets	(2)		22,197		20,461
Financial fixed assets	(3)				
Receivables from participants and from companies in which participation takes place		25,500		27,500	
Other receivables		1,223		1,280	
			26,723		28,780
NON-CURRENT ASSETS			75,186		72,987
Current assets	(4)				
Trade receivables		4,142		3,966	
Receivables from other related parties		2,595		166	
Taxes and social securities		1,805		5,770	
Other receivables		1,075		933	
Prepayments and accrued income		18,723		19,960	
			28,340		30,795
Cash and cash equivalents	(5)		16,256		17,044
			119,782		120,826

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For identification purposes only.
Related to auditor's report
dated April 17, 2023.

		2022		2021	
		x €1,000	x €1,000	x €1,000	x €1,000
EQUITY AND LIABILITIES					
Group equity	(6)		60,870		62,619
Provisions	(7)				
Deferred tax liability		5,910		4,916	
Other provisions		5,512		6,889	
			11,422		11,805
Long-term liabilities	(8)		15,451		14,814
Current liabilities, accruals and deferred income	(9)				
Trade creditors		2,418		1,740	
Payables to other related parties		601		352	
Taxes and social securities		9,689		9,163	
Pension premiums		1,005		935	
Accruals and deferred income		18,326		19,398	
			32,039		31,588
			119,782		120,826

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dated April 17, 2023.

2 CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR 2022

		2022		2021	
		x €1,000	x €1,000	x €1,000	x €1,000
Net turnover	(10)		169,065		166,477
Cost of subcontracted work and other external charges	(11)	37,710		39,492	
Wages and salaries	(12)	65,611		62,797	
Social security charges		10,717		9,804	
Pension costs		9,352		9,351	
Amortisation and depreciation	(13)	11,188		9,629	
Impairment of fixed assets	(14)	580		0	
Other operating expenses	(15)	22,297		20,889	
Total operating expenses			157,455		151,962
Operating result			11,610		14,515
Interest income and expenses	(16)		245		-50
Result before taxation			11,855		14,465
Taxes	(17)		-3,604		-3,561
Result of the legal entity			8,251		10,904

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For identification purposes only.
Related to auditor's report
dated April 17, 2023.

3 CONSOLIDATED CASH FLOW STATEMENT 2022

The cash flow statement has been prepared using the indirect method.

	2022		2021	
	x €1,000	x €1,000	x €1,000	x €1,000
Cash flow from operating activities				
Operating result	11,610		14,515	
Adjustments for:				
Amortisation and depreciation	11,188		9,622	
Movement of provisions	-1,377		1,380	
Movement of working capital:				
Impairments	580		-	
Movement of long-term liabilities	-329		-841	
Movements of receivables and prepaid costs	-1,322		-1,699	
Movement of short-term liabilities	483		-4,780	
Cash flow from business activities		20,833		18,198
Interest received	-284		-293	
Corporate income tax	1,285		-5,705	
Interest and similar income	529		243	
		1,530		-5,755
Cash flow from operating activities		22,363		12,443
Cash flow from investing activities				
Investments in intangible fixed assets	-8,020		-9,024	
Investments in tangible fixed assets	-4,059		-2,598	
Reassessment IFRS16	-		-1,232	
Disposal of intangible fixed assets	-		6	
Disposal of tangible fixed assets	-		1	
Cash flow from investing activities		-12,079		-12,847
Cash flow from financing activities				
Reassessment IFRS16	-		1,232	
Other receivables (additional funding)	-430		-371	
Decrease in receivable shareholders and associates	2,000		2,500	
Other receivables (repayments)	487		499	
Dividend paid	-10,000		-15,650	
Lease liabilities (long-term)	-3,129		-3,130	
Cash flow from financing activities		-11,072		-14,919
Transport		-788		-15,323

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated April 17, 2023.

	2022		2021	
	x €1,000	x €1,000	x €1,000	x €1,000
Transport		-788		-15,323
		-788		-15,323

	Cash and cash equivalents
	x €1,000
Compilation cash	
Compilation cash at January 1, 2021	32,367
Movement 2021	-15,323
Compilation cash December 31, 2021	17,044
Compilation cash at January 1, 2022	17,044
Movement 2022	-788
Compilation cash December 31, 2022	16,256

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated April 17, 2023.

4 NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS

GENERAL

Stater N.V. (the 'Company) is a company domiciled in the Netherlands. The address of the Company's registered office is Podium 1, 3826 PA Amersfoort (registration number Chamber of Commerce 32073618). The current financial period ran from January 1, 2022 to December 31, 2022.

All amounts are in thousands and are stated in Euro's.

Activities

The activities of Stater N.V. and its group holdings mainly consist of mortgage servicing and change projects for clients.

Basis of accounting

The company has prepared the annual accounts in accordance with the provisions of Part 9 of Book 2 of the Dutch Civil Code. The company have voluntarily adopted IFRS 16 in 2019. The annual accounts were authorised for issue by the Management Board on April 17, 2023.

Assumption of going concern

The assumption of going concern was applied during the preparation of the financial statements. Stater is a financially healthy company and can easily finance its investments from its own cash flows. Turnover remains stable and as a result of the flexible shell for staff, costs can easily be adjusted if necessary. Stater's continuity is not at any risk in the near future.

Estimates

The preparation of annual accounts in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. If necessary for the purposes of providing the view required under Section 362 (1), Book 2, of the Dutch Civil Code, the nature of these estimates and judgments, including the related assumptions, is disclosed in the notes to the financial statement items in question. This refers to provisions, useful life of fixed assets and impairments on fixed assets as explained in the policies and notes.

Group structure

The consolidated annual accounts of Stater N.V. include the financial data of Stater N.V. and the following group companies:

- Stater Nederland B.V. in Amersfoort: 100% participation (2021 : 100%)
- Stater Belgium N.V./S.A. in Brussels: 100% participation of Stater Participations B.V. (2021 : 100%)
- Stater Participations B.V. in Amersfoort: 100% participation (2021 : 100%)
- HypoCasso B.V. in Amersfoort: 100% participation (2021 : 100%)
- Stater XXL B.V. in Amersfoort: 100% participation (2021 : 100%)
- Stater G.m.b.H. in Düsseldorf: 100% participation (2021: 100%)

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For identification purposes only.
Related to auditor's report
dated April 17, 2023.

Stater N.V. had accepted liability in accordance with Section 2:403 of the Dutch Civil Code for the following group companies:

- Stater Nederland B.V. in Amersfoort: 100% participation (2021:100%)
- Stater XXL B.V. in Amersfoort: 100% participation (2021:100%)
- HypoCasso B.V. in Amersfoort: 100% participation (2021:100%)

Consolidation principles

Financial information relating to group companies and other legal entities controlled by Stater N.V. or where central management is conducted has been consolidated in the annual accounts of Stater N.V. The consolidated annual accounts have been prepared in accordance with the accounting principles of Stater N.V.

In accordance with article 2:402 of the Dutch Civil Code, the company-only annual accounts only contain an abridged profit and loss account.

Financial information relating to the group companies and the other legal entities and companies included in the consolidation is fully included in the consolidated annual accounts, eliminating the intercompany relationships and transactions. Third-party shares in equity and results of group companies are separately disclosed in the consolidated annual accounts.

Annual accounts of the subsidiaries are included in the consolidated annual accounts from the date that control commences (the acquisition date) until the date that control ceases. At acquisition date the assets, provisions and liabilities are measured at fair values. Goodwill paid is capitalised, to which amortisation is charged based on the estimated useful life. The results of participating interests sold during the year are recognised until the moment of disposal.

GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE CONSOLIDATED ANNUAL ACCOUNTS

Valuation of assets and liabilities and determination of the result take place under the historical cost convention. The current value does not differ materially from the nominal value except if disclosed as such in the notes. Gains are attributed to the period in which they are realised, losses are recognised in the year in which they are foreseeable.

Income and expenses are accounted for on an accrual basis. Profit is only included when realised on the balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the annual accounts.

Revenues from services are recognised in proportion to the services rendered. The costs of these services are allocated to the same period.

Comparison with previous year

The valuation principles and method of determining the result are the same as those used in the previous year.

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For identification purposes only.
Related to auditor's report
dated April 17, 2023.

Foreign currency

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates prevailing as at balance sheet date.

Transactions in foreign currency during the financial year are recognised in the annual accounts at the exchange rates prevailing at transaction date. The exchange differences resulting from the translation as at balance sheet are recorded in the profit and loss account.

Lease accounting

The company may have lease contracts whereby a large part of the risks and rewards associated with ownership are not for the benefit of nor incurred by the company. The lease contracts for which the distinction between service and rental cannot be made are recognised as operational leasing. Lease payments are recorded on a straight-line basis, taking into account reimbursements received from the lessor, in the profit and loss account for the duration of the contract.

Stater has not entered into a sales and leaseback transaction.

For lessee accounting IFRS 16 removes the destinction between 'operating' and 'finance lease' and the leases are recognised on the balance sheet as right of use (ROU) asset and lease liability. As a lessee Stater enters into various lease contracts, mainly for office builidngs and cars which Stater leases for its own use. When accounting for the contracts as a lessee, Stater separates non-lease components from lease components. Upon initial recognition, the lease liability is measured by discounting all future lease payments at the incremental borrowing rate. This rate reflects the rate of interest Stater would have to pay to borrow over a similar term, and with similar credit risk, the funds necessary to obtain an asset of a value similar to that of the ROU asset in a similar economic environment. The weighted average incremental borrowing rate recognised in the annual accounts is 1.27% (2021 1.26%). Upon transition, the remaing lease term is used in applying the incremental borrowing rate. The ROU asset is initially measured at cost, which reflects the initial lease liability, adjusted for received incentives. The initial lease liability is equal to the sum of the fixed lease payments, discounted by the incremental borrowing rate.

The ROU asset is depreciated over the period of the lease, using the straight-line method. The lease liabilty is increased to reflect the amount of interest on the lease liability and decreased for the lease payments made.

Adjustments to the lease liability may result from remeasurement and/or modification. Remeasurement occurs when there is a change in the lease term or discount rate, or when Stater changes its assessment regarding purchases, extension or termination options. Remeasurement results in adjustment of the ROU asset. When the ROU asset has been depreciated to zero, it is recorded in the profit and loss account.

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For identification purposes only.
Related to auditor's report
dated April 17, 2023.

A lease modification is a change in the scope of the lease, or the consideration of a part of a lease that was not part in the original terms and conditions of the lease. A lease modifications result in either a separate additional lease or a change in the accounting for the existing lease. In the case of a lease modification not resulting in an additional lease, the lease liability is remeasured by adjusting the carrying amount of the ROU asset, and to reflect the partial or full termination of the lease, recognising any gain or loss in profit and loss.

Expenses related to short-term leases with a term of less than 12 months and leases of low-value are recognised in the profit and loss account, as permitted by the standard. ROU assets are included in tangible fixed assets, while the lease liabilities are included in long-term liabilities. Depreciation is presented in the line item for amortisation and depreciation and interest expenses is included in the line financial income ande expenses.

Stater did not choose the apply this standard to a portfolio of leases and did not combine two or more contracts with the same counterparty.

ACCOUNTING PRINCIPLES APPLIED TO THE VALUATION OF ASSETS AND LIABILITIES

Intangible fixed assets

Intangible fixed assets are presented at cost less accumulated amortisation and, if applicable, less impairments in value. Amortisation is charged as a fixed percentage of cost, as specified in more detail in the notes to the balance sheet. Amortisation and impairments are accounted in the profit and loss account. If assets are at zero value and still in use they are still taken into account based on the yearly check of existence and use. The useful life and the amortisation method are reassessed at the end of each financial year.

Intangible fixed assets arising from development shall be recognised if the company can demonstrate all of the following points:

- the technical feasibility of completing the intangible fixed asset, so that it wil be available for use or sale;
- its intention to complete the intangible fixed asset and to use or sell it;
- how the intangible fixed asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible fixed asset; and
- its ability to measure the expenditure attributable to the intangible fixed asset during its development.

Expenses relating to an intangible fixed asset that do not meet these points are recognised directly in the profit and loss account. The intangible fixed assets will be yearly assessed - based on business cases - for impairment purposes. In case of a reversal of an impairment, the increased amount cannot be higher than the carrying amount that would have been determined without impairment loss in previous years.

A statutory reserve is created for the part of the cost of internally developed software that has not yet been amortised.

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Related to auditor's report
dated April 17, 2023.

Tangible fixed assets

Tangible fixed assets are presented at acquisition price less cumulative depreciation and, if applicable, less impairments in value. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use. Useful lives and residual values are reviewed at each financial year end.

Tangible fixed assets are evaluated for recoverability whenever events or changes in circumstances indicate that their amount might not recoverable. If tangible assets are considered to be impaired, the impairment to be recognised in the profit and loss account is measured by which the carrying amount exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the profit and loss account if there has been a change in the estimates used to determine the recoverable amount. The asset is increased to its revised recoverable amount, provided that this amount does not exceed the amount that would have been determined had no impairment loss been recognised for the asset in prior years.

Financial fixed assets

Participating interests where significant influence is exercised over the business are valued according to the equity method on the basis of the net asset value. If the company fully or partly guarantees the liabilities of the participation concerned, or is effectively obliged to enable the participation to pay its (share of) liabilities, a provision is recognised for losses. Participating interests with negative net capital value are valued at zero. Participating interests without such influence, are valued at the acquisition price and assessed for impairment on an annual basis.

Upon initial recognition the receivables and loans to participations and other receivables are valued at fair value and subsequently measured at amortised cost, which equals the face value, after deduction of any allowance for doubtful debt. Any allowance for doubtful debts are deducted from the carrying value of the asset. These provisions are determined based on individual assessment of the receivables.

An impairment occurs when the carrying amount of an asset is higher than the realisable value. The realisable value is the higher of the realisable value and the value in use. If it is not possible to determine the realisable value of the individual asset, the realisable value of the cash generating unit to which the asset belongs is determined. An impairment loss is directly recognised in the profit and loss account while the carrying amount of the asset concerned is concurrently reduced.

If it is established that an impairment that was recognised in the past no longer exists or has reduced, the increased carrying amount of the asset concerned is set no higher than the carrying amount that would have been determined if no impairment value adjustment for the asset concerned had been reported.

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dated April 17, 2023.

Receivables and deferred assets

Upon initial recognition the receivables are valued at fair value, including transaction cost. After initial recognition receivables are measured at amortised cost, which equals the face value, after deduction of any allowance for doubtful debt. Allowance for doubtful debt is deducted from the carrying amount of the receivable. The allowance for doubtful debt are determined based on individual assessment of the receivables.

At every balance sheet date an assessment is performed on whether objective indicators exist for impairment of a receivable. If objective indicators exist for impairment, the amount of the loss with respect to the impairment is recognised in the profit and loss account.

Cash and cash equivalents

The cash is valued at face value. If cash equivalents are not freely disposable, then this has been taken into account in the valuation.

Provisions

A provision is recognised when the company has a present obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are valued at nominal value.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The risks and uncertainties that inevitably surround many events and circumstances are taken into account in reaching the best estimate of the provision. Where the effect of time value of money is material, the provision is measured at the present value of the expenditures expected to be required to settle the obligations and losses. The provisions are reviewed at each balance sheet date and adjusted to reflect the best estimate. Additions to or amounts to be reversed from provisions are recognised in the profit and loss account respectively.

Deferred tax liability

This tax provision concerns the temporary differences between the valuation in the annual accounts and the tax valuation of assets and liabilities. The provision is calculated based on the applicable tax rates.

Other provisions

Claim provision

The provision for claims is recorded for the estimated costs based on management judgements on the probability of cash outflow expected on the claims received.

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Related to auditor's report
dated April 17, 2023.

Other long-term employee benefits

Other long-term employee benefits are those benefits that are part of the remuneration package, such as long-term remunerations for anniversaries, temporary leave, etc. The rights to these benefits are built through time. The obligation recorded is the best estimate of the amounts required to settle the related obligations as at balance sheet date.

Provision for part of early retirement
Stater's collective labour agreement stipulates that employees aged 58 and over can, on certain conditions, opt to reduce their working week to an average of 32 hours (80%), while preserving 90% of their pay. Pension accrual and pension premium payment remain unchanged. The provision is calculated based on a probability of employees staying with the company and an annual pay increase. The provision is calculated at present value, while also factoring in survival probability (Prognosetafel [Life Table] AG 2022) and the probability of employees using this scheme.

Provision for long-service awards
The collective labour agreement for Stater includes bonuses paid on the occasions of several service anniversaries and termination of employment on account of full incapacity or reaching state pension age. The provision is calculated based on a probability of employees staying with the company and an annual pay increase. The provision is calculated at present value, while also factoring in survival probability (Prognosetafel [Life Table] AG 2022).

Other

This concerns obligations on account of termination of employees' employment contracts prior to the normal pension date. Termination benefits are recognised if it demonstrably concerns an obligation to terminate employment contracts with employees. Remunerations are recorded at nominal value.

The pension plan(s) of Stater Belgium N.V./S.A. are qualified as a defined benefit plan under the Accounting standard IAS19. The projected unit credit method was used for the valuation, for the determination of the accrued benefits and for the service cost and was applied in a manner consistent with IAS19. Because the total provision is considered as not material, not all required disclosures are included.

The provisions are mostly long-term.

Long-term liabilities

On initial recognition long-term liabilities are recognised at fair value. Transaction costs which can be directly attributed to the acquisition of the long-term liabilities are included in the initial recognition. After initial recognition long-term liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs.

The difference between stated book value and the mature redemption value is accounted for as interest cost in the profit and loss account on the basis of the effective interest rate during the estimated term of the long-term liabilities.

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dated April 17, 2023.

Current liabilities, accruals and deferred income

Upon initial recognition, current liabilities, accruals and deferred income are recognised at fair value, less directly attributable transaction costs.

After initial recognition, current liabilities, accruals and deferred income are measured at amortised cost as per the effective interest method. Profit or loss is recognised in the profit and loss account as soon as the current liabilities, accruals and deferred income are no longer recognised on the balance sheet, as well as through the amortisation process.

Derecognition of financial assets and liabilities

A financial instrument is derecognised following a transaction whereby all or practically all rights to economic benefits and all or practically all risks with regard to the position have been transferred to a third party.

ACCOUNTING PRINCIPLES FOR THE DETERMINATION OF THE PROFIT AND LOSS

General

The result is defined as the difference between the revenue from goods delivered and services performed on one hand and, on the other hand, the costs and expenses for that year, valued at historical costs.

Net turnover

The net turnover consists of revenue from the income of services during the reporting period after deducting discounts, rebates and value added taxes.

The income for services is included proportionally to the level in which the services were performed based on the costs for the service up to the balance sheet date in relation to the estimated costs for all services to be provided. The costs for these services are accounted for in the same period.

Expenses general

The costs are determined in accordance with the before mentioned accounting principles for valuation and allocated to the year to which they relate.

Cost of subcontracted work and other external charges

The cost of subcontracted work and other external charges include the costs charged by third parties in connection with the outsourcing or support of the work. These costs consist of the purchase price and any additional costs.

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Related to auditor's report
dated April 17, 2023.

Employee benefits

Staff emoluments are recognised as an expense in the profit and loss account for the period in which the work is performed and, to the extent that they have not yet been paid, a liability in the balance sheet. Where amounts already paid exceed the remuneration due, the difference is recorded as an accrual, either to reimburse staff or to offset against future payments by the company.

For staff commitments involving future expenditure, actuarial calculations are carried out and provision is made for this in the annual accounts.

If remuneration is paid that does not include accrual of entitlements (such as continued payment during sickness absence or a period of incapacity), the anticipated expenses are recognised in the period for which the remuneration is payable. A liability is created to cover obligations that exist on the balance sheet date to continue to pay remuneration to employees who, on the balance sheet date, are expected to permanently be fully or partially unable to perform work due to sickness or incapacity.

Pension costs

The basic principle is that the pension expense to be recognised for the reporting period is equal to the pension contributions payable to the pension fund for that period. Insofar as the payable contributions have not yet been paid on the balance sheet date, a current liability is recognised. When the contributions paid as at the balance sheet date exceed the contributions due, an accrued asset item will be included insofar as it will concern repayment by the fund or a set-off against future contributions due.

Amortisation and depreciation

The amortisation of the intangible fixed assets is calculated using fixed percentages of the purchase price or the costs of internally developed software.

The depreciation on tangible fixed assets is calculated by using a fixed rate on the acquisition cost based on the expected life cycle. Gains and losses from the occasional sale of property, plant or equipment are included in depreciation.

The useful life and amortisation/depreciation of intangible/tangible fixed assets are reassessed at the end of each financial year.

Interest income and expenses

Financial income and expenses comprise interest income and expenses for loans (issued and received) during the current reporting period.

This also includes interest expenses for rent and lease liabilities, which are recognised on the balance sheet as required by IFRS 16.

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Related to auditor's report
dated April 17, 2023.

Taxes

Income tax expense comprises current and deferred income tax. Current income tax for current and prior periods is recognised 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 by the balance sheet date.

Deferred income tax assets and liabilities are recognised for all temporary differences between the tax bases of assets and liabilities and their carrying amounts in the annual accounts. 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 realised. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been 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 of settled. The effect of changes in tax rates on deferred income tax assets and liabilities are recognised as income or expense in the period that includes the enactment date. A deferred income tax asset is recognised to the extent that it is probable that future tax will be available against which the deductible temporary differences and tax losses can be utilised.

The company offsets current tax assets and liabilities, where it has a legally enforcable right to offset the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The allocation of corporate income tax to the partnerships included in the fiscal entity is realised as if the participating interests are independently taxable.

Result participations

Where significant influence is exercised over participations, the group's share in the participations' results is included in the consolidated profit and loss account. This result is determined on the basis of the accounting principles applied by Stater N.V.

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For identification purposes only.
Related to auditor's report
dated April 17, 2023.

NOTES TO THE CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2022

ASSETS

FIXED ASSETS

1. Intangible fixed assets

	Internally developed software	Purchased software	Total
	x €1,000	x €1,000	x €1,000
Carrying amount as of January 1, 2022			
Purchase price	96,871	21,339	118,210
Cumulative amortisation and impairment	-75,977	-18,487	-94,464
	20,894	2,852	23,746
Movement			
Investments	7,719	301	8,020
Disposals	-12,014	-2,962	-14,976
Amortisation disposal	12,014	2,962	14,976
Amortisation	-3,883	-1,037	-4,920
Impairments	-580	0	-580
	3,256	-736	2,520
Carrying amount as of December 31, 2022			
Purchase price	92,576	18,678	111,254
Cumulative amortisation and impairment	-68,426	-16,562	-84,988
	24,150	2,116	26,266

Amortisation rates

	%
Internally developed software	14
Purchased software	20-33

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dated April 17, 2023.

The internally developed software concerns the core systems used by Stater for the mortage services. Included in the internally developed software are assets amounting to € 59,123,000 that have been fully written down, but are still in use. The purchased software includes assets amounting to € 14,892,000 that have been fully written down, but are still in use.

There are no investment commitments in respect of intangible fixed assets (2021: € 0).

The company has the full ownership of the intangible fixed assets as disclosed. As of December 31, 2022 the intangible fixed assets are not pledged as security for liabilities, nor are there any pending commitments regarding the acquisition of intangible fixed assets.

	2022	2021
	x €1,000	x €1,000
Internally developed software		
Purchase price	96,871	88,107
Cumulative amortisation and impairment	-75,977	-73,686
Carrying amount as of January 1	20,894	14,421
Movement		
Investments	7,719	8,764
Disposals	-12,014	0
Depreciation disposal	12,014	0
Amortisation	-3,883	-2,291
Impairments	-580	0
	3,256	6,473
Purchase price	92,576	96,871
Cumulative amortisation and impairment	-68,426	-75,977
Carrying amount as of December 31	24,150	20,894

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated April 17, 2023.

	2022	2021
	x €1,000	x €1,000
Purchased software		
Purchase price	21,339	21,535
Cumulative amortisation and impairment	-18,487	-17,671
Carrying amount as of January 1	2,852	3,864
Movement		
Investments	301	260
Disposals	-2,962	-456
Amortisation disposal	2,962	450
Amortisation	-1,037	-1,266
	-736	-1,012
Purchase price	18,678	21,339
Cumulative amortisation and impairment	-16,562	-18,487
Carrying amount as of December 31	2,116	2,852

2. Tangible fixed assets

	Leasehold improve-ments	Hardware	Equipment	Right of use assets	Total
	x €1,000	x €1,000	x €1,000	x €1,000	x €1,000
Carrying amount as of January 1, 2022					
Purchase price	4,509	19,372	5,661	23,652	53,194
Cumulative depreciation and impairment	-3,850	-13,696	-5,263	-9,924	-32,733
	659	5,676	398	13,728	20,461
Movement					
Additions	619	3,237	203	2,527	6,586
Disposals	-91	-4,908	-801	-2,787	-8,587
Depreciation disposal	90	4,834	801	2,751	8,476
Reassessment/modification	0	0	0	1,420	1,420
Depreciation	-102	-2,463	-187	-3,407	-6,159
	516	700	16	504	1,736

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Related to auditor's report
dated April 17, 2023.

	Leasehold improve-ments	Hardware	Equipment	Right of use assets	Total
	x €1,000	x €1,000	x €1,000	x €1,000	x €1,000
Carrying amount as of December 31, 2022					
Purchase price	5,037	17,701	5,063	24,812	52,613
Cumulative depreciation and impairment	-3,862	-11,325	-4,649	-10,580	-30,416
Carrying amount as of December 31, 2022	1,175	6,376	414	14,232	22,197

The company has the full ownership of the tangible fixed assets as disclosed. As of December 31, 2022 the tangible fixed assets are not pledged as security for liabilities. The investment commitments in respect of tangible fixed assets as per December 31, 2022 amount to € 0 (2021: € 1,287,0000).

The right of use assets include Stater's leased premises in Amersfoort and Brussels amounting to € 13,248,000 (2021 € 12,448,000), as well as the lease cars amounting to € 984,000 (2021 € 1,280,000).

With effect from April 1, 2018, for the building in Amersfoort lease has been renewed for 10 years with an option to renew for 2 consecutive periods of 5 years, i.e. until March 31, 2038 at the latest. These renewal options have not been included in the IFRS 16 calculation. The lease for the premises in Brussels was entered into on December 1, 2022 and ends by operation of law on November 30, 2031.

There are no variable lease payments present in the lease contracts.

Depreciation rates

	%
Leasehold improvements	10
Hardware	20-33
Equipment	20
Right of use assets	10-25

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For identification purposes only.
Related to auditor's report
dated April 17, 2023.

	2022	2021
	x €1,000	x €1,000
Leasehold improvements		
Purchase price	4,509	4,678
Cumulative depreciation and impairment	-3,850	-3,922
Carrying amount as of January 1	659	756
Movement		
Investments	619	0
Disposals	-91	-169
Depreciation disposal	90	169
Depreciation	-102	-97
	516	-97
Purchase price	5,037	4,509
Cumulative depreciation and impairment	-3,862	-3,850
Carrying amount as of December 31	1,175	659
Hardware		
Purchase price	19,372	17,869
Cumulative depreciation and impairment	-13,696	-11,753
Carrying amount as of January 1	5,676	6,116
Movement		
Investments	3,237	1,982
Disposals	-4,908	-479
Depreciation disposal	4,834	479
Depreciation	-2,463	-2,422
	700	-440
Purchase price	17,701	19,372
Cumulative depreciation and impairment	-11,325	-13,696
Carrying amount as of December 31	6,376	5,676

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated April 17, 2023.

	2022	2021
	x €1,000	x €1,000
Equipment		
Purchase price	5,661	5,647
Cumulative depreciation and impairment	-5,263	-5,015
Carrying amount as of January 1	398	632
Movement		
Investments	203	22
Disposals	-801	-8
Depreciation disposal	801	8
Depreciation	-187	-256
	16	-234
Purchase price	5,063	5,661
Cumulative depreciation and impairment	-4,649	-5,263
Carrying amount as of December 31	414	398

	2022	2021
Right of use assets		
Purchase price	23,652	24,290
Cumulative depreciation and impairment	-9,924	-6,634
Carrying amount as of January 1	13,728	17,656
Movement		
Investments	2,527	594
Disposals	-2,787	0
Depreciation disposal	2,751	0
Reassessment/modification	1,420	-1,232
Depreciation	-3,407	-3,290
	504	-3,928
Purchase price	24,812	23,652
Cumulative depreciation and impairment	-10,580	-9,924
Carrying amount as of December 31	14,232	13,728

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For identification purposes only.
Related to auditor's report
dated April 17, 2023.

3. Financial fixed assets

	12/31/2022	12/31/2021
	x €1,000	x €1,000
Receivables from participants and from companies in which participation takes place		
Loan Infosys Consulting Pte. Ltd.	25,500	27,500

Interest rate is considered as market related and is equal to 12 months EURIBOR +1.35 per annum (3.85% 2021: 0.488%), provided that the interest owed by Infosys to Stater will never be less than 0.25%. The loan is available for a period of 5 years. The principal amount of the loan (including interest) is repayable on demand of Stater (in full or in parts) at any time by giving a 15 days' prior notice, without Stater being obliged to pay any compensation.

Loan Infosys Consulting Pte. Ltd.

	2022	2021
	x €1,000	x €1,000
Carrying amount as of January 1	27,500	30,000
Loan granted	4,000	5,000
Repayment	-6,000	-7,500
Carrying amount as of December 31	25,500	27,500

	12/31/2022	12/31/2021
	x €1,000	x €1,000
Other receivables		
Other receivables	1,223	1,280

Other receivabes relate to a loan granted to the leasing company. The interest rate is 0% (2021 0%). The loan was granted for the purchase of lease cars for Stater N.V. The lease costs are increased by a subcharge of 0.25% on the interest rate. Repayments on the loan are equal to the depreciation of the lease cars. By way of security, a pledge has been granted on all passenger cars and light commercial vehicles made available to Stater N.V. by the leasing company for the benefit of employees of Stater N.V.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated April 17, 2023.

	2022	2021
	x €1,000	x €1,000
Other receivables		
Carrying amount as of January 1	1,280	1,408
Loans granted	430	371
Repayments	-487	-499
Carrying amount as of December 31	1,223	1,280

4. Current assets

	12/31/2022	12/31/2021
	x €1,000	x €1,000
Trade receivables		
Debtors	4,148	3,974
Allowance for doubtful debt	-6	-8
	4,142	3,966

	2022	2021
	x €1,000	x €1,000
Allowance for doubtful debt		
Carrying amount as of January 1	8	27
Reversal	-2	-19
Carrying amount as of December 31	6	8

	12/31/2022	12/31/2021
	x €1,000	x €1,000
Receivables from other related parties		
ABN AMRO Hypotheken groep B.V.	2,271	113
Infosys Consulting Pte. Ltd.	324	53
	2,595	166

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated April 17, 2023.

	12/31/2022	12/31/2021
	x €1,000	x €1,000
Taxes and social securities		
Corporate income tax	551	4,515
VAT	248	436
Deferred tax	1,006	819
	1,805	5,770
Other receivables		
Volume discount suppliers	892	890
Grants	148	43
Other receivables	35	0
	1,075	933
Prepayments and accrued income		
Services to be invoiced	13,044	14,068
Prepaid costs	5,679	5,892
	18,723	19,960

The prepaid costs mainly refer to software maintenance and software licence fees.

5. Cash and cash equivalents

Bank	16,256	17,044

An amount of € 511,000 (2021: € 350,000) is not freely disposable.

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For identification purposes only.
Related to auditor's report
dated April 17, 2023.

EQUITY AND LIABILITIES

6. Group equity

Please refer to the notes to the non-consolidated balance sheet on page 68 of this report for an explanation of the equity.

Proposed appropriation of profit

The annual accounts for 2021 were adopted by the General Meeting held on April 19, 2022. The General Meeting has determined the appropriation of the result as it was proposed. So the dividend of € 2.06 for each share was paid.

It is proposed to the General Meeting that the result after taxes for 2022 will be added to the other reserves.

7. Provisions

Deferred tax liability

This provision concerns the temporary differences between the valuation in the annual accounts and the tax valuation of assets and liabilities. The provision is calculated based on the applicable tax rate.

	2022	2021
	x €1,000	x €1,000
Carrying amount as of January 1	4,916	2,848
Allocation	1,857	2,403
Withdrawal	-863	-335
Carrying amount as of December 31	5,910	4,916

The increase of the deferred tax liability is a result of the investments in internally developed software. For tax purposes these investments are operating expenses.
The provision for deferred tax liabilities has a predominantly long-term character.

	12/31/2022	12/31/2021
	x €1,000	x €1,000
Other provisions		
Claim provision	1,125	2,302
Other long-term employee benefits	4,275	4,422
Transport	5,400	6,724

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For identification purposes only.
Related to auditor's report
dated April 17, 2023.

	12/31/2022	12/31/2021
	x €1,000	x €1,000
Transport	5,400	6,724
Other	112	165
	5,512	6,889

	2022	2021
	x €1,000	x €1,000
Claim provision		
Carrying amount as of January 1	2,302	1,449
Allocation	563	1,503
Withdrawal	-743	-277
Reversal	-997	-373
Carrying amount as of December 31	1,125	2,302

Provisions for legal claims are recognised when the company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Management makes estimates as to whether provisions are needed on a case-by-case basis.
The claim provision has a predominantly long-term character.

Other long-term employee benefits		
Carrying amount as of January 1	4,422	3,894
Allocation	285	922
Withdrawal	-432	-394
Carrying amount as of December 31	4,275	4,422

The provision for other long-term employee benefits has a predominantly long-term character.

Other		
Carrying amount as of January 1	165	165
Allocation	0	48
Withdrawal	-53	-48
Carrying amount as of December 31	112	165

The other provision has a predominantly long-term character.

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For identification purposes only.
Related to auditor's report
dated April 17, 2023.

	12/31/2022	12/31/2021
	x €1,000	x €1,000

8. Long-term liabilities

Lease liabilities	15,451	14,485
Advanced payment received on orders	0	329
	15,451	14,814

Lease liabilities

	2022	2021
	x €1,000	x €1,000
Lease liabilities		
Carrying amount as of January 1	14,485	18,847
Reversal	0	-1,232
Funds withdrawn	3,314	538
Interest added	229	241
Repayment	-2,577	-3,909
Long-term part as at December 31	15,451	14,485

The lease liabilities include the present value of lease payments not paid at December 31. The incremental borrowing rate is used as discount rate. The current portion of the lease debts is presented as current liabilities. The table below provides details regarding the contractual maturities of lease liabilities as of December 31 on an undiscounted basis:

	12/31/2022	12/31/2021
	x € 1,000	x € 1,000
Particulars		
Less than one year	3,397	3,325
One to five years	13,916	11,549
More than five years	2,253	3,516
Total	19,566	18,390

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For identification purposes only.
Related to auditor's report
dated April 17, 2023.

Advanced payment received on orders

Amounts received for acquired staff are recognised here. These amounts are attributed to the first 5 years of these employees' employment.

9. Current liabilities, accruals and deferred income

	12/31/2022	12/31/2021
	x €1,000	x €1,000
Taxes and social securities		
Corporate income tax	0	32
VAT	5,355	5,065
Payroll tax	4,334	4,066
	9,689	9,163

	12/31/2022	12/31/2021
Accruals and deferred income		
Holiday bonus	1,461	1,475
Holiday accruals	1,845	1,916
Variable pay	229	226
Prepaid amount	3,907	4,585
Accruals other costs	4,757	4,249
Accruals external staff	3,006	3,818
Lease liabilities	3,121	3,129
	18,326	19,398

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For identification purposes only.
Related to auditor's report
dated April 17, 2023.

CONTINGENT LIABILITIES

Fiscal unity

The company constitutes a fiscal unity for corporate income tax and VAT with other group companies; consequently the company is severally liable for the resulting debts.

Claims

Various claims have been filed against the company and/or group companies, which are disputed by the company and/or group companies. Although the outcome of these disputes cannot be predicted with certainty, it is assumed, partly on the basis of legal advice obtained, that these will not have a significant adverse effect on the consolidated financial position.

Long-term financial obligations

Servers

	12/31/2022	12/31/2021
	x €1,000	x €1,000
Less than one year	90	80
One to five years	408	362
	498	442

Other long-term financial obligations

	12/31/2022	12/31/2021
	x €1,000	x €1,000
Less than one year	2,362	2,431
One to five years	3,043	2,042
	5,405	4,473

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For identification purposes only.
Related to auditor's report
dated April 17, 2023.

Other long term financial obligations

This mainly relates to the multi-year contract with respect to facility management in our office in Amersfoort, the Netherlands.

Financial instruments

General

Details provided in this note are intended to facilitate estimation of the scope of risks involved in financial instruments, both financial instruments recognised on the balance sheet and off-balance sheet financial instruments.

The company's financial instruments are used to finance the group's operational activities or ensue directly from these activities. The company is risk averse and as a result of this only residual operational risks in the category low are accepted. Stater is convinced that the quality and continuity of our services are extremely important. On a regular base, risk items are discussed in the Operational Risk Committee. Plans to mitigate are in place and are being monitored. Updates are discussed in the Risk Committee as well.

Generally, the risks involved in financial instruments are credit risk, currency risk, liquidity risk, cash flow risk, and price risk consisting of interest and market risk. The group's risk mitigation policy is as follows:

Market risk

Stater does not engage in financial instrument trading. The management estimates market risk to be very limited for Stater.

Credit risk

The company predominantly does business with high-net-worth customers and has defined credit rating procedures. The group has furthermore articulated guidelines to limit the credit risk it is exposed to with each party. Aside from that, the group continuously monitors its receivables and has a strict reminder procedure in place. The above measures have reduced the credit risk for the group to a minimum. The number of write-offs is very low. Management estimates the credit risk on these parties to be low.

Liquidity risk and cash flow risk

The company has a healthy cash position and is able to finance current investments from operating cash flow.

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Related to auditor's report
dated April 17, 2023.

Fair value

A separate calculation with the fair values has not been included, because most of the assets and liabilities are current, and for the ones that are long-term the fair value does not differ substantially.

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Related to auditor's report
dated April 17, 2023.

6 NOTES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR 2022

10. Net turnover

	2022	2021
	x €1,000	x €1,000
Business segments		
Mortgage processing	136,694	134,871
Projects	16,528	16,997
Other	15,843	14,609
	169,065	166,477
Geographical segments		
the Netherlands	145,723	144,534
Belgium	23,092	21,943
Germany	250	0
	169,065	166,477

11. Cost of subcontracted work and other external charges

Total cost of subcontracted work	37,710	39,492

12. *Wages and salaries*

Salaries and wages	61,288	58,962
Other	4,323	3,835
	65,611	62,797

Emoluments of directors and supervisory directors

The emoluments (including pension obligations) which were charged in 2022 amount to € 1,539,000 (2021: € 2,046,000) for (former) directors and € 75,000 (2021: € 75,000) for supervisory directors.

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For identification purposes only.
Related to auditor's report
dated April 17, 2023.

Staff

At the company during 2022, on average FTE 936 employees were employed (2021: 927).

	2022	2021
The breakdown is as follows:		
the Netherlands	769	752
Belgium	161	173
Germany	6	2
	936	927

	2022	2021
	x €1,000	x €1,000
13. Amortisation and depreciation		
Intangible fixed assets	4,920	3,557
Tangible fixed assets	6,193	6,065
Loss on disposals	75	7
	11,188	9,629
14. Impairment of fixed assets		
Internally developed software	580	0
15. Other operating expenses		
Housing	2,307	1,575
Office expenses	4,354	4,677
IT costs	10,790	8,406
VAT (non-refundable portion)	87	96
Marketing & Communication	466	298
Third party costs	3,919	4,040
Other operating costs	374	1,797
	22,297	20,889

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Related to auditor's report
dated April 17, 2023.

Fees audit firm:

2021

	Auditors	Other network	Total network
	x € 1,000	x € 1,000	x € 1,000
Audit of the annual accounts	98	19	117
Other audit engagements	324	110	434
Tax advisory services	-	-	-
Other non-audit services	-	13	13
	422	142	564

2022

	Auditors	Other network	Total network
	x € 1,000	x € 1,000	x € 1,000
Audit of the annual accounts	105	49	154
Other audit engagements	368	83	451
Tax advisory services	-	-	-
Other non-audit services	-	25	25
	473	157	630

Auditors are Deloitte for the audit of the annual accounts and EY for other audit engagements. The other audit engagements mainly refer to the audit of mortgage reporting schedules and the ISAE 3400/3402 audit.

	2022	2021
	x €1,000	x €1,000

16. Interest income and expenses

Interest and similar income	529	243
Interest and similar expenses	-284	-293
	245	-50

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Related to auditor's report
dated April 17, 2023.

	2022	2021
	x €1,000	x €1,000
17. Taxes		
Corporate income tax	1,934	1,399
Corporate income tax prior periods	385	-488
Movement of deferred tax assets	-187	24
Movement of deferred tax liabilities	994	2,068
Corporate income taxes in foreign jurisdictions	478	558
	3,604	3,561

Reconciliation of the effective tax rate and the applicable tax rate for the consolidated annual accounts is as follows:

	2022	2021
	%	%
Applicable rate	25.80	25.00
Deferred tax	-1.66	0.81
Tax on non-deductible amounts	3.10	2.18
Prior years	3.25	-3.37
Rate differences	-0.08	-
Effective tax rate	30.41	24.62

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For identification purposes only.
Related to auditor's report
dated April 17, 2023.

Transactions with related parties

The group has entered into the following transactions with related parties:

Related parties	2021 Receivables x € 1,000	2021 Payables x € 1,000	2022 Receivables x € 1,000	2022 Payables x € 1,000
Infosys Limited	0	352	0	592
Infosys Consulting Pte. Ltd.	27,553	0	25,721	0
Infosys BPM Limited	0	0	103	9
Brilliant Basics Limited	0	0	0	0
Infosys Belgium	0	0	0	0
ABN AMRO Hypotheken Groep B.V.	113	0	2,271	0
	27,666	352	28,095	601

Related parties	2021 Revenues x € 1,000	2021 Costs x € 1,000	2022 Revenues x € 1,000	2022 Costs x € 1,000
Infosys Limited	0	5,716	0	4,668
Infosys Consulting Pte. Ltd.	233	0	523	0
Infosys BPM Limited	0	182	297	169
Brilliant Basics Limited	0	274	0	0
Infosys Belgium	93	0	227	0
ABN AMRO Arbo Services B.V. (Beter)	0	220	0	231
ABN AMRO Hypotheken Groep B.V.	78,854	0	78,664	0
ABN AMRO Bank N.V.	0	118	0	116
	79,180	6,510	79,711	5,184

Sale and purchase transactions between related parties are conducted at normal market prices.

The transactions with the Infosys companies relate to the supply of personnel for IT and Operations.
The costs for the related party Beter refers to the health and safety service.
The deliveries to ABN AMRO Hypotheken Groep B.V. relate to the care and support of the entire mortgage process.

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Related to auditor's report
dated April 17, 2023.

Infosys Limited heads the group of several Infosys companies, including Brilliant Basics Limited. Since May 23, 2019 Infosys Consulting Pte. Ltd. has held 75% of the shares of Stater N.V. (2021: 75%).

ABN AMRO Bank N.V. - heads of the group of several ABN AMRO companies inlcuding Beter - holds a 25% stake since May 23, 2019 in Stater N.V. (2021:25%).

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For identification purposes only.
Related to auditor's report
dated April 17, 2023.

7 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT 2022

Notes to the cash flow statement

The cash flow statement is drawn up using the indirect method. Cash and cash equivalents recognised in the cash flow statement consist of liquid assets. Interest income and expenses, dividend received, and income tax are recognised in the cash flow from operating activities. Dividend paid is recognised under cash flow from financing activities.

Composition of cash and cash equivalents

	2022	2021
	x €1,000	x €1,000
Compilation cash at January 1	17,044	32,367
Movement of cash and cash equivalents	-788	-15,323
Cash and cash equivalents December 31	16,256	17,044

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Related to auditor's report
dated April 17, 2023.

8 OTHER DISCLOSURE

Subsequent events

SB members

Two SB members appointed on behalf of Infosys have decided to pursue their careers outside of Infosys, and have therefore resigned their membership on Stater's SB.
Infosys is currently in discussions with candidates envisioned as successors.

In addition, the chairman of the SB indicated his intention to resign during the course of the year for personal reasons. The SB has made preparations to search for a successor.

Loan Infosys Consulting Pte. Ltd.

To finance the cash out due to investments, € 4M of the loan with Infosys Consulting Pte. Ltd. was called for and received in January 2023.

Appropriation of the result for the 2021 financial year

The annual accounts for 2021 were adopted by the General Meeting held on April 19, 2022. The General Meeting has determined the appropriation of the result as it was proposed.

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For identification purposes only.
Related to auditor's report
dated April 17, 2023.

COMPANY ANNUAL ACCOUNTS 2022

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For identification purposes only.
Related to auditor's report
dated April 17, 2023.

9 COMPANY-ONLY BALANCE SHEET AS AT DECEMBER 31, 2022
(before appropriation of results)

		2022		2021	
		x €1,000	x €1,000	x €1,000	x €1,000
ASSETS					
Fixed assets					
Intangible fixed assets	(18)		23,131		19,879
Tangible fixed assets	(19)		13,367		13,874
Financial fixed assets	(20)				
Participations in group companies		13,751		15,053	
Receivables from group companies		509		400	
Receivables from participants and from companies in which participation takes place		25,500		27,500	
Other receivables		1,223		1,280	
			40,983		44,233
Current assets	(21)				
Trade receivables		1		0	
Receivables from group companies		3,510		3,185	
Receivables from other related parties		324		53	
Taxes and social securities		14,021		15,189	
Other receivables		998		556	
Prepayments and accrued income		94		209	
			18,948		19,192
Cash and cash equivalents	(22)		429		452
			96,858		97,630

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated April 17, 2023.

		2022		2021	
		x €1,000	x €1,000	x €1,000	x €1,000
EQUITY AND LIABILITIES					
Equity	(23)				
Issued share capital		4,850		4,850	
Share premium reserve		8,287		8,287	
Legal reserves		24,351		21,051	
Other reserves		15,131		17,527	
Result for the year		8,251		10,904	
			60,870		62,619
Provisions	(24)				
Deferred tax liability		5,910		4,916	
Other provisions		4,275		4,422	
			10,185		9,338
Long-term liabilities	(25)		12,870		14,313
Current liabilities, accruals and deferred income	(26)				
Trade creditors		539		472	
Taxes and social securities		4,305		4,026	
Pension premiums		1,005		935	
Accruals and deferred income		7,084		5,927	
			12,933		11,360
			96,858		97,630

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dated April 17, 2023.

10 COMPANY-ONLY PROFIT AND LOSS ACCOUNT 2022

		2022	2021
		x €1,000	x €1,000
Share in result of participating interests after taxes	(27)	8,517	10,551
Other income and expenses after taxation		-266	353
Result after tax		8,251	10,904

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For identification purposes only.
Related to auditor's report
dated April 17, 2023.

11 NOTES TO THE COMPANY-ONLY FINANCIAL STATEMENTS

The annual accounts have been prepared in accordance with Part 9 Book 2 of the Dutch Civil Code.

For the general principles for the preparation of the annual accounts, the principles for valuation of assets and liabilities and determination of the result, as well as for the notes to the specific assets and liabilities and the results, reference is made to the notes to the consolidated annual accounts, if there is no further explanation provided.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated April 17, 2023.

12 NOTES TO THE COMPANY BALANCE SHEET AS AT DECEMBER 31, 2022

ASSETS

18. Intangible fixed assets

	Internally developed software	Purchased software	Total
	x €1,000	x €1,000	x €1,000
Carrying amount as of January 1, 2022			
Purchase price	79,621	3,316	82,937
Cumulative amortisation and impairment	-60,635	-2,423	-63,058
	18,986	893	19,879
Movement			
Investments	6,930	0	6,930
Disposals	-297	0	-297
Amortisation disposal	297	0	297
Amortisation	-2,765	-333	-3,098
Impairments	-580	0	-580
	3,585	-333	3,252
Carrying amount as of December 31, 2022			
Purchase price	86,254	3,316	89,570
Cumulative amortisation and impairment	-63,683	-2,756	-66,439
	22,571	560	23,131

Amortisation rates

	%
Internally developed software	14
Purchased software	20-33

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For identification purposes only.
Related to auditor's report
dated April 17, 2023.

The internally developed software concerns the core systems used by Stater for the mortage services. Included in the internally developed software are assets amounting to € 58,168,000 that have been fully written down but are still in use. The purchased software includes assets amounting to € 1,090,000 that have been fully written down but are still in use.

The company has the full ownership of the intangible fixed assets as disclosed. As of December 31, 2022 the intangible fixed assets are not pledged as security for liabilities, nor are there any pending commitments regarding the acquisition of intangible fixed assets.

	2022	2021
	x €1,000	x €1,000
Internally developed software		
Purchase price	79,621	71,468
Cumulative amortisation and impairment	-60,635	-59,338
Carrying amount as of January 1	18,986	12,130
Movement		
Investments	6,930	8,153
Disposals	-297	0
Depreciation disposal	297	0
Amortisation	-2,765	-1,297
Impairments	-580	0
	3,585	6,856
Purchase price	86,254	79,621
Cumulative amortisation and impairment	-63,683	-60,635
Carrying amount as of December 31	22,571	18,986

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated April 17, 2023.

	2022	2021
	x €1,000	x €1,000
Purchased software		
Purchase price	3,316	3,387
Cumulative amortisation and impairment	-2,423	-2,161
Carrying amount as of January 1	893	1,226
Movement		
Disposals	0	-71
Amortisation disposal	0	71
Amortisation	-333	-333
	-333	-333
Purchase price	3,316	3,316
Cumulative amortisation and impairment	-2,756	-2,423
Carrying amount as of December 31	560	893

19. Tangible fixed assets

	Leasehold improve-ments	Hardware	Equipment	Right of use assets	Total
	x €1,000	x €1,000	x €1,000	x €1,000	x €1,000
Carrying amount as of January 1, 2022					
Purchase price	4,509	309	4,388	20,255	29,461
Cumulative depreciation and impairment	-3,850	-224	-4,051	-7,462	-15,587
	659	85	337	12,793	13,874
Movement					
Additions	619	0	149	258	1,026
Disposals	-91	-160	-48	-335	-634
Depreciation disposal	90	159	48	299	596
Reassessment/modification	0	0	0	1,420	1,420
Depreciation	-102	-30	-151	-2,632	-2,915
	516	-31	-2	-990	-507

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For identification purposes only.
Related to auditor's report
dated April 17, 2023.

	Leasehold improve- ments	Hardware	Equipment	Right of use assets	Total
	x €1,000	x €1,000	x €1,000	x €1,000	x €1,000
Carrying amount as of December 31, 2022					
Purchase price	5,037	149	4,489	21,598	31,273
Cumulative depreciation and impairment	-3,862	-95	-4,154	-9,795	-17,906
Carrying amount as of December 31, 2022	1,175	54	335	11,803	13,367

The right of use assets include Stater's leased premises in Amersfoort amounting to 11,804,000 (2021: € 11,877,000), as well as the lease cars amounting to € 754,000 (2021: € 916,000).

With effect from April 1, 2018, for the building in Amersfoort lease has been renewed for 10 years with an option to renew for 2 consecutive periods of 5 years, i.e. until March 31, 2038 at the latest. These renewal options have not been included in the IFRS 16 calculation.

There are no variable lease payments present in the lease contracts.

The investment commitments in respect of tangible fixed assets as per December 31, 2021 amount to € 0 (2021: € 1,287,0000).

Depreciation rates

	%
Leasehold improvements	10
Hardware	20-33
Equipment	20
Right of use assets	10-25

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated April 17, 2023.

	2022	2021
	x €1,000	x €1,000
Leasehold improvements		
Purchase price	4,509	4,678
Cumulative depreciation and impairment	-3,850	-3,922
Carrying amount as of January 1	659	756
Movement		
Investments	619	0
Disposals	-91	-169
Depreciation disposal	90	169
Depreciation	-102	-97
	516	-97
Purchase price	5,037	4,509
Cumulative depreciation and impairment	-3,862	-3,850
Carrying amount as of December 31	1,175	659
Hardware		
Purchase price	309	593
Cumulative depreciation and impairment	-224	-478
Carrying amount as of January 1	85	115
Movement		
Disposals	-160	-284
Depreciation disposal	159	284
Depreciation	-30	-30
	-31	-30
Purchase price	149	309
Cumulative depreciation and impairment	-95	-224
Carrying amount as of December 31	54	85

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated April 17, 2023.

	2022	2021
	x €1,000	x €1,000
Equipment		
Purchase price	4,388	4,375
Cumulative depreciation and impairment	-4,051	-3,859
Carrying amount as of January 1	337	516
Movement		
Investments	149	21
Disposals	-48	-8
Depreciation disposal	48	8
Depreciation	-151	-200
	-2	-179
Purchase price	4,489	4,388
Cumulative depreciation and impairment	-4,154	-4,051
Carrying amount as of December 31	335	337

	2022	2021
Right of use assets		
Purchase price	20,255	21,171
Cumulative depreciation and impairment	-7,462	-5,033
Carrying amount as of January 1	12,793	16,138
Movement		
Investments	258	316
Disposals	-335	0
Depreciation disposal	299	0
Reassessment/modification	1,420	-1,232
Depreciation	-2,632	-2,429
	-990	-3,345
Purchase price	21,598	20,255
Cumulative depreciation and impairment	-9,795	-7,462
Carrying amount as of December 31	11,803	12,793

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated April 17, 2023.

20. Financial fixed assets

	Participations in group companies	Receivables from group companies	Receivables from participants and from companies in which participation takes place	Other receivables	Total
	x €1,000	x €1,000	x €1,000	x €1,000	x €1,000
Carrying amount as of January 1, 2022	15,053	400	27,500	1,280	44,233
Purchases, loans granted	0	800	4,000	430	5,230
Sales, redemptions	0	0	-6,000	-487	-6,487
Impairments in value	-212	-691	0	0	-903
Reversal of impairment	691	0	0	0	691
Current year participation result	8,517	0	0	0	8,517
Dividends participating interests	-10,298	0	0	0	-10,298
Carrying amount as of December 31, 2022	13,751	509	25,500	1,223	40,983

Stater N.V. has participations (Stater Participations B.V. and Stater G.m.b.H.) which have a negative equity per year-end of EUR 30,202,000. As a result the receivables (financial fixed and current) from Stater N.V. on these participations have been fully written down for an amount of EUR 24,791,000. For the remaining amount of EUR 5,411,000 the 'Participation in Group Companies' have been written down, due to the impairment of the current receivable positions of these participations with Stater Participations B.V.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated April 17, 2023.

	12/31/2022	12/31/2021
	x €1,000	x €1,000
Receivables from group companies		
Stater G.m.b.H. at Düsseldorf	509	400

Interest rate is considered as market related and is equal to 12 months EURIBOR +1.35 per annum (3.85% 2021: 0.499%), provided that the interest owed by Stater N.V. to Stater G.m.b.H. will never be less than 0.25%. The loan is available for a period of 5 years. The principal amount of the loan (including interest) is repayable on demand of Stater (in full or in parts) at any time by giving a 15 days' prior notice, without Stater G.m.b.H being obliged to pay any compensation.

Stater GmbH has a negative equity per year-end of EUR 691,000. As a result of this the loan from Stater N.V. on Stater GmbH has been impaired for an amount of EUR 691,000.

	2022	2021
	x €1,000	x €1,000
Stater G.m.b.H.		
Carrying amount as of January 1	400	0
Value decreases	-691	0
Loan granted	800	400
Carrying amount as of December 31	509	400

	12/31/2022	12/31/2021
	x €1,000	x €1,000
Receivables from participants and from companies in which participation takes place		
Loan Infosys Consulting Pte. Ltd.	25,500	27,500

Interest rate is considered as market related and is equal to 12 months EURIBOR +1.35 per annum (3.85% 2021: 0.488%), provided that the interest owed by Infosys to Stater will never be less than 0.25%. The loan is available for a period of 5 years. The principal amount of the loan (including interest) is repayable on demand of Stater (in full or in parts) at any time by giving a 15 days' prior notice, without Stater being obliged to pay any compensation.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated April 17, 2023.

Loan Infosys Consulting Pte. Ltd.

	2022	2021
	x €1,000	x €1,000
Carrying amount as of January 1	27,500	30,000
Loan granted	4,000	5,000
Repayment	-6,000	-7,500
Carrying amount as of December 31	25,500	27,500

	12/31/2022	12/31/2021
	x €1,000	x €1,000
Other receivables		
Other receivables	1,223	1,280

Other receivabes relate to a loan granted to the leasing company. The interest rate is 0% (2021 0%). The loan was granted for the purchase of lease cars for Stater N.V. The lease costs are increased by a subcharge of 0.25% on the interest rate. Repayments on the loan are equal to the depreciation of the lease cars. By way of security, a pledge has been granted on all passenger cars and light commercial vehicles made available to Stater N.V. by the leasing company for the benefit of employees of Stater N.V.

	2022	2021
	x €1,000	x €1,000
Other receivables		
Carrying amount as of January 1	1,280	1,408
Loans granted	430	371
Repayments	-487	-499
Carrying amount as of December 31	1,223	1,280

21. Current assets

Receivables from group companies

There has been no interest calculated because the amounts are settled every month.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated April 17, 2023.

	12/31/2022	12/31/2021
	x €1,000	x €1,000
Taxes and social securities		
Corporate income tax	12,805	13,972
VAT	248	436
Deferred tax	968	781
	14,021	15,189
Other receivables		
Volume discount suppliers	815	513
Grants	148	43
Other receivables	35	0
	998	556
Prepayments and accrued income		
Services to be invoiced	75	92
Prepaid costs	19	117
	94	209

22. Cash and cash equivalents

Bank	429	452

This amount is freely disposable.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated April 17, 2023.

23. Equity

	12/31/2022	12/31/2021
	x €1,000	x €1,000
Issued share capital		
Subscribed and paid up 4,849,676 ordinary shares at par value € 1	4,850	4,850

The statutory share capital amounts to 10,000,000 shares of € 1 each.
The shareholders of the company are as follows:

- 75% Infosys Consulting Pte. Ltd.
- 25% ABN AMRO Bank N.V.

	2022	2021
	x €1,000	x €1,000
Share premium reserve		
Carrying amount as of January 1	8,287	8,287
Carrying amount as of December 31	8,287	8,287

The part of the share premium that is not regarded as paid-up capital for tax purpose is zero.

Legal reserves

Reserve for capitalised development costs		
Carrying amount as of January 1	18,986	12,131
Withdrawal	-3,345	-1,297
Allocation	6,930	8,152
Carrying amount as of December 31	22,571	18,986

Reserve related to retained profits from participating interests		
Carrying amount as of January 1	2,065	2,408
Allocation	833	651
Withdrawal	-1,118	-994
Carrying amount as of December 31	1,780	2,065

The reserve mainly refers to capitalised development costs for Stater Belgium N.V./S.A.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated April 17, 2023.

	2022	2021
	x €1,000	x €1,000
Other reserves		
Carrying amount as of January 1	17,527	21,761
Allocation of previous financial year net result	10,904	17,928
Dividend paid	-10,000	-15,650
Transfer to legal reserves	-3,300	-6,512
Carrying amount as of December 31	15,131	17,527

Proposed appropriation of profit

The annual accounts for 2021 were adopted by the General Meeting held on April 19, 2022. The General Meeting has determined the appropriation of the result as it was proposed. So the dividend of € 2.06 for each share was paid.

Proposed appropriation of profit

It is proposed to the General Meeting that the result after taxes for 2022 will be added to the other reserves.

Result for the year

	2022	2021
Carrying amount as of January 1	10,904	17,928
Appropriation of the prior year profit	-10,904	-17,928
Unappropriated profit of current year	8,251	10,904
Carrying amount as of December 31	8,251	10,904

24. Provisions

Deferred tax liability

This provision concerns the temporary differences between the valuation in the annual accounts and the tax valuation of assets and liabilities. The provision is calculated based on the applicable tax rate.

	2022	2021
Carrying amount as of January 1	4,916	2,848
Allocation	1,857	2,403
Withdrawal	-863	-335
Carrying amount as of December 31	5,910	4,916

The increase of the deferred tax liability is a result of the investments in internally developed software. For tax purposes these investments are operating expenses.
The provision for deferred tax liabilities has a predominantly long-term character.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated April 17, 2023.

Other provisions

	2022	2021
	x €1,000	x €1,000
Other long-term employee benefits		
Carrying amount as of January 1	4,422	3,894
Allocation	285	922
Withdrawal	-432	-394
Carrying amount as of December 31	4,275	4,422

The provision for other long-term employee benefits has a predominantly long-term character.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated April 17, 2023.

25. Long-term liabilities

Lease liabilities

	2022	2021
	x €1,000	x €1,000
Lease liabilities		
Carrying amount as of January 1	14,313	17,988
Reversal	0	-1,232
Funds withdrawn	896	500
Interest added	220	235
Repayment	-2,559	-3,178
Long-term part as at December 31	12,870	14,313

The lease liabilities include the present value of lease payments not paid at December 31. The incremental borrowing rate is used as discount rate. The current portion of the lease debts is presented as current liabilities. The table below provides details regarding the contractual maturities of lease liabilities as of December 31 on an undiscounted basis:

	12/31/2022	12/31/2021
	x € 1,000	x € 1,000
Particulars		
Less than one year	3,322	2,477
One to five years	12,465	11,358
More than five years	819	3,515
Total	16,506	17,350

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated April 17, 2023.

26. Current liabilities, accruals and deferred income

	12/31/2022	12/31/2021
	x €1,000	x €1,000
Taxes and social securities		
Payroll tax	4,305	4,026

Accruals and deferred income		
Holiday accruals	1,836	1,896
Variable pay	134	138
Prepaid amount	0	27
Accruals other costs	1,905	1,340
Accruals external staff	169	269
Lease liabilities	3,040	2,257
	7,084	5,927

CONTINGENT ASSETS AND LIABILITIES

Long-term financial obligations

Other long-term financial obligations

	12/31/2022	12/31/2021
	x €1,000	x €1,000
Less than one year	1,892	1,733
One to five years	2,704	1,082
	4,596	2,815

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated April 17, 2023.

13 NOTES TO THE COMPANY PROFIT AND LOSS ACCOUNT 2022

27. Result participations

	2022	2021
	x €1,000	x €1,000
Share in result of participating interests	8,517	10,551

Participating interests

- Stater Nederland B.V. in Amersfoort : 100% participation (2021:100%)
- Stater Participations B.V. in Amersfoort : 100% participation (2021:100%)
- Stater XXL B.V. in Amersfoort : 100% participation (2021:100%)
- HypoCasso B.V. in Amersfoort : 100% participation (2021: 100%)
- Stater G.m.b.H. in Düsseldorf : 100% participation (2021: 100%)

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated April 17, 2023.

14 OTHER DISCLOSURE

Subsequent events

SB members

Two SB members appointed on behalf of Infosys have decided to pursue their careers outside of Infosys, and have therefore resigned their membership on Stater's SB.
Infosys is currently in discussions with candidates envisioned as successors.

In addition, the chairman of the SB indicated his intention to resign during the course of the year for personal reasons. The SB has made preparations to search for a successor.

Loan Infosys Consulting Pte. Ltd.

To finance the cash out due to investments, € 4M of the loan with Infosys Consulting Pte. Ltd. was called for and received in January 2023.

Appropriation of the result for the 2021 financial year

The annual accounts for 2021 were adopted by the General Meeting held on April 19, 2022. The General Meeting has determined the appropriation of the result as it was proposed.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated April 17, 2023.

Amersfoort, 17 April 2023

Management Board:

E.R. Dreuning
Chief Executive Officer

M. Molenaar-Vader
Chief Financial Risk Officer

Supervisory Board:

H.M.T. Broeders

F. M.R. van der Horst

S.K. Dhareshwar

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated April 17, 2023.

OTHER INFORMATION

1 Provisions of the Articles of Association relating to profit appropriation

The general meeting is authorized to appropriate the profits as appearing from the adopted annual accounts, or a part thereof, and to resolve to make distributions. The general meeting is also authorised to resolve to make an interim distribution, including distributions from the reserves (article 24 of the Articles of Association)).

The company may only make distributions to its shareholders (i) to the extent that the company's equity exceeds the sum of the paid-up and called-up part of the share capital of the company and any reserves which the company is obliged to maintain pursuant to the law, and (ii) after the management board granted its approval. The management board may only approve a resolution of the general meeting to make a distribution if the requirement under (i) is met according to interim accounts which are prepared with due observance of the relevant regulations and if it is not aware nor should reasonably foresee that after such distribution the company will become unable to continue to settle its payable debts.

Notwithstanding the provisions, distributions out of the share premium reserve A or share premium reserve B respectively shall be made pro rata to the number of shares class A or the number of shares class B held by the respective shareholders.

2 Appropriation of the result for the 2021 financial year

The annual accounts for 2021 were adopted by the General Meeting held on April 19, 2022. The General Meeting has determined the appropriation of the result as it was proposed.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated April 17, 2023.

3 INDEPENDENT AUDITOR'S REPORT

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated April 17, 2023.

INDEPENDENT AUDITOR'S REPORT

To: the shareholders and the supervisory board of Stater N.V.

Report on the audit of the financial statements 2022 included in Financial Report

Our opinion
We have audited the financial statements 2022 of Stater N.V., based in Amersfoort.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Stater N.V. as at 31 December 2022, and of its result for 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. The consolidated and company-only balance sheet as at 31 December 2022.
2. The consolidated and company-only profit and loss account for 2022.
3. The consolidated cash flow statement for 2022.
4. The notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Stater N.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.
Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated April 17, 2023.

to the risks of fraud and monitoring the system of internal control and how the supervisory board exercises oversight, as well as the outcomes . We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment , as well as among others the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due fraud is present.

Following these procedures and the presumed fraud risks under the prevailing audit standards, we considered management override of controls as the only fraud risk during our audit. Our audit procedures to respond to this fraud risk include, amongst others, an evaluation of relevant internal controls and supplementary audit procedures, including journal entry testing and detailed testing of manual entries to revenues. Data analytics, including analyses of high-risk journals, are part of our audit approach to address fraud risks, which could have a material impact on the financial statements.

Further, we performed procedures including the following:

- We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

- We considered available information and made enquiries of relevant executives and the supervisory board.

- We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.

- We evaluated whether the selection and application of accounting policies by the group, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting.

- We evaluated whether the judgments and decisions made by management in making the accounting estimates included in the financial statements indicate a possible bias that may represent a risk of material misstatement due to fraud. Management insights, estimates and assumptions that might have a major impact on the financial statements are disclosed in note 4 of the financial statements. We performed a retrospective review of management judgments and assumptions related to significant accounting estimates reflected in prior year financial statements. Impairment testing of intangible and fixed assets is a significant area to our audit as the determination whether these assets are not carried at more than their recoverable amounts is subject to significant management judgment.

This did not lead to indications for fraud potentially resulting in material misstatements.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated April 17, 2023.

Audit approach compliance with laws and regulations

We assessed the laws and regulations relevant to the Company through discussion with management, reading minutes and reports of internal audit.

As a result of our risk assessment procedures, and while realizing that the effects from non-compliance could considerably vary, we considered the following laws and regulations: adherence to (corporate) tax law and financial reporting regulations, the requirements under Part 9 of Book 2 of the Dutch Civil Code with a direct effect on the financial statements as an integrated part of our audit procedures, to the extent material for the related financial statements.

We obtained sufficient appropriate audit evidence regarding provisions of those laws and regulations generally recognized to have a direct effect on the financial statements.

Apart from these, Stater N.V. is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance, through imposing fines or litigation.

Given the nature of Stater N.V.'s business and the complexity of Dutch law, there is a risk of non-compliance with the requirements of such laws and regulations.

Our procedures are more limited with respect to these laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the financial statements. Compliance with these laws and regulations may be fundamental to the operating aspects of the business, to Stater N.V.'s ability to continue its business, or to avoid material penalties (e.g., compliance with the terms of operating licenses and permits or compliance with environmental regulations) and therefore non-compliance with such laws and regulations may have a material effect on the financial statements. Our responsibility is limited to undertaking specified audit procedures to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements. Our procedures are limited to (i) inquiry of management, the Supervisory Board, the Executive Board and the Internal Audit Department within Stater N.V.'s as to whether Stater N.V. is in compliance with such laws and regulations and (ii) inspecting correspondence, if any, with the relevant licensing or regulatory authorities to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements.

Naturally, we remained alert to indications of (suspected) non-compliance throughout the audit.

Finally, we obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

Audit approach going concern

Our responsibilities as well as the responsibilities of the Board of Directors, related to going concern under the prevailing standards, are outlined in the "Description of responsibilities regarding the financial statements" section below. In fulfilling our responsibilities, we performed procedures including evaluating the Board of Directors' assessment of Stater's ability to continue as a going concern:

- We have assessed whether the Board of Directors' continuity assessment includes all pertinent information that we are cognizant of, as a consequence of our audit, and have made inquiries to the Board of Directors concerning the most significant assumptions.

- We have evaluated the budgeted operating results and related cash flows for the period of 12 months from the date of preparation of the annual accounts, taking into account the developments in the industry and our knowledge obtained from the audit.

- We have analyzed whether the current and necessary financing to sustain all business activities is ensured, including compliance with relevant covenants.

- We held inquiries with the Board or Directors about its knowledge of going concern risks after the period of the continuity assessment performed by the Board or Directors and considering the impact of financial, operational, and other conditions.

Based on these procedures, we did not identify any findings related to the entity's ability to continue as a going concern.

Report on the other information included in Financial Report

Financial Report contain other information, in addition to the financial statements and our auditor's report thereon.

The other information consists of:

- Management Board's Report.

- Other Information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.

- Contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the Management Board's Report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of management and the supervisory board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.
As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements 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.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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.

- Obtaining 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.

- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated April 17, 2023.

- Concluding 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 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.

- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit.

Amsterdam, April 17, 2023

Deloitte Accountants B.V.

A. Den Hertog

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Infosys Consulting SAS.

This is a courtesy translation into English of the statutory auditor's report on the financial statements of the Company issued in French. It is provided solely for the convenience of English-speaking users.

The statutory auditor's report includes information required by European regulation and French law, such as the verification of the documents provided to the sole shareholder.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

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75008 Paris
France
T +33 (0) 1 43 59 33 88
F +33 (0) 1 45 63 93 59

COFFRA

Paris, March 6, 2023

To the sole shareholder

Infosys Consulting
Société par Actions Simplifiée
Paris La Défense

Dear Sir,

Opinion

In compliance with the engagement entrusted to us by decision of the sole shareholder, we have audited the accompanying financial statements of Infosys Consulting SAS for the year ended December 31, 2022.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

Basis for opinion

- Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory auditor's responsibilities for the audit of the financial statements* section of our report.

COMPAGNIE FIDUCIAIRE FRANCO-ALLEMANDE
Membre de la Compagnie Régionale des Commissaires aux Comptes de Paris
Inscrite au tableau de l'Ordre des Experts-Comptables de Paris
SAS au capital de 100 000 €
R.C.S. 334 591 724 – SIRET 334 591 724 00029 – T.V.A. FR 75 334 591 724

MOORE
An independent member firm of Moore Global Network Limited

- Independence

We conducted our audit engagement in compliance with the rules of independence provided for by the French Commercial Code (*Code de commerce*) and by the French Code of ethics (*Code de déontologie*) for statutory auditors, for the period from January 1st, 2022 to the date of our report.

Justification of assessments

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you that the matters related to the appropriateness of the accounting principles, the significant estimations and the general presentation applied were, in our professional judgment, of most significance in our audit of the financial statements.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the documents with respect to the financial position and the financial statements provided to the sole shareholder.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 it is expected to liquidate the Company or to cease operations.

The financial statements were approved by the General Manager (*Président)*.

Statutory auditor's responsibilities for the audit of the financial statements

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional 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 these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his 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;

- obtains 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 internal control;

- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;

- assesses 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. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;

- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

The Statutory auditor
Compagnie Fiduciaire Franco-Allemande
Member of the « Compagnie Régionale de Paris »

represented by

sign. Franz-Josef Töcker
Partner

Appendices

The financial statements are numbered from page C1 to page C18

2022 Annual Financial Statements

Financial year from 01/01/2022 to 31/12/2022

SAS INFOSYS CONSULTING

77 Esplanade Gal. de Gaulle
92800 PUTEAUX
Siret : 52414413600032

Balance sheet and Income statement

Balance sheet assets

	Gross	Depreciation Amortisation	Net 31/12/2022	Net 31/12/2021
Uncalled subscribed capital				
CAPITAL ASSETS				
Intangible assets				
Preliminary expenses				
Research and development costs				
Concessions, patents, licenses, software, rights & similar				
Goodwill				
Other intangible assets				
Advances and down-payments on intangible assets				
Property, plant and equipment				
Land				
Buildings				
Industrial facilities, plant and equipment				
Other property, plant and equipment	96 696	48 125	48 571	4 162
Property, plant and equipment under construction				
Advances and down- payments				
Non- current financial assets				
Equity interests (equity method)				
Other equity interests				
Loans to subsidiaries and affiliates				
Other long- term investments				
Loans				
Other non- current financial assets				
TOTAL CAPITAL ASSETS	**96 696**	**48 125**	**48 571**	**4 162**
CIRCULATING ASSETS				
Inventories and work-in-progress				
Raw materials and other supplies				
Work in process inventory (goods and services)				
Intermediate and finished products				
Merchandise				
Advances and down- payments paid on orders	**515**		**515**	**765**
Receivables				
Trade and related receivables	797 442		797 442	3 647 811
Other receivables	416 260		416 260	704 878
Called, subscribed capital, not paid up				
Miscellaneous				
Short- term investments				
Cash	2 294 755		2 294 755	1 218 667
Prepaid expenses (3)	2 224		2 224	1 318
TOTAL CIRCULATING ASSETS	**3 511 196**		**3 511 196**	**5 573 439**
Loan issue costs				
Bond redemption premiums				
Translation adjustment (assets)				33 622
TOTAL	**3 607 892**	**48 125**	**3 559 767**	**5 611 223**

Balance sheet liabilities

	31/12/2022	31/12/2021
OWNERS' EQUITY		
Share capital	80 000	80 000
Additional paid-in capital, merger premium, share premiums		
Revaluation surplus		
Legal reserve	8 000	8 000
Statutory or contractual reserves		
Regulated reserves		
Other reserves	1 327 612	
Retained earnings		1 227 717
PROFIT/ (LOSS) FOR THE PERIOD	**407 756**	**1 099 894**
Investment grants		
Regulated provisions		
TOTAL EQUITY	**1 823 368**	**2 415 612**
OTHER EQUITY		
Income from issues of equitty interests		
Conditional advances		
TOTAL OTHER EQUITY		
PROVISIONS		
Provisions for risks		
Provisions for charges		
TOTAL CONTINGENT LIABILITIES		
LIABILITIES (1)		
Convertible bonds		
Other bonds		
Bank borrowings and other liabilities to banks		
Other borrowings and finanancial liabilities	11 873	66 913
Advances and down- payments received on orders in process		
Trade and related payables	1 405 993	2 757 205
Tax and social security payables	309 080	367 249
Debts on capital assets and related payables		
Other payables		
Prepaid income		
TOTAL LIABILITIES	**1 726 946**	**3 191 367**
Translation adjustment (liabilities)	9 453	4 244
TOTAL	**3 559 767**	**5 611 223**

Income statement - I

	France	Exports	31/12/2022	31/12/2021
Operating income				
Sales of goods				
Products sold (goods)				
Products sold (services)	1 384 490	7 076 021	8 460 511	10 996 009
Net revenue	**1 384 490**	**7 076 021**	**8 460 511**	**10 996 009**
Production in inventory				
Capitalised production				
Operating grants				
Reversals of provisions (and amortisation) and transfers of charges			17 545	15 237
Other income			4 929	71 201
Total operating income			**8 482 985**	**11 082 446**
Operating expenses				
Purchase of goods				
Changes in inventory				
Purchase of raw materials and other supplies				
Changes in inventory				
Other purchases and external charges			6 088 041	8 696 669
Taxes and similar charges			30 435	27 730
Wages and salaries			1 295 112	880 009
Social charges			552 588	312 116
Depreciation expense and allowance for impairement:				
- On non- current assets: depreciation expense			7 843	5 189
- On non- current assets: allowance for impairment				
- On circulating assets: allowance for impairement				17 241
- Contingent liabilities: provisions				
Other charges			89 632	17 931
Total operating expenses			**8 063 650**	**9 956 885**
OPERATING PROFIT/ (LOSS) (I-II)			**419 336**	**1 125 561**
Share of profit/ (loss) on joint operations				
Profit allocated or loss transferred (III)				
Loss sustained or profit transfered				
Investment income				
From equity interests				
From other non- current securities and receivables				
Other interest and similar income				
Reversals of provisions and allowances for impairment and transfers of charges				
Positive foreign exchange differences				
Net gain on disposals of securities				
Total investment income (V)				
Financial expense				
Amortisation expense, allowance for impairement and provisions				
Interest and similar expenses (4)			11 581	9 213
Negative foreign exchange differences				
Net loss on disposals of securities				
Total financial expenses (VI)			**11 581**	**9 213**
FINANCIAL PROFIT/(LOSS) (V-VI)			**-11 581**	**-9 213**
PRE- TAX EARNINGS (I-II+III-IV+V-VI)			**407 755**	**1 116 348**

Income statement - II

	31/12/2022	31/12/2021
Extraordinary income		
From management transactions		
From capital transactions		1 000
Reversals of provisions and allowance for impairment and transfers of charges		
Total extraordinary income (VII)		**1 000**
Extraordinary expenses		
On management transactions		
On capital transactions		
Amortisation expense, allowance for impairment and provisions		
Total extraordinary expenses (VIII)		
EXTRAORDINARY PROFIT/(LOSS) (VII-VIII)		**1 000**
Employee profit- sharing (IX)		
Income tax (X)	-1	17 454
Total income (I+III+V+VII)	**8 482 985**	**11 083 446**
Total expenses (II+IV+VI+VIII+IX+X)	**8 075 229**	**9 983 552**
PROFIT OR (LOSS)	**407 756**	**1 099 894**

Notes

Notes - Contents

	Applicable	Not applicable	Not material
- Accounting policies and methods	x		
- Remarkable events		x	
- Capital assets	x		
- Breakdown of capital assets		x	
- Preliminary expenses		x	
- Research and development costs		x	
- Goodwill		x	
- Capitalised interests		x	
- Construction work in progress		x	
- Component approach on fixed assets		x	
- Estimated equity interests in the portfolio		x	
- List of subsidiaries		x	
- Breakdown of depreciation		x	
- Capital assets impairment tests		x	
- Information on inventory		x	
- Schedule of receivables by due date	x		
- Accruals (income)	(summarised)		
- Information on the receivable arising from carry- back of tax losses		x	
- Impairment of capital assets		x	
- Allowance for inventory		x	
- Allowance for doubtful accounts		x	
- Impairment of securities		x	
- Interest on circulating asset items			x
- Capital structure	x		
- Profitable shares		x	
- Exchangeable convertible bonds		x	
- Statement of appropriation of prior year's earnings	x		
- Statement of changes in shareholder's equity	x		
- Regulated provisions		x	
- Provisions for contingent liabilities		x	
- Schedule of liabilities by due date	x		
- Debts guaranteed by security interests		x	
- Accruals	(summarised)		
- Liabilities with no reliable valuation		x	
- Loan repayment premiums		x	
- Translation adjustments on receivables and liabilities		x	
- Reservation of ownership		x	
- Liabilities and receivables represented by commercial paper		x	
- Valuation differences on fungible items		x	
- Treasury shares		x	
- Regulation of companies' difficulties		x	
- Prepaid expenses	(summarised)		
- Deferred income		x	
- Breakdown of net revenue		x	

Notes - Contents

	Applicable	Not applicable	Not material
- Long- term contracts		x	
- Incidental purchasing costs		x	
- Fees paid to the statutory auditors		x	
- Items attributable to another financial year		x	
- Joint operations		x	
- Financial profit/ (loss)		x	
- Transfers of operating and financial expenses		x	
- Related-parties disclosures		x	
- Extraordinary items attributable to another financial year		x	
- Extraordinary items		x	
- Transfers of extraordinary expenses		x	
- Income tax base		x	
- Impact of extraordinary tax assessments		x	
- Breakdown of income tax expense		x	
- Impact of amendments approved between the closing date and the balance sheet date		x	
- Increase and decrease in future tax liability - tax		x	
- Tax Group : Identity of the Tax Group head company		x	
- Subsequent events		x	
- Information on transactions on the derivatives markets		x	
- Workforce	x		
- Individual training rights		x	
- Advances and loans granted to corporate officers		x	
- Total compensation and compensation by executive category		x	
- Identity of the parent company preparing the consolidated financial		x	
- Financial commitments given		x	
- Other off- balance- sheet transactions		x	
- Financial commitments received		x	
- Leases		x	
- Post- employment benefit commitments			x
- Competitiveness and employment tax credit (CICE)		x	
- Environmental aspects		x	
- Summary table of the last five financial years		x	

Accounting rules and methods

Company name: SAS INFOSYS CONSULTING

Notes to the balance sheet before allocation of earnings of the financial year ended on 31/12/2022, for a total of 3 559 767 € and notes to the income statement for the financial year presented in list form, showing a profit of 407 756 €.

The financial year runs for 12 months, from 01/01/2022 to 31/12/2022.

The notes or tables presented below form an integral part of the annual financial statements.

These annual financial statements were approved on 03/02/2023 by the company's directors.

General accounting rules

The annual financial statements of financial year ended on 31/12/2022 have been prepared in accordance with the chart of accounts approved by Ministerial order, pursuant to articles L.123-12 to L.123-28 and R.123-172 to R.123-208 of the French Commercial Code.

Accounting conventions have been applied in compliance with the prudence principle, in accordance with the basic assumptions of:
- going concern,
- consistency of accounting methods from one period to another,
- independent financial years,

and in accordance with the general rules for establishig and presenting annual financial statements.

Assets and liabilities in the financial statements are principally accounted for using the historical costs method.

Only material information is given. Unless otherwise specifically mentioned, all amounts are expressed in euros.

Property, plant, equipments and intangible assets

Property, plant, equipments and intangible assets are measured at their acquisition costs for assets acquired, at production cost for assets produced by the company, and at market value for assets acquired free of cost or as exchange.

The cost of an asset comprises the purchase price, including non- refundable excise duties and taxes, less discounts, rebates and reductions, and all directly attributable costs incurred to establish and commission the asset, according to its planned usage. Transfer taxes, fees, commission and legal fees related to the acquisition are not included in this acquisition cost. All costs not included in the acquisition cost of the asset and not directly associated to the costs arising to establish and commission the asset in accordance with its planned usage are recognised as an expense.

Depreciation

Depreciation is calculated according to the linear method over the planned useful life of the asset.

* Office equipment : 3 years
* Computer equipment : 3 years
* Furniture : 10 years

For simplification purposes, assets that could not be split into components upon their recognition as an asset are depreciated over their estimated useful life.

At closing date, the company reviewed indications of impairment by considering internal and external information available for this review.

Accounting rules and methods

Receivables

Receivables are recognised at nominal value. A provision for impairment is booked when the inventory value is lower than the nominal value.

Transactions in foreign currency

Assets denominated in foreign currency and treated as fixed assets are translated at historical exchange rates, or if any hedging took place before the acquisition of the asset, at hedged exchange rates. The costs incurred by the setting up of the hedging are added to the acquisition costs.
Current liabilities, receivables and cash denominated in foreign currency are recognised in the balance sheet at their converted value at year-end exchange rates. The difference arising from the revaluation of liabilities and receivables at the latter rate will be recognised in the balance sheet as translation adjustment.
Non-compensated exchange rate losses will be covered by a risk accrual, in its completeness to follow accounting standards.

Notes to the balance sheet

Fixed assets

Fixed assets schedule

	At period start	Increase	Decrease	At period end
- Preliminary and development costs				
- Goodwill				
- Other intangible assets				
Intangible assets				
- Land				
- Buildings on freehold land				
- Buildings on non- freehold land				
- General facilities and building improvements				
- Technical facilities, industrial plant and tooling				
- General facilities, improvements and miscellaneous fixtures and fittings				
- Transport equipment				
- Office and computer equipment	48 072	52 252	3 627	96 696
- Recoverable packaging and miscellaneous				
- Property, plant and equipment under construction				
- Advances and down- payments				
Property, plant and equipment	**48 072**	**52 252**	**3 627**	**96 696**
- Interests accounted for using the equity method				
- Other equity interests				
- Other long- term investments				
- Loans and other non- current financial assets				
Non- current financial assets				
CAPITAL ASSETS	**48 072**	**52 252**	**3 627**	**96 696**

Notes to the balance sheet

Fixed assets depreciation

	At period start	Increase	Decrease	At period end
- Preliminary and development costs				
- Goodwill				
- Other intangible assets				
Intangible assets				
- Land				
- Buildings on freehold land				
- Buildings on non- freehold land				
- General facilities and building improvements				
- Technical facilities, industrial plant and tooling				
- General facilities, improvements and miscellaneous fixtures and fittings				
- Transport equipment				
- Office and computer equipment	43 910	7 843	3 627	48 125
- Recoverable packaging and miscellaneous				
Property, plant and equipment	**43 910**	**7 843**	**3 627**	**48 125**
CAPITAL ASSETS	**43 910**	**7 843**	**3 627**	**48 125**

Notes to the balance sheet

Current assets

Schedule of receivables

On the closing date, receivables totalled 1 215 926 €. The detailed breakdown by due date is as follows:

	Gross value	Due <1 yr.	Due >1 yr.
Receivables related to capital assets			
Loans to subsidiaries and affiliates			
Loans			
Others			
Receivables related to circulating assets:			
Trade and accounts receivable	797 442	797 442	
Other receivables	416 260	416 260	
Prepaid expenses	2 224	2 224	
Total	**1 215 926**	**1 215 926**	
Loans granted during the period			
Loans repaid during the period			

Accrued income

Accrued income is included in the following asset positions:

	Amount
Loans to subsidiaries and affiliates	
Other non- current financial assets	
Trade accounts receivable	18 891
Other receivables	2 067
Cash	
Total	**20 958**

Notes to the balance sheet

Owner's equity

Capital structure

Share capital amounts to 80 000,00 € divided into 8 000 shares at 10,00 € each.

List of share capital owners

	% of ownership	Number of unit or shares
I. LEGAL ENTITIES		
INFOSYS CONSULTING HOLDING AG CH-8058 ZÜRICH	100	8 000
II. INDIVIDUALS		

Appropriation of profit/ (loss)

	Amount
Retained earnings from the prior period	1 227 717
Profit/ (loss) from the prior period	1 099 894
Withdrawals from the reserves	
Total at period start	**2 327 612**
Allocation to the reserves	1 327 612
Distributions	1 000 000
Other allocations	
Retained earnings	
Total allocations	**2 327 612**

Notes to the balance sheet

Statement of changes in shareholders' equity

	Balance on 01/01/2022	Allocation of profit/ (loss)	Increases	Decreases	Balance on 31/12/2022
Share capital	80 000				80 000
Legal reserve	8 000				8 000
General reserves		1 327 612	1 327 612		1 327 612
Retained earnings	1 227 717	-1 227 717		1 227 717	
Net income for the period	1 099 894	-1 099 894	407 756	1 099 894	407 756
Dividends		1 000 000			
Regulated provisions					
Total equity	**2 415 612**		**1 735 368**	**2 327 612**	**1 823 368**

Debts

Statement of liabilities

On the closing date, liabilities totalled 1 726 946 €. The breakdown by due date is as follows:

	Gross value	Due < 1 yr.	Due > 1 yr.	Due > 5 yr.
Convertible bonds (*)				
Other bonds (*)				
Bank borrowings (*) and other liabilities to banks, of which:				
- up to 1 yr. at the outset				
- 1 yr. or more at the outset				
Other borrowings and financial liabilities (*) (**)				
Trade and related payables	1 405 993	1 405 993		
Tax and social security related payables	309 080	309 080		
Debts on capital assets and related payables				
Other payables	11 873	11 873		
Deferred income				
Total	**1 726 946**	**1 726 946**		
(*) Loans taken out during the period				
(*) Loans repaid during the period, of which:				

Notes to the balance sheet

Accrued expenses

Accrued expenses are included in the following liability positions:

	Amount
Convertible bonds	
Other bonds	
Bank borrowings and other liabilities to banks	
Other borrowings and financial liabilities	
Trade and related payables	1 204 113
Tax and social security payables	224 282
Debts on capital assets and related payables	
Other payables	
Total	**1 428 395**

Prepaid expenses, deferred income

Prepaid expenses

	Amount
Operating expenses	2 224
Financial expenses	
Exceptional expenses	
Total	**2 224**

Other Information

Total employees

Average workforce : 13 employees.

	On payroll personnel	Temporary personnel
Executives	13	
Lower management and technicians		
Office workers		
Workers		
Total	**13**	

Safe Harbor

This Annual Report contains 'forward-looking statements' within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance and are based on our current expectations, assumptions, estimates and projections about the Company, our industry, economic conditions in the markets in which we operate, and certain other matters. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as 'anticipate', 'believe', 'estimate', 'expect', 'intend', 'will', 'project', 'seek', 'should' and similar expressions. Those statements include, among other things, risks and uncertainties relating to the execution of our business strategy, increased competition for talent, increase in wages, investments to reskill our employees, hybrid work model, economic uncertainties, technological disruption, complex and evolving regulatory landscape, including immigration regulation changes, ESG vision, Capital Allocation Policy and expectations concerning our market position, future operations, margins, profitability, liquidity, capital resources and corporate actions.

These statements are subject to known and unknown risks, uncertainties and other factors, which may cause actual results or outcomes to differ materially from those implied by the forward-looking statements. Important factors that may cause actual results or outcomes to differ from those implied by the forward-looking statements include, but are not limited to, those discussed in the "Outlook, risks and concerns" section in this Annual Report, and are discussed in detail in our Form 20-F filed with the U.S. Securities and Exchange Commission. In the light of these and other uncertainties, you should not conclude that the results or outcomes referred to in any of the forward-looking statements will be achieved. All forward-looking statements included in this Annual Report are based on information and estimates available to us on the date hereof, and we do not undertake any obligation to update these forward-looking statements unless required to do so by law.

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