Infosys

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ONE INFOSYS

Subsidiary Financials Report 2021-22

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Contents

Infosys BPM Limited

(formerly known as Infosys BPO 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, 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 "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 2022, and its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). 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.

Management's Responsibilities 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 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 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 system 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 over financial reporting 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 over financial reporting.

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

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 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, as disclosed in the notes to the accounts, 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, as disclosed in the notes to the accounts, 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 2.11.2 to the standalone financial statements

(a) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

(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, to the extent applicable.

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 No: 117366W/W-100018

Anand Subramanian
Partner
Membership No. 110815

UDIN : 22110815AGVXTY5533

Place: Bengaluru

Date: April 11, 2022

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, 2022 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 Company’s management is responsible for establishing and maintaining internal financial controls 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. 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 Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting 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 Institute of Chartered Accountants of India 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. 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting 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 over financial reporting 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 Over Financial Reporting

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 over financial reporting 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 control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting 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.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Firm Registration No: 117366W/W-100018

Anand Subramanian
Partner
Membership No. 110815

UDIN : 22110815AGVXTY5533

Place: Bengaluru

Date: April 11, 2022

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 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 paragraph 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 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) Based on our examination of the registered sale deed / transfer deed / conveyance deed / other documents evidencing title deed provided to us, we report that, the 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, 2022 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 paragraph 3(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. Hence, reporting under paragraph 3(ii)(b) of the Order is not applicable.

iii. The Company has made investments in and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships, or any other parties, 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. 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 and advances in the nature of loans are, in our opinion, 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 paragraph 3(iii)(f) is not applicable.

The Company has not provided any guarantee or security 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 paragraph 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 paragraph (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, 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, 2022 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, 2022 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
Finance Act, 1994	Service Tax	101	FY 2004 -05 to FY 2017 - 18	Appellate Tribunal
The Income Tax Act, 1961	Income Tax	22	AY 2008-09 to AY 2010-11, AY 2012-13 to AY 2013 -14 and AY 2015-16 to AY 2018-19	Appellate Authority up to Commissioner's Level
The Income Tax Act, 1961*	Income Tax	0	AY 2011-12	Appellate Tribunal
The Rajasthan Sales Tax Act, 1994*	RVAT	0	FY 2017 -18	Appellate Authority up to Commissioner's Level
Total		123		

* 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 paragraph 3(ix)(a) of the Order is not applicable.

(b) The Company has not been declared "willful 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. Hence, reporting under paragraph 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. Hence, reporting on paragraph 3(ix)(f) of the Order is not applicable.

x. (a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under paragraph 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). 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. Hence, reporting under paragraph 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 issued to the Company during the year and till date, for the year under audit 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) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under paragraph 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 under Core Investment Companies (Reserve Bank) Directions) and accordingly reporting under paragraph 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 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 No: 117366W/W-100018

Anand Subramanian
Partner
Membership No. 110815

UDIN : 22110815AGVXTY5533

Place: Bengaluru

Date: April 11, 2022

Balance Sheet

(In ₹ crore)

Particulars	Note No.	As at March 31, 2022	2021
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	275	234
Right-of-use assets	2.2	433	479
Capital work-in-progress	2.3	4	–
Goodwill		19	19
Financial assets			
Investments	2.4	1,752	1,109
Loans	2.5	2	1
Other financial assets	2.6	41	41
Deferred tax assets (net)	2.16	72	95
Income tax assets (net)	2.16	137	137
Other non-current assets	2.9	62	78
Total non-current assets		2,797	2,193
Current assets			
Financial assets			
Investments	2.4	660	175
Trade receivables	2.7	1,042	934
Cash and cash equivalents	2.8	1,497	3,000
Loans	2.5	18	18
Other financial assets	2.6	325	512
Income tax assets (net)	2.16	54	–
Other current assets	2.9	236	207
Total current assets		3,832	4,846
Total assets		6,629	7,039
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.11	34	34
Other equity		4,784	4,996
Total equity		4,818	5,030
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	2.2	417	470
Other financial liabilities	2.12	1	1
Other non-current liabilities	2.14	1	12
Total non-current liabilities		419	483
Current liabilities			
Financial liabilities			
Lease liabilities	2.2	84	78
Trade payables	2.13		
Total outstanding dues of micro enterprises and small enterprises		–	–
Total outstanding dues of creditors other than micro enterprises and small enterprises		64	62
Other financial liabilities	2.12	823	923
Other current liabilities	2.14	331	366
Provisions	2.15	16	25

Particulars	Note No.	As at March 31,	
		2022	2021
Income tax liabilities (net)	2.16	74	72
Total current liabilities		1,392	1,526
Total equity and liabilities		6,629	7,039

The accompanying notes form an integral part of the standalone 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 BPM Limited

Anand Subramanian
Partner
Membership number : 110815

Ravikumar Singisetti
Chairman and Director

Anantharaman Radhakrishnan
Managing Director and
Chief Executive Officer

Prem Pereira
Chief Financial Officer

Bindu Raghavan
Company Secretary

Bengaluru

April 11, 2022

Statement of Profit and Loss

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

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations	2.17	6,684	5,450
Other income, net	2.18	292	207
Total Income		6,976	5,657
Expenses			
Employee benefit expenses	2.19	4,441	3,689
Cost of technical sub-contractors and professional charges	2.19	593	456
Travel expenses		18	18
Depreciation and amortization expense	2.1 & 2.2	186	159
Finance cost	2.2	29	30
Other expenses	2.19	474	389
Total expenses		5,741	4,741
Profit before tax		1,235	916
Tax expense:			
Current tax	2.16	252	218
Deferred tax	2.16	23	3
		275	221
Profit for the year		960	695
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	(12)	(9)
		(12)	(9)
Items that will be reclassified subsequently to profit or loss			
Fair value changes on investments, net of tax	2.4	(10)	(1)
		(10)	(1)
Total other comprehensive income / (loss), net of tax		(22)	(10)
Total comprehensive income for the year		938	685
Earnings per equity share			
Equity shares of par value ₹ 10,000/- each			
Basic and diluted (₹)		2,83,726.18	2,05,510.47
Weighted average number of equity shares used in computing earnings per equity share			
Basic and diluted	2.21	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 Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's registration number : 117366W/ W-100018

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

Anand Subramanian
Partner
Membership number : 110815

Ravikumar Singisetti
Chairman and Director

Anantharaman Radhakrishnan
Managing Director and Chief Executive Officer

Prem Pereira
Chief Financial Officer

Bindu Raghavan
Company Secretary

Bengaluru

April 11, 2022

Statement of Changes in Equity

(In ₹ crore)

Particulars	Equity share capital	Other equity						Total equity attributable to equity holders of the company
		Reserves & Surplus					Other comprehensive income[2]	
		Capital reserve	Securities premium[2]	General reserve	Special economic zone re-investment reserve[1][2]	Retained earnings[2]		
Balance as at April 1, 2020	34	1	25	1,000	161	3,464	(19)	4,666
Changes in equity for the year ended March 31, 2021								
Profit for the year	–	–	–	–	–	695	–	695
Fair value changes on investments, net of tax (Refer note 2.4)	–	–	–	–	–	–	(1)	(1)
Remeasurement of the net defined benefit liability/asset, net of tax	–	–	–	–	–	–	(9)	(9)
Total comprehensive income for the year	–	–	–	–	–	695	(10)	685
Transfer to Special Economic Zone Re-investment Reserve	–	–	–	–	151	(151)	–	–
Transfer from Special Economic Zone Re-investment Reserve on utilization	–	–	–	–	(71)	71	–	–
Dividends (Refer to note 2.11)	–	–	–	–	–	(321)	–	(321)
Balance as at March 31, 2021	34	1	25	1,000	241	3,758	(29)	5,030
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 year	–	–	–	–	–	960	–	960
Fair value changes on investments, net of tax (Refer note 2.4)	–	–	–	–	–	–	(10)	(10)
Remeasurement of the net defined benefit liability/asset, net of tax	–	–	–	–	–	–	(12)	(12)
Total comprehensive income for the year	–	–	–	–	–	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 note 2.11)	–	–	–	–	–	(1,150)	–	(1,150)
Balance as at March 31, 2022	34	1	25	1,000	414	3,395	(51)	4,818

[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 Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's registration number : 117366W/ W-100018

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Bengaluru

April 11, 2022

Statement of cash flows

Accounting Policy

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. 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, 2022	Year ended March 31, 2021
Cash flows from operating activities:			
Profit for the year		960	695
Adjustments to reconcile net profit to net cash generated from operating activities:			
Depreciation and amortization expense	2.1 & 2.2	186	159
Finance cost	2.2	29	30
Income tax expense	2.16	275	221
Profit on sale of property, plant and equipment		(1)	(1)
Interest and dividend income		(200)	(137)
Income on other financial assets		(70)	(42)
Exchange differences on translation of assets and liabilities, net		(8)	1
Allowance for credit loss on financial assets		5	1
Other adjustments		14	39
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(63)	(43)
Loans, other financial assets and other assets		77	(158)
Trade payables		2	7
Other financial liabilities, other liabilities and provisions		(151)	371
Cash generated from operations		1,055	1,143
Income taxes paid, net of refunds	2.16	(292)	(183)
Net cash generated from operating activities		763	960
Cash flows from investing activities:			
Expenditure on property, plant and equipment		(152)	(81)
Deposits placed with corporation		(10)	(22)
Interest received on bank deposits and others		168	134
Investment in subsidiary	2.4	(72)	(38)
Payment to acquire financial assets			
Non-convertible debentures		(150)	(285)
Government securities		(791)	(162)
Certificates of deposit		(287)	–
Liquid mutual fund units and fixed maturity plan securities		(4,192)	(2,315)
Proceeds on sale of financial assets			
Non-convertible debentures		256	302
Certificates of deposit		–	249
Liquid mutual fund units and fixed maturity plan securities		4,115	2,399
Dividend received from subsidiary		102	–
Net cash (used in) / from investing activities		(1,013)	181
Cash flows from financing activities:			
Payment of lease liabilities	2.2	(101)	(96)
Payment of dividends		(1,150)	(321)
Net cash used in financing activities		(1,251)	(417)

Particulars	Note No.	Year ended March 31,	
		2022	2021
Effect of exchange differences on translation of foreign currency cash and cash equivalents		(2)	2
Net increase / (decrease) in cash and cash equivalents		(1,501)	724
Cash and cash equivalents at the beginning of the year	2.8	3,000	2,274
Cash and cash equivalents at the end of the year	2.8	1,497	3,000
Supplementary information:			
Restricted cash balance	2.8	–	–

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

As per our report of even date attached
for Deloitte Haskins & Sells LLP
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Bengaluru

April 11, 2022

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, 2022.

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 statement.

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 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.

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 standalone 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 standalone financial statements, used related information and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's standalone financial statements may differ from that estimated as at the date of approval of these 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 the progress towards completion as there is a direct relationship between input and productivity. The estimation of total efforts or costs involves significant judgement and is assessed throughout the period of the contract to reflect any changes based on the latest available information.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract. Also refer note no. 2.17.

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 note no. 2.1.

d. Leases

Ind-AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors, such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to 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. 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. Also refer note no. 2.2.

e. Allowance for credit losses on receivables and unbilled revenue

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

2.1 Property, plant and equipment

Accounting Policy

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

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.

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

Impairment

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

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

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

(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

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

(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, 2020	155	132	63	111	345	68	874
Additions	–	9	1	4	89	1	104
Deletions	–	–	–	(1)	(22)	–	(23)
Gross carrying value as at March 31, 2021	155	141	64	114	412	69	955
Accumulated depreciation as at April 1, 2020	73	107	52	103	264	61	660
Depreciation	6	12	6	3	53	3	83
Accumulated depreciation on deletions	–	–	–	(1)	(21)	–	(22)
Accumulated depreciation as at March 31, 2021	79	119	58	105	296	64	721
Carrying value as at March 31, 2021	76	22	6	9	116	5	234
Carrying value as at April 1, 2020	82	25	11	8	81	7	214

(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.

Certain lease arrangements include the options of extending or terminating 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.

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

(In ₹ crore)

Particulars	Category of ROU asset		Total
	Land	Buildings	
Balance as of April 1, 2020	10	417	427
Additions[(1)]	–	136	136
Deletions	–	(8)	(8)
Depreciation	–	(76)	(76)
Balance as of March 31, 2021	10	469	479

(1) Net of adjustments on account of modifications

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

The movement in lease liabilities during the year ended March 31, 2022 and March 31, 2021 is as follows:

(In ₹ crore)

Particulars	As at March 31,	
	2022	2021
Balance at the beginning	548	488
Additions[(1)]	44	136
Deletions	(8)	(8)
Finance cost accrued during the year	29	30
Payment of lease liabilities	(101)	(96)
Translation difference	(11)	(2)
Balance at the end	501	548

(1) Net of adjustments on account of modifications

Rental expense recorded for short-term leases was ₹25 and ₹27 crore for the year ended March 31, 2022 and March 31, 2021.

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 and March 31, 2021 on an undiscounted basis:

(In ₹ crore)

Particulars	As at March 31,	
	2022	2021
Less than one year	103	107
One to five years	325	352
More than five years	182	217
Total	610	676

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.

Leases not yet commenced to which Company is committed amounts to ₹56 crore for a lease term ranging from 5 years to 6 years.

2.3 Capital work-in-progress

(In ₹ crore)

Particulars	As at March 31,	
	2022	2021
Capital work-in-progress	4	–
Total Capital work-in-progress	4	–

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

(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	4	–	–	–	4
Total Capital work-in-progress	4	–	–	–	4

Capital work-in-progress ageing schedule for the year ending March 31, 2021:

(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	–	–	–	–	–
Total Capital work-in-progress	–	–	–	–	–

During the year ended March 31,2022 and March 31, 2021, 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,	
	2022	2021
Non-current investments		
Equity instruments of subsidiaries	692	620
Government bonds	–	8
Non-convertible debentures	259	317
Government securities	801	164
Total non-current investments	1,752	1,109
Current investments		
Liquid mutual fund units	128	45
Government bonds	8	–
Certificates of deposit	289	–
Non-convertible debentures	81	130
Government securities	154	–
Total current investments	660	175
Total carrying value	2,412	1,284

(in ₹ crore, except as otherwise stated)

Particulars	As at March 31,	
	2022	2021
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	58
	692	620
Quoted		
Investments carried at amortized cost		
Government bonds	–	8
	–	8
Investments carried at fair value through other comprehensive income		
Non-convertible debentures	259	317
Government securities	801	164
	1,060	481
Total Non-current investments	1,752	1,109
Current investments		
Unquoted		
Investments carried at fair value through profit or loss		
Liquid mutual fund units	128	45
	128	45

Particulars	As at March 31,	
	2022	2021
Investments carried at fair value through other comprehensive income		
Certificates of deposit	289	–
	289	–
Quoted		
Investments carried at amortized cost		
Government bonds	8	–
	8	–
Investments carried at fair value through other comprehensive income		
Non-convertible debentures	81	130
Government securities	154	–
	235	130
Total current investments	660	175
Total investments	2,412	1,284
Aggregate amount of quoted investments	1,303	619
Market value of quoted investments (including interest accrued thereon) - Non current	1,060	489
Market value of quoted investments (including interest accrued thereon) - Current	243	130
Aggregate amount of unquoted investments	1,109	665
Investment carried at cost	692	620
Investment carried at amortized cost	8	8
Investment carried at fair value through other comprehensive income	1,584	611
Investment carried at fair value through profit or loss	128	45

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

Details of amounts recorded in Other Comprehensive income for:

(In ₹ crore)

Particulars	Year ended March 31,					
	2022			2021		
	Gross	Tax	Net	Gross	Tax	Net
Net gain / (loss) on						
Non-convertible debentures	(7)	1	(6)	–	–	–
Government securities	(4)	–	(4)	–	–	–
Certificates of deposit	–	–	–	(2)	1	(1)

Method of fair valuation:

(In ₹ crore)

Class of investment	Method	Fair Value as at March 31,	
		2022	2021
Non-convertible debentures	Quoted price and market observable inputs	340	447
Liquid mutual fund units	Quoted price	128	45
Government securities	Quoted price	955	164
Certificates of deposit	Market observable inputs	289	–

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,	
	2022	2021
Non-current		
Unsecured, considered doubtful		
Loans to employees	–	5
Less: Allowance for doubtful loans to employees	–	5
	–	–
Unsecured, considered good		
Loans to employees	2	1
Total non-current loans	2	1
Current		
Unsecured, considered good		
Loans to employees	18	18
Total current loans	18	18
Total loans	20	19

2.6 Other financial assets

(In ₹ crore)

Particulars	As at March 31,	
	2022	2021
Non- current		
Security deposits [(1)]	3	3
Rental deposits [(1)]	38	38
Total non-current other financial assets	41	41
Current		
Security deposits [(1)]	–	–
Rental deposits [(1)]	–	–
Restricted deposits[(1)]**	156	137
Unbilled revenues[(1) (3)]*	133	195
Interest accrued but not due [(1)]	26	59
Foreign currency forward contracts [(2)]	8	9
Others [(1) (4)]	2	112
Total current other financial assets	325	512
Total other financial assets	366	553

Particulars	As at March 31,	
	2022	2021
(1) Financial assets carried at amortized cost	358	544
(2) Financial assets carried at fair value through Profit or Loss	8	9
(3) Includes dues from holding company, subsidiaries and other group companies (Refer note 2.23)	7	74
(4) Includes dues from holding company, subsidiaries and other group companies (Refer note 2.23)	2	109

* Classified as financial asset as right to consideration is conditional upon 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,	
	2022	2021
Current		
Trade receivable considered good - Unsecured(2)	1,056	946
Less: Allowance for expected credit loss	14	12
Trade receivable considered good - Unsecured	1,042	934
Trade receivable - credit impaired - Unsecured	5	–
Less: Allowance for credit impairment	5	–
Trade receivable - credit impaired - Unsecured	–	–
Total trade receivables(1)	1,042	934
(1) Includes dues from companies where directors are interested		
(2) Includes dues from holding company, subsidiaries and other group companies (Refer to note 2.23)	206	152

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

(In ₹ crore)

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	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

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

(In ₹ crore)

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	778	161	1	–	1	–	941
Undisputed trade receivables - credit impaired	–	–	–	–	1	–	1
Disputed trade Receivables - considered good	–	–	–	–	–	–	–
Disputed trade receivables - credit impaired	–	–	–	–	4	–	4
Less: Allowance for credit loss							12
Total trade receivables	778	161	1	–	6	–	934

2.8 Cash and cash equivalents

(In ₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks		
In current and deposit accounts	1,272	2,283
Cash on hand	–	–
Others		
Deposits with financial institution	225	717
Total cash and cash equivalents	1,497	3,000
Balances with banks in unpaid dividend accounts	–	–
Deposits with more than 12 months maturity	365	1,519

Cash and cash equivalents as at March 31, 2022 and March 31, 2021 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 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, 2022	As at March 31, 2021
Non-current		
Capital advances	1	–
Advances other than capital advance		
Others		
Prepaid expenses	–	–
Defined benefit assets	4	5
Deferred contract cost [2]	39	56
Withholding taxes and others [3]	18	17
Total non-current other assets	62	78
Current		
Advances other than capital advance		
Payment to vendors for supply of goods and services	2	3
Others		
Prepaid expenses	65	52
Deferred contract cost [2]	18	17
Withholding taxes and others [3]	110	110
Unbilled revenues[1]	41	25
Total current other assets	236	207
Total other assets	298	285

[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. Costs 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.

(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 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, 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

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

(In ₹ crore)

Particulars	Amortised 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)	3,000	–	–	–	–	3,000	3,000
Investments (Refer to note 2.4)							
Non-convertible debentures[1]	–	–	–	–	447	447	447
Government bonds[2]	8	–	–	–	–	8	8
Liquid mutual fund units	–	–	45	–	–	45	45
Government Securities	–	–	–	–	164	164	164
Trade receivables (Refer to note 2.7)	934	–	–	–	–	934	934
Loans (Refer to note 2.5)	19	–	–	–	–	19	19
Other financial assets (Refer to note 2.6)[3][4]	544	–	9	–	–	553	553
Total	4,505	–	54	–	611	5,170	5,170
Liabilities:							
Lease liabilities (Refer to note 2.2)	548	–	–	–	–	548	548
Trade payables (Refer to note 2.13)	62	–	–	–	–	62	62
Other financial liabilities (Refer to note 2.12)	811	–	1	–	–	812	812
Total	1,421	–	1	–	–	1,422	1,422

(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 table below presents fair value hierarchy of assets and liabilities measured at fair value as at March 31, 2022:

(In ₹ crore)

Particulars	As at March 31,	Fair value measurement at end of the reporting year using		
	2022	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	–

Particulars	As at March 31,	Fair value measurement at end of the reporting year using		
	2022	Level 1	Level 2	Level 3
Liabilities				
Derivative financial instruments - Fair value loss on outstanding foreign currency forward contracts (Refer 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.

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

(In ₹ crore)

Particulars	As at March 31, 2021	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units (Refer to note 2.4)	45	45	–	–
Investment in non-convertible debentures (Refer to note 2.4)	447	447	–	–
Investments in government securities (Refer to note 2.4)	164	164	–	–
Derivative financial instruments - Fair value gain on outstanding foreign currency forward contracts (Refer to note 2.6)	9	–	9	–
Liabilities				
Derivative financial instruments - Fair value loss on outstanding foreign exchange forward contracts (Refer to note 2.12)	1	–	1	–

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 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 table below analyzes foreign currency risk from financial assets and liabilities as at March 31, 2022:

(In ₹ crore)

Particulars	U.S. dollars	Euro	United Kingdom 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

The table below analyzes foreign currency risk from financial assets and liabilities as at March 31, 2021:

(In ₹ crore)

Particulars	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Net financial assets	984	214	50	23	45	1,316
Net financial liabilities	(347)	(97)	(20)	(19)	(234)	(717)
Total	637	117	30	4	(189)	599

Sensitivity analysis between Indian Rupees and USD

Particulars	Year ended March 31,	
	2022	2021
Impact on the Company's incremental operating margins	0.32%	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 table below gives details in respect of outstanding foreign exchange forward contracts:

Particulars	As at March 31,			
	2022		2021	
	In million	In ₹ crore	In million	In ₹ crore
Forward contracts				
In U.S. dollars	113	855	91	662
In Euro	11	93	10	86
In Czech koruna	296	102	313	103
Total forwards		1,050		851

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

(In ₹ crore)

Particulars	As at March 31,	
	2022	2021
Not later than one month	330	574
Later than one month and not later than three months	240	277
Later than three months and not later than one year	480	–
	1,050	851

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

(In ₹ crore)

Particulars	As at March 31,			
	2022		2021	
	Derivative financial asset	Derivative financial liability	Derivative financial asset	Derivative financial liability
Gross amount of recognized financial asset / liability	8	(4)	11	(3)
Amount set off	–	–	(2)	2
Net amount presented in the Balance Sheet	8	(4)	9	(1)

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 ₹ 1042 crore and ₹ 934 crore as March 31, 2022 and March 31, 2021, respectively and unbilled revenue amounting to ₹ 174 crore and ₹ 220 crore as at March 31, 2022 and March 31, 2021, 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 table below gives details in respect of percentage of revenues generated from top customer and top ten customers:

(In %)

Particulars	Year ended March 31,	
	2022	2021
Revenue from top customer	16%	11%
Revenue from top ten customers	49%	47%

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances is ₹ 2 crore and Nil for the year ended March 31, 2022 and March 31, 2021, respectively.

(In ₹ crore)

Particulars	Year ended March 31,	
	2022	2021
Balance at the beginning	12	18
Provisions recognized / (reversed)	2	(1)
Write-offs	(1)	(4)
Translation differences	1	(1)
Balance at the end	14	12

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, quoted bonds issued by the government and quasi government organizations, non-convertible debentures issued by government aided institutions and certificates of deposit.

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 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, 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, 2021, the Company had a working capital of ₹ 3,320 crore, including cash and cash equivalents of ₹ 3,000 crore and current investments of ₹ 175 crore.

As at March 31, 2022 and March 31, 2021, the outstanding compensated absences were ₹ 145 crore and ₹ 112 crore, respectively, which have been substantially funded. Accordingly, no liquidity risk perceived.

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 to note 2.12)	679	–	–	–	679

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

(In ₹ crore)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	62	–	–	–	62
Other financial liabilities (Refer to note 2.12)	812	–	–	–	812

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.

Equity share capital

(in ₹ crore, except as otherwise stated)

Particulars	As at March 31,	
Authorized	2022	2021
Equity shares, ₹ 10,000/- (₹ 10/-) par value		
1,23,375 (12,33,75,000) equity shares	123	123
issued, subscribed and paid-up		
Equity shares, ₹ 10,000/- (₹ 10/-) par value		
33,828 (3,38,27,751) 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 08, 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, 2022 and March 31, 2021 are set out below:

Name of the shareholder	As at March 31,			
	2022		2021	
	Number of shares	% held	Number of shares	% held
Infosys Limited, the Holding Company	33,828	100.00	3,38,23,444	99.99

The details of shares held by promoters at the end of the year March 31, 2022 is set out below:

Promoter name	No. of shares	% of total shares	% Change during the year
Infosys Limited, the Holding Company	33,828	100.00	0.01

The details of shares held by promoters at the end of the year March 31, 2021 is set out below:

Promoter name	No. of shares	% of total shares	% Change during the year
Infosys Limited, the Holding Company	3,38,23,444	99.99	–

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2022 and March 31, 2021 is set out below:

Particulars	As at March 31,			
	2022		2021	
	Number of shares	Amount	Number of shares	Amount
Number of shares at the beginning of the year	3,38,27,751	34	3,38,27,751	34
Add: Shares issued during the year	–	–	–	–
Less: Consolidation of par value from ₹10/- to ₹10,000/-	(3,37,93,923)	–	–	–
Number of shares at the end of the year	33,828	34	3,38,27,751	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/- par value) dividend recognized as distribution to equity shareholders is as follows:

(in ₹)

Particulars	As at March 31,	
	2022	2021
Interim Dividend for fiscal 2022	165	–
Final Dividend for fiscal 2021	175	–
Interim Dividend for fiscal 2021	–	95

During the year ended March 31, 2022 on account of the final dividend for fiscal 2021 and interim dividend for fiscal 2022, the company has incurred a net cash outflow of ₹1,150 crore.

The Board of Directors, in their meeting on April 11, 2022, recommended a final dividend of ₹205,000 /- per equity share for the financial year ended March 31, 2022. 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 ₹693 crore.

2.12 Other financial liabilities

(In ₹ crore)

Particulars	As at March 31,	
	2022	2021
Non-current		
Others		
Compensated absences	1	1
Total non-current other financial liabilities	1	1
Current		
Others		
Accrued compensation to employees(1)	398	477
Accrued expenses(1)	239	159
Compensated absences	144	111
Capital creditors(1)	22	26

Particulars	As at March 31, 2022	As at March 31, 2021
Other payables[(1)(3)]	16	149
Foreign currency forward contracts[(2)]	4	1
Total current other financial liabilities	823	923
Total other financial liabilities	824	924
[(1)] Financial liability carried at amortized cost	675	811
[(2)] Financial liability carried at fair value through profit or loss	4	1
[(3)]Includes dues to holding, subsidiaries and other group companies	6	146

2.13 Trade payables

(In ₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Trade payables[(1)]	64	62
Total Trade payables	64	62
[(1)] Includes dues to holding, subsidiaries and other group companies (Refer to note 2.23)	22	24

As at March 31, 2022 and March 31, 2021, there are no outstanding dues to Micro, Small and Medium Enterprises. There is no interest due or outstanding on the same. During the year ended March 31, 2022 and March 31, 2021, an amount of ₹3 crore and ₹2 crore was paid beyond the appointed day as defined in the Micro, Small and Medium Enterprises Development Act 2006.

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

(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	–	–	–	–	–	–
Others	51	13	–	–	–	64
Disputed Dues - MSME	–	–	–	–	–	–
Disputed Dues - Others	–	–	–	–	–	–
Total trade payables	51	13	–	–	–	64

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

(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	–	–	–	–	–	–
Others	59	3	–	–	–	62
Disputed Dues - MSME	–	–	–	–	–	–
Disputed Dues - Others	–	–	–	–	–	–
Total trade payables	59	3	–	–	–	62

2.14 Other liabilities

(In ₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Others		
Withholding taxes	–	11
Accrued defined benefit plan liability	1	1
Total non-current other liabilities	1	12
Current		
Unearned revenue	213	266

Particulars	As at March 31,	
	2022	2021
Client deposits	1	1
Others		
Withholding taxes and others	117	99
Accrued defined benefit plan liability	–	–
Total current other liabilities	331	366
Total other liabilities	332	378

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, 2022 and March 31, 2021 is as follows:

(In ₹ crore)

Particulars	As at March 31,	
	2022	2021
Current		
Others		
Post-sales client support and others	16	25
Total Provisions	16	25

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

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	Year ended March 31,	
	2022	2021
Current taxes	252	218
Deferred taxes	23	3
Income tax expense	275	221

Income tax expense for the year ended March 31, 2022 and March 31, 2021 includes reversal (net of provisions) of ₹23 crore and ₹ 10 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, 2022 and March 31, 2021 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	Year ended March 31,	
	2022	2021
Profit before income taxes	1,235	916
Enacted tax rates in India	34.94%	34.94%
Computed expected tax expense	432	320
Tax effect due to non-taxable income for Indian tax purposes	(100)	(101)
Overseas taxes	14	12
Tax provision (reversals)	(23)	(10)
Effect of exempt non-operating income	(36)	–
Effect of non-deductible expenses	(1)	3
Impact of change in tax rate	9	–
Others	(20)	(3)
Income tax expense	275	221

The applicable Indian corporate statutory tax rate for the year ended March 31, 2022 and March 31, 2021 is 34.94%.

In India, the company has benefited from certain tax incentives that the Government of India had provided for export of services from the units registered under the Special Economic Zones (SEZs) Act, 2005. SEZ units, which began the provision of services on or after April 1, 2005 are eligible for a deduction of 100% 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% 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 table below provides the details of income tax assets and income tax liabilities as of March 31, 2022 and March 31, 2021:

(In ₹ crore)

Particulars	As at March 31,	
	2022	2021
Income tax assets	191	137
Current Income tax liabilities	(74)	(72)
Net income tax assets at the end	117	65

The gross movement in the current income tax asset / (liability) for the year ended March 31, 2022 and March 31, 2021 is as follows:

(In ₹ crore)

Particulars	Year ended March 31,	
	2022	2021
Net income tax asset / (liability) at the beginning	65	100
Translation differences	7	(4)
Income tax paid, net of refunds	292	183
Income tax expense	(252)	(218)
MAT credit utilization	–	–
Income tax on other comprehensive income	5	4
Net income tax asset at the end	117	65

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

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

Particulars	Carrying Value as on April 01,2020	Changes through Profit & Loss	Changes through OCI	Translation difference	Carrying Value as on March 31,2021
Deferred income tax assets					
Property, plant and equipment	33	–	–	–	33
Lease liabilities	16	1	–	–	17
Compensated absences	28	5	–	–	33
Trade receivables	7	(2)	–	–	5
Derivative financial instruments	6	(9)	–	–	(3)
Others	7	2	1	–	10
Total deferred tax assets and liabilities	97	(3)	1	–	95

Deferred income tax liabilities

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 carryforward period are reduced.

The credits relating to temporary differences during the year ended March 31, 2022 and March 31, 2021 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, non-recurring 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 flow 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, 2022 and March 31, 2021 is as follows:

(In ₹ crore)

Particulars	Year ended March 31,	
	2022	2021
Income from business process management services	6,684	5,450
	6,684	5,450

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

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2022 and March 31, 2021 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 ₹ crore)

Particulars	Year ended March 31,	
	2022	2021
Revenue by offerings		
Digital	1,156	609
Core	5,528	4,841
Total	6,684	5,450

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 is classified as unearned revenue.

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

During the year ended March 31, 2022 and March 31, 2021, the Company recognized revenue of ₹ 221 crore and ₹ 186 crore arising from opening unearned revenue as of April 1, 2021 and April 1, 2020 respectively.

During the year ended March 31, 2022 and March 31, 2021, ₹ 26 crore and ₹ 19 crore of unbilled revenue pertaining to fixed price development contracts as of April 1, 2021 and April 1, 2020 respectively has been reclassified to trade receivables upon billing to customers on completion of milestones.

Performance obligations and remaining performance obligations

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

The aggregate value of performance obligations that are completely or partially unsatisfied as of March 31, 2022 other than those meeting the exclusion criteria mentioned above is ₹2561 crore. Out of this, the Company expects to recognize revenue of around 39.50% 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, 2022 and March 31, 2021 is as follows:

(In ₹ crore)

Particulars	Year ended March 31,	
	2022	2021
Interest income on financial assets carried at amortized cost		
Government bonds	–	–
Deposit with banks and others	88	137
Interest income on financial assets carried at fair value through other comprehensive income		
Non-convertible debentures	30	28
Certificates of deposit	1	9
Government securities	32	–
Income on financial assets carried at fair value through other comprehensive income		
Non-convertible debentures	–	1
Certificates of deposit	–	1
Income on investments carried at fair value through profit or loss		
Dividend income on liquid mutual funds units	–	3
Gains on liquid mutual funds units	6	2

Particulars	Year ended March 31, 2022	2021
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	11	–
Exchange gains / (losses) on foreign currency forward contracts	(9)	40
Exchange gains / (losses) on translation of other assets and liabilities	24	(23)
Miscellaneous income, net	3	5
	292	207

2.19 Expenses

(In ₹ crore)

Particulars	Year ended March 31, 2022	2021
Employee benefit expenses		
Salaries, including bonus	4,273	3,568
Contribution to provident and other funds	116	94
Staff welfare	52	27
	4,441	3,689
Cost of technical sub-contractors and Professional charges		
Cost of technical sub-contractors	486	412
Legal and professional	50	27
Recruitment and training	57	17
	593	456
Other expenses		
Consumables	13	12
Brand building and advertisement	3	11
Short-term leases (Refer to note 2.2)	25	27
Marketing expenses	7	3
Rates and taxes	4	5
Contribution towards Corporate Social Responsibility	16	16
Communication expenses	98	91
Power and fuel	19	22
Repairs and maintenance	98	100
Bank charges and commission	4	4
Postage and courier	4	2
Impairment loss recognized / (reversed) under expected credit loss model	2	–
Professional membership and seminar participation fees	2	1
Provision for doubtful loans and advances	3	1
Provision for post sales client support and others	–	(1)
Cost of software packages	161	87
Insurance	12	7
Auditor's remuneration		
Statutory audit fees	1	–
Tax matters	–	–

Particulars	Year ended March 31, 2022	2021
Reimbursement of expenses	–	–
Others	2	1
	474	389

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 lumpsum 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 lumpsum payment made on retirement. During the year ended March 31, 2022 and March 31, 2021, the Company recognized net defined liability of ₹ 1 crore and ₹ 1 crore respectively (Refer 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 tables below set out the funded status of the gratuity plan and the amounts recognized in the Company's financial statements as of March 31, 2022 and March 31, 2021:

(In ₹ crore)

Particulars	As at March 31,	
	2022	2021
Change in benefit obligations		
Benefit obligations at the beginning	129	103
Service cost	15	15
Interest expense	7	6
Transfer of obligation	(2)	–
Remeasurements - Actuarial losses	18	13
Benefits paid	(17)	(8)
Benefit obligations at the end	150	129
Change in plan assets		
Fair value of plan assets at the beginning	134	103
Interest income	8	7
Transfer of employees	(4)	–
Remeasurements - Return on plan assets excluding amounts included in interest income	2	1
Contributions	31	31
Benefits paid	(17)	(8)
Fair value of plan assets at the end	154	134
Funded status	4	5
Prepaid gratuity asset	4	5

The amount for the year ended March 31, 2022 and March 31, 2021 recognized in the Statement of Profit and Loss under employee benefit expenses are as follows

(In ₹ crore)

Particulars	Year ended March 31,	
	2022	2021
Service cost	15	15
Net interest on the net defined benefit liability / (asset)	(1)	(1)
Net gratuity cost	14	14

The amount for the year ended March 31, 2022 and March 31, 2021 recognized in the Statement of Other Comprehensive Income are as follows:

(In ₹ crore)

Particulars	Year ended March 31,	
	2022	2021
Remeasurements of the net defined benefit liability / (asset)		
Actuarial losses	18	13
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability / (asset)	(2)	(1)
	16	12

(In ₹ crore)

Particulars	Year ended March 31,	
	2022	2021
(Gain) / loss from change in demographic assumptions	–	–
(Gain) / loss from change in financial assumptions	(1)	–
(Gain) / loss from change in experience assumptions	20	13
	19	13

The weighted-average assumptions used to determine benefit obligations as of March 31, 2022 and March 31, 2021 are set out below:

Particulars	As at March 31,	
	2022	2021
Discount rate	6.5%	6.1%
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 year ended March 31, 2022 and March 31, 2021 are set out below:

Particulars	Year ended March 31,	
	2022	2021
Discount rate	6.1%	6.2%
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,	
	2022	2021
Discount rate	4	3
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, 2022 and March 31, 2021, the plan assets have been primarily invested in insurer managed funds.

Actual return on assets for the year ended March 31, 2022 and March 31, 2021 were ₹ 10 crore and ₹ 8 crore respectively.

The Company expects to contribute ₹25 crore to the gratuity trusts during the fiscal 2023.

Maturity profile of defined benefit obligation:

(In ₹ crore)

Within 1 year	47
1-2 year	40
2-3 year	35
3-4 year	29
4-5 year	26
5-10 years	70

(b) Superannuation

The Company contributed ₹ 9 crore to the Superannuation Trust for the year ended March 31, 2022 (₹ 7 crore for the year ended March 31, 2021).

(c) Provident fund

The Company contributed ₹ 90 crore towards Provident Fund for the year ended March 31, 2022 (₹ 77 crore for the year ended March 31, 2021).

(d) Pension Fund

The Company contributed ₹ 13 crore to pension funds for the year ended March 31, 2022 (₹ 12 crore for the year ended March 31, 2021).

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 reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share is as follows:

(In ₹ crore)

Particulars	As at March 31,	
	2022	2021
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,	
	2022	2021
Contingent liabilities:		
Claims against the Company, not acknowledged as debts(1)	265	234
[Amount paid to statutory authorities ₹ 84 crore (₹ 61 crore)]		
Commitments:		
Estimated amount of contacts remaining to be executed on capital contracts and not provided for (net of advances and deposits)(2)	87	82

(1) 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.

(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,	
		2022	2021
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 Consulting Sp. z.o.o[29]	Poland	–	–
Infosys BPM UK Limited[1][35]	U.K.	–	–

Fellow 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
Infosys Austria GmbH	Austria
Skava Systems Private Limited (Skava Systems)[41]	India
Kallidus Inc, (Kallidus)[42]	U.S.
Infosys Chile SpA	Chile
Infosys Arabia Limited[3]	Saudi Arabia
Infosys Consulting Ltda.[2]	Brazil
Infosys CIS LLC[2] [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][53]	Canada
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][52]	Czech Republic
Infosys Consulting (Shanghai) Co., Ltd.[4][48]	China
Infy Consulting Company Ltd[4]	U.K.
Infy Consulting B.V.[4]	The Netherlands
Lodestone Management Consultants Portugal, Unipessoal, Lda.[4][34]	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)[(41)]	U.K.
Brilliant Basics Limited[(7)(41)]	U.K.
Brilliant Basics (MENA) DMCC[(7)(21)]	Dubai
Infosys Consulting Pte. Ltd. (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)(36)]	Sweden
Infosys Compaz Pte. Ltd [(9)]	Singapore
Infosys South Africa (Pty) Ltd[(8)]	South Africa
WONGDOODY Holding Company Inc. (WONGDOODY)[(2)(54)]	U.S.
WDW Communications, Inc[(10)(55)]	U.S.
WONGDOODY, Inc[(10)(56)]	U.S.
HIPUS Co., Ltd[(9)]	Japan
Stater N.V.[(9)]	The Netherlands
Stater Nederland B.V.[(12)]	The Netherlands
Stater Duitsland B.V.[(12)(38)]	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)(37)]	Germany
Stater Deutschland GmbH & Co. KG[(13)(37)]	Germany
Stater Belgium N.V./S.A.[(14)(39)]	Belgium
Stater Gmbh[(12)(46)]	Germany
Outbox systems Inc. dba Simplus (US)[(16)]	U.S.
Simplus North America Inc.[(17)(45)]	Canada
Simplus ANZ Pty Ltd.[(17)]	Australia
Simplus Australia Pty Ltd[(18)]	Australia
Sqware Peg Digital Pty Ltd[(19)(49)]	Australia
Simplus Philippines, Inc.[(17)]	Philippines
Simplus Europe, Ltd.[(17)(47)]	U.K.
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)[(22)]	U.K.
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[(23)]	Ireland
Infosys Limited Bulgaria EOOD[(2)(24)]	Bulgaria
Kaleidoscope Animations, Inc.[(27)]	U.S.
Kaleidoscope Prototyping LLC[(28)]	U.S.
GuideVision s.r.o.[(25)]	Czech Republic
GuideVision Deutschland GmbH[(26)]	Germany
GuideVision Suomi Oy[(26)]	Finland
GuideVision Magyarország Kft[(26)]	Hungary
GuideVision Polska SP.Z.O.O[(26)]	Poland
GuideVision UK Ltd[(26)]	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[(30)]	U.S.
Beringer Capital Digital Group Inc[(30)(59)]	U.S.
Mediotype LLC[(31)(59)]	U.S.
Beringer Commerce Holdings LLC[(31)(59)]	U.S.
SureSource LLC[(32)(57)]	U.S.

Blue Acorn LLC[32][57]	U.S.
Simply Commerce LLC[32][57]	U.S.
iCiDIGITAL LLC[33][58]	U.S.
Infosys Turkey Bilgi Teknolojikeri Limited Sirketi[2][40]	Turkey
Infosys Germany Holding Gmbh[2][43]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[2][44]	Germany
Infosys Green Forum[2][50]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[51]	Malaysia
Infosys Business Solutions LLC[2][60]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[61]	Germany

(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) 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) Wholly-owned subsidiary of Stater Duitsland B.V.
(14) Majority-owned and controlled subsidiary of Stater Participations B.V.
(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) Liquidated effective July 17, 2020
(22) On June 1, 2020, Fluido Oy, acquired 100% of the voting interests in Infosys Fluido UK, Ltd. (formerly Simplus U.K, Ltd)
(23) Wholly-owned subsidiary of Infosys Fluido UK, Ltd. (formerly Simplus U.K, Ltd)
(24) Incorporated effective September 11, 2020.
(25) On October 1, 2020, Infy Consulting Company Limited acquired 100% of voting interests in GuideVision s.r.o
(26) Wholly-owned subsidiary of GuideVision s.r.o.
(27) On October 9, 2020, Infosys Nova Holdings LLC, acquired 100% voting interest in Kaleidoscope Animations, Inc.
(28) Wholly-owned subsidiary of Kaleidoscope Animations, Inc.
(29) Merged with Infosys Poland Sp. z.o.o, effective October 21, 2020
(30) On October 27, 2020, Infosys Nova Holding LLC, a wholly-owned subsidiary of Infosys Limited, acquired 100% voting interest in Blue Acorn iCi Inc (formerly Beringer Commerce Inc) and Beringer Capital Digital Group Inc
(31) Wholly-owned subsidiary of Blue Acorn iCi Inc
(32) Wholly-owned subsidiary of Beringer Commerce Holdings LLC
(33) Wholly-owned subsidiary of Beringer Capital Digital Group Inc.
(34) Liquidated effective November 19,2020
(35) Incorporated, effective December 9, 2020
(36) Merged into Fluido Sweden AB (Extero), effective December 18, 2020
(37) Merged into Stater Duitsland B.V., effective December 18, 2020
(38) Merged with Stater N.V., effective December 23, 2020
(39) On December 29, 2020, Stater Participation B.V acquired non-controlling interest of 28.01% of the voting interests in Stater Belgium NV/SA
(40) Incorporated on December 30, 2020.
(41) Under liquidation
(42) Liquidated effective March 9,2021
(43) Incorporated on March 23, 2021
(44) On March 28, 2021 Infosys Limited and Infosys Germany Holding Gmbh registered Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm.
(45) Liquidated effective April 27,2021
(46) Incorporated on August 4, 2021

(47) Liquidated effective July 20, 2021

(48) Liquidated effective September 1, 2021

(49) Liquidated effective September 2, 2021

(50) Incorporated on August 31, 2021

(51) 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.)

(52) Liquidated effective December 16, 2021

(53) Liquidated effective November 23, 2021

(54) Wholly-owned subsidiary of Infosys Limited, merged with WONGDOODY Inc, effective December 31, 2021

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

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

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

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

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

(60) Incorporated on February 20, 2022

(61) 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"))

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)

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

(In ₹ crore)

Particulars	As at March 31,	
	2022	2021
Capital transactions:		
Trade receivables		
Infosys Limited	183	145
Infosys McCamish Systems LLC	3	3
Infosys BPO Americas LLC	12	2
EdgeVerve	1	1
Infosys Public Services	1	1
Infosys Automotive and Mobility GmbH & Co. KG	5	–
Portland Group Pty Ltd	1	–
Infosys China	–	–
Stater Nederland B.V.	–	–
HIPUS Co., Ltd	–	–
Infosys Luxembourg S.a.r.l	–	–
Infosys Mexico	–	–
Infosys Poland Sp z.o.o	–	–
Infosys (Czech Republic) Limited s.r.o.	–	–
Infosys Turkey Bilgi Teknolojikeri Limited Sirketi	–	–
Infosys Austria GmbH	–	–
Infosys Consulting S.R.L.	–	–
Infosys Sweden	–	–
Infosys Compaz Pte. Ltd	–	–

Particulars	As at March 31,	
	2022	2021
	206	152
Other financial assets		
Infosys Limited	2	103
Infosys McCamish Systems LLC	–	6
Infosys BPO Americas	–	–
EdgeVerve	–	–
Infosys Poland sp. z o o	–	–
Infosys China	–	–
	2	109
Unbilled revenues		
Infosys Limited	6	74
Infy Consulting Company Ltd	1	–
Infosys Automotive and Mobility GmbH & Co. KG	–	–
Infosys Austria GmbH	–	–
Infosys Consulting S.R.L.	–	–
Infosys Sweden	–	–
	7	74
Trade payables		
Infosys Limited	9	11
Infosys McCamish Systems LLC	9	8
Infosys Poland Sp z.o.o	1	2
Portland Group Pty Ltd	1	–
Infosys China	1	–
Infosys Mexico	1	–
HIPUS Co., Ltd	–	1
Infosys Consulting Ltda.	–	1
EdgeVerve	–	1
Infosys (Czech Republic) Limited s.r.o.	–	–
	22	24
Other financial liabilities		
Infosys Limited	5	144
Infosys McCamish Systems LLC	1	–
EdgeVerve	–	2
Infosys BPO Americas	–	–
Infosys Poland Sp.z.o.o	–	–
	6	146

The details of the related parties transactions entered into by the Company for year ended March 31, 2022 and March 31, 2021 are as follows:

(In ₹ crore)

Particulars	Year ended March 31,	
	2022	2021
Capital transactions:		
Equity		
Infosys BPO Americas LLC	72	38
	72	38
Revenue transactions:		
Purchase of services		
Infosys Limited	95	110
Infosys McCamish Systems LLC	101	118
Infosys Poland Sp z.o.o	22	24
Portland Group Pty Limited	13	5

Particulars	Year ended March 31,	
	2022	2021
EdgeVerve	3	5
Infosys Management Consulting Pty Limited	–	2
Infosys (Czech Republic) Limited s.r.o.	2	1
Infosys China	4	3
Infosys Consulting Ltda.	1	1
Infosys Mexico	1	–
Infy Consulting Company Ltd	–	–
HIPUS Co., Ltd	–	–
	242	269
Purchase of shared services including facilities and personnel		
Infosys Limited	51	24
Infosys McCamish Systems LLC	3	–
Infosys BPO Americas LLC	–	–
	54	24
Sale of services		
Infosys Limited	2,001	1,322
Infosys McCamish Systems LLC	32	35
Infosys Public Services	12	8
Infosys BPO Americas	15	3
Portland Group Pty Ltd	3	3
EdgeVerve	5	4
Infosys Poland sp. z o o	3	1
Stater Nederland B.V.	2	2
Infosys Automotive and Mobility GmbH & Co. KG	5	–
Infosys China	1	–
Infy Consulting Company Ltd	1	–
Infosys Luxembourg S.a.r.l	1	–
Infosys Compaz Pte. Ltd	1	–
HIPUS Co., Ltd	–	–
Infosys Mexico	–	–
Infosys (Czech Republic) Limited s.r.o.	–	–
Infosys Turkey Bilgi Teknolojikeri Limited Sirketi	–	–
Infosys Austria GmbH	–	–
Infosys Consulting S.R.L.	–	–
Infosys Sweden	–	–
	2,082	1,378
Sale of shared services including facilities and personnel		
Infosys Limited	3	3
	3	3
Dividend received		
Portland Group Pty Ltd	102	–
	102	–
Dividend paid		
Infosys Limited	1,150	321
	1,150	321

List of key management personnel

Name of the related party	Designation
Anantharaman Radhakrishnan	Managing Director and Chief Executive Officer
Ravikumar Singisetti	Chairman and Director
Inderpreet Sawhney	Director

Name of the related party	Designation
Prem Pereira	Chief Financial Officer
Bindu Raghavan	Company Secretary
Gopal Devanahalli	Independent Director
Michael Nelson Gibbs	Independent Director
Martha King [(1)]	Director

[(1)] Appointed as additional director effective May 11, 2021.

Transaction with key management personnel

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

(In ₹ crore)

Particulars	Year ended March 31,	
	2022	2021
Salaries and other employee benefits to whole-time directors and executive officers[(1)]	7	8
Commission and other benefits to non-executive/independent directors	–	–
Total	7	8

[(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 these 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	Particulars	As at March 31,	
		2022	2021
i)	amount required to be spent by the Company during the year	16	16
ii)	amount of expenditure incurred	16	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	a) Promoting healthcare including preventive healthcare.b) Eradicating hunger, poverty and sanitation programs.c) Promoting education, enhancing vocational skills.d) Rural development.	a) Promoting healthcare including preventive healthcare.b) Eradicating hunger, poverty and sanitation programs.c) Promoting education, enhancing vocational skills.d) 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	–	–
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	–	–

2.26 Analytical ratios

Certain analytical ratios for the year ended March 31, 2022 and March 31, 2021 are as follows:

Particulars	Numerator	Denominator	Year ended March 31,		% of Variance
			2022	2021	
Current Ratio	Current assets	Current liability	2.8	3.2	(12.5%)
Debt – Equity Ratio	Total Debt[1]	Shareholder's Equity	0.10	0.11	(9.1%)
Debt Service Coverage Ratio	Earnings available for debt service[2]	Debt Service[3]	11.8	9.6	22.9%
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	19.5%	14.3%	36.4%
Trade receivables turnover ratio	Net Credit Revenue	Average Accounts Receivable	6.8	5.8	17.2%
Trade payables turnover ratio	Net Credit Purchase of services/consumables	Average Trade Payables	16.9	14.5	16.6%
Net capital turnover ratio	Net Sales	Working Capital	2.7	1.6	68.8%
Net profit ratio	Net Profit	Net Sales	14.4%	12.8%	12.5%
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed[4]	23.8%	17.0%	40.0%
Return on Investment	Income from investments	Average Investment	4.6%	6.4%	(28.1%)

(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, 2022, there is a variance of more than 25% compared to previous year in Return on Equity (ROE), Net capital turnover ratio, Return on capital employed (ROCE) due to Dividend payouts to shareholders and Dividend income received from subsidiary. Variance in Return on Investment is due to change in investment mix.

2.27 Relationship with struck off companies

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

(In ₹ crore)

Name of Struck off Company	Nature of transactions with Struck off Company	Balance Outstanding as at March 31, 2022	Balance Outstanding as at March 31, 2021	Transactions during the year	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.	Year ended March 31,	
		2022	2021
Revenue from operations	2.17	6,684	5,450
Cost of sales		5,137	4,150
Gross Profit		1,547	1,300
Operating expenses			
Selling and marketing expenses		204	212
General and administration expenses		371	349
Total operating expenses		575	561
Operating profit		972	739

Other income	2.18	**292**	207
Finance cost	2.2	**(29)**	(30)
Profit before tax		**1,235**	916
Tax expense:			
Current tax	2.16	**252**	218
Deferred tax	2.16	**23**	3
Profit for the year		**960**	695
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		**(12)**	(9)
		(12)	(9)
Items that will be reclassified to profit or loss			
Fair value changes on investments, net of tax	2.4	**(10)**	(1)
		(10)	(1)
Total other comprehensive income, net of tax		**(22)**	(10)
Total comprehensive income for the year		**938**	685

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

Ravikumar Singisetti
Chairman and Director

Anantharaman Radhakrishnan
Managing Director and
Chief Executive Officer

Prem Pereira
Chief Financial Officer

Bindu Raghavan
Company Secretary

Bengaluru
April 11, 2022

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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, 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 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, 2022 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 (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 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.

Management's Responsibilities 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 posi tion, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those 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 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 system 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 relevant 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 over financial reporting 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 over financial reporting.

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.

   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 (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.

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 No: 117366W/W-100018

Gurvinder Singh
Partner

Membership No.110128

UDIN : 22110128AGYDTO8540

Place: Bengaluru

Date: April 12, 2022

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 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 EdgeVerve Systems Limited ("the Company") as of March 31, 2022 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 Management of the Company is responsible for establishing and maintaining internal financial controls 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 ("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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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. 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting 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 over financial reporting 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 Over Financial Reporting

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 over financial reporting 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting 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 Registration No: 117366W/W-100018

Gurvinder Singh
Partner

Membership No.110128

UDIN : 22110128AGYDTO8540

Place: Bengaluru

Date: April 12, 2022

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)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

i. In respect of the Company's Property Plant and Equipment:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment. The Company does not hold any intangible assets or right-of-use asset.

(b) The Company has a program of physical verification of Property, Plant and Equipment to cover all the assets once every three years, which is 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. Hence, clause (i)(c) of the Order is not applicable.

(d) The Company has not revalued any of its Property, Plant and Equipment during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 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. Hence reporting under Clause (ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us, 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 Clause (ii)(b) of the Order is not applicable.

iii. The Company has not made any investment in, provided any guarantee or security, and granted any loans or advance in nature of loan, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year and hence reporting under Clause (iii) is not applicable.

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 amount that 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 3(vi) of the Order is not applicable to the Company.

vii. In respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) 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 Customs, duty of Excise, Value added tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable

(c) Details of Statutory dues referred to in sub-clause (a), which have not been deposited as on March 31, 2022 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 ₹ Lakhs
Central Excise Act, 1944	Excise Duty	Appellate Tribunal	AY 2017-18 and AY 2018-19	4,054
Maharashtra Value added Tax	VAT/CST	Joint Commissioner	AY 2017-18 and	
AY 2018-19	24			
The Income Tax Act, 1961	Income Tax	Appellate Tribunal	AY 2016-17	8
The Income Tax Act, 1961	Income Tax	Appellate Authority upto Commissioner's Level	AY 2018-19 and AY 2019-20	5,094
The Income Tax Act, 1961	Income Tax	– #	AY 2016-17	35,037
Total				44,218

\# The Company has filed a rectification application u/s 154 of Income Tax Act, 1961 with Assessing officer and Commissioner of Income Tax.

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 to the Company.

(b) The Company has not been declared "willful defaulter" (as defined under master circular RBI/2014- 15/73DBR. No.CID.BC.57/20.16.003/2014-15 dated July 1, 2014) 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 unutilized term loans at the beginning of the year. Hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis. Hence, reporting under clause (ix)(c) of the Order is not applicable.

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

(f) The Company has not raised any loans during the year. 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. 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). Hence, reporting under clause 3(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 recorded 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 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 and provided to us.

xii. The Company is not a Nidhi Company. Hence, reporting under clause 3 (xii) of the Order is not applicable to the Company.

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 issued to the Company during the year and till date, for the year under audit 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) 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 the 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 Registration No: 117366W/W-100018

Gurvinder Singh
Partner

Membership No.110128

UDIN : 22110128AGYDTO8540

Place: Bengaluru

Date: April 12, 2022

Balance Sheet

in ₹ lakh

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	5,062	4,807
Capital work-in-progress	2.1a	161	–
Financial assets			
Loans	2.3	8	3
Other financial assets	2.4	1	694
Deferred tax assets, net	2.14	588	749
Income tax assets	2.14	19,239	18,676
Other non-current assets	2.7	4,136	2,080
Total non-current assets		29,195	27,009
Current assets			
Financial assets			
Investments	2.2	38,131	2,506
Trade receivables	2.5	13,199	13,620
Cash and cash equivalents	2.6	22,712	36,148
Loans	2.3	278	252
Other financial assets	2.4	39,114	31,874
Other current assets	2.7	12,859	10,323
Total current assets		1,26,293	94,723
Total assets		1,55,488	1,21,732
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.9	1,31,184	1,31,184
Other equity		(50,558)	(1,26,129)
Total equity		80,626	5,055
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Other financial liabilities	2.10	–	54,293
Total non-current liabilities		–	54,293
Current liabilities			
Financial liabilities			
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		4,148	1,901
Other financial liabilities	2.10	37,068	28,459
Other current liabilities	2.12	23,431	16,187
Provisions	2.13	142	181
Income Tax Liabilities	2.14	10,073	15,656
Total current liabilities		74,861	62,384
Total equity and liabilities		1,55,488	1,21,732

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

As per our report of even date attached

for Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration Number: 117366W/ W-100018

Gurvinder Singh
Partner

Membership Number: 110128

Place: Bengaluru

Date: April 12, 2022

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

Mohit Joshi *Chairman*	Sanat Rao *Whole-time Director*	Sateesh Seetharamiah *Whole-time Director*
Rajesh Kini *Chief Financial Officer*		Sudhir Gaonkar *Company Secretary*

Statement of Profit and Loss

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

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations	2.15	3,00,538	2,77,750
Other income, net	2.16	4,706	804
Total Income		3,05,244	2,78,554
Expenses			
Employee benefit expenses	2.17	72,770	75,042
Cost of technical sub-contractors		70,964	70,564
Travel expenses	2.17	2,257	1,663
Cost of software packages and others	2.17	29,378	16,138
Consultancy and professional charges		9,976	9,362
Depreciation expense	2.1	2,551	2,339
Finance Cost		206	6,120
Other expenses	2.17	14,557	13,893
Total expenses		2,02,658	1,95,121
Profit before tax		1,02,586	83,433
Tax Expense:			
Current tax	2.14	27,394	17,536
Deferred tax	2.14	161	286
Profit for the year		75,032	65,611
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		539	185
Items that will be reclassified subsequently to profit or loss		–	–
Total other comprehensive income / (loss), net of tax		539	185
Total comprehensive income for the year		75,571	65,796
Earnings per equity share			
Equity shares of par value of ₹ 10 each			
Basic and diluted (₹)		5.72	5.00
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 Number: 117366W/ W-100018

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

Gurvinder Singh
Partner
Membership Number: 110128

Mohit Joshi
Chairman

Sanat Rao
Whole-time Director

Sateesh Seetharamiah
Whole-time Director

Place: Bengaluru
Date: April 12, 2022

Rajesh Kini
Chief Financial Officer

Sudhir Gaonkar
Company Secretary

Statement of Change in Equity

in ₹ lakh

Particulars	Equity Share Capital	Other Equity				Total
		Reserve and Surplus				
		Capital Reserve				
		Business Transfer Adjustment Reserve [1]	Debenture Redemption Reserve [2]	Retained earnings [3]	Other comprehensive income [3]	
Balances as on April 1, 2020	1,31,184	(3,44,760)	11,750	1,41,351	(266)	(60,741)
Changes in equity for the period ended Mar 31, 2021						–
Profit for the period	–	–	–	65,611	–	65,611
Remeasurement of the net defined benefit liability/asset, net of tax effect	–	–	–	–	185	185
Total comprehensive income	1,31,184	(3,44,760)	11,750	2,06,962	(81)	5,055
Transfer from debenture redemption reserve to retained earnings	–	–	(6,122)	6,122	–	–
Balance as of March 31, 2021	1,31,184	(3,44,760)	5,628	2,13,084	(81)	5,055
Balance as of April 1, 2021	1,31,184	(3,44,760)	5,628	2,13,084	(81)	5,055
Changes in equity for the period ended Mar 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	–	–
Balance as of March 31, 2022	1,31,184	(3,44,760)	–	2,93,744	458	80,626

[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 Sec 71 of Companies Act, 2013, out of the profit of 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 2.9

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 EdgeVerve Systems Limited

Gurvinder Singh
Partner

Membership Number: 110128

Mohit Joshi
Chairman

Sanat Rao
Whole-time Director

Sateesh Seetharamiah
Whole-time Director

Place: Bengaluru

Date: April 12, 2022

Rajesh Kini
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 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 No.	Year ended March 31,	
		2022	2021
Cash flows from operating activities			
Profit for the year		75,032	65,611
Adjustments to reconcile net profit to net cash generated by operating activities:			
Depreciation	2.1	2,551	2,339
Income tax expense	2.14	27,555	17,822
Impairment loss recognized on financial assets	2.17	272	197
Provision / (reversal) for post-sales client support and others	2.17	(40)	(18)
Profit / loss on sale of property, plant and equipment	2.16	(14)	–
Finance cost		206	6,120
Interest income	2.16	(3,592)	(344)
(Gain) / loss on sale of investments carried at fair value	2.16	(767)	(155)
(Gain) / loss on termination of lease		–	(154)
Exchange difference on translation of assets and liabilities		21	(790)
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(8,035)	(1,245)
Other financial assets and other assets		(2,706)	204
Trade payables	2.11	2,247	(1,726)
Other financial liabilities, other liabilities and provisions		15,669	7,188
Cash generated from operations		1,08,398	95,049
Income taxes paid, net of refunds		(33,539)	11,080
Net cash generated from operating activities		74,859	1,06,129
Cash flows from investing activities:			
Expenditure on property, plant and equipment		(2,922)	(3,349)
Loans to employees	2.3	(31)	107
Payments to acquire financial assets			
Liquid mutual fund units		(1,68,400)	(95,996)
Proceeds on sale of financial assets			
Liquid mutual fund units		1,33,543	94,749
Interest and dividend received on investments		3,343	347
Net cash (used in) / from investing activities		(34,468)	(4,142)
Cash flows from financing activities:			
Payment of lease liability		–	(284)
Debentures repaid to holding company		(53,600)	(62,300)
Payment of interest on debentures		(206)	(6,116)
Net cash used in financing activities		(53,806)	(68,700)
Effect of exchange differences on translation of foreign currency cash and cash equivalents		(21)	790
Net increase / (decrease) in cash and cash equivalents		(13,436)	34,076
Cash and cash equivalents at the beginning of the year	2.6	36,148	2,072
Cash and cash equivalents at the end of the year	2.6	22,712	36,148
Supplementary information:			
Restricted cash balance	2.6	–	–

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

As per our report of even date attached

for Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration Number: 117366W/ W-100018

Gurvinder Singh
Partner

Membership Number: 110128

Place: Bengaluru

Date: April 12, 2022

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

Mohit Joshi
Chairman

Sanat Rao
Whole-time Director

Sateesh Seetharamiah
Whole-time Director

Rajesh Kini
Chief Financial Officer

Sudhir Gaonkar
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, 2022.

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') (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 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.

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

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 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 standalone financial statements.

Estimation uncertainty relating to COVID-19.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these standalone 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, used internal and external sources of information and related information and economic forecasts 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 standalone financial statements.

1.4 Critical accounting estimates and judgements

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 judgements while determining the transaction price allocated to performance obligations using the expected cost-plus-margin approach.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date (Refer to Note 2.15).

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 Note No. 2.14 and 2.19).

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 and has taken into account estimates of possible effect from the pandemic relating to COVID-19.

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.

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
Leasehold 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 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 ready to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of Profit and Loss.

Impairment

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell 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 / 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, 2022 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, 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 changes in the carrying value of property, plant and equipment for the year ended March 31, 2021 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, 2020	26	20	194	12,797	193	13,230
Additions	–	–	47	2,623	5	2,675
Deletions	–	–	(1)	(22)	–	(23)
Gross carrying value as of March 31, 2021	26	20	240	15,398	198	15,882
Accumulated depreciation as of April 1, 2020	(8)	(12)	(147)	(8,583)	(123)	(8,873)
Depreciation	(5)	(3)	(34)	(2,158)	(25)	(2,225)
Accumulated depreciation on deletions	–	–	1	22	–	23
Accumulated depreciation as of March 31, 2021	(13)	(15)	(180)	(10,719)	(148)	(11,075)
Carrying value as of March 31, 2021	13	5	60	4,679	50	4,807

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,	
	2022	2021
Capital work-in-progress	161	–
Total Capital work-in-progress	161	–

Capital work-in-progress ageing schedule for the year ending March 31, 2022 is 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

Capital work-in-progress ageing schedule for the year ending March 31, 2021 is as follows:

in ₹ lakh

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

2.2 Investments

in ₹ lakh

Particulars	As at March 31, 2022	As at March 31, 2021
Unquoted current investments		
Investments carried at fair value through profit or loss		
Liquid mutual fund units	38,131	2,506
Total investments	38,131	2,506

Method of fair valuation

in ₹ lakh

Class of investment	Method	As at March 31, 2022	As at March 31, 2021
Mutual fund-liquid mutual fund units	Quoted price	38,131	2,506

2.3 Loans

in ₹ lakh

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Loans		
Unsecured, considered good		
Loans to employees	8	3
Total non-current loans	8	3
Current		
Unsecured, considered doubtful		
Other loans		
Loans to employees	–	10
Less: Allowances for doubtful loans to employees	–	10
	–	–
Other Loans		
Loans to employees	278	252
Total current loans	278	252
Total loans	286	255

2.4 Other financial assets

in ₹ lakh

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Other customer receivables	–	693
Security deposits	1	1
Total non-current other financial assets	1	694
Current		
Restricted deposits*	5,608	5,250
Unbilled Revenues [(1)]#	32,770	25,858
Interest accrued but not due	584	334
Others [(2)]	152	432
Total current other financial assets	39,114	31,874
Total other financial assets	39,115	32,568
Financial assets carried at amortized cost	39,115	32,568
[(1)] Includes dues from fellow subsidiaries (Refer to Note 2.20)	–	190
[(2)] Includes dues from fellow subsidiaries (Refer to Note 2.20)	–	5

* 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 conditional upon a passage of time.

2.5 Trade receivables

in ₹ lakh

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivable considered good – Unsecured	14,049	14,160
Less: Allowance for expected credit loss	850	540
Trade receivable considered good – Unsecured	13,199	13,620
Trade receivable - credit impaired – Unsecured	–	–
Less: Allowance for credit impairment	–	–
Trade Receivable – credit impaired - Unsecured	–	–
Total trade receivables [(1)]	13,199	13,620
[(1)] Includes dues from holding company and fellow subsidiaries (Refer to Note 2.20)	909	3,393

Balance as on 31st March, 2022:

Particulars	Not due	< 6 months	6 months - 1 year	1-2 years	2-3 years	>3 years	Total
Undisputed trade receivables – considered good	6,030	5,724	1,479	253	195	367	14,048
Undisputed trade receivables – credit impaired	–	–	–	–	–	–	–

Particulars	Not due	< 6 months	6 months - 1 year	1-2 years	2-3 years	>3 years	Total
Disputed trade receivables – considered good	–	–	–	–	–	–	–
Disputed trade receivables – credit impaired	–	–	–	–	–	–	–
Less: Allowance for credit loss							850
Total trade receivables	6,030	5,724	1,479	253	195	367	13,199

Balance as on 31st March, 2021

Particulars	Not due	< 6 months	6 months - 1 year	1-2 years	2-3 years	>3 years	Total
Undisputed trade receivables – considered good	5,830	6,486	1,012	406	136	289	14,160
Undisputed trade receivables – credit impaired	–	–	–	–	–	–	–
Disputed trade receivables – considered good	–	–	–	–	–	–	–
Disputed trade receivables – credit impaired	–	–	–	–	–	–	–
Less: Allowance for credit loss							540
Total trade receivables	5,830	6,486	1,012	406	136	289	13,620

2.6 Cash and cash equivalents

in ₹ lakh

Particulars	As at March 31,	
	2022	2021
Balances with banks		
In current and deposit accounts	22,712	36,148
Total cash and cash equivalents	22,712	36,148
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, 2022 and March 31, 2021 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.

2.7 Other assets

in ₹ lakh

Particulars	As at March 31,	
	2022	2021
Non-current		
Prepaid expenses	198	203
Cost of fulfilment	3,278	1,279
	3,475	1,482
Advance other than capital advances		
Prepaid gratuity (Refer to Note 2.18)	661	598
Total non-current other assets	4,136	2,080

Particulars	As at March 31,	
	2022	2021
Current		
Advance other than capital advances		
Payment to vendors for supply of goods / services	59	221
Balance with government authorities	–	–
Others		
Unbilled revenues(1)	4,761	3,490
Prepaid expenses	2,689	2,718
Withholding taxes and others*	4,693	3,694
Cost of fulfilment	657	200
Total current other assets	12,859	10,323
Total other assets	16,995	12,403
(1) Includes dues from fellow subsidiaries (Refer to Note 2.20)	22	–

(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

2.8 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, 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.

2.8.2 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, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss.

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 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.

2.8.3 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.

2.8.4 Fair value of financial instruments

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

Refer to table 'Financial instruments by category' 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.

2.8.5 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, 2022 are as follows:

in ₹ lakh

Particulars	Note No.	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	2.6	22,712	–	–	–	–	22,712	22,712
Investments- Liquid mutual funds units	2.2	–	–	38,131	–	–	38,131	38,131
Trade receivables	2.5	13,199	–	–	–	–	13,199	13,199
Loans	2.3	286	–	–	–	–	286	286
Other financial assets [(1)]	2.4	39,115	–	–	–	–	39,115	39,115
Total		75,312	–	38,131	–	–	1,13,443	1,13,443
Liabilities:								
Trade payables	2.11	4,148	–	–	–	–	4,148	4,148
Non-convertible debentures [(2)]	2.10	–	–	–	–	–	–	–
Other financial liabilities	2.10	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

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

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

in ₹ lakh

Particulars	Note No.	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	2.6	36,148	–	–	–	–	36,148	36,148
Investments- Liquid mutual funds units	2.2	–	–	2,506	–	–	2,506	2,506
Trade receivables	2.5	13,620	–	–	–	–	13,620	13,620
Loans	2.3	255	–	–	–	–	255	255
Other financial assets [(1)]	2.4	32,568	–	–	–	–	32,568	32,568
Total		82,591	–	2,506	–	–	85,097	85,097
Liabilities:								
Trade payables	2.11	1,901	–	–	–	–	1,901	1,901
Non-convertible debentures [(2)]	2.10	53,600	–	–	–	–	53,600	53,600
Other financial liabilities	2.10	29,152	–	–	–	–	29,152	29,152
Total		84,653	–	–	–	–	84,653	84,653

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

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

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, 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 2.2)	38,131	38,131	–	–
Liabilities				
Derivative financial instruments - loss on outstanding foreign currency forward contracts (Refer to Note 2.10)	–	–	–	–

The fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2021 is as follows:

Particulars	As on March 31, 2021	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 2.2)	2,506	2,506	–	–
Liabilities				
Derivative financial instruments - loss on outstanding foreign currency forward contracts (Refer to Note 2.10)	17	–	17	–

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

in ₹ lakh

Particulars	US Dollars	Euro	United Kingdom Pound Sterling	Australian Dollars	Other currencies	Total
Net financials 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

The analysis of foreign currency risk from financial instruments as of March 31, 2021 is as follows:

in ₹ lakh

Particulars	US Dollars	Euro	United Kingdom Pound Sterling	Australian Dollars	Other currencies	Total
Net financials assets	11,932	1,067	672	1,071	2,029	16,771
Net financial liabilities	(8,401)	(243)	(41)	(12)	(307)	(9,003)
Total	3,531	824	631	1,059	1,723	7,768

Derivative financial instruments

The company holds the derivative financial instruments such as foreign currency forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active market or 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, 2022		As at March 31, 2021	
	in million	in ₹ lakh	in million	in ₹ lakh
Forward contracts				
In US dollar	–	–	10	7,345

The foreign exchange forward and options contracts mature within 12 months. The analysis of the derivative financial instruments into relevant maturity groupings based on the remaining period as at the Balance Sheet date is as follows:

in ₹ lakh

Particulars	As at March 31,	
	2022	2021
Not later than one month	–	–
Later than one month and not later than three months	–	7,345
Total	–	7,345

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 ₹ 13,199 lakh and ₹13,620 lakh as of March 31, 2022 and March 31, 2021, and unbilled revenue amounting to ₹ 37,532 lakh and ₹ 29,348 lakh as of March 31, 2022 and March 31, 2021, 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.

Particulars	As at March 31,	
	2022	2021
Balance at the beginning	597	697
Provisions recognized	272	196
Write-offs	0	(276)
Translation Differences	12	(21)
Balance at the end	882	597

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, 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, 2021, the Company had a working capital of ₹ 32,335 lakh including cash and cash equivalents of ₹ 36,148 lakh and current investments of ₹ 2,506 lakh.

As of March 31, 2022 and March 31, 2021, the outstanding compensated absences were ₹ 1,766 lakh and ₹ 2,053 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, 2022 are 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 non-convertible debentures*	35,302	–	–	–	35,302
	39,450	–	–	–	39,450

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2021 are as follows:

in ₹ lakh

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	1,901	–	–	–	1,901
Other liabilities excluding non-convertible debentures*	26,406	693	–	–	27,099
	28,307	693	–	–	29,000

* The term of redemption of the debentures would be any date as may be decided mutually between the parties but will not exceed 10 years from the date of issue.

2.9 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 include remeasurement of net defined benefit liability / asset, net of taxes.

Share capital

in ₹ lakh, except as otherwise stated

Particulars	As at March 31,	
	2022	2021
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 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, 2022 and March 31, 2021 are as follows:

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	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, 2022 and March 31, 2021 is as follows:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount (₹)
Number of shares at the beginning and end of the year	131,18,40,000	1311,84,00,000	131,18,40,000	1311,84,00,000

The details of Shareholding of Promoters as at March 31, 2022 and March 31, 2021 are as follows:

Promoter Name	As at March 31, 2022			As at March 31, 2021		
	Number of shares	% Held	% Change	Number of shares	% held	% Change
Infosys Limited, holding company	1,31,18,40,000	100%	0%	1,31,18,40,000	100%	0%

2.10 Other financial liabilities

in ₹ lakh

Particulars	As at March 31,	
	2022	2021
Non-current		
Non-convertible debentures *(1)	–	53,600
Other payables	–	693
Total non-current other financial liabilities	–	54,293
Current		
Accrued compensation to employees	5,125	6,225
Capital creditors	118	87
Foreign currency forward contracts	–	17
Compensated absences	1,766	2,053
Accrued expenses (2)	29,679	19,693
Other payables (3)	380	385
Total current other financial liabilities	37,068	28,459
Total other financial liabilities	37,068	82,752
Financial liability carried at amortized cost	37,068	82,752
* Debentures have been fully redeemed during the year ended March 31,2022		
(1) Includes dues to holding company Refer to Note 2.20	–	53,600
(2) Includes dues to holding company and fellow subsidiaries Refer to Note 2.20	6,453	7,737
(3) Includes dues to fellow subsidiaries Refer to Note 2.20	10	26

2.11 Trade payables

in ₹ lakh

Particulars	As at March 31,	
	2022	2021
Current		
Trade payables (1)	4,148	1,901
Total trade payables	4,148	1,901
(1) Includes dues to holding company/fellow subsidiaries (Refer to Note 2.20)	75	419

As at March 31, 2022 there are no outstanding dues to micro, small and medium enterprises. There is no interest due or outstanding on the same.

Trade payables ageing schedule as at year ended March 31, 2022 are as follows:

in ₹ lakh

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	<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 payable	1,836	2,312	–	–	–	4,148

Trade payables ageing schedule as at year ended March 31, 2021 are as follows:

in ₹ lakh

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	<1 year	1-2 years	2-3 years	>3 years	
MSME	–	–	–	–	–	–
Others	832	1,069	–	–	–	1,901
Disputed Dues - MSME	–	–	–	–	–	–
Disputed Dues - Others	–	–	–	–	–	–
Total Trade Payable	832	1,069	–	–	–	1,901

2.12 Other liabilities

in ₹ lakh

Particulars	As at March 31,	
	2022	2021
Current		
Unearned revenue	15,178	9,979
Withholding taxes and other taxes	8,252	6,208
Total current other liabilities	23,431	16,187
Total other liabilities	23,431	16,187

2.13 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,	
	2022	2021
Current		
Others		
Post-sales client support and others	142	181
Total provisions	142	181

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

in ₹ lakh

Particulars	As at March 31,	
	2022	2021
Balance at the beginning	181	239
Provisions recognized / (reversal)	(39)	(58)
Provision utilized	–	–
Translation differences	–	–
Balance at the end	142	181

Provision for post-sales client support and others are expected to be utilized over a period of 6 months to 1 year.

2.14 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,	
	2022	2021
Current taxes	27,394	17,536
Deferred taxes	161	286
Income tax expense	27,555	17,822

The applicable Indian corporate statutory tax rate for the year ended March 31, 2022, and March 31, 2021 is 25.17% each. 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, 2022 and March 31, 2021 includes reversals (net of provision) of and provision (net of reversals) of ₹ 1,126 and ₹ 3,390 Lakhs respectively pertaining to prior periods on adjudication of certain matters in favor of the company and upon filing of returns.

Deferred income tax for the year ended March 31, 2022, ₹ 161 lakhs and March 31, 2021, ₹ 286 lakhs, relates to origination and reversal of temporary differences. Deferred income taxes 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.

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 ₹ lakh

Particulars	As at March 31,	
	2022	2021
Profit before income taxes	1,02,586	83,433
Enacted tax rates in India	25.17%	25.17%
Computed expected tax expense	25,819	20,998
Overseas taxes, net of foreign tax credit	173	(5)
Prior year taxes	1,126	(3,391)
Effect of non-deductible expenses	332	252
Others	105	(33)
Income tax expense	27,555	17,821

The applicable Indian statutory tax rates for fiscal year 2022 is 25.17% and fiscal year 2021 is 25.17%.

The details of income tax assets and income tax liabilities as of March 31, 2022 and March 31, 2021 are as follows:

in ₹ lakh

Particulars	As at March 31,	
	2022	2021
Income tax assets	19,239	18,676
Current income tax liabilities	10,073	15,656
Net current income tax assets at the end	9,166	3,020

The gross movement in the current income tax asset for the year ended March 31, 2022 and March 31, 2021 are as follows:

in ₹ lakh

Particulars	As at March 31,	
	2022	2021
Net current income tax assets at the beginning	3,020	31,636
Translation differences	–	–
Income tax paid	33,539	(11,142)
Tax on other comprehensive income	–	62
Current income tax expense (Refer to Note 2.14)	(27,394)	(17,536)
Net current income tax assets at the end	9,166	3,020

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,	
	2022	2021
Deferred income tax assets		
Trade receivables	222	189
Compensated absences	444	517
Others	(1)	123
Total deferred income tax assets	665	829
Deferred income tax liabilities		
Property, plant and equipment	77	80
Total deferred income tax liabilities	77	80
Deferred income tax assets after set off	588	749
Deferred income tax liabilities after set off	–	–

The gross movement in the deferred income tax account for the year ended March 31, 2022 and March 31, 2021 is as follows:

in ₹ lakh

Particulars	As at March 31,	
	2022	2021
Net deferred income tax asset at the beginning	749	1,035
Credits relating to temporary differences (Refer to Note 2.14)	(161)	(286)
Temporary differences on other comprehensive income	–	–
Net deferred income tax asset at the end	588	749

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.

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

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 year ended March 31, 2022 and March 31, 2021 are as follows :

in ₹ lakh

Particulars	Year ended March 31,	
	2022	2021
Revenue from operations	3,00,538	2,77,750
Total revenue from operations	3,00,538	2,77,750

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

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 straightline basis over the period of the contract. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

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

Invoicing in excess of earnings is classified as unearned revenue.

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

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 straightline basis over the period of the contract. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

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

Invoicing in excess of earnings is classified as unearned revenue.

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

During the year ended March 31,2022 and March 31,2021, the Company recognized revenue of ₹ 8,400 lakh and ₹ 7,784 lakh arising from opening unearned revenue as of April 1, 2021 and April 1, 2020, respectively.

During the years ended March 31, 2022 and March 31, 2021, ₹ 3,100 lakhs and ₹ 4,810 lakhs of unbilled revenue pertaining to other fixed-price and fixed-timeframe contracts as of April 1, 2021 and April 1, 2020, 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, 2022, other than those meeting the exclusion criteria mentioned above is ₹ 69,597 lakhs. Out of this, the Group expects to recognize revenue of around 49.3% 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, 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.

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, 2022 and March 31, 2021 are as follows :

in ₹ lakh

Particulars	Year ended March 31,	
	2022	2021
Interest Income received on financial assets- carried at amortized cost:		
Deposits with banks and others	3,592	344
Profit on sale of Fixed Assets	14	–
Exchange gain / (loss) on translation of assets and liabilities	21	(790)
Gain / (loss) on investment carried at fair value through profit or loss	767	155
Exchange gains / (losses) on foreign currency forward and options contracts	310	942
Miscellaneous income	2	153
Total other income	4,706	804

2.17 Expenses

in ₹ lakh

Particulars	Year ended March 31,	
	2022	2021
Employee benefit expenses		
Salaries including bonus	68,206	70,733
Contribution to provident and other funds	3,628	3,682
Staff welfare	937	627
	72,770	75,042
Travel expenses		
Overseas travel expenses	1,971	1,526
Travelling and conveyance	286	137
	2,257	1,663
Cost of software packages and others		
For own use	8,450	5,714
Third party items bought for service delivery to clients	20,928	10,424
	29,378	16,138
Other expenses		
Repairs and maintenance	1,576	1,884
Brand and marketing	4,362	3,437
Communication expenses	604	1,275
Operating lease payments	2,887	3,002
Rates and taxes	125	103
Commission charge	2,651	2,180
Fuel and power	405	390
Consumables	33	6
Provision / (reversal) for post-sales client support and others	(40)	(18)
Impairment loss recognized on financial assets	272	197
Contributions towards corporate social responsibility	1,300	1,065
Auditor's remuneration		
Statutory audit fees	35	35
Others	346	337
	14,557	13,893

2.18 Employee benefits

Accounting Policy

2.18.1 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 reclassified to profit or loss in subsequent periods. 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.

2.18.2 Superannuation

Certain employees of Edgeverve are participants in a defined contribution plan. The Company has no further obligations to the Plan beyond its monthly contributions which are periodically contributed to a trust fund, the corpus of which is invested with the Life Insurance Corporation of India.

2.18.3 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.

2.18.4 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 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 ('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, 2022 and March 31, 2021 are as follows:

in ₹ lakh

Particulars	As at March 31,	
	2022	2021
Change in benefit obligations		
Benefit obligations at the beginning	7,952	7,209
Service cost	784	772
Interest expense	448	438
Transfer of obligation	37	42
Remeasurements - Actuarial (gains) / losses	(596)	(186)
Benefits paid	(1,254)	(323)
Benefit obligations at the end	7,370	7,952
Change in plan assets		
Fair value of plan assets at the beginning	8,550	8,136
Interest income	489	497
Transfer of assets	22	28
Remeasurements return on plan assets excluding amounts included in interest income	–	62
Contributions	100	150
Return on plan assets greater / (lesser) than discount rate	124	–
Benefits paid	(1,254)	(323)
Fair value of plan assets at the end	8,031	8,550
Funded status	661	598
Prepaid gratuity benefit	661	598

Amount for the year ended March 31, 2022 and March 31, 2021 recognized in the Statement of Profit and Loss under employee benefit expenses:

in ₹ lakh

Particulars	Year ended March 31,	
	2022	2021
Service cost	784	772
Net interest on the net defined benefit liability/asset	(41)	(59)
Net gratuity cost	743	713

Amount for the year ended March 31, 2022 and March 31, 2021 recognized in the Statement of Other Comprehensive Income:

in ₹ lakh

Particulars	Year ended March 31,	
	2022	2021
Remeasurements of the net defined benefit liability/ (asset)		
Actuarial (gains) / losses	(596)	(186)
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability / (asset)	(124)	(62)
	(720)	(248)

in ₹ lakh

Particulars	Year ended March 31,	
	2022	2021
(Gain)/loss from change in financial assumptions	(1,211)	50
(Gain)/loss from change in experience	615	(236)
(Gain)/loss from change in demographic assumptions	–	–
	(596)	(186)

The weighted-average assumptions used to determine benefit obligations as at March 31, 2022 and March 31, 2021 are as follows:

Particulars	As at March 31,	
	2022	2021
Discount rate	6.1%	6.1%
Weighted average rate of increase in compensation levels	10.0%	10.0%

The weighted-average assumptions used to determine net periodic benefit cost for the year ended March 31, 2022 and March 31, 2021 are as follows:

Particulars	As at March 31,	
	2022	2021
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

Sensitivity of significant assumptions used for valuation of defined benefit obligations:

in ₹ lakh

Impact from percentage point increase / decrease in	As at March 31, 2022
Discount rate	404
Weighted average rate of increase in compensation level	357

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, 2022 and March 31, 2021, the plan assets have been primarily invested in insurer managed funds.

Actual return on assets for the year ended March 31, 2022 and March 31, 2021 were ₹ 489 lakh and ₹ 559 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.

Maturity profile of defined benefit obligation:

in ₹ lakh

Within 1 year	1,078
1-2 year	1,064
2-3 year	1,133
3-4 year	1,097
4-5 year	1,130
5-10 years	5,175

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 ₹ 2,225 lakh during the year ended March 31, 2022 (₹2,029 lakh for the year ended March 31, 2021).

c. Superannuation

The Company contributed ₹ 779 lakh during the year ended March 31, 2022 (₹ 740 lakh for the year ended March 31, 2021).

2.19 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, 2022	2021
Contingent liabilities:		
Claims against the Company, not acknowledged as debts [(1)]	13,134	7,343
Commitments:		
Estimated amount of unexecuted capital contracts and not provided for (net of advances and deposits)[(2)]		
(net of advances and deposits)	3,102	717

(1) As at March 31, 2022, claims against the Company not acknowledged as debts in respect of income tax matters amounted to ₹5,752 lakh and in respect of Central Excise and VAT/CST matters amounted to ₹7,381 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 ₹30,538 lakh.

(2) Capital contracts primarily comprises of commitments for 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 does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial condition.

2.20 Related party transactions

List of related parties

Name of Holding company	Country	Holding as at March 31, 2022	2021
Infosys Limited	India	100%	100%

Name of Fellow 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)	US
Infosys Austria GmbH	Austria
Skava Systems Private Limited (Skava Systems)[(41)]	India
Kallidus Inc, (Kallidus)[(42)]	US
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)	US
Infosys Public Services, Inc. USA (Infosys Public Services)	US
Infosys Canada Public Services Inc[(20)(53)]	Canada
Infosys BPM Limited[(61)]	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)	Switzerland
Infosys Management Consulting Pty Limited[(4)]	Australia
Infosys Consulting AG[(4)]	Switzerland
Infosys Consulting GmbH[(4)]	Germany
Infosys Consulting S.R.L.	Romania

Name of Fellow subsidiaries	Country
Infosys Consulting SAS[4]	France
Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.)[4][52]	Czech Republic
Infosys Consulting (Shanghai) Co., Ltd.[4][48]	China
Infy Consulting Company Ltd[4]	UK
Infy Consulting B.V.[4]	The Netherlands
Infosys Consulting Sp. z.o.o[29]	Poland
Lodestone Management Consultants Portugal, Unipessoal, Lda.[4][34]	Portugal
Infosys Consulting S.R.L.[4]	Argentina
Infosys Consulting (Belgium) NV[5]	Belgium
Panaya Inc. (Panaya)	US
Panaya Ltd.[6]	Israel
Panaya GmbH[6]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[41]	UK
Brilliant Basics Limited[7][41]	UK
Brilliant Basics (MENA) DMCC[7][21]	Dubai
Infosys Consulting Pte. Ltd. (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][36]	Sweden
Infosys Compaz Pte. Ltd [9]	Singapore
Infosys South Africa (Pty) Ltd[8]	South Africa
WONGDOODY Holding Company Inc. (WONGDOODY)[1][54]	US
WDW Communications, Inc[10][55]	US
WONGDOODY, Inc[10][56]	US
HIPUS Co., Ltd[9]	Japan
Stater N.V.[9]	The Netherlands
Stater Nederland B.V.[12]	The Netherlands
Stater Duitsland B.V.[12][38]	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][37]	Germany
Stater Deutschland GmbH & Co. KG[13][37]	Germany
Stater Belgium N.V./S.A.[14][39]	Belgium
Stater Gmbh[12][46]	Germany
Outbox systems Inc. dba Simplus (US)[16]	US
Simplus North America Inc.[17][45]	Canada
Simplus ANZ Pty Ltd.[17]	Australia
Simplus Australia Pty Ltd[18]	Australia
Sqware Peg Digital Pty Ltd[19][49]	Australia
Simplus Philippines, Inc.[17]	Philippines
Simplus Europe, Ltd.[17][47]	UK
Infosys Fluido UK, Ltd. (formerly Simplus UK, Ltd)[22]	UK
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[23]	Ireland
Infosys Limited Bulgaria EOOD[1][24]	Bulgaria
Kaleidoscope Animations, Inc.[27]	US
Kaleidoscope Prototyping LLC[28]	US
GuideVision s.r.o.[25]	Czech Republic
GuideVision Deutschland GmbH[26]	Germany
GuideVision Suomi Oy[26]	Finland

Name of Fellow subsidiaries	Country
GuideVision Magyarország Kft[26]	Hungary
GuideVision Polska SP.Z.O.O[26]	Poland
GuideVision UK Ltd[26]	UK
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[30]	US
Beringer Capital Digital Group Inc[30][59]	US
Mediotype LLC[31][59]	US
Beringer Commerce Holdings LLC[31][59]	US
SureSource LLC[32][57]	US
Blue Acorn LLC[32][57]	US
Simply Commerce LLC[32][57]	US
iCiDIGITAL LLC[33][58]	US
Infosys BPM UK Limited[3][35]	UK
Infosys Turkey Bilgi Teknolojikeri Limited Sirketi[1][40]	Turkey
Infosys Germany Holding Gmbh[1][43]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1][44]	Germany
Infosys Green Forum[1][50]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[51]	Malaysia
Infosys Business Solutions LLC[1][60]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[62]	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) Wholly-owned subsidiary of Stater Duitsland B.V.

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

(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) Liquidated effective July 17, 2020

(22) On June 1, 2020, Fluido Oy, acquired 100% of the voting interests in Infosys Fluido UK, Ltd. (formerly Simplus UK, Ltd)

(23) Wholly-owned subsidiary of Infosys Fluido UK, Ltd. (formerly Simplus UK, Ltd)

(24) Incorporated effective September 11, 2020

(25) On October 1, 2020, Infy Consulting Company Limited acquired 100% of voting interests in GuideVision s.r.o

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

(27) On October 9, 2020, Infosys Nova Holdings LLC, acquired 100% voting interest in Kaleidoscope Animations, Inc.

(28) Wholly owned subsidiary of Kaleidoscope Animations, Inc.

(29) Merged with Infosys Poland Sp. z.o.o, effective October 21, 2020

(30) On October 27, 2020, Infosys Nova Holding LLC, a wholly-owned subsidiary of Infosys Limited, acquired 100% voting interest in Blue Acorn iCi Inc (formerly Beringer Commerce Inc) and Beringer Capital Digital Group Inc

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

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

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

(34) Liquidated effective November 19,2020

(35) Incorporated, effective December 9, 2020

(36) Merged into Fluido Sweden AB (Extero), effective December 18, 2020

(37) Merged into Stater Duitsland B.V., effective December 18, 2020

(38) Merged with Stater N.V., effective December 23, 2020

(39) On December 29, 2020, Stater Participation B.V acquired non-controlling interest of 28.01% of the voting interests in Stater Belgium NV/SA

(40) Incorporated on December 30, 2020.

(41) Under liquidation

(42) Liquidated effective March 9,2021

(43) Incorporated on March 23, 2021

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

(45) Liquidated effective April 27,2021

(46) Incorporated on August 4, 2021

(47) Liquidated effective July 20, 2021

(48) Liquidated effective September 1, 2021

(49) Liquidated effective September 2, 2021

(50) Incorporated on August 31, 2021

(51) 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.)

(52) Liquidated effective December 16, 2021

(53) Liquidated effective November 23, 2021

(54) Wholly-owned subsidiary of Infosys Limited, merged with WONGDOODY Inc, effective December 31, 2021

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

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

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

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

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

(60) Incorporated on February 20, 2022

(61) On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

(62) 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')

Infosys has provided guarantee for performance of certain contracts entered into by its subsidiaries.

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

List of key management personnel

Directors

Mohit Joshi, Chairman of the Board

Sanat Rao, Whole-time Director

Atul Soneja, Whole-time Director

Deepak Raghunath Padaki, Director

Inderpreet Sawhney, Director

Martha Geiger King, Director

Dennis Kantilal Gada, Director

Sateesh Seetharamiah, Whole-time, Director

Executive officers

Rajesh Kini, Chief Financial Officer

Sudhir Shridhar Gaonkar, Company Secretary

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

in ₹ lakh

Particulars	As at March 31,	
	2022	2021
Trade receivables		
Infosys Public Services	–	1
Infosys BPM Limited	14	53
Infosys Mexico	11	153
Infosys Ltd	595	132
Infosys Sweden	289	3,054
	909	3,393
Other financial assets		
Infosys BPM Limited	–	5
	–	5
Unbilled Revenue		
Infosys Public Services	–	–
Infosys BPM Limited	22	190
	22	190
Non convertible debentures		
Infosys Limited	–	53,600
	–	53,600
Trade payables		
Infosys Limited	–	299
Infosys Consulting	32	–
Infosys Mexico	–	13
Infosys BPM Limited	43	108
	75	419
Other current financial liabilities		
WDW Communications	–	3
Infosys BPM Limited	10	23
	10	26
Accrued expenses		
Infosys Public Services	18	16
Infosys Limited	6435	7,721
	6453	7,737

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,	
	2022	2021
Capital transactions:		
Financing transactions		
Debentures		
Infosys Limited	(53,600)	(62,300)
Revenue transactions:		
Sale of services		
Infosys Limited	1,548	–
Infosys Public Services	21	73
Infosys Sweden	2,936	3,180
Infosys China	–	1
Infosys Mexico	1,048	2,055
Infosys BPM Limited	323	504
	5,877	5,812
purchase of services and shared services including facilities and personnell		
Infosys Limited	69,792	70,739
Infosys Mexico	–	122
Brilliant Basics	–	137
Infosys WDW	–	16
Infosys Lodestone	199	645
Infosys BPM Limited	536	444
	70,527	72,104
Finance cost		
Infosys Limited	–	6,116

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 describes the compensation to key managerial personnel which comprise directors and executive officers as follows:

in ₹ lakh

Particulars	As at March 31,	
	2022	2021
Salaries and other employee benefits to whole-time directors and executive officers [(1)]	1,927	1,185
Commission and other benefits to non-executive/independent directors	–	–
Total	1,927	1,185

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

2.21 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.

Particulars		As at March 31,	
		2022	2021
i)	amount required to be spent by the company during the year,	1,300	1065
ii)	amount of expenditure incurred	1,300	1065
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)]	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, 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

2.22 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.

2.23 Analytical Ratios

Particulars	Numerator	Denominator	Numerator	Denominator	As at March 31,		Movement
					2022	2021	
Current Ratio	Current assets	Current liability	1,26,293	74,861	1.69	1.52	11%
Debt – Equity Ratio	Total Debt [(1)]	Shareholder's Equity	–	80,626	–	10.60	(100%)
Debt Service Coverage Ratio	Earnings available for debt service [(2)]	Debt Service	78,007	53,806	1.45	1.19	22%
Return on Equity (ROE) [(3)]	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	75,032	42,841	175%	(236%)	(174%)
Trade receivables turnover ratio	Net Credit Sales	Average Accounts Receivable	3,00,538	13,410	22.41	19.67	14%
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	1,27,341	3,024	42.10	42.59	(1%)
Net capital turnover ratio [(4)]	Net Sales	Working Capital	3,00,538	51,431	5.84	8.59	(32%)
Net profit ratio	Net Profit	Net Sales	75,032	3,00,538	25%	24%	6%
Return on capital employed (ROCE) [(5)]	Earning before interest and taxes	Capital Employed [(6)]	1,02,792	80,626	127%	1771%	(93%)
Return on Investment	Gain from Investments	Weighted average investment	767	20,319	4%	3%	20%

[(1)] Debt represents non-convertible debentures

[(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

[(1)] Non-convertible debentures repaid fully during current 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 Q1'22

[(5)] Increase in capital employed due to profit for the year

2.24 Function wise classification of Statement of Profit and Loss

in ₹ lakh

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations	3,00,538	2,77,750
Cost of sales	1,67,795	1,53,758
Gross profit	1,32,742	1,23,992
Operating expenses		
Selling and marketing expenses	16,800	15,391
General and administration expenses	17,857	19,853
Total operating expenses	34,657	35,244
Operating profit	98,086	88,748
Other Income, net	4,706	804
Profit before interest and tax	1,02,792	89,552
Finance cost	206	6,120
Profit before tax	1,02,586	83,432
Tax expense:		
Current tax	27,394	17,536
Deferred tax	161	286
Profit for the year	75,032	65,610
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of the net defined benefit liability / asset	539	185
Equity instruments through other comprehensive income	–	–
Items that will be reclassified subsequently to profit or loss	–	–
Total other comprehensive income, net of tax	539	185
Total comprehensive income for the year	75,571	65,795

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

Mohit Joshi
Chairman

Sanat Rao
Whole-time Director

Sateesh Seetharamiah
Whole-time Director

Rajesh Kini
Chief Financial Officer

Sudhir Gaonkar
Company Secretary

Bengaluru

April 12, 2022

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, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements").

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

Basis for Opinion

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

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Board of Directors are responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the 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.

Restriction on Use and distribution

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

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

Gurvinder Singh
Partner
Membership Number: 110128

UDIN: 22110128AHSPLH9963

Date: April 25, 2022

Place: Bengaluru

Balance Sheet

in US$

Particulars	Note No.	As at December 31, 2021	As at December 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	5,694,330	4,686,639
Right -of-use assets	2.2	22,825,900	11,170,611
Capital work-in-progress		16,955	–
Goodwill		696,400	696,400
Other intangible assets	2.3	1,568,219	1,968,219
Financial assets			
Loans	2.4	18,553,142	–
Other financial assets	2.5	68,852,991	64,094,052
Deferred tax assets (net)	2.15	2,713,991	2,496,394
Other non-current assets	2.8	33,231,510	3,816,252
Total non-current assets		154,153,438	88,928,567
Current assets			
Financial assets			
Trade receivables	2.6	59,332,821	33,808,453
Cash and cash equivalents	2.7	47,328,637	69,577,920
Loans	2.4	11,470	8,219
Other financial assets	2.5	114,727,995	70,052,687
Other current assets	2.8	66,462,681	35,003,752
Total current assets		287,863,604	208,451,031
Total assets		442,017,042	297,379,598
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.10	36,070,038	36,070,038
Other equity		62,633,168	36,962,393
Total equity		98,703,206	73,032,431
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	2.2	22,260,177	12,532,185
Other financial liabilities	2.11	89,945,553	57,835,601
Other non-current liabilities	2.13	–	677,231
Total non-current liabilities		112,205,730	71,045,017
Current liabilities			
Financial liabilities			
Trade payables	2.12	32,505,713	15,933,246
Lease liabilities	2.2	5,116,217	1,277,641
Other financial liabilities	2.11	161,263,598	100,672,763
Other current liabilities	2.13	30,761,835	32,786,417
Provisions	2.14	373,659	821,233
Income tax liabilities (net)		1,087,084	1,810,850
Total current liabilities		231,108,106	153,302,150
Total equity and liabilities		442,017,042	297,379,598

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

As per our report of even date attached	for and on behalf of Infosys McCamish Systems, LLC	
for Deloitte Haskins & Sells LLP *Chartered Accountants* Firm's Registration No.: 117366W/ W-100018		
Gurvinder Singh *Partner* Membership No.: 110128	**Rich Magner** *Chief Executive Officer*	**Kapil Jain** *Director*
Bengaluru April 25, 2022	**Thothathri V.** *Director*	

Statement of Profit and Loss

in US$

Particulars	Note No.	Year ended December 31, 2021	2020
Revenue from operations	2.16	371,851,155	297,061,836
Other income, net	2.17	792,689	96,422
Total income		372,643,844	297,158,258
Expenses			
Employee benefit expenses	2.18	37,009,886	40,466,274
Cost of technical sub-contractors and professional charges	2.18	60,560,018	34,268,841
Travel expenses		35,586	229,376
Cost of software packages		217,259,099	180,669,969
Finance cost	2.2,2.20	1,166,358	351,114
Depreciation and amortization expense	2.1 & 2.2 & 2.3	6,553,058	3,294,850
Other expenses	2.18	14,564,137	11,487,486
Total expenses		337,148,142	270,767,910
Profit before tax		35,495,702	26,390,348
Tax expense			
Current tax	2.15	10,042,523	6,427,984
Deferred tax	2.15	(217,596)	(780,349)
		9,824,927	5,647,635
Profit for the year		25,670,775	20,742,713
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		25,670,775	20,742,713

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

As per our report of even date attached

for and on behalf of Infosys McCamish Systems, LLC

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

Gurvinder Singh
Partner
Membership No.: 110128

Rich Magner
Chief Executive Officer

Kapil Jain
Director

Bengaluru

April 25, 2022

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, 2020	36,070,038	16,574,652	–	52,644,690
Changes in equity for the year ended December 31, 2020				
Impact on account of adoption of Ind AS 116	–	(354,972)		(354,972)
Total comprehensive income for the year	–	20,742,713	–	20,742,713
Balance as at December 31, 2020	36,070,038	36,962,393	–	73,032,431
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

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

April 25, 2022

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, 2021	2020
Cash flow from operating activities			
Profit for the year		25,670,775	20,742,713
Adjustments to reconcile net profit to net cash provided by operating activities			
Income tax expense	2.15	9,824,927	5,647,635
Depreciation and amortization	2.1, 2.2, 2.3	6,553,058	3,294,850
Allowance for credit losses on financial assets		2,530,050	3,119,699
Loss on sale of plant and equipment		5,302	10,387
Exchange difference on translation of assets and liabilities		88,348	47,489
Finance cost	2.20	1,166,358	351,114
Interest income on loans		(53,142)	–
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(94,627,133)	(75,056,856)
Loans and other financial assets and other assets		(42,788,982)	(2,129,832)
Trade payables		16,572,467	(6,318,549)
Other financial liabilities, other liabilities and provisions		86,233,817	80,914,365
Cash generated by operations		11,175,845	30,623,015
Income taxes paid		(10,766,291)	(7,321,491)
Net cash generated by operating activities		409,554	23,301,524
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		(3,086,669)	(2,923,496)
Loan to related parties		(18,500,000)	–
Payment under financing arrangements		(3,000,000)	(4,854,554)
Receipt of rental towards financing arrangements		1,981,587	261,820
Net cash used in investing activities		(22,605,082)	(7,516,230)
Cash flow from financing activities			
Receipt under financing arrangements		6,890,061	11,367,148
Repayment of rentals towards financing arrangements		(3,158,582)	–
Repayment of lease liabilities		(3,785,234)	(1,593,974)
Net cash generated / (used) in financing activities		(53,755)	9,773,174
Net (decrease) / increase in cash and cash equivalents		(22,249,283)	25,558,468
Cash and cash equivalents at the beginning		69,577,920	44,019,452
Cash and cash equivalents at the end		47,328,637	69,577,920
Supplementary information			
Restricted cash balance		6,664	5,787

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 Infosys McCamish Systems, LLC

Gurvinder Singh
Partner
Membership No.: 110128

Rich Magner
Chief Executive Officer

Kapil Jain
Director

Bengaluru

April 25, 2022

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 ("the Act"), limited by member's interest. The Company was acquired by Infosys BPM Limited (formerly Infosys BPO Limited), a subsidiary of Infosys Limited, on December 4, 2009.

The financial statements were approved by the Company's Board of Directors on April 25, 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 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 the Indian Accounting Standards (Ind AS), under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

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

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

1.3 Use of estimates and judgments

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

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

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

1.4 Critical accounting estimates

a. Revenue recognition

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

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

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

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

b. Income taxes

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

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

c. Property, plant and equipment

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

2.1 Property, plant and equipment

Accounting policy

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

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

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

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

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not used before such date is 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 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, 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	3,637,072	323,982	5,694,330
Carrying value as at January 1, 2021	2,357,681	169,081	1,688,073	471,804	4,686,639

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

in US$

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

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

2.2 Leases

Accounting policy

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease at the 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 contract 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 (ROU) asset 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 right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The 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. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate 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 as CGU to which the asset belongs.

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

Lease liability and The 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 ROU asset arising from the head lease.

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

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	15,856,778
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

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

in US$

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

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

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

in US$

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

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 following is the movement in lease liabilities during the year ended December 31, 2020:

in US$

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

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

in US$

Particulars	Amount
Less than one year	5,208,499
One to five years	17,738,418
More than five years	6,837,632
Total	29,784,549

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 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 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, 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

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

in US$

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

The 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,	
	2021	2020
Non-current		
Unsecured, considered doubtful		
Loans to employees	11,046	22,961
Less: Allowance for doubtful loans to employees	(11,046)	(22,961)
	–	–
Unsecured, considered good		
Loans to related parties	18,553,142	–
	18,553,142	–
Total non-current loans	18,553,142	–
Current		
Unsecured, considered good		
Loans to employees	11,470	8,219
Total current loans	11,470	8,219
Total loans	18,564,612	8,219

2.5 Other financial assets

in US$

Particulars	As at December 31,	
	2021	2020
Non-current		
Security deposits [(1)]	127,260	127,260
Financial asset under financing arrangements [(1)]	4,903,040	3,621,823
Unbilled revenues[(1)] [(3)]	63,405,272	60,344,969
Others	417,419	–
Total non-current other financial assets	68,852,991	64,094,052
Current		
Financial asset under financing arrangements [(1)]	2,225,068	970,911
Unbilled revenues[(1)] [(3)]	111,492,582	69,034,766
Others [(1)] [(2)(3)]	1,010,345	47,010
Total current other financial assets	114,727,995	70,052,687
Total other financial assets	183,580,986	134,146,739

(1) Financial assets carried at amortized cost

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

(3) Classified as financial asset as right to consideration is conditional upon passage of time.

2.6 Trade receivables

in US$

Particulars	As at December 31, 2021	As at December 31, 2020
Current		
Unsecured		
Considered good[1]	59,332,821	33,808,453
Considered doubtful	4,087,605	2,862,500
	63,420,426	36,670,953
Less: Allowances for credit losses	(4,087,605)	(2,862,500)
Total trade receivables	59,332,821	33,808,453

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

2.7 Cash and cash equivalents

in US$

Particulars	As at December 31, 2021	As at December 31, 2020
Balances with banks		
In current and deposit accounts	47,328,637	69,577,920
	47,328,637	69,577,920

Cash and cash equivalents as at December 31, 2021 and December 31, 2020 include restricted bank balance of US$ 6,664 and US$ 5,787, 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, 2021	As at December 31, 2020
Non-current		
Prepaid expenses	3,561,106	3,816,252
Unbilled revenues [1]	10,881,092	–
Deferred contract cost		
Cost of obtaining a contract	18,359,216	–
Cost of fulfilling a contract	430,097	–
Total non-current other assets	33,231,510	3,816,252
Current		
Advances other than capital advance		
Payment to vendors for supply of goods	3,735	20,904
Others		
Prepaid expenses	42,356,354	30,961,100
Unbilled revenues [1]	14,072,125	3,804,329
Deferred contract cost		
Cost of obtaining a contract	9,490,134	–
Cost of fulfilling a contract	388,688	–
Withholding taxes and others	150,025	215,795
Others [2]	1,620	1,624
Total current other assets	66,462,681	35,003,752
Total other assets	99,694,191	38,820,004

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

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

2.9 Financial instruments

Accounting policy

2.9.1 Initial recognition

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

2.9.2 Subsequent measurement

(i) Financial assets carried at amortized cost

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

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

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

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

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

(iv) Financial liabilities

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

2.9.3 Derecognition of financial instruments

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

2.9.4 Fair value of financial instruments

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

2.9.5 Impairment

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

Financial instruments by category

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

in US$

Particulars	As at December 31,	
	2021	2020
Assets		
Cash and cash equivalents (Refer to Note 2.7)	47,328,637	69,577,920
Trade receivables (Refer to Note 2.6)	59,332,821	33,808,453
Loans (Refer to Note 2.4)	18,564,612	8,219
Other financial assets (Refer to Note 2.5)	183,580,986	134,146,739
Total	308,807,056	237,541,331
Liabilities		
Trade payables (Refer to Note 2.12)	32,505,713	15,933,246
Other financial liabilities (Refer to Note 2.11)	250,485,232	69,070,366
Total	282,990,945	85,003,612

All the above financial assets and financial liabilities are carried at amortized cost and the carrying values approximate 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$ 59,332,821 and US$ 33,808,453 as at December 31, 2021 and December 31, 2020. 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	Year ended December 31,	
	2021	2020
Revenue from top customer	13%	11%
Revenue from top 10 customers	57%	55%

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances is US$ 4,087,605 and US$ 2,862,500 for the years ended December 31, 2021 and December 31, 2020, respectively.

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

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents. The Company has no outstanding borrowings as at December 31, 2021. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

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. As of December 31, 2020, the Company has a working capital of US$ 55,148,881, including cash and cash equivalents of US$ 69,577,920.

2.10 Equity

As at December 31, 2021, the Company had one member, Infosys BPM Limited ("the Member"). The Member owns 100% 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, 2021.

2.11 Other financial liabilities

in US$

Particulars	As at December 31, 2021	As at December 31, 2020
Non-current		
Accrued expenses[(1)]	65,576,024	48,803,427
Financial liability under financing arrangements[(1)]	24,369,529	9,032,174
Total non-current other financial liabilities	89,945,553	57,835,601
Current		
Accrued compensation to employees[(1)]	1,625,085	1,848,548
Accrued expenses[(1)]	134,858,030	95,407,618
Retention monies[(1)]		
Financial liability under financing arrangements[(1)]	13,631,925	2,334,974
Compensated absences	723,919	873,982
Capital creditors[(1)]	215,366	–
Other payables[(1)(2)]	10,209,273	207,641
Total current other financial liabilities	161,263,598	100,672,763
Total other financial liabilities	251,209,151	158,508,363

(1) Financial liability carried at amortized cost

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

2.12 Trade payables

in US$

Particulars	As at December 31, 2021	As at December 31, 2020
Current		
Trade payables[(1)]	32,505,713	15,933,246
Total trade payables	32,505,713	15,933,246

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

2.13 Other liabilities

in US$

Particulars	As at December 31, 2021	As at December 31, 2020
Non-current		
Withholding taxes payable	–	677,231
Total non-current other liabilities	–	677,231
Current		
Unearned revenue	28,873,142	31,403,488
Others		
Withholding taxes and others	1,888,693	1,382,929
Total current other liabilities	30,761,835	32,786,417
Total other liabilities	30,761,835	33,463,648

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 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.

The provision for post-sales client support and others as at December 31, 2021 and December 31, 2020 is as follows:

in US$

Particulars	As at December 31, 2021	As at December 31, 2020
Others		
Post-sales client support and others	373,659	821,233
Total provisions	373,659	821,233

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, 2021	As at December 31, 2020
Balance at the beginning	821,233	705,620
Provision recognized/(reversed)	(383,763)	130,605
Provision utilized	(63,811)	(14,992)
Balance at the end	373,659	821,233

2.15 Income taxes

Accounting policy

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

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

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

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

in US$

Particulars	Year ended December 31,	
	2021	2020
Current taxes	10,042,523	6,427,984
Deferred taxes	(217,596)	(780,349)
Income tax expense	9,824,927	5,647,635

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

in US$

Particulars	Year ended December 31,	
	2021	2020
Profit before incomes taxes	35,495,702	26,390,348
Statutory tax rate	21%	21%
Computed expected tax expense	7,454,097	5,541,973
State taxes	1,771,881	963,222
Withholding taxes	–	147,582
Disallowed items	492	6,313
Effect of true-up of previous year taxes	962,116	(503,021)
Other adjustments	(363,659)	(508,434)
Income tax expense	9,824,927	5,647,634

The applicable US federal tax rates for 2021 and 2020 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	Year ended December 31,	
	2021	2020
Deferred tax assets		
Accruals	478,701	505,525
Accrued compensation	274,003	301,131
Property, plant and equipment and intangible assets	–	1,030,683
Accrued vacation	188,219	218,496
Unearned revenue	2,132,983	1,897,618
Trade receivables	1,639,143	1,007,856
Others	1,252,192	(64,913)
	5,965,241	4,896,394
Deferred tax liability		
Property, plant and equipment	(755,250)	–
Accruals including contingent consideration reversal	(2,496,000)	(2,400,000)
Total deferred tax liability	(3,251,250)	(2,400,000)
Deferred tax asset / (liability), net	2,713,991	2,496,394

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

In assessing the realizability of deferred tax assets, the Management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Management considers the scheduled reversals of deferred tax liabilities, projected future taxable income, and tax-planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, the Management believes that it is more likely than not that the Company will realize the benefit of any deductible differences by December 31, 2021.

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 is 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 the 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, non-recurring costs (e.g. set-up or transition or transformation costs) that do not represent a separate performance obligation are recognized as an asset when such costs (a) relate directly to the contract; (b) generate or enhance resources of the Company that will be used in satisfying the performance obligation in the future; and (c) are expected to be recovered. Such capitalized contract costs are amortized over the respective contract life on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates.

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the years ended December 31, 2021 and December 31, 2020 by offerings. The Company believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

in US$

Particulars	Year ended December 31,	
	2021	2020
Revenue by offerings		
Core services	66,391,494	69,954,048
Sale of third-party software and services	305,459,661	227,107,788
Total	371,851,155	297,061,836

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

Trade receivables and contract balances

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

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

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

Invoicing in excess of earnings is 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 comprises primarily 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 US Dollars. The financial statements are presented in US 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, 2021 and December 31, 2020 is as follows:

in US$

Particulars	Year ended December 31,	
	2021	2020
Interest on deposits with banks	–	98,000
Exchange gains / (losses) on translation of other assets and liabilities	(88,347)	(47,489)
Miscellaneous income	881,036	45,911
	792,689	96,422

2.18 Expenses

in US$

Particulars	Year ended December 31, 2021	2020
Employee benefit expenses		
Salaries including bonus	36,942,348	40,394,368
Staff welfare	67,538	71,906
	37,009,886	40,466,274
Cost of technical sub-contractors and professional charges		
Cost of technical sub-contractors	59,420,194	33,219,498
Legal and professional	1,156,206	924,661
Recruitment and training	(16,382)	124,682
	60,560,018	34,268,841
Other expenses		
Consumables	54,396	97,249
Brand-building and advertisement	2,000,000	–
Rates and taxes	431,817	140,094
Communication expenses	850,050	773,380
Office maintenance	492,902	496,477
Bank charges and commission	50,024	93,563
Professional membership and seminar participation fees	14,336	9,745
Donations	3,805,000	3,050,000
Impairment loss recognized / (reversed) under expected credit loss model	2,528,065	3,114,813
Provision for doubtful loans and advances	1,984	4,886
Provision for service level risk on revenue contracts, post-sales client support and others	5,048	(125,180)
Postage and couriers	4,149,487	3,692,069
Insurance	71,377	59,140
Auditor's remuneration		
Statutory audit fees	37,000	37,000
Reimbursement of expenses	2,775	2,775
Others	69,876	41,475
	14,564,137	11,487,486

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

in US$

Particulars	Year ended December 31, 2021	2020
Contingent liabilities [(1)]	–	–
Commitments		
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)	312,871	301,880

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

2.20 Related party transactions

List of related parties

Name of subsidiaries	Country	Holding as at December 31,	
		2021	2020
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]	US		
Infosys Public Services Inc	US		
Infosys Automotive and Mobility[2]	Germany		

[1] Wholly-owned subsidiary of Infosys BPM

[2] Wholly-owned subsidiary of Infosys Limited

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

in US$

Particulars	As at December 31,	
	2021	2020
Trade payables		
Infosys Limited	14,663,366	4,686,753
Infosys BPM Limited	364,900	419,343
	15,028,266	5,106,096
Trade receivables		
Infosys Limited	34,495	55,565
Infosys BPM Limited	1,119,575	1,371,008
	1,154,070	1,426,573
Other financial assets		
Infosys Limited	356,918	523
Infosys BPM Limited	52,597	18,786
Infosys BPO Americas LLC	869	25,211
	410,384	44,520
Other assets		
Infosys Limited	1,624	1,624
	1,624	1,624
Other financial liabilities		
Infosys Limited	10,072,173	181,172
Infosys BPM Limited	–	19,752
	10,072,173	200,924
Loans		
Infosys Automotive and Mobility	18,553,142	–
	18,553,142	–
Provision for expenses		
Infosys Automotive and Mobility	1,305,475	–
	1,305,475	–

The details of the related parties transactions entered into by the Company for year ended December 31, 2021 and December 31, 2020 are as follows:

in US$

Particulars	Year ended December 31,	
	2021	2020
Revenue transactions		
Purchase of services		
Infosys Limited	51,317,780	25,048,405
Infosys BPM Limited	4,752,484	4,191,215
	56,070,264	29,239,620
Purchase of shared services		
Infosys Limited	470,493	–
Infosys Automotive and Mobility	1,305,475	–
	1,775,967	–
Sale of services		
Infosys Limited	656,766	671,512
Infosys BPM Limited	13,522,969	16,447,099
	14,179,735	17,118,611
Sale of shared services		
Infosys BPM Limited	304,885	–
Infosys BPO Americas LLC	203,948	–
	508,833	–
Interest income		
Infosys Automotive and Mobility	53,142	–
	53,142	–

List of key managerial personnel

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

Transaction with key managerial personnel

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

in US$

Particulars	Year ended December 31,	
	2021	2020
Salaries and other employee benefits to whole-time directors and executive officers	684,306	603,476
Commission and other benefits to non-executive/independent directors	–	–
Total	684,306	603,476

2.21 Compensated absences

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

2.22 Segment reporting

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

For and on behalf of Infosys McCamish Systems LLC

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

Bengaluru

April 25, 2022

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

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 No: 006673S

M Rathnakar Kamath
(Partner)

Membership No. 202841

UDIN : 22202841AIWKPV4231

Place: Bengaluru

Date: May 12 , 2022

Balance Sheet

in GBP

Particulars	Notes.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	458,537	123,784
Right to use of asset	2.15	3,194,238	-
Financial assets			
Investments	2.2	21,668,078	21,668,078
Loans	2.3	2,829	-
Deferred tax assets, net	2.14	178,109	187,322
Other non-current assets	2.7	2,394,795	-
Income tax assets, net	2.14	365,047	880,000
Total non-current assets		28,261,633	22,859,184
Current assets			
Financial assets			
Trade receivables	2.5	17,273,888	8,729,366
Cash and cash equivalents	2.6	6,135,971	2,694,012
Loans	2.3	10,968	23,048
Other financial assets	2.4	894,471	81,331
Other current assets	2.7	13,362,157	7,061,545
Total current assets		37,677,455	18,589,302
Total assets		65,939,088	41,448,486
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.9	14,050,000	14,050,000
Other equity		5,676,038	2,563,652
Total equity		19,726,038	16,613,652
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liability	2.15	3,739,063	–
Other financial liabilities	2.11	–	1,553,043
Total non-current liabilities		3,739,063	1,553,043
Current liabilities			
Financial liabilities			
Trade payables	2.10	12,219,076	6,788,544
Lease liability	2.15	1,543,793	–
Other financial liabilities	2.11	16,890,952	13,054,981
Other current liabilities	2.12	10,291,773	2,250,261
Provisions	2.13	129,669	36,726
Income tax liabilities, net	2.14	1,398,724	1,151,279
Total current liabilities		42,473,987	23,281,791
Total equity and liabilities		65,939,088	41,448,486

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

May 12, 2022

for and on behalf of the Board of Directors of Infy Consulting Company Limited

Andrew Duncan
Director

Statement of Profit and Loss

in £, except equity share and per equity share data

Particulars	Notes	Twelve months ended March 31, 2022	Fifteen months ended March 31, 2021
Revenue from operations	2.16	139,213,302	142,272,165
Other income, net	2.17	139,411	302,619
Total income		139,352,713	142,574,784
Expenses			
Employee benefit expenses	2.18	45,332,437	41,376,559
Cost of technical sub-contractors		76,251,040	89,190,138
Travel expenses		597,858	517,469
Cost of software packages and others	2.18	8,062,106	6,164,591
Communication expenses		49,145	79,393
Consultancy and professional charges		1,085,864	1,370,838
Depreciation and amortization expense	2.1	985,691	60,557
Finance cost		280,902	157,596
Other expenses	2.18	1,273,073	1,056,091
Total expenses		133,918,116	139,973,232
Profit before tax		5,434,597	2,601,552
Tax expense			
Current tax	2.14	2,312,998	713,473
Deferred tax	2.14	9,213	(125,272)
Profit for the year		3,112,386	2,013,351
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		–	–
Total other comprehensive income / (loss), net of tax		–	–
Total comprehensive income for the period/year		3,112,386	2,013,351
Earnings per equity share			
Equity shares of par value £ 1 each			
Basic and diluted £		0.22	0.34
Weighted average equity shares used in computing earnings per equity share			
Basic and diluted		1,40,50,000	5,896,154

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 the Board of Directors of Infy Consulting Company Limited

Andrew Duncan
Director

Bengaluru

May 12, 2022

Statement of Cash Flows

in £

Particulars	Notes	Twelve months ended March 31, 2022	Fifteen months ended March 31, 2021
Cash flows from operating activities			
Profit for the year		3,112,386	2,013,351
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation and amortization expense	2.1	985,691	60,557
Income tax expense	2.14	2,322,211	588,201
Finance cost		280,902	–
Interest and dividend income	2.17	(65)	(63)
Other adjustments		91,336	33,277
Exchange differences on translation of assets and liabilities		245,448	(21,250)
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(8,544,522)	3,973,020
Other financial assets and other assets		(7,113,752)	(1,996,524)
Trade payables		5,430,532	(1,860,418)
Other financial liabilities, other liabilities and provisions		11,570,740	1,893,443
Cash generated from operations		8,380,907	4,683,594
Income taxes paid		(1,550,600)	(1,337,005)
Net cash generated by operating activities		6,830,307	3,346,589
Cash flow from investing activities			
Expenditure on property, plant and equipment net of sale proceeds	2.1	(444,652)	(119,367)
Investment in Subsidiary		–	(18,690,399)
Payment of contingent consideration pertaining to acquisition		(1,817,081)	–
Loans to employees		9,251	(17,224)
Interest and dividend received on investments		65	63
Net cash used in investing activities		(2,252,417)	(18,826,927)
Cash flow from financing activities			
Increase in share capital		–	14,000,000
Payment of lease liabilities	2.15	(886,987)	–
Interest and finance expenses paid		(248,944)	–
Dividend paid		–	(3,000,000)
Net cash used in financing activities		(1,135,931)	11,000,000
Net (decrease) / increase in cash and cash equivalents		3,441,959	(4,480,338)
Cash and cash equivalents at the beginning of the year		2,694,012	7,174,350
Cash and cash equivalents at the end of the year		6,135,971	2,694,012

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

May 12, 2022

for and on behalf of the Board of Directors of Infy Consulting Company Limited

Andrew Duncan
Director

Statement of Changes in Equity

in £

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, 2020	50,000	3,550,301	3,600,301
Changes in equity for the year ended March 31, 2021			
Dividend paid	–	(3,000,000)	(3,000,000)
Increase in share capital	14,000,000	–	14,000,000
Profit for the year	–	2,013,351	2,013,351
Balance as of March 31, 2021	14,050,000	2,563,652	16,613,652
Changes in equity for the year ended March 31, 2022			
Dividend paid	–	–	–
Increase in share capital	–	–	–
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

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 Infy Consulting Company Limited

M. Rathnakar Kamath
Partner
Membership number : 202841

Andrew Duncan
Director

Bengaluru

May 12, 2022

Significant accounting policies

Company overview

Infy 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 for the current period, and January 1 to March 31 for previous period.

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 or £) and the financial statements are also presented in GBP £. 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 the Management becomes aware of changes in circumstances surrounding the estimates.

Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

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

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 nonfinancial 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 related information and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

1.5 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 January 1, 2019. In accordance with the cumulative catchup 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 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 to 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 catchup 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 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

[(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 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 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 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 Great Britain Pound (£).

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 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.

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 assets 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, 2022 are as follows:

in £

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 April 1, 2021	–	123,784	123,784

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

in £

Particulars	Leasehold improvements	Computer equipment	Total
Gross carrying value as of January 1, 2020	122,869	476,847	599,716
Additions / adjustments	–	119,367	119,367
Gross carrying value as of March 31, 2021	122,869	596,214	719,083
Accumulated depreciation as of January 1, 2020	122,869	411,873	534,742
Depreciation	–	60,557	60,557
Accumulated depreciation as of March 31, 2021	122,869	472,430	595,299
Carrying value as of March 31, 2021	–	123,784	123,784
Carrying value as of January 1, 2020	–	64,974	64,974

2.2 Investments

in £

Particulars	As at March 31, 2022	2021
Non-current investments		
Investment in subsidiary*	21,668,078	21,668,078
	21,668,078	21,668,078

* On October 1, 2020, Infy Consulting Company Limited acquired 100% of voting interests in GuideVision s.r.o , a ServiceNow Elite Partner in Europe for a total consideration of upto € 31 million (approximately £ 28 million), comprising of cash consideration of Euro 21 million (approximately £ 19 million), contingent consideration of upto Euro 4 million (£ 4 million) and retention payouts of upto Euro 6 million (approximately £ 5 million), payable to the employees of GuideVision s.r.o over the next two to three years, subject to their continuous employment with the group and meeting certain financial targets.

2.3 Loans

in £

Particulars	As at March 31, 2022	2021
Non-current		
Unsecured, considered good		
Other loans		
Loans to employees	2,829	–
	2,829	–
Current		
Other loans		
Loans and advances to employees	62,974	70,073
Less: Allowance for doubtful Loans to employees	(52,006)	(47,025)
	10,968	23,048
Total loans	13,797	23,048

2.4 Other financial assets

in £

Particulars	As at March 31, 2022	2021
Current		
Unbilled revenues (1)	819,590	–
Others (2)	74,881	81,331
Total	894,471	81,331
(1) Financial assets carried at amortized cost	894,471	81,331
(2) Includes dues from related party (Refer to Note 2.19)	72	59,861

2.5 Trade receivables

in £

Particulars	As at March 31, 2022	2021
Current		
Unsecured		
Considered good (1)	17,273,888	8,729,366
Considered doubtful	79,822	10,810
	17,353,710	8,740,176
Less: Allowance for credit loss	79,822	10,810
	17,273,888	8,729,366
(1) Includes dues from related parties (Refer to Note 2.19)	12,527,207	8,014,392

2.6 Cash and cash equivalents

in £

Particulars	As at March 31, 2022	2021
Balances with banks		
In current accounts	6,135,971	2,694,012
Total cash and cash equivalents	6,135,971	2,694,012

2.7 Other assets

in £

Particulars	As at March 31, 2022	2021
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	7,442	–
Prepaid expenses	639,915	1,241,983
Unbilled revenue	4,217,175	3,027,821
Cost of fulfillment	3,305,486	–
Joining bonus	321,286	–
Withholding taxes and others	4,857,353	2,791,741
Total current other assets	13,362,157	7,061,545

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 March 31, 2022	2021
Assets		
Cash and cash equivalents (Refer to Note 2.6)	6,135,971	2,694,012
Trade receivables (Refer to Note 2.5)	–	–
Loans (Refer to Note 2.3)	13,797	23,048
Other financial assets (Refer to Note 2.4)	894,471	81,331

Particulars	As at March 31,	
	2022	2021
Total	7,044,239	2,798,391
Liabilities		
Trade payables (Refer to Note 2.10)	12,219,076	6,788,544
Lease liabilities (Refer to Note 2.15)	5,282,856	–
Other financial liabilities (Refer to Note 2.11)	16,135,390	14,041,141
Total	33,637,322	20,829,685

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 £ 17,273,888 and £ 8,729,366 as of March 31, 2022 and March 31, 2021, respectively and unbilled revenue amounting to £ 5,036,765 as of March 31, 2022 and £ 3,027,821 as of March 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.

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, 2022, the Company had a negative working capital of £ 4,796,532 including cash and cash equivalents of £ 6,135,971. As of March 31, 2021, the Company had a negative working capital of £ 4,692,489 including cash and cash equivalents of £ 2,694,012.
The details regarding the contractual maturities of significant financial liabilities as at March 31, 2022 are as follows:

in £

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

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2021 are as follows:

in £

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade Payables (Refer to Note 2.10)	6,788,544	–	–	–	6,788,544
Contingent consideration (Refer to Note 2.11)	1,403,468	1,553,043	–	–	2,956,511
Accrued expenses (Refer to Note 2.11)	6,158,394	–	–	–	6,158,394
Accrued compensation to employees (Refer to Note 2.11)	4,562,461	–	–	–	4,562,461
Other payables (Refer to Note 2.11)	363,775				363,775

2.9 Equity

Equity share capital

in £, except as otherwise stated

Particulars	As at March 31,	
	2022	2021
Authorized		
14,050,000 (14,050,000) equity shares of £ 1 par value	14,050,000	14,050,000
Issued, subscribed and paid-up		
14,050,000 (14,050,000) equity shares of £ 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 £, except as otherwise stated

Name of the shareholder	As at March 31,			
	2022		2021	
	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 £

Particulars	As at March 31, 2022	2021
Trade payables *	12,219,076	6,788,544
Total trade payables	12,219,076	6,788,544
*Includes dues to related parties (Refer to Note 2.19)	10,307,754	3,521,288

2.11 Other financial liabilities

in £

Particulars	As at March 31, 2022	2021
Non-current		
Others		
Contingent consideration (Refer to Note 2.2)	–	1,553,043
	–	1,553,043
Current		
Others		
Accrued compensation to employees	4,293,155	4,562,461
Accrued expenses [(1)]	9,429,362	6,158,394
Contingent consideration - Current	1,710,211	1,403,468
Compensated absences	755,562	566,883
Other payables [(2)]	702,662	363,775
	16,890,952	13,054,981
Total financial liabilities	16,890,952	14,608,024
Financial liability carried at amortized cost	16,135,390	14,041,141
[(1)] Includes dues to related party (Refer to Note 2.19)	1,005,140	347,048
[(2)] Includes dues to related parties (Refer to Note 2.19)	192,998	112,657

2.12 Other liabilities

in £

Particulars	As at March 31, 2022	2021
Current		
Unearned revenue	4,644,129	–
Others		
Withholding taxes and others	5,647,644	2,250,261
	10,291,773	2,250,261
Total other liabilities	10,291,773	2,250,261

2.13 Provisions

in £

Particulars	As at March 31, 2022	2021
Current		
Others		
Post-sales client support and warranties	129,669	36,726
Total provisions	129,669	36,726

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 March 31, 2022	2021
Balance at the Beginning	36,726	3,530
Provision recognized / (reversed)	91,336	33,277
Exchange difference\	1,607	6,979
Balance at the end	129,669	36,726

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 £

Particulars	Years ended March 31, 2022	2021
Current taxes	2,312,998	713473
Deferred taxes	9,213	(125,272)
Income tax expense	2,322,211	588,201

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 March 31,	
	2022	2021
Profit before income tax	5,434,597	2,601,552
Enacted tax rates in United Kingdom (%)	19.00%	19.00%
Computed expected tax expense	1,032,573	494,295
Expenses not deductible for tax purposes	355,100	87,062
Tax provisions / (reversals)	141,770	(68,967)
Overseas tax expenses	–	108,388
Prior period tax expense	791,506	–
Effect of unrecognized deferred tax assets	–	(32,577)
Others	1,262	–
Income tax expense	2,322,211	588,201

The applicable United Kingdom statutory tax rate for year ended March 31, 2022 and March 31, 2021 is 19 %.
The details of income tax assets and income tax liabilities are as follows :

in £

Particulars	Years ended March 31,	
	2022	2021
Income tax assets	365,047	880,000
Current income tax liabilities	1,398,724	1,151,279
Net current income tax assets / (liability) at the end	(1,033,677)	(271,279)

The gross movement in the current income tax asset / (liability) is as follows:

in £

Particulars	Years ended March 31,	
	2022	2021
Net current income tax asset / (liability) at the beginning	(271,279)	(894,811)
Income tax paid	1,550,600	1,337,005
Current income tax expense	(2,312,998)	(713,473)
Net current income tax asset / (liability) at the end	(1,033,677)	(271,279)

The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

in £

Particulars	Years ended March 31,	
	2022	2021
Deferred income tax assets		
Property, plant and equipment	24,218	27,730
Accumulated losses	–	75,005
Others	153,891	84,587
Total deferred income tax assets	178,109	187,322

2.15 Leases

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

in £

Particulars	Category of ROU asset	Total
	Computers	
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 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, 2022

in £

Particulars	As at March 31, 2022
Current lease liabilities	1,543,793
Non-current lease liabilities	3,739,063
Total	5,282,856

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

in £

Particulars	For the year ended March 31, 2022
Balance at the beginning	–
Additions	5,809,326
Finance cost accrued during the period	31,958
Payment of lease liabilities	(886,987)
Translation Difference	328,559
Balance at the end	5,282,856

The contractual maturities of lease liabilities as at March 31, 2022 on an undiscounted basis are as follows:

in £

Particulars	As at March 31, 2022
Less than one year	1,367,306
One to five years	3,752,131
More than five years	–
Total	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 obligations related to lease liabilities as and when they fall due.
Rental expense recorded for short-term leases was Nil for the year ended March 31, 2022.

2.16 Revenue from operations

in £

Particulars	Twelve months ended March 31, 2022	Fifteen months ended March 31, 2021
Income from consultancy services	139,213,302	142,272,165
	139,213,302	142,272,165

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by offerings for the period ended March 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	Twelve months ended March 31, 2022	Fifteen months ended March 31, 2021
Revenue by offerings		
Core	74,859,058	103,883,873
Digital	64,354,244	38,388,292
Total	139,213,302	142,272,165

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, 2022, other than those meeting the exclusion criteria mentioned above, is £ 33,229,025. Out of this, the Company expects to recognize revenue of around 13% 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	Twelve months ended March 31, 2022	Fifteen months ended March 31, 2021
Interest received on financial assets carried at amortized cost		
Deposits with banks and others	65	63
Exchange gains / (losses) on translation of other assets and liabilities	–	71,543
Miscellaneous income, net	139,346	231,013
	139,411	302,619

2.18 Expenses

in £

Particulars	Twelve months ended March 31, 2022	Fifteen months ended March 31, 2021
Employee benefit expenses		
Salaries including bonus	45,286,277	41,196,300
Staff welfare	46,160	180,259
	45,332,437	41,376,559
Cost of software packages and others		
Third-party items bought for service delivery to clients	7,992,812	6,164,591
Dealer type lease-cost	68,382	–
Cost of software package for own use	912	–
	8,062,106	6,164,591

in £

Particulars	Twelve months ended March 31, 2022	Fifteen months ended March 31, 2021
Other expenses		
Power and fuel	11,664	9,936
Brand and marketing	135,965	282,518
Rates and taxes	186	4,624
Insurance	110,327	174,440
Provision / (reversals) for post-sales client support	91,336	33,277
Printing and stationery	19,306	17,749
Statutory audit fees	40,000	9,695
Computer maintenance	1,160	1,026
Office maintenance	363,346	437,346
Others	499,783	85,480

	1,273,073	1,056,091

2.19 Related party transactions

List of related parties

Name of the holding company	Country	Holding as at	
		March 31, 2022	March 31, 2021
Infosys Consulting Holding AG (Infosys Lodestone) [1]	Switzerland	100.00%	100.00%

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]	US
EdgeVerve Systems Limited (EdgeVerve) [1]	India
Infosys Austria GmbH [1]	Austria
Skava Systems Private Limited (Skava Systems) [1](41)	India
Kallidus Inc, (Kallidus) [42]	US
Infosys Chile SpA [1]	Chile
Infosys Arabia Limited [2]	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]	US
Infosys Public Services, Inc. USA (Infosys Public Services) [1]	US
Infosys Canada Public Services Inc. [20](53)	Canada
Infosys BPM Limited [1](61)	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 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](52)	Czech Republic
Infosys Consulting (Shanghai) Co., Ltd. [4](48)	China
Infy Consulting B.V. [4]	The Netherlands
Infosys Consulting Sp. z.o.o [29]	Poland
Lodestone Management Consultants Portugal, Unipessoal, Lda. [4](34)	Portugal
Infosys Consulting S.R.L. [4]	Argentina
Infosys Consulting (Belgium) NV [5]	Belgium
Panaya Inc. (Panaya) [1]	US
Panaya Ltd. [6]	Israel
Panaya GmbH [6]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics) [1](41)	UK
Brilliant Basics Limited [7](41)	UK
Brilliant Basics (MENA) DMCC [7](21)	Dubai
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
Fluido Newco AB [11](36)	Sweden
Infosys Compaz Pte. Ltd [9]	Singapore
Infosys South Africa (Pty) Ltd [8]	South Africa
WONGDOODY Holding Company Inc. (WONGDOODY)[1](54)	US
WDW Communications, Inc [10](55)	US
WONGDOODY, Inc [10](56)	US
HIPUS Co., Ltd [9]	Japan
Stater N.V. [9]	The Netherlands
Stater Nederland B.V. [12]	The Netherlands
Stater Duitsland B.V. [12](38)	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](37)	Germany
Stater Deutschland GmbH & Co. KG [13](37)	Germany
Stater Belgium N.V./S.A. [14](39)	Belgium
Stater GmbH [12](46)	Germany
Outbox systems Inc. dba Simplus (US) [16]	US
Simplus North America Inc. [17](45)	Canada
Simplus ANZ Pty Ltd. [17]	Australia
Simplus Australia Pty Ltd [18]	Australia
Sqware Peg Digital Pty Ltd [19](49)	Australia
Simplus Philippines, Inc. [17]	Philippines
Simplus Europe, Ltd. [17](47)	UK
Infosys Fluido UK, Ltd. (formerly, Simplus UK, Ltd) [22]	UK
Infosys Fluido Ireland, Ltd.(formerly, Simplus Ireland, Ltd) [23]	Ireland
Infosys Limited Bulgaria EOOD [1](24)	Bulgaria
Kaleidoscope Animations, Inc. [27]	US
Kaleidoscope Prototyping LLC [28]	US
GuideVision s.r.o. [25]	Czech Republic
GuideVision Deutschland GmbH [26]	Germany
GuideVision Suomi Oy [26]	Finland
GuideVision Magyarország Kft [26]	Hungary
GuideVision Polska SP.Z.O.O [26]	Poland
GuideVision UK Ltd [26]	UK
Blue Acorn iCi Inc (formerly, Beringer Commerce Inc) [30]	US
Beringer Capital Digital Group Inc [30](59)	US
Mediotype LLC [31](59)	US
Beringer Commerce Holdings LLC [31](59)	US
SureSource LLC [32](57)	US
Blue Acorn LLC [32](57)	US
Simply Commerce LLC [32](57)	US
iCiDIGITAL LLC [33](58)	US
Infosys BPM UK Limited [3](35)	UK
Infosys Turkey Bilgi Teknolojikeri Limited Sirketi [1](40)	Turkey
Infosys Germany Holding GmbH [1](43)	Germany
Infosys Automotive and Mobility GmbH & Co. KG [1](44)	Germany
Infosys Green Forum [1](50)	India
Infosys (Malaysia) SDN. BHD. (formerly, Global Enterprise International (Malaysia) Sdn. Bhd.) [51]	Malaysia
Infosys Business Solutions LLC [1](60)	Qatar
Infosys Germany GmbH (formerly, Kristall 247. GmbH ('Kristall')) [62]	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] Wholly-owned subsidiary of Stater Duitsland B.V.
[14] Majority-owned and controlled subsidiary of Stater Participations B.V.
[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] Liquidated effective July 17, 2020
[22] On June 1, 2020, Fluido Oy, acquired 100% of the voting interests in Infosys Fluido UK, Ltd. (formerly Simplus UK, Ltd)
[23] Wholly-owned subsidiary of Infosys Fluido UK, Ltd. (formerly Simplus UK, Ltd)
[24] Incorporated effective September 11, 2020.
[25] On October 1, 2020, Infy Consulting Company Limited acquired 100% of voting interests in GuideVision s.r.o
[26] Wholly-owned subsidiary of GuideVision s.r.o.
[27] On October 9, 2020, Infosys Nova Holdings LLC, acquired 100% voting interest in Kaleidoscope Animations, Inc.
[28] Wholly-owned subsidiary of Kaleidoscope Animations, Inc.
[29] Merged with Infosys Poland Sp. z.o.o, effective October 21, 2020
[30] On October 27, 2020, Infosys Nova Holding LLC, a wholly-owned subsidiary of Infosys Limited, acquired 100% voting interest in Blue Acorn iCi Inc (formerly Beringer Commerce Inc) and Beringer Capital Digital Group Inc
[31] Wholly-owned subsidiary of Blue Acorn iCi Inc
[32] Wholly-owned subsidiary of Beringer Commerce Holdings LLC
[33] Wholly-owned subsidiary of Beringer Capital Digital Group Inc.
[34] Liquidated effective November 19,2020
[35] Incorporated, effective December 9, 2020
[36] Merged into Fluido Sweden AB (Extero), effective December 18, 2020
[37] Merged into Stater Duitsland B.V., effective December 18, 2020
[38] Merged with Stater N.V., effective December 23, 2020
[39] On December 29, 2020, Stater Participation B.V acquired non-controlling interest of 28.01% of the voting interests in Stater Belgium NV/SA
[40] Incorporated on December 30, 2020
[41] Under liquidation
[42] Liquidated effective March 9,2021
[43] Incorporated on March 23, 2021
[44] On March 28, 2021 Infosys Limited and Infosys Germany Holding GmbH registered Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm.
[45] Liquidated effective April 27, 2021
[46] Incorporated on August 4, 2021
[47] Liquidated effective July 20, 2021
[48] Liquidated effective September 1, 2021
[49] Liquidated effective September 2, 2021
[50] Incorporated on August 31, 2021
[51] 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.)
[52] Liquidated effective December 16, 2021
[53] Liquidated effective November 23, 2021
[54] Wholly-owned subsidiary of Infosys Limited, merged with WONGDOODY Inc, effective December 31, 2021
[55] Wholly-owned subsidiary of WONGDOODY Holding Company Inc. (WONGDOODY), merged with WONGDOODY Inc, effective December 31, 2021
[56] Wholly-owned subsidiary of Infosys Limited, effective December 31, 2021
[57] Merged with Beringer Commerce Holdings LLC, effective January 1, 2022

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

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

[60] Incorporated on February 20, 2022

[61] On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited

[62] 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'))

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

in £

Particulars	As at March 31,	
	2022	2021
Trade receivables		
EdgeVerve Systems Limited	32,578	–
Infosys Consulting S.R.L.	10,832	523,092
Infosys Consulting (Belgium) N.V.	15,311	6,860
Infosys Consulting AG	335,389	2,765,379
Infosys Consulting GmBH	69,239	–
Infosys Consulting SAS	96,027	1
Infy Consulting B.V	104,239	111,638
S.C Infosys Consulting S.R.L	300	300
Infosys Limited	11,863,292	4,536,863
Infosys Technologies (Sweden) AB	–	66,415
Infosys Poland Sp. z o.o.	–	3,844
	12,527,207	8,014,392
Trade payables		
Infosys Consulting S.R.L.	–	279,778
Infosys Consulting (Belgium) N.V.	456,865	138,692
Infosys Consulting AG	5,516,264	–
Infosys Technologies (China) Co. Limited	13,859	–
Infosys (Czech Republic) Limited s.r.o.	60,408	–
Infosys Compaz Pte Ltd	–	108
Infosys Consulting GmBH	1,502,908	1,678,299
Infosys Consulting SAS	772,328	611,595
Infy Consulting B.V	1,696,727	488,250
Infosys Limited	288,395	324,566
	10,307,754	3,521,288
Other Payables		
Infosys Consulting AG	823	–
Infosys Consulting GmbH	797	–
Infosys Consulting SAS	–	99
Infosys Consulting Pte. Ltd	–	755
Infosys Limited	191,378	111,803
	192,998	112,657
Other Receivables		
Infosys Consulting AG	–	2,704
Infosys Consulting (Belgium) N.V.	–	662
Infosys Consulting Pte. Ltd	72	–
Infosys Consulting GmbH	–	56,495
	72	59,861
Investment in Subsidiary		
GuideVision s.r.o.	21,668,078	21,668,078
	21,668,078	21,668,078
Accrued expenses		
Infosys Limited	946,713	347,048
Infosys BPM Limited	58,427	–
	1,005,140	347,048

in £

Particulars	Twelve months ended March 31, 2022	Fifteen months ended March 31, 2021
Revenue transactions		
Purchase of services and shared services facilities & personnel		
Infosys Consulting (Belgium) N.V.	3,393,823	4,323,865
Infosys Consulting AG	21,414,310	24,171,061
Infosys Poland Sp. z o.o.	–	237,058
Infosys Limited	3,071,259	3,301,362
Infosys Consulting S.R.L.	360,300	208,664
Infosys Technologies (China) Co. Limited	13,869	–
Lodestone Management Consultants Co., Ltd.	–	111,075
Infosys Consulting GmBH	18,735,753	27,756,554
Infosys Consulting SAS	8,402,290	6,240,382
Infy Consulting B.V	6,531,516	7,792,875
Infosys Consulting Sp. z.o.o.	–	3,106,047
Infosys (Czech Republic) Limited s.r.o.	60,213	–
S.C Infosys Consulting S.R.L	–	1,350,540
Infosys BPM Limited	58,186	9,114
	62,041,519	78,608,597
Sale of services		
EdgeVerve Systems Limited	195,836	782,548
Infosys Consulting S.R.L.	2,167	–
Infosys Consulting (Belgium) N.V.	7,774	–
Infosys Consulting s.r.o	–	1,286
Infosys Consulting AG	1,382,091	1,810,440
Infosys Consulting GmBH	3,350,586	4,351,192
Infosys Consulting SAS	1,429,187	3,252
Infy Consulting B.V	1,093,528	451,146
Infosys Consulting Sp. z.o.o.	–	437,001
Infosys Poland Sp. z o.o.	28,162	3,844
Infosys Technologies (Sweden) AB	154,724	236,806
Infosys Limited	123,402,660	129,464,986
Infosys Compaz Pte Ltd	79,302	330,954
Infosys BPM Limited	–	38,919
	131,126,017	137,912,374
Sale of shared services		
Infosys Consulting S.R.L.	1,300	1,300
Infosys Consulting (Belgium) N.V.	94,980	104,196
Infosys Consulting s.r.o	–	100
S.C Infosys Consulting S.R.L	–	300
Infosys Consulting AG	2,600	4,200
Infosys Consulting GmBH	1,700	14,221
Infosys Consulting SAS	1,300	1,500
Infy Consulting B.V	117,458	105,196
	219,338	231,013

List of key management personnel

Name of the Related Party	Designation
Mark Livingston	Chief Executive Officer
Andrew Duncan	Managing Director

Transaction with key management personnel

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

in £

Particulars	Twelve months ended March 31,2022	Fifteen months ended March 31,2021
Key management personnel emoluments	515,934	552,872
Total	515,934	552,872

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.

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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 Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Infosys Public Services, Inc. ("the Company"), which comprise the Balance Sheet as at March 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 Note 1.2 of the special purpose financial statements, of the state of affairs of the Company as at March 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 are responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

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

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

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

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

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

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

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

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

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

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

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

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 No: 117366W/W-100018

Gurvinder Singh
(Partner)
Membership No. 110128

UDIN : 22110815AGVXTY5533

Place: Bengaluru

Date: May 25, 2022

Balance Sheet

in US$

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	521,574	537,254
Right-of-use assets	2.12	1,661,158	1,935,651
Capital work-in-progress		33,152	–
Financial assets			
Loans to fellow subsidiaries	2.2	9,000,000	11,500,000
Other financial assets	2.5	51,583	460,931
Deferred tax assets, net	2.13	2,639,835	2,938,474
Income tax assets, net	2.13	542,318	325,765
Total non-current assets		14,449,620	17,698,075
Current assets			
Financial assets			
Trade receivables	2.3	28,958,466	28,794,621
Cash and cash equivalents	2.4	67,940,070	56,184,281
Loans to fellow subsidiaries	2.2	20,000,000	–
Other financial assets	2.5	15,243,361	7,956,347
Other current assets	2.6	13,329,217	22,182,340
Total current assets		145,471,114	115,117,589
Total assets		159,920,734	132,815,664
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.7	17,500,000	17,500,000
Other equity		86,525,404	70,798,122
Total equity		104,025,404	88,298,122
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	2.12	1,560,448	1,877,158
Other liabilities	2.10	–	222,762
Total non-current liabilities		1,560,448	2,099,920
Current liabilities			
Financial liabilities			
Trade payables	2.8	17,011,188	8,773,261
Lease liabilities	2.12	310,379	302,359
Other financial liabilities	2.9	32,011,257	28,171,040
Other liabilities	2.10	3,186,612	3,299,331
Provisions	2.11	1,010,118	1,154,083
Income tax liabilities, net	2.13	805,328	717,548
Total current liabilities		54,334,882	42,417,622
Total equity and liabilities		159,920,734	132,815,664

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 number : 117366W/ W-100018

for and on behalf of the Board of Directors of Infosys Public Services Inc.

Gurvinder Singh
Partner
Membership number : 110128

Ravi Kumar S
Eric Paternoster

Eric Paternoster
Chief Executive Officer

Bengaluru

May 25, 2022

Statement of Profit and Loss

in US$, except equity share data

Particulars	Notes	Years ended March 31, 2022	2021
Revenue from operations	2.14	182,674,876	165,549,307
Other Income, net	2.15	640,361	3,875,932
Total Income		183,315,237	169,425,239
Expenses			
Employee benefit expenses	2.16	28,715,318	23,490,417
Cost of technical sub-contractors		110,870,643	111,579,120
Travel expenses		278,772	177,455
Cost of software packages and others	2.16	19,746,380	13,724,197
Communication expenses		159,840	91,026
Consultancy and professional charges		920,724	2,048,609
Depreciation and amortization expense	2.1 and 2.12	465,298	475,509
Finance Cost	2.12	34,662	43,155
Other expenses	2.16	245,719	807,396
Total expenses		161,437,356	152,436,884
Profit before tax		21,877,881	16,988,355
Tax expense / (benefit):			
Current tax	2.13	5,851,959	5,761,197
Deferred tax	2.13	298,640	(339,464)
Profit for the period		15,727,282	11,566,622
Total comprehensive income for the period		15,727,282	11,566,622
Earnings per equity share			
Earnings per equity share of $0.5 each			
Basic and diluted		0.45	0.33
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 Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's registration number : 117366W/ W-100018

for and on behalf of the Board of Directors of Infosys Public Services Inc.

Gurvinder Singh
Partner
Membership number : 110128

Ravi Kumar S
Eric Paternoster

Eric Paternoster
Chief Executive Officer

Bengaluru

May 25, 2022

Statement of Changes in Equity

in US$

Particulars	Equity share capital	Other equity -retained earnings	Total equity attributable to equity holders of the Company
Balance as at April 1, 2020	17,500,000	59,231,500	76,731,500
Changes in equity for the year ended March 31, 2021			
Profit for the period	–	11,566,622	11,566,622
Balance as at March 31, 2021	17,500,000	70,798,122	88,298,122
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

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's registration number : 117366W/ W-100018

Gurvinder Singh
Partner
Membership number : 110128

Bengaluru

May 25, 2022

for and on behalf of the Board of Directors of Infosys Public Services Inc.

Ravi Kumar S
Eric Paternoster

Eric Paternoster
Chief Executive Officer

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.

Particulars	Notes	Years ended March 31,	
		2022	2021
Cash flow from operating activities:			
Profit for the period		15,727,282	11,566,622
Adjustments to reconcile net profit to net cash provided by operating activities:			
Income tax expense	2.13	6,150,599	5,421,733
Depreciation and amortization	2.1 and 2.12	465,298	475,509
Finance cost	2.12	34,662	43,155
Interest income on loan to fellow subsidiaries	2.18 (c)	(216,063)	(245,255)
Provision for post-sales client support	2.16	(20,177)	(366,846)
Impairment loss recognized / (reversed) under expected credit loss model	2.16	(272,788)	680,521
Exchange difference on translation of assets and liabilities		(689,411)	(1,753,604)
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(276,690)	(149,644)
Loans, other financial assets and other assets		2,052,076	(3,929,770)
Trade payables	2.8	8,237,927	(2,717,788)
Other financial liabilities, other liabilities and provisions		3,378,924	13,405,076
Cash generated / (used) from operations		34,571,639	22,429,709
Income taxes paid		(5,980,732)	(1,757,379)
Net cash (used in) / from operating activities		28,590,907	20,672,330
Cash flow from investing activities			
Expenditure on property, plant and equipment		(208,278)	(80,883)
Loan to fellow subsidiaries given	2.18 (c)	(20,000,000)	(1,500,000)
Repayment of loan from fellow subsidiaries	2.18 (c)	2,500,000	15,000,000
Interest received on loan from fellow subsidiaries	2.18 (c)	527,101	608,794
Net cash (used in) / from investing activities		17,181,177	14,027,911
Cash flow from financing activities			
Payment of lease liability		(343,352)	(214,384)
Net cash (used in) / from financing activities		(343,352)	(214,384)
Effect of exchange rate on translation of foreign currency cash and cash equivalents		689,411	1,753,604
Net increase / (decrease) in cash and cash equivalents		11,066,378	34,485,857
Cash and cash equivalents at the beginning of the period		56,184,281	19,944,820
Cash and cash equivalents at the end of the period		67,940,070	56,184,281

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 Public Services Inc.

Gurvinder Singh
Partner
Membership number : 110128

Ravi Kumar S
Eric Paternoster

Eric Paternoster
Chief Executive Officer

Bengaluru

May 25, 2022

Notes to the 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 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 the US Dollar (US$) and the financial statements are also presented in the US Dollar. 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 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.

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

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

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 US, though the Company also files tax returns in other jurisdictions.

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Also refer to Note 2.13.

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 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, 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.

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 2.1).

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 2.12).

1.4.5 Allowance for credit losses on receivables and unbilled revenue

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

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

in US$

Particulars	Office equipment	Plant & machinery	Computer equipment	Furniture & fixtures	Leasehold improvement	Total
Gross carrying value as of April 1, 2020	115,340	10,053	732,431	283,420	333,834	1,475,077
Additions	3,755	–	74,703	–	–	78,458
Deletions	(9,710)	–	(17,458)	(21,145)	–	(48,313)
Gross carrying value as of March 31, 2021	109,385	10,053	789,676	262,275	333,834	1,505,223
Accumulated depreciation as of April 1, 2020	(47,737)	(10,053)	(529,820)	(200,371)	(39,634)	(827,615)
Depreciation	(15,539)	–	(75,296)	(17,598)	(69,101)	(177,534)
Accumulated depreciation on deletions	3,881	–	17,372	15,928	–	37,181
Accumulated depreciation as of March 31, 2021	(59,395)	(10,053)	(587,744)	(202,041)	(108,735)	(967,968)
Carrying value as of April 1, 2020	67,602	–	202,611	83,049	294,200	647,462
Carrying value as of March 31, 2021	49,989	–	201,932	60,234	225,099	537,254

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

2.2 Loans

in US$

Particulars	As at March 31, 2022	2021
Non- Current		
Loan receivables considered good - Unsecured		
Loan to fellow subsidiaries (Refer to Note 2.18 (b))	9,000,000	11,500,000
Total non - current loans	9,000,000	11,500,000
Current		
Loan receivables considered good - Unsecured		
Loan to fellow subsidiaries (Refer to Note 2.18 (b))	20,000,000	-
Total current loans	20,000,000	-
	29,000,000	11,500,000

2.3 Trade receivables

in US$

Particulars	As at March 31, 2022	2021
Current		
Unsecured		
Considered good [1]	28,958,466	28,794,621
Considered doubtful	707,351	883,683
	29,665,817	29,678,304
Less: Allowances on for credit losses	707,351	883,683
Total trade receivables	28,958,466	28,794,621
(1) Includes dues from holding company (Refer to Note 2.18 (b))	89,967	382,347

2.4 Cash and cash equivalents

in US$

Particulars	As at March 31, 2022	2021
Balances with bank		
In current and deposit accounts	67,940,070	56,184,281
	67,940,070	56,184,281

2.5 Other financial assets

in US$

Particulars	As at March 31, 2022	2021
Non- current		
Interest accrued on loan to fellow subsidiaries[1]	51,583	457,235
Others	–	3,696
	51,583	460,931
Current		
Unbilled revenues [1]#	14,453,234	7,875,587
Interest accrued on loan to fellow subsidiaries[1]	94,614	–
Other receivables from related party[1][2]	620,406	23,956
Others	75,107	56,804
	15,243,361	7,956,347
Total	15,294,944	8,417,278
[1] Financial assets carried at amortized cost.	15,168,254	7,899,543
[2] Includes dues from holding company and other group companies (Refer to Note 2.18 (b))	643,951	23,956
# 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,	
	2022	2021
Current		
Payment to vendors for supply of goods	2,901	6,488
Others		
Prepaid expenses(3)	2,367,397	5,043,571
Unbilled Revenue(1)	10,681,733	16,873,747
Withholding taxes(2)	248,629	248,618
Other Current Assets	28,557	9,916
Total other current assets	13,329,217	22,182,340
(1)Classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.		
(2) Withholding taxes related to employees and VAT		
(3) Includes dues from other group companies	120,135	133,320

2.7 Equity

Equity share capital

in US$, except equity share data

Particulars	As at March 31,	
	2022	2021
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.
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:

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	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, 2022		As at March 31, 2021	
	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.

Notes to the financial statements

2.8 Trade payables

in US$

Particulars	As at March 31,	
	2022	2021
Trade payables(1)	17,011,188	8,773,261
	17,011,188	8,773,261
(1) Includes dues to holding company and other group companies (Refer to Note 2.18(b))	13,169,931	8,102,099

2.9 Other financial liabilities

in US$

Particulars	As at March 31,	
	2022	2021
Current		
Others		
Compensated absences	1,755,502	1,313,041
Accrued compensation to employees(1)	2,611,557	2,044,170
Accrued expenses(1)	26,816,315	24,752,894
Retention monies(1)	–	–
Payable to related parties(1)*	554,221	33,127
Capital Advances	105,101	–

Particulars	As at March 31,	
	2022	2021
Others payables [1]	168,561	27,808
	32,011,257	28,171,040
[1] Financial liability carried at amortized cost	30,150,654	26,857,999
*Includes dues to holding company and other group companies (Refer to Note 2.18(b))	577,761	33,121

2.10 Other liabilities

in US$

Particulars	As at March 31,	
	2022	2021
Current		
Unearned revenue	2,177,124	1,812,378
Others		
Withholding taxes payable	1,009,488	1,486,953
	3,186,612	3,299,331
Non-current		
Others		
Withholding taxes payable	–	222,762
	–	222,762
Total other liabilities	3,186,612	3,522,093

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 consist are as follows:

in US$

Particulars	As at March 31,	
	2022	2021
Current		
Others		
Post-sales client support and other provisions	1,010,118	1,154,083
Total provisions	1,010,118	1,154,083

The movement in provision for post-sales client support and other provisions is as follows:

in US$

Particulars	For the years ended March 31,	
	2022	2021
Balance at the beginning	1,154,083	1,515,481
Provision recognized / (reversed)	130,694	3,964,054
Provision utilized	(274,659)	(4,325,452)
Balance at the end	1,010,118	1,154,083

Provision for post-sales client support and other provisions are expected to be utilized over a period of one year.

Notes to the financial statements

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

in US$

Particulars	Buildings	Total
Balance as of April 1, 2021	1,935,651	1,935,651
Additions	–	–
Deletions	–	–
Depreciation	274,493	274,493
Translation differences	–	–
Balance as of March 31, 2022	1,661,158	1,661,158

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

in US$

Particulars	Buildings	Total
Balance as of April 1, 2020	2,233,626	2,233,626
Additions	–	–
Deletions	–	–
Depreciation	297,975	297,975
Translation differences	–	–
Balance as of March 31, 2021	1,935,651	1,935,651

The break-up of current and non-current lease liability as at Mar 31, 2022 and March 31, 2021 is as follows:

in US$

Particulars	As at March 31,	
	2022	2021
Current lease liability	310,379	302,359
Non- Current lease liability	1,560,448	1,877,158
Total	1,870,827	2,179,517

The movement in lease liability during the year ended March 31, 2022 and March 31, 2021is as follows:

in US$

Particulars	For the years ended March 31,	
	2022	2021
Balance as of April 1, 2021	2,179,517	2,350,746
Additions	–	–
Deletions	–	–
Interest accrued during the period	34,662	43,155
Lease Payments	(339,811)	(327,463)
Translation differences	(3,541)	113,079
Balance as of March 31, 2022	1,870,827	2,179,517

The details regarding the contractual maturities of lease liabilities on undiscounted basis as at March 31, 2022 and March 31, 2021 are as follows:

In US$

Particulars	As at March 31,	
	2022	2021
Less than one year	340,714	337,434
One to five years	1,362,854	1,361,661
More than five years	294,226	633,970
Total	1,997,794	2,333,065

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 Company where it is expected that the earnings 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	For the years ended March 31,	
	2022	2021
Current tax	5,851,959	5,761,197
Deferred tax	298,640	(339,464)
Income tax (benefit) / expense	6,150,599	5,421,733

Income tax expense for the year ended March 31, 2022 and March 31, 2021 includes reversals (net of provisions) of US$ 506,227 and

Provision (net of reversals) of US$ 59,479, respectively, pertaining to prior years.

Entire deferred income tax for the year ended March 31, 2022 and March 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 as follows:

in US$

Particulars	For the years ended March 31,	
	2022	2021
Profit before incomes taxes	21,877,881	16,988,355
Enacted tax rate	21%	21%
Computed expected tax expense	4,594,355	3,567,555
State Taxes	1,531,452	1,359,068
Overseas taxes	293,576	316,643
Disallowed items - meals and entertainment	133,878	97,600
Tax pertaining to prior year	(506,227)	59,479
Others	103,565	21,388
Income tax (benefit) / expense	6,150,599	5,421,733

The details of income tax assets and income tax liabilities are as follows:

in US$

Particulars	For the years ended March 31,	
	2022	2021
Income tax assets	542,318	325,765
Current income tax liabilities	(805,328)	(717,548)
Net income tax assets / (liability) at the end	(263,010)	(391,783)

The gross movement in the current income tax asset/ (liability) for the year ended March 31, 2022 and March 31, 2021 is as follows:

in US$

Particulars	For the years ended March 31,	
	2022	2021
Net income tax asset/ (liability) at the beginning	(391,783)	3,612,035
Income tax paid/ (refund)	5,980,732	1,757,379
Income tax benefit/(expense)	(5,851,959)	(5,761,197)
Net income tax asset/ (liability) at the end	(263,010)	(391,783)

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	(87,855)	491,658
Accrued compensation	402,910	327,769	730,679
Provision for post-sales customer support	334,684	(51,851)	282,833
Trade receivables	386,111	(94,022)	292,089
Others	682,917	(24,561)	658,356
Total deferred income tax assets	2,938,474	(298,640)	2,639,835

The movement in gross deferred income tax assets for the year ended March 31, 2021 is as follows:

in US$

Particulars	Carrying value as on April 1,2020	Changes through profit & loss	Carrying Value as on March 31,2021
Deferred income tax assets			
Property, plant and equipment	780,988	(228,649)	552,339
Compensated absences	416,307	163,206	579,513
Accrued compensation	330,351	72,559	402,910
Provision for post-sales customer support	439,489	(104,805)	334,684
Trade receivables	220,039	166,072	386,111
Others	411,837	271,080	682,917
Total deferred income tax assets	2,599,011	339,463	2,938,474

The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

in US$

Particulars	For the years ended March 31,	
	2022	2021
Deferred income tax assets after setoff	2,639,833	2,938,474

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 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 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 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. Revenue in excess of billing are classified as unbilled revenue while billing in excess of revenues are classified as contract liabilities (which we refer to as Unearned Revenues).

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

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

in US$

Particulars	For the years ended March 31,	
	2022	2021
Revenue from software services	182,674,876	165,549,307
Total	182,674,876	165,549,307

Disaggregate revenue information

The disaggregated revenues from contracts with customers for the year ended March 31, 2022 and March 31, 2021 by geography are as follows:

in US$

Particulars	For the years ended March 31,	
	2022	2021
Revenues by geography*		
North America	170,168,274	153,073,637
Europe	174,526	(9,963)
Rest of the world	12,332,077	12,485,633
Total	182,674,877	165,549,307

*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 is 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 US Dollar (US$). The functional currency for Infosys Canada Public Services Inc is the respective local currencies. These financial statements are presented in the US Dollar.

Other income / (expense) consists of the following:

in US$

Particulars	For the years ended March 31,	
	2022	2021
Interest income on financial assets carried at amortized cost:		
Deposits with banks and others	86,546	80,674

Loan to fellow subsidiaries	216,063	245,255
Exchange gains / (losses) on translation of other assets and liabilities	336,778	3,551,054
Other Miscellaneous income net	974	(1,051)
Total	640,361	3,875,932

2.16 Expenses

In US$

Particulars	For the years ended March 31,	
	2022	2021
Employee benefit expenses		
Salaries, including bonus	28,323,327	23,191,340
Share based payments to employees	381,797	294,337
Staff welfare	10,194	4,740
	28,715,318	23,490,417
Cost of software packages and others		
For own use	2,802,659	1,896,684
Third party items bought for service delivery to clients	16,943,721	11,827,513
	19,746,380	13,724,197
Other expenses		
Rates and taxes	173,689	180,355
Branding and marketing expenses	139,447	101,300
Provision / (reversal) for post-sales client support	(20,177)	(366,846)
Impairment loss under expected credit loss model	(272,788)	680,520
Repair and Maintenance	162,586	132,832
Others	62,962	79,235
Total	245,719	807,396

2.17 Financial iInstruments

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 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 interim condensed Statement of Profit and Loss.

Financial instruments by category

The carrying value and fair value of financial instruments as of March 31, 2022 and March 31, 2021 are as follows:

in US$

Particulars	As at March 31,	
	2022	2021
Assets:		
Cash and cash equivalents (Refer to Note 2.4)	67,940,070	56,184,281
Trade receivables (Refer to Note 2.3)	28,958,466	28,794,621
Loans (Refer to Note 2.2)	29,000,000	11,500,000
Other financial assets (Refer to Note 2.5)	15,294,944	8,417,278
Total	141,193,480	104,896,180

Particulars	As at March 31,	
	2022	2021
Liabilities:		
Trade payables (Refer to Note 2.8)	17,011,188	8,773,261
Lease Liabilities (Refer to Note 2.12)	1,870,827	2,179,517
Other financial liabilities (Refer to Note 2.9)	32,011,257	28,393,802
Total	50,893,272	39,346,580

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 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 analyses of the foreign currency risk from financial assets and liabilities as at March 31, 2022 are 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

The analyses of the foreign currency risk from financial assets and liabilities as at March 31, 2021 are as follows:

in US$

Particulars	Canadian Dollar	Other currencies	Total
Net financial assets	29,972,686	1,725	29,974,411
Net financial liabilities	(13,558,031)	(15,761)	(13,573,792)
Net assets / (liabilities)	16,414,655	(14,036)	16,400,619

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 USD 28,958,466 and USD 28,794,621 as of March 31, 2022 and March 31, 2021, respectively and unbilled revenue amounting to USD 25,134,967 and USD 24,749,334 as of March 31, 2022 and March 31, 2021, 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 takes into account credit reports and other related credit information to the extent available.

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

In %

Particulars	Years ended March 31,	
	2022	2021
Revenue from top customer	12	14
Revenue from top ten customers	74	75

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2022 and March 31, 2021 is (US$ 272,788) and US$ 680,521 respectively.

Movement in credit loss allowance:

in US$

Particulars	Years ended March 31,	
	2022	2021
Balance at the beginning	1,331,420	758,753
Impairment loss recognized / (reversed)	(272,788)	680,521
Write-offs	(38,831)	(167,268)
Translation differences	23,376	59,414
Balance at the end	1,043,177	1,331,420

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, 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, 2021, the Company had a working capital of US$ 72,699,967, including cash and cash equivalents of US$ 56,184,281.

As of March 31, 2022 and March 31, 2021, the compensated absences were US$ 1,755,502 and US$ 1,313,041, respectively, which have been substantially funded. Further, as of March 31, 2022 and March 31, 2021, 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, 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

The details regarding the contractual maturities of significant financial liabilities as of March 31, 2021 are as follows:

in US$

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	8,773,261	–	–	–	8,773,261
Other liabilities (Refer to Note 2.9)	26,857,999	–	–	–	26,857,999

2.18 Related party transactions

(a) List of related parties

Name of the company	Country	Holding as at March 31,	
		2022	2021
Holding			
Infosys Limited	India	Holding Company	Holding Company
Name of subsidiaries			
Infosys Canada Public Services Inc. [20][53]	Canada	0%	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]	US
EdgeVerve Systems Limited (EdgeVerve)[1]	India
Infosys Austria GmbH[1]	Austria
Skava Systems Private Limited (Skava Systems)[1][41]	India
Kallidus Inc, (Kallidus)[42]	US
Infosys Chile SpA[1]	Chile
Infosys Arabia Limited[2]	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]	US
Infosys BPM Limited[1][61]	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][52]	Czech Republic
Infosys Consulting (Shanghai) Co., Ltd.[4][48]	China
Infy Consulting Company Ltd[4]	UK
Infy Consulting B.V.[4]	The Netherlands

Infosys Consulting Sp. z.o.o[29]	Poland
Lodestone Management Consultants Portugal, Unipessoal, Lda.[4][34]	Portugal
Infosys Consulting S.R.L.[4]	Argentina
Infosys Consulting (Belgium) NV[5]	Belgium
Panaya Inc. (Panaya)[1]	US
Panaya Ltd.[6]	Israel
Panaya GmbH[6]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[1][41]	UK
Brilliant Basics Limited[7][41]	UK
Brilliant Basics (MENA) DMCC[7][21]	Dubai
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
Fluido Newco AB[11][36]	Sweden
Infosys Compaz Pte. Ltd[9]	Singapore
Infosys South Africa (Pty) Ltd[8]	South Africa
WONGDOODY Holding Company Inc. (WONGDOODY)[1][54]	US
WDW Communications, Inc[10][55]	US
WONGDOODY, Inc[10][56]	US
HIPUS Co., Ltd[9]	Japan
Stater N.V.[9]	The Netherlands
Stater Nederland B.V.[12]	The Netherlands
Stater Duitsland B.V.[12][38]	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][37]	Germany
Stater Deutschland GmbH & Co. KG[13][37]	Germany
Stater Belgium N.V./S.A.[14][39]	Belgium
Stater Gmbh[12][46]	Germany
Outbox systems Inc. dba Simplus (US)[16]	US
Simplus North America Inc.[17][45]	Canada
Simplus ANZ Pty Ltd.[17]	Australia
Simplus Australia Pty Ltd[18]	Australia
Sqware Peg Digital Pty Ltd[19][49]	Australia
Simplus Philippines, Inc.[17]	Philippines
Simplus Europe, Ltd.[17][47]	UK
Infosys Fluido UK, Ltd. (formerly Simplus UK, Ltd)[22]	UK
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[23]	Ireland
Infosys Limited Bulgaria EOOD[1][24]	Bulgaria
Kaleidoscope Animations, Inc.[27]	US
Kaleidoscope Prototyping LLC[28]	US
GuideVision s.r.o.[25]	Czech Republic
GuideVision Deutschland GmbH[26]	Germany
GuideVision Suomi Oy[26]	Finland
GuideVision Magyarország Kft[26]	Hungary
GuideVision Polska SP.Z.O.O[26]	Poland
GuideVision UK Ltd[26]	UK
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[30]	US
Beringer Capital Digital Group Inc[30][59]	US
Mediotype LLC[31][59]	US

Beringer Commerce Holdings LLC[31][59]	US
SureSource LLC[32][57]	US
Blue Acorn LLC[32][57]	US
Simply Commerce LLC[32][57]	US
iCiDIGITAL LLC[33][58]	US
Infosys BPM UK Limited[3][35]	UK
Infosys Turkey Bilgi Teknolojikeri Limited Sirketi[1][40]	Turkey
Infosys Germany Holding Gmbh[1][43]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1][44]	Germany
Infosys Green Forum[1][50]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[51]	Malaysia
Infosys Business Solutions LLC[1][60]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[62]	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) Wholly-owned subsidiary of Stater Duitsland B.V.

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

(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) Liquidated effective July 17, 2020

(22) On June 1, 2020, Fluido Oy, acquired 100% of the voting interests in Infosys Fluido UK, Ltd. (formerly Simplus UK, Ltd)

(23) Wholly-owned subsidiary of Infosys Fluido UK, Ltd. (formerly Simplus UK, Ltd)

(24) Incorporated effective September 11, 2020.

(25) On October 1, 2020, Infy Consulting Company Limited acquired 100% of voting interests in GuideVision s.r.o

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

(27) On October 9, 2020, Infosys Nova Holdings LLC, acquired 100% voting interest in Kaleidoscope Animations, Inc.

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

(29) Merged with Infosys Poland Sp. z.o.o, effective October 21, 2020

(30) On October 27, 2020, Infosys Nova Holding LLC, a wholly-owned subsidiary of Infosys Limited, acquired 100% voting interest in Blue Acorn iCi Inc (formerly Beringer Commerce Inc) and Beringer Capital Digital Group Inc.

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

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

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

(34) Liquidated effective November 19,2020

(35) Incorporated, effective December 9, 2020

(36) Merged into Fluido Sweden AB (Extero), effective December 18, 2020

(37) Merged into Stater Duitsland B.V., effective December 18, 2020

(38) Merged with Stater N.V., effective December 23, 2020

(39) On December 29, 2020, Stater Participation B.V acquired non-controlling interest of 28.01% of the voting interests in Stater Belgium NV/SA

(40) Incorporated on December 30, 2020.

(41) Under liquidation

(42) Liquidated effective March 9, 2021

(43) Incorporated on March 23, 2021

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

(45) Liquidated effective April 27, 2021

(46) Incorporated on August 4, 2021

(47) Liquidated effective July 20, 2021

(48) Liquidated effective September 1, 2021

(49) Liquidated effective September 2, 2021

(50) Incorporated on August 31, 2021

(51) 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.)

(52) Liquidated effective December 16, 2021

(53) Liquidated effective November 23, 2021

(54) Wholly-owned subsidiary of Infosys Limited, merged with WONGDOODY Inc, effective December 31, 2021

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

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

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

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

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

(60) Incorporated on February 20, 2022

(61) On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

(62) 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"))

Infosys has provided guarantee for performance of certain contracts entered into by its subsidiaries.
List of other related party

Particulars	Country	Nature of relationship
Infosys Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of Infosys
Infosys Limited Employees' Provident Fund Trust	India	Post-employment benefit plan of Infosys
Infosys Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of Infosys
Infosys BPM Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of Infosys BPM
Infosys BPM Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of Infosys BPM
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 Employees Welfare Trust	India	Controlled trust
Infosys Employee Benefits Trust	India	Controlled trust
Infosys Science Foundation	India	Controlled trust

(b) The details of amounts due to or due from as at March 31, 2022 and March 31, 2021 are as follows:

in US$

Particulars	As at March 31,	
	2022	2021
Trade receivables		
Infosys Limited	89,967	382,347
	89,967	382,347
Trade payables		
Infosys Limited	12,553,292	7,420,356
Infosys BPM Limited	171,623	117,186
EdgeVerve	217	1,407
Outbox System,Inc.	356,436	488,654
WDW Communications, Inc.	–	23,478
WONGDOODY, Inc.	–	44,288
Simplus Philippines, Inc.	80	–
Panaya Inc	79,654	–
Infosys China	8,629	6,730
	13,169,931	8,102,099
Other financial assets		
Edgeverve	23,539	21,989

Infosys Limited	620,412	1,967
	643,951	23,956
Other financial liabilities		
Panaya Inc.	61,180	–
Infosys Limited	516,581	33,121
	577,761	33,121
Loans		
Panaya Inc.	7,500,000	10,000,000
Infosys Automotive and Mobility	20,000,000	–
Infosys Nova Holdings LLC	1,500,000	1,500,000
	29,000,000	11,500,000
Accrued Expenses		
Pananya Ltd	120,135	133,320
	120,135	133,320
Accrued Interest on Loan to fellow subsidiaries		
Panaya Inc.	9,045	436,882
Infosys Automotive and Mobility	94,614	–
Infosys Nova Holdings LLC	42,538	20,353
	146,197	457,235

(c) The details of the related party transactions entered into by the Company for the year ended March 31, 2022 and March 31, 2021 are as follows:

in US$

Particulars	Years ended March 31,	
	2022	2021
Revenue transactions:		
Sale of services		
Infosys Limited	1,470,615	4,705,551
	1,470,615	4,705,551
Purchase of services		
Infosys Limited	82,615,448	92,065,931
Infosys BPM Limited	1,649,042	1,115,374
EdgeVerve	29,550	96,672
Panaya	299,866	238,916
Outbox System Inc.	2,268,613	1,498,677
Infosys China	84,136	70,460
WDW Communications, Inc.	84,664	226,658
Simplus Philippines, Inc.	10,298	–
WONGDOODY, Inc.	119,132	126,353
	87,160,749	95,439,041

in US$

Particulars	Years ended March 31,	
	2022	2021
Capital transaction		
Loans given/ (refund)		
Kallidus Inc.	–	(13,000,000)
Panaya Inc.	(2,500,000)	–
Infosys Automotive and Mobility	20,000,000	–
Infosys Nova Holdings LLC	–	1,500,000
Outbox System Inc.	–	(2,000,000)
	17,500,000	(13,500,000)
Interest income on loan		
Kallidus Inc.	–	80,403

Panaya Inc.	99,264	137,748
Infosys Automotive and Mobility	94,614	–
Infosys Nova Holdings LLC	22,185	20,353
Outbox System Inc.	–	6,751
	216,063	245,255

List of key management personnel

Name of the related party	Designation
Eric Paternoster	Whole-time Director and Chief Executive Officer
Ravikumar Singisetti	Director

Transaction with key management personnel

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

in US$

Particulars	Years ended March 31,	
	2022	2021
Salaries and other employee benefits to whole-time directors and executive officers	1,205,520	1,408,901
Total	1,205,520	1,408,901

2.19 Commitments

in US$

Particulars	Years ended March 31,	
	2022	2021
Commitments		
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)(1)	35,339	11,643
Total	35,339	11,643

(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.

Infosys Poland Sp. z o.o

Independent Auditor's report

Report on the Special Purpose Financial Statements

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

Opinion

We have audited the accompanying special purpose financial statements of Infosys Poland Sp. z o.o ("the Company"), which comprise the Balance Sheet as at March 31, 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 March 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 are responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

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

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

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

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

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

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

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

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

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 : 22202841AIVUDM7294

For SHENOY & KAMATH
Chartered Accountants

(Firm Registration No: 006673S)

M Rathnakar Kamath
(Partner)
Firm Registration Number. 006673S

Membership Number. 202841

Place: Bengaluru

Date: May 12,2022

Balance Sheet

In PLN

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	8,143,953	7,773,553
Right of use assets	2.2	73,410,402	105,008,309
Capital work-in-progress		–	8,211
Goodwill	2.3	22,046,332	22,046,332
Financial assets:			
Investments	2.4	54,952,504	23,095,312
Loans	2.5	126,223,714	26,110,965
Other financial assets	2.6	2,874,551	3,216,985
Deferred tax assets (net)	2.16	13,860,419	13,598,758
Other non-current assets	2.9	2,481,136	–
Total non - current assets		303,993,011	200,858,425
Current assets			
Financial assets:			
Trade receivables	2.7	121,607,198	108,751,185
Cash and cash equivalents	2.8	124,166,587	220,187,057
Loans	2.5	27,369,291	170,609
Other financial assets	2.6	11,573,276	9,491,080
Other current assets	2.9	15,045,152	10,168,919
Total current assets		299,761,504	348,768,850
Total Assets		603,754,515	549,627,275
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.11	2,500,000	2,500,000
Other equity		370,739,974	311,940,164
Total equity		373,239,974	314,440,164
Liabilities			
Non-current liabilities			
Financial liabilities:			
Lease liabilities	2.2	77,407,393	97,672,808
Total non - current liabilities		77,407,393	97,672,808
Current liabilities			
Financial liabilities:			
Trade payables	2.13	4,376,422	2,724,767
Lease liabilities	2.2	11,994,825	19,075,147
Other financial liabilities	2.12	82,636,556	70,525,680
Other current liabilities	2.14	47,997,810	33,524,614
Provisions	2.15	1,051,095	1,273,151
Income tax liabilities (net)	2.16	5,050,440	10,390,944
Total current liabilities		153,107,148	137,514,303
Total equity and liabilities		603,754,515	549,627,275

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 12,2022

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

Anup Kapoor
Director

Arindam Roy Chowdhury
Director

Statement of Profit and Loss

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

Particulars	Note No.	Years ended March 31,	
		2022	2021
Revenue from operations	2.17	458,731,682	355,793,574
Other income, net	2.18	18,630,501	(2,239,019)
Total income		477,362,183	353,554,555
Expenses			
Employee benefit expenses	2.19	314,095,200	248,710,064
Cost of technical sub-contractors and professional charges	2.19	47,424,066	14,023,851
Travel expenses		572,203	1,092,471
Rent		550,090	1,585,570
Cost of software packages and others		2,656,763	1,828,911
Finance cost	2.2	1,761,742	2,266,002
Depreciation and amortization expense	2.1 & 2.2	19,964,899	19,430,827
Other expenses	2.19	18,653,581	17,176,208
Total expenses		405,678,544	306,113,904
Profit before tax		71,683,639	47,440,651
Tax expense:			
Current tax	2.16	13,145,490	15,486,274
Deferred tax	2.16	(261,661)	764,642
		12,883,829	16,250,916
Profit for the year		58,799,810	31,189,735
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Equity instruments through other comprehensive income, net of tax		–	–
		–	–
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations, net		–	–
Fair value changes on investments, net of tax		–	–
		–	–
Total other comprehensive income, net of tax		–	–
Total comprehensive income for the period		58,799,810	31,189,735
Earnings per equity share			
Equity shares of par value PLN 500/- each			
Basic and diluted (PLN)		11,759.96	6,237.95
Weighted average equity shares used in computing earnings per equity share			
Basic and diluted		5,000	5,000

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants
Firm registration number: 006673S

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

M. Rathnakar Kamath
Partner
Membership number: 202841

Anup Kapoor
Director

Arindam Roy Chowdhury
Director

Place - Bengaluru

Date: May 12,2022

Statement of Changes in Equity

In PLN

Particulars	Equity share capital	Other equity					Total equity attributable to equity holders of the company
		Reserves & surplus			Capital reserve	Other comprehensive income	
		Securities premium [1]	Retained earnings	General reserve	Business transfer adjustment reserve[2]	Equity Instruments through other comprehensive income	
Balance as at April 1, 2020	2,500,000	24,999,800	300,504,358	–	–	471,100	328,475,258
Changes in equity for the year ended March 31, 2021							
Reserves created on account of common control business acquisition	–	–	13,401,969	2,173,202	(60,800,000)	–	(45,224,829)
Profit for the period	–	–	31,189,735	–	–	–	31,189,735
Total Comprehensive income for the period	–	–	44,591,704	2,173,202	(60,800,000)	–	(14,035,094)
Balance as at March 31, 2021	2,500,000	24,999,800	345,096,062	2,173,202	(60,800,000)	471,100	314,440,164
Balance as at April 01, 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 period	–	–	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

[1] Securities premium- refer note 2.11

[2] Capital reserve created on account of acquisition of entity which is under common control. Cash consideration of PLN61.8Mn was paid on the Februrary 20,2020 (acquisition date) and business transfer reserve is created on account of this transfer for PLN 60.8 Mn ,refer note 2.23

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants
Firm registration number: 006673S

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

M. Rathnakar Kamath
Partner
Membership number: 202841

Anup Kapoor
Director

Arindam Roy Chowdhury
Director

Place - Bengaluru

Date: May 12,2022

Statement of Cash Flows

Accounting Policy

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

In PLN

Particulars	Note No.	Year ended March 31, 2022	2021
Cash flow from operating activities:			
Profit for the period		58,799,810	31,189,735
Adjustments to reconcile net profit to net cash provided by operating activities:			
Income tax expense	2.16	12,883,829	16,250,916
Depreciation and amortization	2.1 & 2.2	19,964,899	19,430,827
Finance cost		1,761,742	2,266,002
Interest on bank deposits and others		(1,636,281)	(1,040,246)
Impairment loss recognised/(reversed) under expected credit loss model		1,016,704	(56,832)
Profit/Loss/fair value change on Investments		(19,609,159)	786,508
Profit on sale of property, plant and equipment		-	4,015
Exchange difference on translation of assets and liabilities		(1,744,897)	2,572,544
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(17,760,378)	(49,440,370)
Other financial assets and other assets		(5,099,360)	26,532,121
Trade payables		1,651,655	720,799
Other financial liabilities, other liabilities and provisions		26,362,017	46,836,622
Cash generated from operations		76,590,581	96,052,641
Income taxes paid,net of refunds		(18,485,994)	(8,352,136)
Net cash generated by operating activities		58,104,587	87,700,505
Cash flow from investing activities:			
Expenditure on property, plant and equipment including intangible assets net of sale proceeds		(4,398,106)	(6,137,892)
Loans to/ (from) employees		65,767	240,688
Interest received on bank deposits and others		663,987	2,126,729
Payment towards acquisition of business		-	
Loan to Subsidary		(129,431,682)	-
Loan repaid by fellow subsidiary		2,916,667	20,833,333
Payments to acquire financial assets			
Preference and other securities		(10,690,417)	(7,184,583)
long term investments			-
Proceeds on sale of financial assets			
Preference and other securities		-	11,893,318
Net cash from/(used in) investing activities		(140,873,784)	21,771,593
Cash flow from financing activities:			
Payment of lease liability		(12,413,879)	(19,083,360)
Net cash used in financing activities		(12,413,879)	(19,083,360)
Effect of exchange rate on translation of foreign currency cash and cash equivalents		(837,394)	(5,749,660)
Net increase/ (decrease) in cash and cash equivalents		(95,183,076)	90,388,738
Cash and cash equivalents at the beginning	2.8	220,187,057	135,547,979
Cash and cash equivalents at the end	2.8	124,166,587	220,187,057

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 12,2022

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

Anup Kapoor
Director

Arindam Roy Chowdhury
Director

Notes to the Financial Statements

1. Overview

1.1 Company overview

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

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

The Company's financial statements are approved by the Company's Board of Directors on May 10, 2022.

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

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

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

1.4 Critical accounting estimates

a. Revenue recognition

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

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

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

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract. Also refer note no. 2.17.

b. Income taxes

The Company's major tax jurisdiction is Poland. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Also refer to note no. 2.16

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

c. Property, plant and equipment

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

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

e. Leases

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

The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. Also refer note no. 2.2.

f. Allowance for credit losses on receivables and unbilled revenue

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

2.1 Property, plant and equipment

Accounting Policy

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

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

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

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

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

Impairment

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

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

(In PLN)

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

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

2.2 Leases

Accounting Policy

The Company as a lessee

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

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

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

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

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

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

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

The Company as a lessor

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

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

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

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

(In PLN)

Particulars	Category of ROU asset
	Buildings
Balance as of April 1, 2021	105,008,309
Additions / Adjustments*	(14,960,243)
Deletions / Adjustments	(708,681)
Depreciation	(15,928,982)
Balance as of March 31, 2022	73,410,403

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

(In PLN)

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

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

The 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, 2022 and March 31, 2021 are as follows:

(In PLN)

Particulars	As at March 31,	
	2022	2021
Non-current lease liability	77,407,393	97,672,808
Current lease liability	11,994,825	19,075,147
Total	89,402,218	116,747,955

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

(In PLN)

Particulars	Amount
Balance as of April 1, 2021	116,747,955
Additions / Adjustments	(14,960,243)
Deletions / Adjustments	(755,522)
Finance cost accrued during the period	1,761,742
Payment of lease liability	(12,413,879)
Translation difference	(977,835)
Balance as of March 31, 2022	89,402,218

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

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

(In PLN)

Particulars	Amount
Balance as of April 1, 2020	125,846,145
Additions / Adjustments	6,418,624
Deletions / Adjustments	(1,058,341)
Finance cost accrued during the period	2,266,002
Payment of lease liability	(19,083,360)
Translation difference	2,358,885
Balance as of March 31, 2022	116,747,955

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

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

(In PLN)

Particulars	Amount
Less than one year	10,038,052
One to five years	70,132,323
More than five years	13,512,605
Total	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 cost of business acquisition in excess of the Company's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the cost of business acquisition, a gain is recognized immediately in net profit in the Statement of Profit and Loss. Goodwill is measured at cost less accumulated impairment losses.

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

(In PLN)

Particulars	As at March 31,	
	2022	2021
Carrying value at the beginning	22,046,332	22,046,332
Translation differences	–	–
Carrying value at the end	22,046,332	22,046,332

2.4 Investments

(In PLN)

Particulars	As at March 31,	
	2022	2021
Non-current investments		
Preference securities	12,902,843	5,860,145
Other securities	42,049,661	17,235,167
Total non-current investments	54,952,504	23,095,312
Total carrying value	54,952,504	23,095,312

(In PLN)

Particulars	As at March 31,	
	2022	2021
Non-current		
Unquoted investments- carried at fair value through profit or loss		
Tidal Scale Inc. - Preference &other securities	12,902,843	5,860,145
The House Fund II,L.P.- other securities	42,049,661	17,235,167
Total non-current investments	54,952,504	23,095,312
Aggregate amount of unquoted investments	54,952,504	23,095,312
Investment carried at fair value through Profit or Loss	54,952,504	23,095,312

Refer to note no. 2.10 for accounting policies on financial instruments.
Method of fair valuation:

Class of investment	Method	Fair Value as at March 31,	
		2022	2021
Preference securities	Discounted cash flows method, Market multiple method	12,902,843	5,860,145
Other securities	Discounted cash flows method, Market multiple method	42,049,661	17,235,167

2.5 Loans

(In PLN)

Particulars	As at March 31,	
	2022	2021
Non-current		
Unsecured, considered doubtful		
Loans to employees	67,339	68,716
Less: Allowance for doubtful loans to employees	(39,796)	(39,797)
	27,543	28,919
Loans to fellow subsidiary (Refer to Note 2.21) [1]	126,196,171	26,082,046
Total Non-current Loans	126,223,714	26,110,965
Current		
Unsecured, considered good		
Loans to employees	106,218	170,609
Loans to fellow subsidiary (Refer to Note 2.21)[1]	27,263,073	–
Total current loans	27,369,291	170,609
Total Loans	153,593,005	26,281,574
[1] Includes dues from related parties (Refer to Note 2.21)	153,459,244	26,082,046

2.6 Other financial assets

(In PLN)

Particulars	As at March 31,	
	2022	2021
Non-current		
Rental deposits [1]	2,844,490	3,216,985
Investment in lease – Non-current	30,061	–
Total non-current other financial assets	2,874,551	3,216,985
Current		
Electricity and other deposits[1]	10,327	10,327
Unbilled revenues [1]#	10,844,431	9,006,471
Interest accrued but not due[1]	114,780	4,668
Foreign currency forward contracts[2]	411,800	342,300
Others[1][3]	191,938	127,314
Total current other financial assets	11,573,276	9,491,080
Total financial assets	14,447,827	12,708,065
[1] Financial assets carried at amortized cost.	14,036,027	12,365,764
[2] Financial assets carried at fair value through Profit or Loss.	411,800	342,300
[3] Includes dues from related parties (Refer to Note 2.21)	189,360	130,628

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,	
	2022	2021
Current		
Unsecured		
Considered good[1][2]	121,607,198	108,751,185
Considered doubtful	1,260,235	1,553,637
	122,867,433	110,304,822
Less: Allowances on for credit losses	1,260,235	1,553,637
Total trade receivables	121,607,198	108,751,185
[1] Includes dues from related parties	8,946,646	7,091,272
[2] Includes dues from companies where directors are interested.		

2.8 Cash and cash equivalents

(In PLN)

Particulars	As at March 31, 2022	2021
Balances with banks		
In current and deposit accounts	124,161,824	220,185,322
Cash on hand	4,763	1,735
	124,166,587	220,187,057
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, 2022	2021
Non-current		
Others		
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	324,089	10,550
Others		
Withholding taxes and others(1)	2,879,230	3,641,486
Prepaid expenses	1,008,446	764,496
Unbilled revenues(2)	7,525,205	5,752,387
Deferred contract cost	3,308,182	–
Total Current other assets	15,045,152	10,168,919
Total other assets	17,526,288	10,168,919

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

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

2.10 Financial instruments

Accounting Policy

2.10.1 Initial recognition

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

2.10.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

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

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

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

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

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

(iv) Financial liabilities

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

(v) Investment in subsidiaries

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

b. Derivative financial instruments

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

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

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

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

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

2.10.3 Derecognition of financial instruments

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

2.10.4 Fair value of financial instruments

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

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

2.10.5 Impairment

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets and unbilled revenue, which are not fair valued through profit or loss. Loss allowance for trade receivables and unbilled revenue with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses or (reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized 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, 2022 are 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 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 2.13)	4,376,422	–	–	4,376,422	4,376,422
Lease Liabilities (Refer to Note 2.2)	89,402,218	–	–	89,402,218	89,402,218
Other financial liabilities (Refer to Note 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.

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

(In PLN)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory		
Assets:					
Cash and cash equivalents (Refer to Note 2.8)	220,187,057	–	–	220,187,057	220,187,057
Investments (Refer to Note 2.4)					
Preference and other securities	–	–	23,095,312	23,095,312	23,095,312
Trade receivables (Refer to Note 2.7)	108,751,185	–	–	108,751,185	108,751,185
Loans (Refer to Note 2.5)	26,281,574	–	–	26,281,574	26,281,574
Other financial assets (Refer to Note 2.6)[(1)]	12,365,765	–	342,300	12,708,065	12,708,065
Total	367,585,581	–	23,437,612	391,023,193	391,023,193
Liabilities:					
Trade payables (Refer to Note 2.13)	2,724,767	–	–	2,724,767	2,724,767
Lease Liabilities (Refer to Note 2.2)	116,747,955	–	–	116,747,955	116,747,955
Other financial liabilities (Refer to Note 2.12)	47,199,904	–	4,475,640	51,675,544	51,675,544

Total	166,672,626	–	4,475,640	171,148,266	171,148,266

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

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, 2022:

(In PLN)

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 preference securities (Refer to Note 2.4)	12,902,843	–	–	12,902,843
Investments in other securities (Refer to Note 2.4)	42,049,661	–	–	42,049,661
Derivative financial instruments - gain on outstanding foreign currency forward and option contracts (Refer to Note 2.6)	411,800	–	411,800	–
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward contracts (Refer to Note 2.12)	2,706,201	–	2,706,201	–

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

(In PLN)

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

Financial risk management

Financial risk factors

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

Derivative financial instruments

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	In million	In PLN	In million	In PLN
Forward contracts				
In Poland zloty	–	–	14	13,647,000
In US dollars	144	144,379,600	20	74,880,360

Particulars	As at March 31,		As at March 31,	
	2022		2021	
In United Kingdom Pound Sterling	17	16,833,300	–	–
In Euros	66	65,523,200	–	–
Total forwards		226,736,100		88,527,360

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

(In PLN)

Particulars	As at March 31,	
	2022	2021
Not later than one month	226,736,100	88,527,360
Later than one month and not later than three months	–	–
	226,736,100	88,527,360

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

(In PLN)

Particulars	As at March 31,		As at March 31,	
	2022		2021	
	Derivative financial asset	Derivative financial liability	Derivative financial asset	Derivative financial liability
Gross amount of recognized financial asset / liability	411,800	(2,706,201)	342,300	(4,475,640)
Amount set off	–	–	–	–
Net amount presented in Balance Sheet	411,800	(2,706,201)	342,300	(4,475,640)

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 121,607,198 and PLN 108,751,185 as at March 31, 2022 and March 31, 2021 and unbilled revenue amounting to PLN 18,620,66 and PLN 14,758,858 as of March 31, 2022 and March 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. The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes, credit ratings from international credit rating agencies and the Company's historical experience for customers.

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

(In %)

Particulars	Year ended March 31,	
	2022	2021
Revenue from top customer	16%	12%
Revenue from top ten customers	61%	66%

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2022 was PLN 1,260,235.
The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2021 was PLN 1,553,637.
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, 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, 2021, the Company had a working capital of PLN 211,254,546, including cash and cash equivalents of PLN 220,187,057.
As of March 31, 2022 and March 31, 2021, the outstanding compensated absences were PLN 19,065,276 and PLN 18,850,136, respectively, which have been substantially funded. Further, as of March 31, 2022 and March 31, 2021, the Company had no outstanding bank borrowings. Accordingly, no liquidity risk is perceived.
The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2022:

(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 2.12)	60,865,079	–	–	–	60,865,079

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

(In PLN)

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

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, 2022	2021
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, 2022		As at March 31, 2021	
	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:

(in PLN, except as otherwise stated)

Particulars	As at March 31, 2022		As at March 31, 2021	
	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, 2022	As at March 31, 2021
Current		
Others		
Accrued compensation to employees[1]	42,155,634	36,572,817
Capital creditors[1]	–	13,107
Accrued expenses[1]*	17,887,916	10,247,556
Other payables [1]**	821,529	366,424
Compensated absences	19,065,276	18,850,136
Foreign currency forward contracts[2]	2,706,201	4,475,640
Total current other financial liabilities	82,636,556	70,525,680
Total other financial liabilities	82,636,556	70,525,680
[1] Financial liability carried at amortized cost	60,865,079	47,199,904
[2] Financial liability carried at fair value through Profit or loss	2,706,201	4,475,640
* Includes dues to related parties (refer note 2.21)	1,593,384	33,633
** Includes dues to related parties (refer note 2.21)	821,529	366,424

2.13 Trade payables

(In PLN)

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Trade payables[1]	4,376,422	2,724,767
Total Trade payables	4,376,422	2,724,767
[1] Includes dues to related parties (Refer to Note 2.21)	252,853	170,519

2.14 Other liabilities

(In PLN)

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Unearned revenue	30,768,792	21,334,180
Others		
Withholding taxes and other payables	17,229,018	12,190,435
Total current other liabilities	47,997,810	33,524,615

2.15 Provisions

Accounting Policy

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

a. Post sales client support and others

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

b. Onerous contracts

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

(In PLN)

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Others		
Post sales client support and other provisions	1,051,095	1,273,151
Total provisions	1,051,095	1,273,151

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, 2022	As at March 31, 2021
Balance at the beginning	1,273,151	1,899,224
Provision recognized / (reversed)	(225,126)	(585,538)
Provision utilized	(13,679)	(49,016)
Exchange difference	16,749	8,481
Balance at the end	1,051,095	1,273,151

2.16 Income taxes

Accounting Policy

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.
Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.
Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.
Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.
The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year.
Income tax expense in the statement of profit and loss comprises:

(In PLN)

Particulars	Year ended March 31, 2022	2021
Current taxes	13,145,490	15,486,274
Deferred taxes	(261,661)	764,642
Income tax expense	12,883,829	16,250,916

Deferred income tax for the year ended March 31, 2022 and March 31, 2021, substantially relates to origination and reversal of temporary differences.
A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(In PLN)

Particulars	Year ended March 31, 2022	2021
Profit before income taxes	71,683,639	47,440,651
Statutory tax rate	19.00%	19.00%
Computed expected tax expense	13,619,891	9,013,724
Tax effect due to non-taxable income for tax purposes	1,435,034	2,801,413
Tax provision (reversals), overseas and domestic	(611,324)	(47,935)
Effect of differential overseas tax rates	(5,485,203)	(8,041,378)
Effect of non-deductible expenses	8,399,017	7,778,659
Others	(4,473,586)	4,746,433
Income tax expense	12,883,829	16,250,916

The applicable Poland statutory tax rates for fiscal 2022 and fiscal 2021 is 19% and 19% respectively.
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	Year ended March 31, 2022	2021
Deferred tax assets:		
Accrued Compensation	3,327,307	2,801,413
Property, Plant and Equipment and intangible assets	(351,500)	–
Accrued vacation	3,622,402	3,581,526
Trade receivables	8,421,384	–
Others	3,374,626	8,022,265
	18,394,219	14,405,204
Deferred tax liability:		
Property, Plant and Equipment and intangible assets	(596,501)	(167,611)
Others	(3,937,299)	(638,835)
Total deferred tax liability	(4,533,800)	(806,446)
Deferred tax asset / (liability), net	13,860,419	13,598,758

The ultimate realization of deferred tax assets is dependent upon management's assessment of the Company's ability to generate taxable income during the periods in which the temporary differences become deductible. Management's assessment in the near term is subject to change if estimates of future taxable income during the carry forward period are reduced.
In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. Management considers the scheduled reversals of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes that it is more likely than not the Company will realize the benefit of any deductible differences at March 31, 2022.

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, 2022 and March 31, 2021 are as follows:

(In PLN)

Particulars	Year ended March 31,	
	2022	2021
Income from business process management services	458,731,682	355,793,574
	458,731,682	355,793,574

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

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2022 and March 31, 2021 by offerings. 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 PLN)

Particulars	Year ended March 31,	
	2022	2021
Revenue by offerings		
Digital	111,131,701	54,255,888
Core	347,599,981	301,537,686
Total	458,731,682	355,793,574

Trade receivables and contract balances

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

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

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

Invoicing in excess of earnings is classified as unearned revenue. Trade receivables and unbilled revenues are presented net of impairment in the Balance Sheet.

2.18 Other income, net

Accounting policy

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

Foreign currency

Functional currency

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

Transactions and translations

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

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

Other income for the year ended March 31, 2022 and March 31, 2021 is as follows:

(In PLN)

Particulars	Year ended March 31,	
	2022	2021
Interest income on financial assets at carried at amortized cost:		
Deposit with banks and others	1,636,281	1,040,246
Profit on sale of Property, plant and equipment	–	(4,015)
Exchange gains / (losses) on foreign currency forward and options contracts	(8,118,900)	727,160
Exchange gains / (losses) on translation of other assets and liabilities	5,110,384	(3,299,704)
Fair Valuation loss on Investments	19,609,160	(786,508)
Other Miscellaneous income, net	393,576	83,802
	18,630,501	(2,239,019)

2.19 Expenses

(In PLN)

Particulars	Year ended March 31,	
	2022	2021
Employee benefit expenses		
Salaries and bonus, including overseas staff expenses	307,961,501	244,760,299
Staff welfare	6,133,699	3,949,765
	314,095,200	248,710,064
Cost of technical sub-contractors and professional charges		
Cost of technical sub-contractors	39,741,044	10,488,137
Legal and professional	2,744,941	2,134,237
Recruitment and training	4,938,081	1,401,477
	47,424,066	14,023,851

Particulars	Year ended March 31,	
	2022	2021
Other expenses		
Computer maintenance	466,797	609,450
Office maintenance	8,093,817	8,714,287
Consumables	357,851	1,070,741
Brand building and advertisement	189,287	188,352
Marketing expenses	11,775	–
Power and fuel	548,391	634,169
Insurance charges	222,193	189,471
Communication	2,045,701	2,226,887
Rates and taxes	4,353,573	3,408,918
Bank charges and commission	928,782	350,002
Postage and courier	152,243	126,118
Allowances for credit losses on financial assets	1,016,704	(56,832)
Professional membership and seminar participation fees	21,991	15,694
Provision for post-sale customer support and others	(311,551)	(428,400)
Other miscellaneous expenses	556,027	127,351
	18,653,581	17,176,208

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,	
	2022	2021
Contingent liabilities:		
Claims against the Company, not acknowledged as debts[(1)]	–	–
Commitments:		
Estimated amount of unexecuted capital contracts[(2)]	2,727,601	4,031,649
(net of advances and deposits)		
Other commitments[(3)]	9,302,067	17,221,423

(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 equipment.

(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,	
		2022	2021
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
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.

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

(In PLN)

Particulars	As at March 31,	
	2022	2021
Loans to subsidiaries		
Infosys Technologies (China) Co. Limited	21,000,565	3,218,343
Infosys Automotive and Mobility GmbH & Co. KG	79,861,533	–
Infosys Technologies (Shanghai) Company Limited	24,637,681	22,863,703
Infosys Consulting Pte. Ltd	27,959,465	–
	153,459,244	26,082,046
Trade receivables		
Infosys Limited	7,490,387	5,301,424
Infosys BPM Limited	900,219	1,303,732
Infosys Consulting AG	18,182	54,714
Infosys Consulting GmbH	434,942	431,402
Infosys Luxembourg S.à.r.l	102,916	–
	8,946,646	7,091,272
Unbilled Revenue		
Infosys Luxembourg S.à.r.l	–	66,454
	–	66,454
Other Receivables		
Infosys Limited	28,779	28,366
Infosys BPM Limited	160,581	102,262
	189,360	130,628

Trade payables		
Infosys BPM Limited	142,368	88,522
Infy Consulting Company Limited	–	21,020
Infosys (Czech Republic) Limited s.r.o.	46,371	–
Infosys Consulting Romania	64,114	60,977
	252,853	170,519
Other Payables		
Infosys Limited	814,779	364,468
Infosys BPM Limited	6,750	1,956
	821,529	366,424
Provision for expenses		
Infosys Limited	1,593,384	33,633
Infosys Technologies China	21,976	–
	1,615,360	33,633

Details of related party transactions entered into by the Company

(In PLN)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue transactions:		
Purchase of services		
Infosys BPM Limited	1,600,329	576,417
Infosys Limited	1,552,433	–
Infosys (Czech Republic) Limited s.r.o.	100,545	(77)
Infy Consulting Company Ltd	142,587	19,422
Infosys Consulting Romania	318,935	60,342
Infosys Technologies China	21,917	–
	3,736,746	656,104
Sale of services		
Infosys Limited	66,040,217	34,627,027
Infosys BPM Limited	11,848,690	12,691,247
Infosys Consulting AG	674,664	251,786
Infosys Consulting Sp. zoo	–	(317,823)
Infy Consulting Company Ltd	–	1,222,041
Infosys Luxembourg S.à.r.l	450,728	66,454
Infosys Consulting GmbH	5,315,103	3,225,695
Lodestone Belgium	–	12,691,247
Infosys Compaz Pte. Ltd	156,924	–
	84,486,326	64,457,674
Interest income		
Infosys Technologies (Shanghai) Company Limited	409,518	636,330
Infosys Technologies (China) Co. Limited	173,529	89,067
Infosys Automotive and Mobility GmbH & Co. KG	762,042	–
Infosys Consulting Pte. Ltd	46,528	123,058
	1,391,617	848,455

List of key management personnel

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

Transaction with key management personnel

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

(In PLN)

Particulars	Year ended March 31,	
	2022	2021
Salaries and other employee benefits to whole-time directors and executive officers[(1)]	434,986	363,401
Total	434,986	363,401

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

2.22 Retirement benefits

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

2.23 Business Combinations

Accounting policy

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

Infosys Consulting Poland Sp.z.o.o

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

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

2.24 Segment Reporting

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

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

Anup Kapoor
Director

Arindam Roy Chowdhury
Director

Bengaluru
May 12,2022

Infosys Technologies (China) Co. Limited

Auditor's Report

De Shi Bao (Shen) Zi (21) No. P04972

The Board of Directors of Infosys Technologies (China) Co. Limited

1. Opinion

We have audited the accompanying financial statements of Infosys Technologies (China) Co. Limited (the 'Company'), which comprises the Balance Sheet as at December 31, 2021, 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, 2021, and the Company's results of operation and cash flow for the year ended in accordance with Accounting Standards for Business Enterprises.

2. 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.

3. Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Company's Management 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.

4. 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 , Zhipeng

May 24, 2022

The Auditor's Report and the accompanying financial statements are English translations of the Chinese Auditor's 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, 2021	As at December 31, 2020
Assets			
Current assets			
Cash and bank balances	1	89,465,021.19	65,601,874.90
Accounts receivable	2	239,800,394.91	241,839,213.61
Prepayments		1,034,946.23	5,130,579.05
Other receivables	3	66,934,931.68	65,235,498.09
Assets held for sale		47,496,197.13	–
Other current assets		9,001,005.20	3,084,387.21
Total current assets		453,732,496.34	380,891,552.86
Non-current assets			
Fixed assets	4	10,406,109.97	8,008,661.62
Construction in progress	5	–	–
Right of use assets	6	26,088,215.75	–
Long-term deferred expenses	7	1,037,016.38	953,253.49
Total non-current assets		37,531,342.10	8,961,915.11
Total Assets		491,263,838.44	389,853,467.97
Liabilities and Owners' Equity			
Current liabilities			
Short-term loans	8	31,878,500.00	4,567,430.00
Accounts payable		95,528,466.57	107,932,848.59
Employee benefits payable	9	16,035,877.22	20,242,658.01
Taxes payable	10	1,795,900.78	3,660,950.19
Other payables		17,954,291.77	26,518,019.68
Other current liabilities		33,990,511.94	30,248,930.26
Non-current liabilities due within one year	11	6,238,881.03	–
Total current liabilities		203,422,429.31	193,170,836.73
Non-current Liabilities:			
Lease liabilities	12	19,170,045.38	–
Total non-current liabilities		19,170,045.38	–
Total liabilities		222,592,474.69	193,170,836.73
Owners' equity			
Paid in capital	13	431,246,900.00	398,980,400.00
Capital reserve	14	51,575,614.42	51,575,614.42
Accumulated losses		(214,151,150.67)	(253,873,383.18)
Total owners' equity		268,671,363.75	196,682,631.24
Total liabilities and owners' equity		491,263,838.44	389,853,467.97

The accompanying notes form part of the financial statements.

The financial statements on pages 192 to 215 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, 2021	2020
I.	Operating income	15	700,633,227.30	694,533,999.07
	Less: Operating costs		604,251,565.42	586,160,921.20
	Taxes and surcharges		460,594.40	224,591.78
	Selling expenses		10,249,445.77	9,190,514.96
	Administrative expenses		45,814,453.32	52,663,594.45
	Financial expenses	16	3,895,312.16	1,605,653.96
	Add: Other income	17	4,136,503.40	2,457,280.77
	Credit impairment loss	18	(689,542.97)	(2,187,536.61)
II.	Operating profit		39,408,816.66	44,958,466.88
III.	Total profit		39,408,816.66	44,958,466.88
	Less: Income tax expenses	19	–	–
IV.	Net profit for the year		39,408,816.66	44,958,466.88
V.	Other comprehensive income, net of tax		–	–
VI.	Total comprehensive income for the year		39,408,816.66	44,958,466.88

The accompanying notes form part of the financial statements.

Statement of Cash Flows

in RMB

	Particulars	Note VIII	Years ended December 31, 2021	2020
I.	Cash Flows from Operating Activities			
	Cash receipts from the sale of goods and the rendering of services		721,723,839.46	762,027,279.66
	Receipts of tax refunds		2,223,172.21	1,473,886.78
	Other cash receipts relating to operating activities		4,757,996.23	2,594,906.96
	Sub-total of cash inflows from operating activities		728,705,007.90	766,096,073.40
	Payments for goods purchased and services received		343,603,693.25	313,395,173.40
	Payments to and on behalf of employees		324,460,042.87	313,812,733.25
	Payments of various types of taxes		1,865,049.41	3,336,024.76
	Other cash payments relating to operating activities		12,525,781.91	18,798,611.29
	Sub-total of cash outflows from operating activities		682,454,567.44	649,342,542.70
	Net Cash Flow Used in Operating Activities	20	46,250,440.46	116,753,530.70
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		56,000,336.85	8,774,975.28
	Sub-total of cash outflows from investing activities		56,000,336.85	8,774,975.28
	Net Cash Flow Used in Investing Activities		(55,168,775.15)	(8,774,975.28)
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	70,077,910.00
	Cash payments for distribution of dividends or profit or interest expenses		16,797,776.33	–
	Cash payments to other financing related activities		9,531,390.29	–
	Subtotal of cash outflow from financing activities		30,896,596.62	70,077,910.00
	Net Cash Flow Used in Financing Activities		33,248,403.38	(70,077,910.00)
IV.	Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		(466,922.40)	(1,411,172.93)
V.	Increase (Decrease) in Cash and Cash Equivalents	20	23,863,146.29	36,489,472.49
	Add: Opening balance of Cash and Cash Equivalents		65,601,874.90	29,112,402.41
VI.	Closing Balance of Cash and Cash Equivalents	20	89,465,021.19	65,601,874.90

The accompanying notes form part of the financial statements.

Statement of Changes in Owners' Equity

For the years ended December 31, 2021 and December 31, 2020.

in RMB

	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
	Add: Changes in accounting policies	–	–	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
I.	Balance at January 1, 2020	398,980,400.00	51,575,614.42	(298,831,850.06)	151,724,164.36
II.	Changes in equity during the year				
	(1) Total comprehensive income	–	–	44,958,466.88	44,958,466.88
III.	Balance at December 31, 2020	398,980,400.00	51,575,614.42	(253,873,383.18)	196,682,631.24

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 foreign-owned 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 October 10, 2003, issued by Shanghai Administration of Industry & Commerce of the PRC. The original registered capital was US$ 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 US$$ 5,000,000 to US$$ 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 US$ 13,000,000. The registered capital was increased from US$ 10,000,000 to US$ 23,000,000. The Company obtained approval from the Shanghai Municipal Government for the change on 15 January 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 US$ 23,000,000 to US$ 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 US$ 33,000,000 to US$ 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 7 June 2016.

In 2020, the Company's Board of Directors resolved to increase the Company's registered capital from US$ 58,000,000 to US$ 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, 2021, 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 Company's financial statements 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, 2021, 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 in 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 types 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.

5.2.3Determination 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.

5.2.4Write-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 recognize 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 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 derecognised. 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 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. 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.

Cost 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.

Cost 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 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 Renminbi (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 is or contains a lease at inception date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

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 stand-alone prices of the lease components and the stand-alone 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 Company's Management considers that it is uncertain for the Company to obtain enough income tax payable in the future, so the Company did not recognize RMB 159,537,495.86 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 December 31, 2021, 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 policy

New revenue standard

The Company has adopted the Accounting Standard for Business Enterprises No.14 - Revenue ('New Revenue Standard') revised by the MoF in 2017 since January 1, 2021. The New Revenue Standard introduces five steps of revenue recognition and measurement and adds more guidelines for specific transactions (or events). Please refer to Note IV 10 for detailed accounting policies of the Company in terms of revenue recognition and measurement. In accordance with the New Revenue Standard, it is required to adjust the opening balance (i.e., balance as at January 1, 2021) of retained profits and amounts of other relevant items in the financial statements during the current year of the initial application based on accumulative amounts impacted from the initial application of the standard, and it is allowed not to adjust the information for the comparable periods. In the adoption of the New Revenue Standard, the Company solely adjusted the accumulative impacted amounts for contracts not completed at the date of the initial application. For contract changes prior to the beginning of the earliest comparative period January 1, 2020)/prior to the year of initial application of the New Revenue Standard, the Company simplified the processes. Namely, the Company identifies the fulfilled and unfulfilled obligations, determines transaction prices and evenly allocates the transaction prices between the fulfilled and unfulfilled obligations pursuant to the final arrangements of contract changes.

New standard for financial instruments

The Company has started adopting the Accounting Standards for Business Enterprises No. 22 - Financial Instrument: Recognition and Measurement, Accounting Standards for Business Enterprises No. 23 - Transfer of Financial Assets, Accounting Standards for Business Enterprises No. 24 - Hedging Accounting and Accounting Standards for Business Enterprises No. 37 - Financial

Instrument: Presentation (hereinafter referred to as 'New Standard for Financial Instruments' revised by MoF in 2017 from January 1, 2021.

For classification and measurement of financial assets, the New Standard for Financial Instruments requires that the financial assets should be classified into three categories: 'financial assets measured at amortized cost', 'financial assets at fair value through other comprehensive income ('FVTOCI')' and 'financial assets at fair value through profit or loss ('FVTPL')' based on characteristics of contractual cash flows and business models for the enterprise to manage these assets. The original categories including loans and receivables, held-to-maturity investments and available-for-sale financial assets have been cancelled.

Investments in equity instrument are generally categorized into financial assets at FVTPL. The enterprise is also allowed to designate the non-tradable equity instrument investments as financial assets measured at FVTOCI, but such designation is non-cancellable, and when the financial assets are derecognized, the cumulative amounts of changes in fair value previously recognized in other comprehensive income shall not be removed from other comprehensive income and recognized in profit or loss.

For impairment of financial instruments, the New Standard for Financial Instruments on impairment are applicable to financial assets measured at amortized cost and at FVTOCI, lease receivables, contract assets and specific undrawn loan commitments and financial guarantee contracts. New Standard for Financial Instruments requires adoption of expected credit loss model to replace the original credit-impaired model. The new impairment model requires adoption of three-phase model, credit loss allowance is made based on expected credit losses within 12 months or during the lifetime according to whether the credit risks of relevant items have been significantly increased since initial recognition. The Company measures loss allowance for all

contract assets, notes receivable and accounts receivable arising from transactions regulated by the Revenue Standard based on the amount of lifetime ECL.

If the recognition and measurement of financial instrument before January 1, 2021 is inconsistent with the New Standard for Financial Instruments, the Company will make retrospective adjustment as required by the New Standard. In case of inconsistence between the comparative figures in financial statements in prior period and requirements of the New Standard, the Company will not make adjustment. The shortfall between the original carrying amount of the financial instrument and the new carrying amount at the adoption date of the New Standard shall be recognized in retained earnings or other comprehensive income at January 1, 2021. The Company has evaluated that the impact of the shortfall on the financial statement is not material.

As at January 1, 2021, the Company has performed reconciliation for loss allowance recognized for items such as financial assets classified as at amortized cost and contract assets on the financial statements, in accordance with the previous standard of financial instruments, provisions recognized under the Accounting Standard for Business Enterprises No.13 – Contingencies, and credit loss allowance recognized based on the New Standard for Financial Instruments. The Company has evaluated the impact of remeasurement on the financial statement and the impact is not material.

New Lease Standards

The Company has adopted Accounting Standards for Business Enterprises No.21 - Leases ('New Lease Standards', the Lease Standards before this revision referred to as the 'Original Lease Standards') revised by the MoF in 2018 since January 1, 2021 (the 'first implementation date'). The New Lease Standards improve the definition of a lease and add the identification, separation and combination of a lease; cancel the classification of the operating lease and finance lease of a lessee, require to recognize right-of-use assets and lease liabilities of all leases other than short-term leases and leases of low value assets at the commencement date of the lease, and recognize depreciation and interest expense respectively; improves subsequent measurement of leases by the lessee, add the accounting treatment under circumstances of option re-evaluation and lease modification, and also the relevant disclosure requirements. In addition, the New Lease Standards enrich disclosures by a lessor. The revised accounting policies on the recognition and measurement of leases with the Company as a lessee and lessor are set out in Note IV 14.

For contracts that existed before January 1, 2021, the Company chose not to re-assess whether they were leases or contained leases on January 1, 2021.

The Company as a lessee

The Company adjusts the amount of retained earnings and other related items in the financial statements at January 1, 2021, based on the cumulative effect of the initial application of the New Lease Standards, and does not adjust the information of comparable period.

For operating leases in addition to leases of low value assets before January 1, 2021, the Company adopts one or more simplified methods below for each lease:

•Leases expected to be completed within 12 months after January 1, 2021, are treated as short-term leases;

- When determining lease liabilities, the same discount rate will be used for leases with similar characteristics;
- The measurement of right-of-use assets does not include initial direct costs;
- For leases with options to extend or terminate, the Company determines the lease term based on the actual exercise of options before January 1, 2021 and other most updated information;
- As a substitute of impairment test for right-of-use assets, the Company applies Accounting Standards for Business Enterprises No. 13 - Contingencies, to assess if the contract containing a lease is a loss contract and adjust the right-of-use assets based on the loss allowance included in the Balance Sheet before January 1, 2021.
- For lease modifications before January 1, 2021, the Company makes accounting treatments based on the final lease arrangements after the lease modification.

For operating leases existed before January 1, 2021, the lease liabilities are measured at the present value of the remaining lease payment, discounted using the lessee's incremental borrowing rate at January 1, 2021, and a right-of-use assets is measured based on each lease option at carrying amount as if the New Lease Standards had been adopted since the commencement date of the lease (applying incremental borrowing rate of a lessor as discount rate at January 1, 2021).

As at January 1, 2021, the Company recognized lease liabilities of RMB 30,577,442.71, and right-of-use assets of RMB 30,890,858.56. For operating leases existed before the first implementation date, the Company measures the lease liabilities at the present value of the lease payments discounted using the incremental borrowing rate at the first implementation date. The weight average borrowing rate thereof is 3.33%.

The impact of the application of the New Lease Standards on the related items in the Company's Balance Sheet on January 1, 2021 is as follows:

in RMB

Item	December 31, 2020	Adjustments	January 1, 2021
Non-current assets:	–	30,890,858.56	30,890,858.56
Right-of-use assets	–	30,890,858.56	30,890,858.56
Current liabilities:	–	(6,891,618.24)	(6,891,618.24)
Non-current liabilities due within one year	–	(6,891,618.24)	(6,891,618.24)
Non-current liabilities:	–	(23,685,824.47)	(23,685,824.47)
Lease liabilities	–	(23,685,824.47)	(23,685,824.47)
Owners' equity:	–	(313,415.85)	(313,415.85)
Retained earnings	–	(313,415.85)	(313,415.85)

The differences between lease liabilities recognized as at January 1, 2021 and the significant operating lease commitment disclosed in the financial statements for the fiscal 2020 are as follows:

in RMB

	Item	January 1, 2021
I.	Operating lease commitment at December 31, 2020	38,118,961.54
	Lease liabilities discounted at the incremental borrowing rate of January 1, 2021	30,577,442.71
II.	Lease liabilities at January 1, 2021	30,577,442.71
	Presented as: Current liabilities	6,891,618.24
	Non-current liabilities	23,685,824.47

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 (2020: 15%). The Company obtained the Certificate of Advanced Technology Service Enterprise on 16 December 2019 and paid income tax at a reduced rate of 15% in 2019. The accumulated tax loss of the Company as at December 31, 2021 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, 2021	As at December 31, 2020
Deposits with banks	89,465,021.19	65,601,874.90

2. Accounts receivable

(1) The customer analysis of accounts receivable is as follows:

in RMB

Particulars	As at December 31, 2021	As at December 31, 2020
Amounts due from other customers	243,637,393.28	255,752,749.86
Less: Credit losses provision	3,836,998.37	13,913,536.25
Total	239,800,394.91	241,839,213.61

As a part of the 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, 2021, the analysis of the credit risk and expected loss for accounts receivable is as follows:

in RMB

Internal credit rating	As at December 31, 2021			
	Expected average loss rate	Amount	Credit losses provision	Book value
Risk free	0.00%	70,561,749.55	–	70,561,749.55
Low risk	0.77%	170,551,858.19	(1,313,212.83)	169,238,645.36
High risk	100.00%	2,523,785.54	(2,523,785.54)	–
Total		243,637,393.28	(3,836,998.37)	239,800,394.91

(2) The analysis of the movements of expected credit losses provision for accounts receivable is as follows:

in RMB

Particulars	Expected credit losses
December 31, 2020	13,913,536.25
January 1, 2021	13,913,536.25
Provision during the year	689,542.97
Written-off during the year	(10,766,080.85)
December 31, 2021	3,836,998.37

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, 2021				As at December 31, 2020			
	Amount	Ratio	Bad debt provision	Book value	Amount	Ratio	Bad debt provision	Book value
Within 1 year	4,231,901.41	6.31	(90,287.26)	4,141,614.15	4,497,892.73	6.89	(90,287.26)	4,407,605.47
1 to 2 years	3,971,959.49	5.93	–	3,971,959.49	8,047,239.91	12.32	–	8,047,239.91
2- 3 years	7,490,958.91	11.18	–	7,490,958.91	50,008,000.00	76.55	–	50,008,000.00
More than 3 years	51,330,399.13	76.58	–	51,330,399.13	2,772,652.71	4.24	–	2,772,652.71
Total	67,025,218.94	100.00	(90,287.26)	66,934,931.68	65,325,785.35	100.00	(90,287.26)	65,235,498.09

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 13,499,178.08 of interest income has been recognized (2020: RMB 10,499,178.08). For more details, please refer to Note £. (3)(b)(c).

Other receivables aged over 3 years are lease deposits.

4. Fixed assets

in RMB

Particulars	Electronic equipment	Office equipment	Software	Total
Cost				
January 1, 2021	95,475,926.09	43,370,494.43	57,529.20	138,903,949.72
Additions during the year	5,730,206.15	1,602,822.77	–	7,333,028.92
Decrease	(17,444,358.36)	(4,162,339.90)	–	(21,606,698.26)
Balance at December 31, 2021	83,761,773.88	40,810,977.30	57,529.20	124,630,280.38

Particulars	Electronic equipment	Office equipment	Software	Total
Accumulated depreciation				
January 1, 2021	(88,143,787.25)	(42,745,091.20)	(6,409.65)	(130,895,288.10)
Charge for the year	(4,346,540.40)	(481,038.16)	(19,176.39)	(4,846,754.95)
Decrease	17,444,358.37	4,073,514.27	-	21,517,872.64
Balance at December 31, 2021	(75,045,969.28)	(39,152,615.09)	(25,586.04)	(114,224,170.41)
Carrying amounts				
December 31, 2020	7,332,138.84	625,403.23	51,119.55	8,008,661.62
December 31, 2021	8,715,804.60	1,658,362.21	31,943.16	10,406,109.97

5. Construction in progress

in RMB

Balance at January 1, 2021	–
Additions during the year	8,504,139.72
Transfer to fixed assets	(7,333,028.92)
Transfer to long-term deferred expenses	(1,171,110.80)
Balance at December 31, 2021	–

6. Right-of -use assets

in RMB

Cost	Leased assets
At January 1, 2021	30,890,858.56
Provided for the year	4,193,740.25
At December 31, 2021	35,084,598.81
Accumulated depreciation	
At January 1, 2021	–
Provided for the year	8,996,383.06
At December 31, 2021	8,996,383.06
Net book value	
At December 31, 2021	26,088,215.75
At January 1, 2021	30,890,858.56

7. Long-term deferred expenses

in RMB

Particulars	As at December 31,	
	2021	2020
Leasehold improvement	1,037,016.38	953,253.49

8. Short-term loans

in RMB

Particulars	As at December 31,	
	2021	2020
Unsecured loans	31,878,500.00	4,567,430.00

Short-term loans include a loan of US$ 5,000,000.00 (equivalent to RMB 31,878,500.00) 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 6, 2022.

9. Employee benefits payable

in RMB

Item	As at January 1, 2021	Provision for the year	Payment for the year	As at December 31, 2021
Wages or salaries, bonus, allowances, subsidies	20,242,658.01	257,650,961.74	(261,857,742.53)	16,035,877.22
Social security contributions	–	17,193,774.13	(17,193,774.13)	–

Item	As at January 1, 2021	Provision for the year	Payment for the year	As at December 31, 2021
Including: Medical insurance	–	16,551,019.02	(16,551,019.02)	–
Maternity and work injury insurance	–	642,755.11	(642,755.11)	–
Defined contribution plans (Note)	–	27,937,096.91	(27,937,096.91)	–
Housing funds	–	17,471,429.30	(17,471,429.30)	–
Total	20,242,658.01	320,253,262.08	(324,460,042.87)	16,035,877.22

Note: Defined contribution plans

in RMB

Item	As at January 1, 2021	Provision for the year	Payment for the year	As at December 31, 2021
Basic pension insurance	–	27,076,538.24	(27,076,538.24)	–
Unemployment insurance	–	860,558.67	(860,558.67)	–
Total	–	27,937,096.91	(27,937,096.91)	–

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,	
	2021	2020
Individual income tax	1,789,263.07	705,558.05
Withholding income tax and VAT	6,637.71	2,955,392.14
Total	1,795,900.78	3,660,950.19

11. Non-current liabilities due within one year

in RMB

Category	As at December 31,	
	2021	2020
Lease liabilities due within one year	6,238,881.03	–

12. Lease liabilities

in RMB

Category	As at December 31,	
	2021	2020
Lease liabilities	25,408,926.41	–
Less: Lease liabilities recognized in non-current liabilities due within one year	6,238,881.03	–
Total	19,170,045.38	–

13. Paid-in capital

The registered capital of the Company is US$ 78,000,000.00. As at December 31, 2021, the contribution by the investor according to the Articles of Association is as follows:

Company name	As at December 31, 2021			As at December 31, 2020		
	US$	Ratio	Equivalent to RMB	US$	Ratio	Equivalent to RMB
		%			%	
Infosys Limited	62,999,982.00	100	431,246,900.00	58,000,000.00	100.00	398,980,400.00

14. Capital reserve

in RMB

Particulars	As at December 31, 2021	2020
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, 2021	2020
Income from principal activities-rendering of services	700,633,227.30	694,533,999.07

16. Financial expenses

in RMB

Particulars	As at December 31, 2021	2020
Interest expenses	143,864.66	2,879,200.37
Interest on lease liabilities	1,139,815.97	–
Interest income	(3,418,551.34)	(3,673,649.82)
Exchange gains (losses)	6,030,182.87	2,400,103.41
Total	3,895,312.16	1,605,653.96

17. Other income

in RMB

Particulars	As at December 31, 2021	2020
Subsidy on job stabilization	1,358,174.81	470,946.50
Fiscal subsidy	790,000.00	640,000.00
Gain from asset disposal	742,736.08	–
Subsidy on export	477,600.00	–
Income tax service charges refund	385,882.01	241,136.28
Government grant for training	177,500.00	–
10% additional deduction of VAT in service industry	164,644.82	883,984.49
Subsidy for disabled employment	39,965.68	18,913.50
Subsidy on rent	–	202,300.00
Total	4,136,503.40	2,457,280.77

18. Credit impairment loss

in RMB

Particulars	As at December 31, 2021	2020
Bad debt losses	(689,542.97)	(2,187,536.61)

19. Income tax expenses

in RMB

Particulars	As at December 31, 2021	2020
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, 2021 amounting to RMB 159,537,495.86 is not recognized. Among the accumulated deductible losses, RMB 135,839,954.14 and RMB 23,697,541.72 will expire in 2022 and 2023, respectively.

Reconciliation of income tax expenses to the accounting profit is as follows:

in RMB

Particulars	As at December 31, 2021	2020
Accounting losses	39,408,816.66	44,958,466.88
Expected income tax expenses (income) at tax rate of 15% (2020:15%)	5,911,322.50	6,743,770.03
Tax effect of non-deductible expenses	36,913.04	89,066.53
Unused deductible losses	–	–
Temporary differences for unrecognized deferred tax assets	(2,710,487.94)	(1,373,413.10)
Tax effect of using unrecognized deductible loss and deductible temporary difference in previous years	(3,237,747.60)	(5,459,423.46)
Income tax expenses	–	–

20. 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, 2021	2020
Net profits	39,408,816.66	44,958,466.88
Add: Provision for expected credit loss	689,542.97	2,187,536.61
Depreciation of fixed assets	4,846,754.95	3,085,443.38
Depreciation of right of use assets	8,996,383.06	–
Amortization of long-term deferred expenses	1,087,347.91	456,323.04
Financial expenses	779,920.80	3,902,652.62

Particulars	As at December 31,	
	2021	2020
Gains on disposal of fixed assets	(742,736.08)	–
Decrease (increase) in operating receivables	(2,171,143.02)	41,469,466.92
Increase (decrease) in operating payables	(6,644,446.79)	20,693,641.25
Net cash flow from operating activities	46,250,440.46	116,753,530.70

(2) Net changes in cash and cash equivalents

in RMB

Particulars	As at December 31,	
	2021	2020
Cash and cash equivalents at the end of the year	89,465,021.19	65,601,874.90
Less: Cash and cash equivalents at the beginning of the year	65,601,874.90	29,112,402.41
Net increase (decrease) in cash and cash equivalents	23,863,146.29	36,489,472.49

Related party relationships and transactions

(1) Information about the parent 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 other related parties which have transactions with the Company while no control relationship exists are as follows:

Name	Relationship with the Company
Infosys Poland Sp. z o.o.	Controlled by the same parent company
EdgeVerve Systems Limited	Controlled by the same parent company
Infosys Public Services Inc	Controlled by the same parent company
Panaya Ltd.	Controlled by the same parent company
Infosys BPM Limited	Controlled by the same parent company
Infosys Technologies S. de R. L. de C. V.	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 Management Consulting (Shanghai) Co, Ltd.	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
Lodestone Belgium	Controlled by the same parent company
Lodestone Switzerland	Controlled by the same parent company
Infosys Consulting Company Ltd	Controlled by the same parent company
Infosys Consulting Romania	Controlled by the same parent company
Infosys Sweden	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,	
	2021	2020
Sales		
Infosys Limited	89,878,096.00	60,859,243.34
Infosys Technologies S. de R. L. de C. V.	8,186,342.38	6,431,669.36
Infosys Technologies (Shanghai) Co. Limited	6,890,246.34	5,970,721.49

Particulars	As at December 31,	
	2021	2020
HIPUS Co., Ltd.	6,737,131.00	3,987,827.82
Infosys BPM Limited	3,623,090.43	2,508,328.78
Infosys Automotive and Mobility GmBH Co.	892,944.00	–
Infosys Compaz Pte Ltd	705,953.65	–
Infosys Public Services Inc	521,694.71	468,329.33
Infosys Consulting Company Ltd	72,073.00	–
Infosys Sweden	27,736.00	–
Infosys Poland Sp. Z.O.O	24,402.00	–
Infosys (Czech Republic) Ltd	20,598.00	–
Infosys Austria	19,266.00	–
Lodestone Belgium	18,476.00	–
Lodestone Switzerland	13,842.00	–
Infosys Consulting Romania	7,782.00	–
Infosys Management Consulting (Shanghai) Co, Ltd.	–	2,299.00
Total	117,639,673.51	80,228,419.12

in RMB

Particulars	As at December 31,	
	2021	2020
Purchases		
Infosys Technologies (Shanghai) Co. Limited	252,489,047.66	277,684,762.47
Infosys Limited	26,939,275.81	22,644,941.51
Infosys BPM Limited	237,146.41	226,512.10
Infosys (Czech Republic) Ltd	70,661.99	–
HIPUS Co., Ltd.	–	1,124,319.99
EdgeVerve Systems Limited	–	7,894.75
Panaya Ltd.	–	620,008.61
Total	279,736,131.87	302,308,439.43

(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 2021	As at December 31, 2021	Incurred amount in 2020	As at December 31, 2020	Annual interest rate
Borrowings from					
Infosys Limited	–	–	(69,762,000.00)	–	6.00
Infosys Poland Sp. z o.o.	27,311,070.00	31,878,500.00	(315,910.00)	4,567,430.00	1.32
Total	27,311,070.00	31,878,500.00	(70,077,910.00)	4,567,430.00	

in RMB

Particulars	Incurred amount in 2021	As at December 31, 2021	Incurred amount in 2020	As at December 31, 2020	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 US$ 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 6 December 2022. The loan of US$ 700,000.00 obtained from Infosys Poland Sp. z o.o. is for the purpose of operation and bears an interest rate of 3.5% per annum. Infosys (China) repaid this loan on 29 December 2021. 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,	
	2021	2020
Interest expenses		
Infosys Poland Sp. z o.o.	143,864.66	136,161.31
Infosys Limited	–	2,743,038.96
Total	143,864.66	2,879,200.37
Interest income		
Infosys Technologies (Shanghai) Co. Limited	3,000,000.00	3,008,219.17

(c) Amounts due to or from related companies

in RMB

Accounts	Name of the related parties	As at December 31,	
		2021	2020
Accounts receivable	Infosys Technologies (Shanghai) Co. Limited	55,204,443.77	57,683,514.79
	Infosys Limited	11,797,056.71	5,605,943.96
	HIPUS Co., Ltd.	524,982.70	3,952,549.82
	Infosys Technologies S. de R. L. de C. V.	260,490.57	648,915.47
	Infosys BPM Limited	232,631.69	195,195.49
	Infosys Compaz Pte Ltd	153,524.48	–
	Infosys Public Services Inc	43,911.04	28,691.75
	Total	68,217,040.96	68,114,811.28
Other receivables	Infosys Technologies (Shanghai) Co. Limited	13,499,178.08	10,499,178.08
Accounts payable	Infosys Technologies (Shanghai) Co. Limited	68,535,874.44	73,903,122.63
	Infosys Limited	19,729,890.98	24,487,078.42
	Infosys BPM Limited	55,765.06	1,347,353.48
	HIPUS Co., Ltd.	–	1,118,105.94
	Total	88,321,530.48	100,855,660.47
Other payables	Infosys Limited	–	18,893,607.71
	Infosys Poland Sp. z o.o.	43,974.86	685,865.25
	Total	43,974.86	19,579,472.96

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. 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 US$, INR, HKD and TWD. The Company's principal activities are settled in RMB. As at December 31, 2021, 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 an impact on the Company's performance.

in RMB

Particulars	As at December 31,	
	2021	2020
Cash and bank balances	47,744,594.32	19,390,525.69
Accounts receivable	43,748,975.98	76,380,291.60
Short-term loans	(31,878,500.00)	(4,567,430.00)
Other payables	(43,974.86)	(19,579,472.96)
Accounts payable	(19,785,656.04)	(26,952,537.84)
Total	39,785,439.40	44,671,376.49

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

Particulars	As at December 31,				
		2021		2020	
Item	Changes in exchange rate	Effect on profit	Effect on Owners' equity	Effect on profit	Effect on Owners' equity
Foreign currencies	10% increase against RMB	3,978,543.94	3,978,543.94	4,467,137.65	4,467,137.65
Foreign currencies	10% decrease against RMB	(3,978,543.94)	(3,978,543.94)	(4,467,137.65)	(4,467,137.65)

1.2 Credit risk

As at December 31, 2021, 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 managing 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 is 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 considering the 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

Particulars	As at December 31,	
	2021	2020
Capital commitments that have been entered into but have not been recognized in the financial statements: Contracts for purchasing fixed assets	**7,774,963.92**	149,314.00

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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, 2022 and 2021, 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, 2022 and 2021, 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 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, 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 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 audits.

Tanner LLC

April 28, 2022

Consolidated Balance sheets

in US$

Particulars	Years ended January 31,	
	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	14,253,902	9,396,407
Accounts receivable, net of allowance of $973,515 and $296,319, respectively	14,472,115	11,422,252
Prepaid expenses and other	1,885,607	1,689,214
Total current assets	30,611,624	22,507,873
Goodwill, net	14,657,480	16,934,062
Property and equipment, net	1,045,079	977,140
Other long-term assets	49,662	59,538
Total assets	46,363,845	40,478,613
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	921,660	716,348
Accrued expenses	23,627,566	14,319,180
Loan from affiliate	–	5,039,903
Deferred revenue	1,385,983	1,957,275
Other current liabilities	185,784	–
Total current liabilities	26,120,993	22,032,706
Other long-term liabilities	212,888	1,139,914
Total liabilities	26,333,881	23,172,620
Commitments and Contingencies		
Stockholders' equity:		
Common stock held by Infosys, par value $0.001 per share, 100 shares designated, 10 shares issued and outstanding as of January 31, 2022 and January 31, 2021	–	–
Additional paid-in capital	65,083,457	55,816,632
Accumulated deficit	(45,053,493)	(38,510,639)
Total stockholders' equity	20,029,964	17,305,993
Total liabilities and stockholders' equity	46,363,845	40,478,613

Consolidated statements of Operations

in US$

Particulars	Years ended January 31, 2022	2021
Professional and managed services revenues, net	97,899,750	68,813,273
Cost of professional services	61,035,593	41,644,331
Gross profit	36,864,157	27,168,942
Operating expenses:		
Sales and marketing	19,490,544	17,156,236
General and administrative	20,477,830	15,194,412
Depreciation and amortization	2,786,406	2,681,251
Total operating expenses	42,754,780	35,031,899
Loss from operations	(5,890,623)	(7,862,957)
Other income (expense):		
Interest income	9,434	14,152
Interest expense	(30,680)	(72,590)
Loss on sale of business	–	(386,647)
Realized FX gains (losses), net	(635,343)	518,524
Other income, net	58,135	92,539
Total other income (expense), net	(598,454)	165,978
Net loss before provision for income taxes	(6,489,077)	(7,696,979)
Provision for income taxes	53,777	219,047
Net loss	(6,542,854)	(7,916,026)

Consolidated statements of Stockholders' Equity

in US$

Particulars	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount			
Balance, January 31, 2020	15,291,681	15,292	14,959,438	14,960	45,910,578	(30,594,613)	15,346,217
Exercise of common stock options	–	–	1,079,997	1,080	1,433,343	–	1,434,423
Exercise of warrants	–	–	43,200	43	41,861	–	41,904
Exercise of stock appreciation rights	–	–	15,400	15	33,865	–	33,880
Shareholder payments of exercise price	–	–	–	–	(1,510,107)	–	(1,510,107)
Forfeiture of previously granted restricted stock units	–	–	(199,500)	(200)	–	–	(200)
Stock–based compensation expense	–	–	–	–	829,757	–	829,757
Conversion of ownership to Infosys	(15,291,681)	(15,292)	(15,898,525)	(15,898)	31,090	–	(100)
Liabilities settled through the change in ownership	–	–	–	–	8,980,855	–	8,980,855
Other	–	–	–	–	65,390	–	65,390
Net loss	–	–	–	–	–	(7,916,026)	(7,916,026)
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

Consolidated statements of Cash Flows

in US$

	Years ended January 31, 2022	2021
Cash flows from operating activities:		
Net loss	(6,542,854)	(7,916,026)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Accretion expense for hold back liabilities	–	47,122
Bad debt expense	936,651	250,897
Depreciation and amortization	2,786,406	2,681,251
Stock-based compensation expense	–	829,757
Loss on sale of business	–	386,647
Change in operating assets, liabilities, net of sale of business (see Note 2)		
Accounts receivable	(4,248,408)	(2,575,867)
Prepaid expenses and other current assets	(507,300)	332,917
Accounts payable and accrued expenses	9,422,451	6,131,132
Deferred revenue	(673,150)	(1,474,259)
Other noncurrent assets and liabilities	237,489	(6,872)
Net cash provided by (used in) operating activities	1,411,285	(1,313,301)
Cash flows from investing activities:		
Purchases of property and equipment	(604,966)	(282,600)
Net cash given for sale of business (see Note 2)	–	(66,068)
Net cash used in investing activities	(604,966)	(348,668)
Cash flows from financing activities:		
Contributions from Parent	9,000,000	–
Borrowings from (Repayments to) Infosys	(5,043,895)	5,000,000
Net change in line of credit	–	1,286,739
Repayments from affiliate	–	610,033
Other financing activities	–	26,137
Payments on long-term debt	–	(333,333)
Net cash provided by financing activities	3,956,105	6,589,576
Effect of exchange rates on cash and cash equivalents	95,071	(574,819)
Net increase in cash and cash equivalents	4,857,495	4,352,788
Cash and cash equivalents as of beginning of the fiscal year	9,396,407	5,043,619
Cash and cash equivalents as of end of the fiscal year	14,253,902	9,396,407
Supplemental disclosure:		
Cash paid for interest	43,895	54,245
Supplemental disclosure of non-cash investing and financing activities:		
Liabilities settled through the change in ownership	–	8,980,855

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 Saleforce platforms: CPQ, Billing, Sales Cloud, Service Cloud, Community Cloud, Mulesoft, and CLM.

In March 2020, the Company entered into an 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. 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., Simplus Europe, Ltd., Simplus UK, Ltd, Simplus Ireland, 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 UK, Simplus Ireland, and Simplus Australia all perform quote-to-cash implementation services in their respective regions. All material intercompany accounts and transactions have been eliminated in consolidation. Simplus UK and Simplus Ireland were spun-off to another Infosys affiliated entity effective June 1, 2020 (see Note 2).

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (US GAAP) requires 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 consist primarily of 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.

One non-related party customer accounted for 15% of accounts receivable as of January 31, 2022. No non-related-party customers accounted for more than 10% of accounts receivable as of January 31, 2021. No non-related-party customer accounted for more than 10% of revenue for the fiscal year ended January 31, 2022. No customer accounted for more than 10% of revenues for the fiscal year ended January 31, 2021.

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 $7,690,376 and $7,829,202 as of January 31, 2022 and January 31, 2021, 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 noncompetition 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, 2022, 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 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 is typically comprised of 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 is as follows for the years ended January 31:

in US$

Particulars	Years ended January 31,	
	2022	2021
North America	83,119,123	58,589,688
Asia Pacific	14,780,627	9,560,420
Europe	–	663,165
Total	97,899,750	68,813,273

The Company's revenue by offering is as follows for the years ended January 31:

in US$

Particulars	Years ended January 31,	
	2022	2021
Professional services	81,614,826	54,759,082
Managed services	16,284,924	14,054,191
Total	97,899,750	68,813,273

Deferred Revenue

Deferred revenue primarily consists of 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. Below is a list of 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 consists of 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 $1,064,555 and $795,865 for the fiscal years ended January 31, 2022 and January 31, 2021, respectively.

Stock-based compensation

The Company measures compensation cost for all stock-based awards by estimating the fair values of those awards on their grant date and recognizes compensation expense over the service period during which the awards are expected to vest. The Company uses the Black-Scholes option-pricing model to estimate the fair value of equity awards, which requires the input of highly subjective assumptions, including the fair value of the underlying stock on the date of grant and expected stock price volatility. Expected volatility for all new awards was calculated by averaging the historical volatility of a peer group of publicly traded companies. The risk-free rate was based on the U.S. Treasury rate on the date of grant corresponding to the expected life of the award. The expected life of awards is determined based on historical trends of stock option exercises and based on management's estimate of the period the awards will remain outstanding.

Simplus did not issue any stock-based awards during the fiscal years ended January 31, 2022 or January 31, 2021.

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 noncurrent 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, 2022, 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.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). This guidance requires organizations to recognize lease assets and liabilities on the Balance Sheet and disclosing essential information about leasing transactions. Topic 842 was effective for the Company on February 1, 2022. Management is currently evaluating the anticipated impact related to this pronouncement.

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 does not believe the adoption of ASU 2016-13 will have a material impact on its consolidated financial statements.

2. Businesses Sold

On June 1, 2020, the Company spun-off all membership interests in Simplus UK and Simplus Ireland (formerly Clout Partners Limited) to another Infosys affiliated entity for an aggregate sale price of $0. In addition, the $1,130,601 holdback was transferred as a part of the transaction.

in US$

Computation of purchase price:	
Cash paid by buyers	–
Net investment in sub	164,508
Goodwill, net of amortization	1,339,188
Holdback liability - cash at present value	(1,117,049)
Loss on sale of business	386,647
Allocation of purchase price:	
Assets sold:	
Cash	66,068
Accounts receivable	353,540
Prepaid expenses and other assets	41,432
Liabilities relieved:	
Accounts payable	(31,261)
Deferred revenue	(43,506)
Other liabilities	(221,765)
Holdback liability	(1,117,049)
Goodwill	1,339,188
Total net assets sold	386,647

Below are the financial results of Simplus UK and Simplus Ireland for the year ended January 31, 2021:

in US$

Particulars	2021
Revenue	663,165
Cost of professional services	498,129
General and administrative	441,410
Sales and marketing	7,450
Other income / (expense)	11,318
Net loss	(272,506)

3. Goodwill

Goodwill consisted of the following:

in US$

Particulars	Year ended January 31, 2022	2021
Goodwill	22,765,818	22,765,818
Less accumulated amortization	(8,108,338)	(5,831,756)
	14,657,480	16,934,062

Amortization related to goodwill was $2,276,582 and $2,323,380 for the years ended January 31, 2022 and January 31, 2021, respectively.

4. Property and Equipment

Property and equipment and accumulated depreciation and amortization were as follows:

in US$

Particulars	Estimated useful lives	Years ended January 31, 2022	2021
Leasehold improvements	5 years	943,623	943,623
Furniture and fixtures	5 years	360,965	494,098
Equipment	3 - 5 years	983,816	302,064
Other	5 years	1,675	1,772
Total property and equipment		2,290,079	1,741,557
Accumulated depreciation and amortization		(1,245,000)	(764,417)
Total property and equipment, net		1,045,079	977,140

Depreciation and amortization associated with property and equipment was $509,824 and $357,871 for the years ended January 31, 2022 and January 31, 2021, respectively.

5. Accrued Expenses

Accrued expenses consisted of the following:

in US$

Particulars	Year ended January 31, 2022	2021
Accrued compensation	13,635,532	4,499,711
Retention bonus accrual	7,879,314	7,606,709
Reimbursable expenses	177,740	138,897
Other accrued expenses	1,934,980	2,073,863
	23,627,566	14,319,180

The Company has credit card lines of credit with a borrowing capacity of $1,050,000 that are secured by all assets of the Company and mature in August 2022 and utilized by employees to purchase reimbursable expenses. The interest rates range from 13.1% to 16.1%.

6. Line of Credit

On February 4, 2021, the Company executed an unsecured revolving line-of-credit agreement with a financial institution with a borrowing capacity of up to $10,000,000. The Company made no draws on the line of credit during the year ended January 31, 2022.

7. Debt

Debt consisted of the following:

in US$

Particulars	Year ended January 31, 2022	2021
Unsecured loan payable to Infosys, bears interest at an interest rate equal to LIBOR plus 0.60% interest (0.94% as of January 31, 2021). The principal amount of the loan was payable on demand.	–	5,039,903
	–	5,039,903
Less current portion	–	(5,039,903)
Less debt issuance costs and discount	–	–
Long-term debt	–	–

8. 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.

Common stock warrants

The Company had warrants outstanding. The warrants allowed the holder to purchase 43,200 shares of the Company's common stock at an exercise price of $0.97 per share. The warrants were immediately exercisable and were set to expire in 2028. On March 13, 2020, the warrants were exercised as a result of the Infosys acquisition.

Stock options

The Company established an equity incentive plan (the Plan) that provides for the grant of incentive stock options, nonqualified options, stock appreciation rights, and shares of restricted stock. Under the terms of the Plan, shares of the Company's common stock were made available for grant to employees, officers, directors and consultants.

Options generally vested over a period of 4 years, with 25% vesting after the first year of service and ratably thereafter and are exercisable up to a maximum period of 10 years from the date of grant. Certain common stock options had provisions that accelerated vesting upon the occurrence of certain events. Unvested shares are forfeited upon termination of employment. The designated shares to be granted under the Plan was not to exceed 3,850,990 as of January 31, 2020. On March 13, 2020, as a result of the Infosys acquisition, all vested options were exercised.

Stock-based compensation expense related to stock options and restricted stock units was $0 and $829,757 for the fiscal years ending January 31, 2022 and 2021, respectively.

The following summarizes the Company's common stock option activity:

in US$

Particulars	Number of Options	Weighted Average Exercise Price
Outstanding January 31, 2020	1,200,961	1.39
Granted	–	–
Exercised	(1,079,997)	1.33
Forfeited	(120,964)	1.90
Outstanding January 31, 2021, January 31, 2022	–	–

Restricted Stock Units

The Company offered service-based and performance-based restricted stock units over either one-year or three-year service based vesting periods. The following table summarizes information outstanding under the plan:

in US$

Particulars	Number of Shares	Weighted-Average Grant Date Fair Value
Outstanding, unvested at January 31, 2020	307,130	0.97
Granted	–	–
Vested	(307,130)	0.97
Forfeited	–	–
Outstanding, unvested at January 31, 2021 and January 31, 2022	–	–

On March 13, 2020, as a result of the Infosys acquisition, all restricted stock units were vested.

Stock Appreciation Rights

Under the Plan, in fiscal 2020, the Company issued 16,200 shares of stock appreciation rights (SARs) with a strike price of $2.20 per share, that are payable in cash upon change of control. On March 13, 2020, 15,400 shares vested as a result of the Infosys acquisition, paying out a total of $57,713 to the SARs holders.

9. Commitments And Contingencies

Litigation

The Company is involved in legal proceedings from time to time arising in the normal course of business. 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.

Operating Leases

The Company leases office facilities under non-cancelable operating leases. As of January 31, 2022, future minimum lease payments under non-cancelable operating leases with terms of one year or more are as follows:

in US$

Fiscal Years Ending January 31,	
2023	396,740
2024	378,644
2025	32,339
2026	–
2027	–
	807,723

Rent expense under operating leases was $356,218 and $1,286,973 for the fiscal years ending January 31, 2022 and January 31, 2021, respectively.

10. Income Taxes

The domestic and foreign components of income before provision (benefit) from income taxes consisted of the following:

in US$

Particulars	Years ended January 31,	
	2022	2021
Domestic	(6,332,452)	(6,628,299))
Foreign	(156,626)	(1,068,680))
	(6,489,078)	(7,696,979))

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,	
	2022	2021
Federal income tax benefit at statutory rate	(1,362,706)	(1,616,366)
State income tax benefit, net of federal tax benefit	(340,804)	(408,387)
Permanent difference related to stock compensation expense and goodwill amortization	597,672	836,029
Prior period tax expense	(63,096)	117,221
Change in tax rate	(28,406)	(9,504)
Change in valuation allowance	992,787	1,073,402
Other	258,330	226,652
	53,777	219,047

Deferred income tax assets (liabilities) consisted of the following as of:

in US$

Particulars	Years ended January 31,	
	2022	2021
Net operating loss carryforwards	9,325,867	8,464,765

Particulars	Years ended January 31,	
	2022	2021
Accrued expenses and allowances	360,965	345,002
Depreciation	(21,382)	(69,088)
Intangibles	431,474	336,906
Interest limitation carryforward	17,933	
Other	–	44,485
Valuation allowance	(10,114,857)	(9,122,070)

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. Management has evaluated the available evidence about future taxable income and other possible sources of realization of deferred income tax assets. Based on no profitability to date, management has determined that a full valuation allowance as of January 31, 2022 is appropriate.

As of January 31, 2022, the Company has net operating loss (NOL) carryforwards available to offset future taxable income of approximately $30 million, which will begin to expire in 2035. 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.

11. 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, 2022 and January 31, 2021 totaled $1,129,900 and $260,019, respectively.

12. Related-party transactions

During the fiscal year ended January 31, 2022, 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, 2022 and January 31, 2021 was $3,373,380 and $1,460,998, respectively, included in accounts receivable on the accompanying consolidated Balance Sheet. Revenues from Infosys during the 2022 and 2021 totaled $25,918,983 and $3,844,642, respectively. The professional services performed by Infosys for Simplus totaled $987,341 and $294,754, respectively. 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. For the fiscal year ended January 31, 2021, revenue from Infosys represented approximately 6% of the Company's total revenues and approximately 14% of the Company's total accounts receivable.

The Company incurred expenses of $59,632 for the fiscal year ended January 31, 2021 for marketing services. The marketing services company is considered a related party because an officer of the marketing services firm is also the Chief Marketing Officer for the Company. The Company had no outstanding balance as January 31, 2021 under standard payment terms with the marketing firm. The Company ceased its relationship with the marketing firm in the fiscal year ended January 31, 2021 and did not use the firm in the fiscal year ended January 31, 2022.

13. Subsequent events

On February 16, 2022, the Company and WONGDOODY, Inc. (an Infosys subsidiary) entered into a loan agreement for Simplus to borrow up to $10,000,000 at an interest rate of LIBOR + 1.15% primarily to fund upcoming payroll obligations related to the retention agreement as required by the original stock purchase agreement. As of the date of issuance of the consolidated financial statements, the Company had borrowed $7,000,000 against the loan.

On April 19, 2022, the Company appointed Ryan Northington from President of North America to Chief Executive Officer, effective June 1, 2022. Northington replaces Ryan Westwood, the previous CEO who is resigning from that position. Isaac Westwood, Chief Operating Officer is also resigning on the same date.

Management has evaluated events and transactions for potential recognition or disclosure through April 28, 2022, 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 2022.

In our opinion:

(a) the financial statements set out on pages FS1 to FS36 are drawn up so as to give a true and fair view of the financial position of the Company as at March 31, 2022 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 Singapore 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, authorised these financial statements for issue.

Directors

The directors in office at the date of this statement are as follows:

Andrew Stewart Groth	
Salil Satish Parekh	
Jonathon Revill Christopher Allaway	
Windy Chandra	Appointed on June 8, 2021
Lim Ming Pey	Appointed on June 8, 2021
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, Chapter 50 (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	60,863	34,038
-ADR PSU	–	22,000
Salil Satish Parekh		
Infosys Limited		
Employee Stock Options (ESOP)	460,541	673,723
Lim Ming Pey		
Ascendas Funds Management (S) Limited		
Unit holdings in Ascendas Real Estate Investment Trust	20,740	20,740
Ascendas Property Fund Trustee Pte. Ltd.		
Unit holdings in Ascendas India Trust	–	20,000
Ascott Residence Trust Management Limited		
Unit holdings in Ascott Reit-BT Stapled Units, held by Ascott Residence Trust	65,000	65,000
3.88% Ascott Perpetual Bonds	–	SGD250,000
Astrea IV Pte. Ltd.		
Class A-1 4.35% Secured Fixed Rate Bonds	SGD70,000	SGD70,000
CapitaLand Investment Limited		
3.65% CapitaLand Treasury Ltd Perpetual Bonds	–	SGD250,000

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
CapitaLand Integrated Commercial Trust Management Limited		
unit holdings in CapitaLand Integrated Commercial Trust	36,211	36,211
CapitaLand Retail China Trust Management Limited		
unit holdings in CapitaLand China Trust	31,648	31,648
Mapletree Commercial Trust Management Ltd.		
unit holdings in Mapletree Commercial Trust	30,000	30,000
Mapletree North Asia Commercial Trust Management Ltd.		
unit holdings in Mapletree North Asia Commercial Trust	10,335	10,335
Mapletree Treasury Services Limited		
S$700M 3.95% Subordinated Perpetual Securities issued in 2017	SGD 250,000	SGD 250,000
Singapore Technologies Engineering Ltd		
ordinary shares	12,000	12,000
Singapore Telecommunications Limited		
ordinary shares	17,000	17,000
Manohar Madgula Atreya		
Infosys Limited		
Employee Stock Options (ESOP)	4,500	3,625
Equity shares held in demat account	9,430	11,305
Cash Grants	–	1,800

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 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:

(i) 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

Andrew Stewart Groth
Director

Manohar Madgula Atreya
Director & Chief Executive Officer

May 30, 2022

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 March 31, 2022, 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 FS36.

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 March 31, 2022 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 sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as 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, 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 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 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 controls.
- Obtain an understanding of internal controls 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 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 30, 2022

Statement of Financial Position

in SG $

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
Assets			
Plant and equipment	4	3,934,709	5,168,715
Deferred tax assets	8	937,017	898,462
Non-current assets		4,871,726	6,067,177
Contract assets	14	3,900,271	6,151,161
Trade and other receivables	5	22,502,540	19,495,478
Cash and cash equivalents	6	27,951,586	37,575,510
Current assets		54,354,397	63,222,149
Total assets		59,226,123	69,289,326
Equity and liabilities			
Equity			
Share capital	7	2,600,000	2,600,000
Reserves		29,703,697	38,522,506
Total equity		32,303,697	41,122,506
Liabilities			
Employee benefits	10	533,041	583,935
Provision for reinstatement cost	11	291,463	285,249
Lease liabilities	12	2,561,746	3,345,907
Non-current liabilities		3,386,250	4,215,091
Trade and other payables	9	14,786,163	15,081,038
Employee benefits	10	1,920,743	2,134,244
Contract liabilities	14	3,179,963	3,236,935
Current tax payable		2,865,144	2,715,414
Lease liabilities	12	784,163	784,098
Current liabilities		23,536,176	23,951,729
Total liabilities		26,922,426	28,166,820
Total equity and liabilities		59,226,123	69,289,326

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

Statement of Comprehensive Income

in SG $

Particulars	Notes	Years ended March 31, 2022	Years ended March 31, 2021
Revenue	14	92,481,417	92,475,767
Cost of sales		(69,796,028)	(71,945,915)
Gross profit		22,685,389	20,529,852
Other income		10,000	–
Administrative expenses		(9,652,632)	(7,599,045)
Results from operating activities		13,042,757	12,930,807
Finance income	15	11,322	17,105
Finance costs	15	(85,897)	(95,786)
Net finance income		(74,575)	(78,681)
Profit before income tax	16	12,968,182	12,852,126
Income tax expense	17	(1,786,991)	(2,692,888)
Profit for the year, representing total comprehensive income for the year		11,181,191	10,159,238

Statement of Changes in Equity

in SG $

	Share capital	Accumulated profits	Total equity
At April 1, 2020	2,600,000	28,363,268	30,963,268
Total comprehensive income for the year			
Profit for the year	–	10,159,238	10,159,238
Total comprehensive income for the year	–	10,159,238	10,159,238
At March 31, 2021	2,600,000	38,522,506	41,122,506
At April 1, 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, recognised 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)
At March 31, 2022	2,600,000	29,703,697	32,303,697

Statement of Cash Flows

in SG $

Particulars	Notes	Years ended March 31, 2022	2021
Cash flows from operating activities			
Profit before income tax		12,968,182	12,852,126
Adjustments for:			
Depreciation of plant and equipment	4	1,456,225	1,965,675
(Reversal) / Impairment loss allowance on doubtful debts	13	(86,815)	87,204
Plant and equipment written off		–	36,687
Rent concessions		–	(31,627)
Finance income	15	(11,322)	(17,105)
Finance costs	15	85,897	95,786
		14,412,167	14,988,746
Changes in working capital:			
Trade and other receivables		(2,920,247)	17,219,233
Contract assets		2,250,890	3,807,191
Trade and other payables		(294,875)	(5,960,883)
Contract liabilities		(56,972)	552,816
Provision for reinstatement cost		–	(20,228)
Employee benefits		(264,395)	(1,210,566)
Cash generated from operating activities		13,126,568	29,376,309
Income tax paid		(1,675,816)	(2,524,094)
Net cash from operating activities		11,450,752	26,852,215
Cash flows from investing activities			
Purchase of plant and equipment	4	(222,219)	(101,407)
Interest income received	15	11,322	17,105
Net cash used in investing activities		(210,897)	(84,302)
Cash flows from financing activities			
Payments of lease liabilities	12	(784,096)	(705,805)
Dividend paid to owners of the Company		(20,000,000)	–
Interest paid	12	(79,683)	(89,660)
Net cash used in financing activities		(20,863,779)	(795,465)
Net (decrease) / increase in cash and cash equivalents		(9,623,924)	25,972,448
Cash and cash equivalents at April 1		37,575,510	11,603,062
Cash and cash equivalents at March 31	6	27,951,586	37,575,510

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 authorised for issue by the Board of Directors on May 30, 2022.

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 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, 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 recognised 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 policy

New standards and amendments

The Company has applied the following amendments to SFRS(I) for the first time for the annual period beginning on 1 April 2021:

• Interest Rate Benchmark Reform – Phase 2 (Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16)

The application of the above amendments to standards does not have a material effect on 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, 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 recognised when they are originated. All other financial assets and financial liabilities are initially recognised 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 amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which 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 amortised cost

A financial asset is measured at amortised 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 principal amount outstanding.

Financial assets: Business model assessment

The Company makes an assessment of 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 realising 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; and
- 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 amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised 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 recognised in profit or loss. Directly attributable transaction costs are recognised 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 amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. These financial liabilities comprised of trade and other payables.

(iii) Derecognition

Financial assets

The Company derecognises 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 of the risks and rewards of ownership of the financial asset are transferred; or
  - 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.

Transferred assets are not derecognised when the Company enters into transactions whereby it transfers assets recognised 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 derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises 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 recognised 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 recognised 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 realise 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 recognised as a deduction from equity, net of any tax effects.

3.2 Plant and equipment

Recognition and measurement

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 labour, 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 capitalised borrowing costs.

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

The gain or loss on disposal of an item of plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Subsequent costs

The cost of replacing a component of an item of plant and equipment is recognised 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 derecognised. The costs of the day-to-day servicing of plant and equipment are recognised 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 recognised in the profit or loss on a straight-line basis to write down the cost of 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 plant and equipment.

Depreciation is recognised from the date that the plant and equipment are installed and ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use. No depreciation is provided on construction work-in-progress until the related plant and equipment is ready for use.

The estimated useful lives for the current and comparative years are as follows:

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 recognises loss allowances for ECLs on:

- financial assets measured at amortised 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 and Financial Guarantee Contracts ('FGCs"). 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 realising 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 realising security (if any is held).

The Company considers a FGC to be in default when the debtor of the loan is unlikely to pay its credit obligations to the creditor and the Company in full, without recourse by the Company to actions such as realising security (if any is held). The Company only applies a discount rate if, and to the extent that, the risks are not taken into account by adjusting the expected cash shortfalls.

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 amortised cost and debt investments at FVOCI 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 reorganisation; 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 amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Loss allowances for FGC are recognised as a financial liability to the extent that they exceed the initial carrying amount of the FGC less the cumulated income recognised.

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 in order 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 recognised 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 the purpose of 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 recognised in profit or loss. Impairment losses recognised 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 recognised 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 amortisation, if no impairment loss had been recognised.

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 recognised 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 recognised 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 recognised for the amount expected to be utilised 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 recognised 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 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 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 stand-alone 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 recognises 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 amortised 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, 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 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

COVID-19-related rent concessions

The Company has applied COVID-19-Related Rent Concessions - Amendment to SFRS(I) 16. The Company applies the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the COVID-19 pandemic are lease modifications. The Company applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Company chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Company assesses whether there is a lease modification.

3.7 Government grants

Government grants related to assets are initially recognised 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 recognised 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 recognised 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 recognised. In this case, the grant is recognised when it becomes receivable.

3.8 Revenue

Revenue from professional services and information technology services in the ordinary course of business are recognised when the Company satisfies a performance obligation (PO) by transferring control of a promised good or service to the customer. The amount of revenue recognised 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 stand-alone 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 stand-alone 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 stand-alone 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 recognised 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 recognised 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 recognised 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 amortised 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 amortised 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 amortised 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 Tax

Tax expense comprises current and deferred tax. Tax expense is recognised in the profit or loss except to the extent that it relates to a business combination, to items recognised 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 recognised 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 recognised 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.

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 recognised 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 utilised. 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 realised.

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.

3.11 New standards and interpretations not adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 April 2021 and earlier application is permitted; however, the Company has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SFRS(I)s, interpretations and amendments to SFRS(I)s are not expected to have a significant impact on the Company's financial statements.

- Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to SFRS(I) 16)
- SFRS(I) 17 Insurance Contracts and amendments to SFRS(I) 17 Insurance Contracts
- Reference to the Conceptual Framework (Amendments to SFRS(I) 3)
- Property, plant and equipment – Proceeds before Intended Use (Amendments to SFRS(I) 1-16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to SFRS(I) 37)
- Classification of Liabilities as Current or Non-current (Amendments to SFRS(I) 1-1)
- Annual Improvements to SFRS(I)s 2018-2020
- 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)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to SFRS(I) 1-12)

4 Plant and equipment

in SG $

Particulars	Building	Plant & machinery	Computers and software	Office improvement, furniture and equipment	Total
Cost					
At April 1, 2020	3,112,310	29,800	25,805,025	2,238,589	31,185,724
Reclassifications	–	24,500	107,663	(132,163)	–
Additions	2,552,573	–	86,707	46,158	2,685,438
Write off	(62,246)	–	(573,073)	(16,381)	(651,700)
At March 31, 2021	5,602,637	54,300	25,426,322	2,136,203	33,219,462
At April 1, 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 March 31, 2022	5,602,637	54,300	22,766,485	2,141,939	30,565,361

in SG $

Particulars	Building	Plant & machinery	Computers and software	Office improvement, furniture and equipment	Total
Accumulated depreciation					
At April 1, 2020	809,200	179	24,086,495	1,804,211	26,700,085
Reclassifications	–	15,277	105,729	(121,006)	–
Depreciation for the year	782,916	9,529	979,067	194,163	1,965,675
Write off	(62,246)	–	(536,386)	(16,381)	(615,013)
At March 31, 2021	1,529,870	24,985	24,634,905	1,860,987	28,050,747
At April 1, 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 March 31, 2022	2,316,157	34,514	22,228,693	2,051,288	26,630,652
Carrying amounts					
At April 1, 2020	2,303,110	29,621	1,718,530	434,378	4,485,639
At March 31, 2021	4,072,767	29,315	791,417	275,216	5,168,715
At March 31, 2022	3,286,480	19,786	537,792	90,651	3,934,709

As at March 31, 2022, property, plant and equipment includes right-of-use assets of SG $3,286,480 (2021: SG $4,072,767) and SG $17,225 (2021: SG $47,042) related to leased building and office equipment and furniture respectively.

5 Trade and other receivables

in SG $

Particulars	Notes	As at March 31,	
		2022	2021
Current assets			
Trade receivables			
-ultimate holding company		431,278	187,256
-related corporations		11,135,036	8,029,261
-third parties		1,574,186	97,702
	14	13,140,500	8,314,219
Accrued revenue	14	4,926,401	6,441,999
Deposits		291,436	264,586
Other receivables		14,096	–
Financial assets at amortised cost		18,372,433	15,020,804
Prepayments		4,130,107	4,474,674
		22,502,540	19,495,478

The Company's exposure to credit and currency risks, and impairment losses for trade and other receivables are disclosed in note 13.

6 Cash and cash equivalents

in SG $

Particulars	As at March 31, 2022	As at March 31, 2021
Cash at bank	6,917,619	7,523,381
Fixed deposits	21,033,967	30,052,129
	27,951,586	37,575,510

The weighted average effective interest rate relating to cash and cash equivalents at the Balance Sheet date for the Company are 0.01% – 0.10% (2021: 0.03% – 0.12%) per annum.

Included in the Company's cash and cash equivalents are amounts of SG $27,951,586 (2021: SG $37,575,510) placed with a financial institution who is also a related corporation.

7 Share capital

in SG $

Particulars	As at March 31, 2022	As at March 31, 2021
	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	Year ended March 31, 2022	Year ended March 31, 2021
Paid by the Company to the owners of the Company		
SG $20.00 per ordinary share (2021: SG $Nil)	20,000,000	–

8 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

in SG $

Particulars	Assets		Liabilities	
	2022	2021	2022	2021
Plant and equipment	–	–	105,232	168,003
Employee benefits	(1,009,785)	(1,007,944)	–	–
Trade receivable	(32,464)	(58,521)	–	–
Deferred tax (assets)/liabilities	(1,042,249)	(1,066,465)	105,232	168,003

Movement in deferred tax balances during the year:

in SG $

Particulars	At April 1, 2020	Recognised in profit or loss (note 17)	At March 31, 2021	Recognised in profit or loss (note 17)	At March 31, 2022
Plant and equipment	(20,823)	188,826	168,003	(62,771)	105,232
Employee benefits	(1,257,877)	249,933	(1,007,944)	(1,841)	(1,009,785)
Trade receivable	(55,892)	(2,629)	(58,521)	26,057	(32,464)
Others	(50,888)	50,888	–	–	–
	(1,385,480)	487,018	(898,462)	(38,555)	(937,017)

9 Trade and other payables

in SG $

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payables		
-ultimate holding company	1,491,074	2,178,637
-immediate holding company	935,266	413,679
-related corporations	108,476	88,065
-third parties	414,613	1,836,302
Other payables	1,275,446	1,160,830
Accruals	10,466,155	9,359,850
Non-trade payables:		
- ultimate holding company	20,797	43,675
- related corporations	74,336	–
	14,786,163	15,081,038

Non-trade amounts due to ultimate holding Company and related corporations are unsecured, interest-free and repayable on demand.

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, 2022	As at March 31, 2021
Current		
Short-term accumulating compensated absences	1,336,354	1,512,128
Training plan	547,565	560,000
Bonus plan	36,824	62,116
	1,920,743	2,134,244
Non-current		
Training plan	533,041	551,195
Bonus plan	–	32,740
	533,041	583,935

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, 2022	As at March 31, 2021
Non-current		
Beginning of financial year	285,249	299,351
Provision reversed during the year	–	(20,228)
Unwind of discount	6,214	6,126
End of financial year	291,463	285,249

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, 2022	As at March 31, 2021
Current	784,163	784,098
Non-current	2,561,746	3,345,907
	3,345,909	4,130,005

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
2022					
Lease liabilities	SGD	1.58% – 2.63%	2023 – 2026	3,495,158	3,345,909
2021					
Lease liabilities	SGD	1.58% – 2.63%	2022 – 2026	4,358,937	4,130,005

Reconciliation of movements of liabilities to cash flows arising from financing activities

in SG $

Particulars	Total lease liabilities
Balance at April 1, 2020	2,283,406
Changes from financing cash flows	
Payment of lease liabilities	(705,805)
Interest paid	(89,660)
Total changes from financing cash flows	(795,465)
Other changes	
New leases	31,458
Reassessment of leases	2,552,573
Rent concessions	(31,627)
Interest expense	89,660
Total other changes	2,642,064
Balance at March 31, 2021	4,130,005
Balance at April 1, 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 March 31, 2022	3,345,909

As at 31 March 2021, the Company has exercised its renewal option relating to lease of its office premise for another 3 years, resulting in a reassessment of lease liabilities amounting to SG $2,552,573.

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 table below provides information about the exposure to credit risk for trade receivables, accrued revenue and contract assets as at 31 March:

in SG $

Particulars	Lifetime ECL – not impaired	Lifetime ECL – credit impaired
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	–

in SG $

Particulars	Lifetime ECL – not impaired	Lifetime ECL – credit impaired
2021		
Current (not past due)	20,263,381	–
1 – 30 days past due	149,738	–
31 – 60 days past due	243,846	–
More than 60 days past due	250,414	344,244
Gross carrying amount	20,907,379	344,244
Loss allowance	–	(344,244)
Carrying amount	20,907,379	–

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	2022	2021
Balance as at 1 April	344,244	328,775
Impairment loss recognised	–	87,204
Reversal of impairment losses previously recognised	(86,815)	–
Bad debts written off	(66,465)	(71,735)
Balance as at 31 March	190,964	344,244

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 behaviour and analysis of customer credit risk, including underlying customers' credit ratings, when available.

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 consider that remaining receivables 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% (2021: 100%) of the Company's cash and cash equivalents are placed with financial institutions with credit-rating of A-1 and above. The amount of expected credit loss allowance is not expected to be significant.

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 following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

in SG $

Particulars	Carrying amount	Contractual cashflow	Within 1 year	2 to 5 years
March 31, 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)
March 31, 2021				
Non-derivative financial liability				
Trade and other payables (excluding deferred grant income)	15,081,038	(15,081,038)	(15,081,038)	–
Lease liabilities	4,130,005	(4,358,937)	(863,779)	(3,495,158)
	19,211,043	(19,439,975)	(15,944,817)	(3,495,158)

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 optimising 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	Notes	Financial assets at amortised 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
2021				
Financial assets not measured at fair value				
Trade and other receivables (excluding prepayments)	5	15,020,804	–	15,020,804
Cash and cash equivalents	6	37,575,510	–	37,575,510
		52,596,314	–	52,596,314
Financial liabilities not measured at fair value				
Trade and other payables	9	–	15,081,038	15,081,038

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 theirs fair values because of the short period of maturity.

14 Revenue

in SG $

Particulars	As at March 31,	
	2022	2021
Professional services fee income	44,596,469	43,293,096
Smart messaging services fee income	11,374,687	15,138,268
Utility computing services fee income	28,146,456	25,150,919
IT security services fee income	8,363,805	8,893,484
	92,481,417	92,475,767

The following tables provide 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:

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 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 recognised.
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.

IT Consultancy

in SG $

Particulars	As at March 31,	
	2022	2021
Primary geographical markets		
Singapore	92,481,417	92,475,767
Major products/service line		
Sale of services	92,481,417	92,475,767
Timing of revenue recognition		
Products and services transferred over time	92,481,417	92,475,767

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

in SG $

Particulars	Note	As at March 31,	
		2022	2021
Trade receivables	5	13,140,500	8,314,219
Accrued revenue	5	4,926,401	6,441,999
Contract assets		3,900,271	6,151,161
Contract liabilities		(3,179,963)	(3,236,935)
		18,787,209	17,670,444

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	
	2022	2021	2022	2021
Revenue recognised that was included in the contract liability balance at the beginning of the year	–	–	2,783,485	2,022,176
Increase due to cash received, excluding amounts recognised as revenue during the year	–	–	(2,726,512)	(2,574,992)
Contract assets reclassified to trade receivable	(6,151,161)	(9,958,352)	–	–
Changes in measurement of progress	3,900,271	6,151,161	–	–

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 recognised prospectively from the date of change.

Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially satisfied) at the reporting date.

in SG $

Particulars	2023	2024	2025	Total
2022				
IT consultancy services	15,237,133	4,903,518	625,571	20,766,222

Particulars	2022	2023	2024	Total
2021				
IT consultancy services	12,503,097	6,366,854	3,186,934	22,056,885

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 recognises revenue in that amount.

15 Finance income and costs

in SG $

Particulars	As at March 31,	
	2022	2021
Interest income under the effective interest method on:		
-Fixed deposits	11,322	17,105
Finance income	11,322	17,105
Lease liabilities	(79,683)	(89,660)
Unwind of discount for provision for reinstatement cost	(6,214)	(6,126)
Finance costs	(85,897)	(95,786)
Net finance costs	(74,575)	(78,681)

16 Profit before income tax

The items below have been included in arriving at profit before income tax:

in SG $

Particulars	As at March 31,	
	2022	2021
Depreciation of plant and equipment	1,456,225	1,965,675
Staff costs	35,468,292	30,016,398
Contributions to defined contribution plans, included in staff costs	2,731,389	2,500,236
Government grant income, included in staff cost	(471,542)	(3,103,649)
Provision made for unconsumed leave	1,955,802	1,139,086
Legal and professional fee	1,800,596	1,724,225
Rent concessions	–	(31,627)

In 2022, the Company has received government grant income related to Job Growth Incentive, an incentive to support employers to expand local hiring. (2021: Job Support Scheme). Grant income under the Jobs Support Scheme was recognised in profit or loss on a systematic basis over the 12-month period from April 2020 to March 2021 in which the Company recognises the related salary costs.

In 2021, the Company has recognised SG $46,273 of expenses relating to short-term lease expenses and SG $31,627 of rent concessions to which they have applied practical expedient for COVID-19 related rent concessions. These rent concessions have been offset against the related short-term lease expenses in its profit or loss.

17 Income tax expense

in SG $

Particulars	Note	As at March 31, 2022	2021
Current tax expense			
Current year		2,337,525	2,037,546
(Over) / Under provision in prior years		(511,979)	168,324
		1,825,546	2,205,870
Deferred tax expense			
Origination and reversal of temporary differences	8	(38,555)	487,018
Income tax expense		1,786,991	2,692,888
Reconciliation of effective tax rate			
Profit before income tax		12,968,182	12,852,126
Income tax using Singapore tax rate of 17% (2021: 17%)		2,204,591	2,184,861
Tax incentives		(40,366)	(63,672)
Non-deductible expenses		65,134	420,800
Income not subject to tax		(17,425)	(545,045)
Others		87,036	527,620
(Over)/ Under provision in prior years		(511,979)	168,324
		1,786,991	2,692,888

18 Leases

Leases as lessee (SFRS(I) 16)

The Company leases office and office equipment. The leases typically run for a period of 3 years, with an option to renew the lease after that date.

The office and office equipment were entered into many years ago as combined leases of land and buildings. Previously, these leases were classified as operating leases under SFRS(I) 1-17.

Information about leases for which the Company is a lessee is presented below.

in SG $

Particulars	Building	Office furniture and equipment	Total
Balance at April 1, 2020	2,303,110	45,171	2,348,281
Depreciation charge for the year	(782,916)	(29,587)	(812,503)
Additions to right-of-use assets	–	31,458	31,458
Reassessment of right-of-use assets	2,552,573	–	2,552,573
Balance at March 31, 2021	4,072,767	47,042	4,119,809

in SG $

Particulars	Building	Office furniture and equipment	Total
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 recognised in profit or loss

in SG $

Particulars	As at March 31, 2022	2021
Leases under SFRS(I) 16		
Interest on lease liabilities	79,683	89,660
Rent concessions	–	(31,627)

Amounts recognised in statement of cash flows

in SG $

Particulars	As at March 31, 2022	2021
Total cash outflow for leases	863,779	795,465

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, 2022	2021
Within one year	3,770,286	4,941,539
Between one and five years	1,470,467	1,460,551
	5,240,753	6,402,090

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,	
	2022	2021
Short-term employee benefits	2,185,717	2,360,259
Contributions to defined contribution plans	39,884	57,932
	2,225,601	2,418,191

No directors' fees were proposed in respect of the financial year ended March 31, 2022 (2021: SG $Nil).

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,	
	2022	2021
Ultimate holding company		
Professional services fee income	3,546,707	481,715
Utility computing services fee income	–	121,005
Reimbursement of expenses	(120,602)	(171,119)
Manpower cost recovery	(14,675,851)	(13,235,776)
Immediate holding company		
Manpower cost recovery	(2,650,443)	(5,092,191)
Related corporations		
Professional services fee income	36,894,854	42,759,144
Smart messaging services fee income	10,849,675	14,942,525
Utility computing services fee income	27,961,128	24,819,559
IT security services fee income	7,178,176	7,806,181
Manpower cost recovery	(617,370)	(744,236)
Information technology services and internet services expense	(4,142,373)	(4,011,853)

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 recognised 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 on the basis of 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 behaviour 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 utilised 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 has contracts that account for revenue and profit based on the stage of completion of individual contracts. The amount of revenue and profit recognised is dependent 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 recognised prospectively from the date of change.

Infosys Technologies (Shanghai) Co. Limited

Auditor's Report

De Shi Bao (Shen) Zi (21) No. P04972

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 comprises the Balance Sheet as at December 31, 2021, 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, 2021, 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 ev ents in a manner that achieves fair presentation.

Auditor's responsibilities for the audit of the financial statements - continued

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 , Zhipeng

May 24, 2022

The Auditor's Report and the accompanying financial statements are English translations of the Chinese Auditor's 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,	
		2021	2020
Assets			
Current assets			
Cash and bank balances	1	35,890,767.14	48,449,796.57
Accounts receivable	2	90,136,780.71	91,918,341.38
Prepayments		56,762.61	655,932.30
Other receivables	3	1,210,656.89	3,676,725.55
Other current assets		450,341.20	–
Total current assets		127,745,308.55	144,700,795.80
Non-current assets			
Fixed assets	4	676,050,980.89	725,485,509.52
Construction in progress	5	–	–
Right-of-use assets	6	12,528,187.99	–
Intangible assets	7	56,058,660.67	57,469,500.57
Long-term deferred expenses	8	3,028,615.05	7,757,874.01
Total non-current assets		747,666,444.60	790,712,884.10
TOTAL ASSETS		875,411,753.15	935,413,679.90
LIABILITIES AND OWNERS' EQUITY			
Current liabilities			
Short-term loans	9	81,878,500.00	147,873,500.00
Accounts payable		57,912,482.90	59,839,530.23
Employee benefits payable	10	18,375,007.29	29,868,248.06
Taxes payable	11	6,827,994.58	5,852,508.83
Other payables		31,326,735.40	40,126,290.17
Other current liabilities		7,390,248.90	43,440,100.48
Non-current liabilities due within one year	12	4,928,471.00	1,284,120.00
Total current liabilities		208,639,440.07	328,284,297.77
Non-current liabilities			
Long-term loans	13	41,200,000.00	41,200,000.00
Lease liabilities	14	9,528,034.34	–
Other non-current liabilities	15	37,854,656.00	39,138,776.00
Total Non-current liabilities		88,582,690.34	80,338,776.00
Total liabilities		297,222,130.41	408,623,073.77
Owners' equity			
Paid-in capital	16	1,052,400,443.23	956,355,558.48
Accumulated losses		(474,210,820.49)	(429,564,952.35)
Total owners' equity		578,189,622.74	526,790,606.13
TOTAL LIABILITIES AND OWNERS' EQUITY		875,411,753.15	935,413,679.90

The financial statements on pages 258 to 281 were signed by the following

Stone Zhu
Legal Representative

Subrata Das
Head of Accounting Department

Statement of Income

in RMB

Items	Particulars	Notes	As at December 31,	
			2021	2020
I.	Operating income	17	427,200,383.22	399,586,159.66
	Less: Operating costs		422,379,200.91	436,097,260.64
	Taxes and surcharges		7,945,363.70	11,019,223.39
	Administrative expenses		37,131,246.23	41,504,907.79
	Selling expenses		5,619,287.26	4,209,362.15
	Financial expenses	18	5,658,730.16	3,393,245.84
	Add: Other income	19	7,586,210.06	4,993,721.29
	Credit impairment loss	20	(29,373.36)	(17,362.29)
II.	Operating loss		(43,976,608.34)	(91,661,481.15)
III.	Total loss		(43,976,608.34)	(91,661,481.15)
	Less: Income tax expenses	21	–	–
IV.	Net loss for the year		(43,976,608.34)	(91,661,481.15)
V.	Other comprehensive income, net of tax		–	–
VI.	Total comprehensive loss for the year		(43,976,608.34)	(91,661,481.15)

The accompanying notes form part of the financial statements.

Statement of Cash Flows

in RMB

Items	Particulars	Notes	Year ended December 31, 2021	2020
I.	Cash flows from Operating Activities			
	Cash receipts from the sale of goods and the rendering of services		444,265,588.12	415,450,011.20
	Other cash receipts relating to operating activities		11,231,599.66	52,803,592.78
	Sub-total of cash inflows from operating activities		455,497,187.79	468,253,603.99
	Payments for goods purchased and services received		26,292,196.19	27,062,484.18
	Payments to and on behalf of employees		366,793,091.76	410,295,645.95
	Payments of various types of taxes		20,759,830.19	23,199,077.28
	Other cash payments relating to operating activities		64,988,888.45	17,343,611.13
	Sub-total of cash outflows from operating activities		478,834,006.59	477,900,818.54
	Net Cash Flow Used in Operating Activities	22	(23,336,818.80)	(9,647,214.54)
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		–	84,900.92
	Subtotal of cash inflows from investment activities		360,556.06	84,900.92
	Payments for acquisition of fixed assets, intangible assets and other long-term deferred expenses		10,594,552.56	51,601,448.11
	Sub-total of cash outflows from investing activities		10,594,552.56	51,601,448.11
	Net Cash Flow Used in Investing Activities		(10,233,996.50)	(51,516,547.19)
III.	Cash flow from Financing Activities			
	Cash receipts from capital contributions		96,044,884.75	–
	Cash received from borrowings		–	104,192,500.00
	Subtotal of cash inflows from financing activities		96,044,884.75	104,192,500.00
	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		3,921,116.82	–
	Subtotal of cash outflows from investment activities		74,085,337.97	–
	Net cash flow used in Financing Activities		21,959,546.78	104,192,500.00
IV.	Effect of Foreign Exchange Rate Changes			
	on Cash and Cash Equivalents		(947,760.91)	(1,461,233.92)
V.	Net increase / (decrease) in cash and cash equivalents	22	(12,559,029.43)	41,567,504.35
	Add: Opening Balance of Cash and Cash Equivalents		48,449,796.57	6,882,292.22
VI.	Closing balance of cash and cash equivalents	22	35,890,767.14	48,449,796.57

The accompanying notes form part of the financial statements.

Statement of Changes in Owner's Equity

in RMB

Items	Particulars	Paid-in capital	Accumulated losses	Total owners' equity
I.	Balance at January 1, 2021	956,355,558.48	(429,564,952.35)	526,790,606.13
	Add: Changes in accounting policies	–	(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 December 31, 2021	1,052,400,443.23	(474,210,820.49)	578,189,622.74
I.	Balance at January 1, 2020	956,355,558.48	(337,903,471.20)	618,452,087.28
II.	Changes in equity during the year			
	(1) Total comprehensive loss	–	(91,661,481.15)	(91,661,481.15)
III.	Balance at December 31, 2020	956,355,558.48	(429,564,952.35)	526,790,606.13

The accompanying notes form part of the financial statements.

Notes to the financial statements

For the year ended December 31, 2021

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 February 16, 2011, and a business license 310000400643765 (Minhang) on February 21, 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 August 9, 2012 and a revised business license 310000400643765 (Shiju) on October 19, 2012 issued by Shanghai Administration of Industry and Commerce of the PRC.

On October 24, 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 December 9, 2020. The Company also obtained a renewed business license with the unified social credit code of 913101157547751363 on December 19, 2020. As at 3December 31, 2021, 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 December 31, 2021, the Company's accumulated loss is RMB 370,964,248.23. Total current liabilities exceed total current assets RMB 80,894,131.52. 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 December 31, 2021, 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 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 in 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.

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 amortization 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 standalone 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. 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 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. 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-of-use for an agreed period of time.

The Company assesses whether a contract is or contains a lease at inception date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

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 standalone prices of the lease components and the standalone 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-of-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 370,964,248.23 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 December 31, 2021 , 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 policy

New Revenue Standard

The Company has adopted the Accounting Standard for Business Enterprises No.14 - Revenue ("New Revenue Standard") revised by the MoF in 2017 since January 1, 2021. The New Revenue Standard introduces five steps of revenue recognition and measurement, and adds more guidelines for specific transactions (or events). Please refer to Note IV 10 for detailed accounting policies of the Company in terms of revenue recognition and measurement. In accordance with the New Revenue Standard, it is required to adjust the opening balance (i.e. balance as at January 1, 2020 of retained profits and amounts of other relevant items in the financial statements during the current year of the initial application based on accumulative amounts impacted from the initial application of the standard, and it is allowed not to adjust the information for the comparable periods. In the adoption of the New Revenue Standard, the Company solely adjusted the accumulative impacted amounts for contracts not completed at the date of the initial application. For contract changes prior to the beginning of the earliest comparative period 1 January 2020)/prior to the year of initial application of the New Revenue Standard, the Company simplified the processes. Namely, the Company identifies the fulfilled and unfulfilled obligations, determines transaction prices and evenly allocates the transaction prices between the fulfilled and unfulfilled obligations pursuant to the final arrangements of contract changes.

New Standard for Financial Instruments

The Company has started adopting the Accounting Standards for Business Enterprises No. 22 - Financial Instrument: Recognition and Measurement, Accounting Standards for Business Enterprises No. 23 - Transfer of Financial Assets, Accounting Standards for Business Enterprises No. 24 - Hedging Accounting and Accounting Standards for Business Enterprises No. 37 - Financial Instrument: Presentation (hereinafter referred to as "New Standard for Financial Instruments" revised by MoF in 2017 from January 1, 2021.

For classification and measurement of financial assets, the New Standard for Financial Instruments requires that the financial assets should be classified into three categories: "financial assets measured at amortized cost", "financial assets at fair value through other comprehensive income ("FVTOCI")" and "financial assets at fair value through profit or loss ("FVTPL")" based on characteristics of contractual cash flows and business models for the enterprise to manage these assets. The original categories including loans and receivables, held-to-maturity investments and available-for-sale financial assets have been cancelled.

Investments in equity instrument are generally categorized into financial assets at FVTPL. The enterprise is also allowed to designate the non-tradable equity instrument investments as financial assets measured at FVTOCI, but such designation is non-cancellable, and when the financial assets are derecognized, the cumulative amounts of changes in fair value previously recognized in other comprehensive income shall not be removed from other comprehensive income and recognized in profit or loss.

For impairment of financial instruments, the New Standard for Financial Instruments on impairment are applicable to financial assets measured at amortized cost and at FVTOCI, lease receivables, contract assets and specific undrawn loan commitments and financial guarantee contracts. New Standard for Financial Instruments requires adoption of expected credit loss model to replace the original credit-impaired model. The new impairment model requires adoption of three-phase model, credit loss allowance is made based on expected credit losses within 12 months or during the lifetime according to whether the credit risks of relevant items have been significantly increased since initial recognition. The Company measures loss allowance for all contract assets, notes receivable and accounts receivable arising from transactions regulated by the Revenue Standard based on the amount of lifetime ECL.

If the recognition and measurement of financial instrument before January 1, 2021 is inconsistent with the New Standard for Financial Instruments, the Company will make retrospective adjustment as required by the New Standard. In case of inconsistence between the comparative figures in financial statements in prior period and requirements of the New Standard, the Company will not make adjustment. The shortfall between the original carrying amount of the financial instrument and the new carrying amount at the adoption date of the New Standard shall be recognized in retained earnings or other comprehensive income at January 1, 2021. The Company has evaluated that the impact of the shortfall on the financial statement is not material.

As at January 1, 2021, the Company has performed reconciliation for loss allowance recognized for items such as financial assets classified as at amortized cost and contract assets on the financial statements, in accordance with the previous standard of financial instruments, provisions recognized under the Accounting Standard for Business Enterprises No.13 – Contingencies, and credit loss allowance recognized based on the New Standard for Financial Instruments. The Company has evaluated the impact of remeasurement on the financial statement and the impact is not material.

New lease standards

The Company has adopted Accounting Standards for Business Enterprises No.21 - Leases ("New Lease Standards", the Lease Standards before this revision referred to as the "Original Lease Standards") revised by the MoF in 2018 since January 1, 2021 (the "first implementation date"). The New Lease Standards improve the definition of a lease and add the identification, separation and combination of a lease; cancel the classification of the operating lease and finance lease of a lessee, require to recognise right-of-use assets and lease liabilities of all leases other than short-term leases and leases of low value assets at the commencement date of the lease, and recognise depreciation and interest expense respectively; improves subsequent measurement of leases by the lessee, add the accounting treatment under circumstances of option re-evaluation and lease modification, and also the relevant disclosure requirements. In addition, the New Lease Standards enrich disclosures by a lessor. The revised accounting policies on the recognition and measurement of leases with the Company as a lessee and lessor are set out in Note IV 16.

For contracts that existed before January 1, 2021, the Company chose not to re-assess whether they were leases or contained leases on January 1, 2021.

The Company as a lessee

The Company adjusts the amount of retained earnings and other related items in the financial statements at January 1, 2021 based on the cumulative effect of the initial application of the New Lease Standards, and does not adjust the information of comparable period.

For operating leases in addition to leases of low value assets before January 1, 2021, the Company adopts one or more simplified methods below for each lease:

- Leases expected to be completed within 12 months after 1 January 1, 2021, are treated as short-term leases;
- When determining lease liabilities, the same discount rate will be used for leases with similar characteristics;
- The measurement of right-of-use assets does not include initial direct costs;
- For leases with options to extend or terminate, the Company determines the lease term based on the actual exercise of options before January 1, 2021 and other most updated information;
- As a substitute of impairment test for right-of-use assets, the Company applies Accounting Standards for Business Enterprises No. 13 - Contingencies, to assess if the contract

containing a lease is a loss contract and adjust the right-of-use assets based on the loss allowance included in the Balance Sheet before January 1, 2021;

- For lease modifications before January 1, 2021, the Company makes accounting treatments based on the final lease arrangements after the lease modification.

For operating leases existed before January 1, 2021, the lease liabilities are measured at the present value of the remaining lease payment, discounted using the lessee's incremental borrowing rate at January 1, 2021, and a right-of-use assets is measured based on each lease option at carrying amount as if the New Lease Standards had been adopted since the commencement date of the lease (applying incremental borrowing rate of a lessor as discount rate at January 1, 2021).

As at January 1, 2021, the Company recognised lease liabilities of RMB 16,845,856.72, and right-of-use assets of RMB 16,176,596.92. For operating leases existed before the first implementation date, the Company measures the lease liabilities at the present value of the lease payments discounted using the incremental borrowing rate at the first implementation date. The weight average borrowing rate thereof is 3.41%.

The impact of the application of the New Lease Standards on the related items in the Company's Balance Sheet on January 1, 2021 is set out below:

in RMB

Item	As at December 31, 2020	Adjustments	As at January 1, 2021
Non-current assets:	–	16,176,596.92	16,176,596.92
Right-of-use assets	–	16,176,596.92	16,176,596.92
Current liabilities:	–	(3,390,179.77)	(3,390,179.77)
Non-current liabilities due within one year	–	(3,390,179.77)	(3,390,179.77)
Non-current liabilities:	–	(13,455,676.95)	(13,455,676.95)
Lease liabilities	–	(13,455,676.95)	(13,455,676.95)
Owners' equity:	–	669,259.80	669,259.80
Retained earnings	–	669,259.80	669,259.80

The differences between lease liabilities recognised as at January 1, 2021 and the significant operating lease commitment disclosed in the financial statements for the year of 2020 are as follows:

in RMB

	Item	As at January 1, 2021
I.	Operating lease commitment at December 31, 2020	18,545,976.21
	Lease liabilities discounted at the incremental borrowing rate of January 1, 2021	16,845,856.72
II.	Lease liabilities at January 1, 2021	16,845,856.72
	Presented as: Current liabilities	3,390,179.77
	Non-current liabilities	13,455,676.95

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% (2020: 25%). The accumulated tax loss of the Company as at December 31, 2021 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,	
	2021	2020
Deposits with banks	35,890,767.14	48,449,796.57

2. Accounts receivable

The customer analysis of accounts receivable is as follows:

in RMB

Particulars	As at December 31,	
	2021	2020
Amounts due from other customers	90,449,892.32	92,251,452.21
Less: Credit losses provision	(313,111.61)	(333,110.83)
Total	90,136,780.71	91,918,341.38

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, 2021, the analysis of the credit risk and expected loss for accounts receivable is as follows:

in RMB

Internal credit rating	As at December 31, 2021			
	Expected average loss rate	Amount	Credit losses provision	Book value
		RMB	RMB	RMB
Risk free	0.00%	79,991,055.25	–	79,991,055.25
Low risk	1.29%	10,278,341.39	(132,615.93)	10,145,725.46
High risk	100.00%	180,495.68	(180,495.68)	–
Total		90,449,892.32	(313,111.61)	90,136,780.71

The analysis of the movements of expected credit losses provision for accounts receivable is as follows:

in RMB

Particulars	Expected credit losses
December 31, 2020	333,110.83
January 1, 2021	333,110.83
Provision during the year	29,373.36
Written-off during the year	(49,372.58)
December 31, 2021	313,111.61

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, 2021				As at December 31, 2020			
	Amount	Ratio	Bad debt provision	Book value	Amount	Ratio	Bad debt provision	Book value
	RMB	%	RMB	RMB	RMB	%	RMB	RMB
Within 1 year	1,211,670.21	100.00	(1,013.32)	1,210,656.89	2,885,629.87	78.46	(1,013.32)	2,884,616.55
1 to 2 years	–	–	–	–	256,336.00	6.97	–	256,336.00
More than 3 years	–	–	–	–	535,773.00	14.57	–	535,773.00
Total	1,211,670.21	100.00	(1,013.32)	1,210,656.89	3,677,738.87	100.00	(1,013.32)	3,676,725.55

4. Fixed assets

in RMB

Cost	Electronic equipment	Office equipment	Buildings	Total
January 1, 2021	28,615,065.98	93,359,531.38	775,097,899.22	897,072,496.58
Additions during the year	4,548,143.29	2,605,078.17	–	7,153,221.46
Decrease	(463,038.75)	(2,757,976.10)	–	(3,221,014.85)
Balance at December 31, 2021	32,700,170.52	93,206,633.45	775,097,899.22	901,004,703.19
Accumulated depreciation				
January 1, 2021	(19,719,412.63)	(38,106,851.00)	(113,760,723.43)	(171,586,987.06)
Charge for the year	(6,938,892.92)	(18,281,286.53)	(31,007,014.58)	(56,227,194.03)
Decrease	453,677.89	2,406,780.90	–	2,860,458.79
Balance at December 31, 2021	(26,204,627.66)	(53,981,356.63)	(144,767,738.01)	(224,953,722.30)
Carrying amounts				
December 31, 2020	8,895,653.35	55,252,680.38	661,337,175.79	725,485,509.52
December 31, 2021	6,495,542.86	39,225,276.82	630,330,161.21	676,050,980.89

5. Construction in progress

in RMB

Particulars	RMB
Balance at January 1, 2021	–
Additions during the year	10,579,896.69
Transfer to fixed assets	(7,153,221.46)
Transfer to long-term deferred expenses	(3,426,675.23)
Balance at December 31, 2021	–

6. Right-of-use assets

in RMB

Particulars	Buildings
Cost	
At January 1, 2021	16,176,596.92
Provided for the year	–
At December 31, 2021	16,176,596.92
Accumulated depreciation	
At January 1, 2021	–
Provided for the year	3,648,408.93
At December 31, 2021	3,648,408.93
Net book value	
At December 31, 2021	12,528,187.99
At January 1, 2021	16,176,596.92

7. Intangible assets

in RMB

Particulars	Land use right
Cost	
Balance at January 1, 2020 , December 31, 2020 and December 31, 2021	70,540,000.00
Accumulated amortization	
January 1, 2020	(11,656,755.26)
Charge for the year	(1,413,744.17)
December 31, 2021	(13,070,499.43)
Charge for the year	(1,410,839.90)
Balance at December 31, 2021	(14,481,339.33)
Carrying amounts	
December 31, 2021	56,058,660.67
December 31, 2020	57,469,500.57

8. Long-term deferred expenses

in RMB

Particulars	As at December 31,	
	2021	2020
Leasehold improvement	–	1,321.40
Office decoration	3,028,615.05	7,756,552.61
Total	3,028,615.05	7,757,874.01

9. Short-term loans

in RMB

Particulars	As at December 31,	
	2021	2020
Unsecured loans	81,878,500.00	147,873,500.00

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 (December 31, 2021 : equivalent to RMB 31,878,500.00), bearing interest per annum at 6.00%. Since January 1, 2018, it has been adjusted to 3.50%. The term of loan was 1 year. It was due on May 17, 2018, and was extended to May 17, 2022. Since May 18, 2021, bearing interest per annum has been adjusted to 2.50%.

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.

Short-term loans also include loans of USD 10,000,000.00 (31 December 2020: equivalent to RMB 65,249,000.00) from Infosys Limited in 2020 for the purpose of business operation, bearing an interest rate of 6.00% per annum. The Company repaid the loan on June 4, 2021.

10. Employee benefits payable

in RMB

Item	As at January 1, 2021	Provision for the year	Payment for the year	As at December 31, 2021
Wages or salaries, bonus, allowances, subsidies	29,868,248.06	318,259,832.95	(329,753,073.72)	18,375,007.29
Social security contributions	-	19,144,249.24	(19,144,249.24)	-
Including: Medical insurance	–	18,819,747.02	(18,819,747.02)	–
Maternity and work injury insurance	–	324,502.22	(324,502.22)	–
Defined contribution plans (Note)	–	42,156,488.60	(42,156,488.6)	–
Housing funds	–	14,264,763.20	(14,264,763.2)	–
Total	29,868,248.06	393,825,333.99	(405,318,574.76)	18,375,007.29

Note: Defined contribution plans

in RMB

Item	As at January 1, 2021	Provision for the year	Payment for the year	As at December 31, 2021
Basic pension insurance	–	41,417,370.14	(41,417,370.14)	–
Unemployment insurance	–	739,118.46	(739,118.46)	–
Total	–	42,156,488.60	(42,156,488.60)	–

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 14%, 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,	
	2021	2020
Individual income tax	3,687,576.73	330,925.32
Housing tax	1,821,713.62	4,009,409.42
Withholding income tax and VAT	1,318,704.23	1,299,117.58
VAT	–	213,056.51
Total	6,827,994.58	5,852,508.83

12. Non-current liabilities due within one year

in RMB

Particulars	As at December 31,	
	2021	2020
Subsidies due within one year	1,284,120.00	1,284,120.00
Lease liabilities due within one year	3,644,351.00	–
Total	4,928,471.00	1,284,120.00

13. Long-term loans

in RMB

	As at December 31,	
	2021	2020
	RMB	RMB
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 2023. The interest rate was changed to 12 months LIBOR+1.25%, simple interest. 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

Particulars	As at December 31,	
	2021	2020
Lease Liabilities	13,172,385.34	–
Less: Lease liabilities recognized in non-current liabilities due within one year	3,644,351.00	–
Total	9,528,034.34	–

15. Other non-current liabilities

in RMB

Particulars	RMB
Cost	
Balance at January 1, 2021, December 31, 2021	48,966,000.00
Depreciation	
Balance at January 1, 2021	(8,543,104.00)
Additions during the year	(1,284,120.00)
Balance at December 31, 2021	(9,827,224.00)
Net book value	
Net book value at December 31, 2021	39,138,776.00
Less: Subsidies recognized in non-current liabilities due within one year	1,284,120.00
Balance at December 31, 2021	37,854,656.00
Balance at January 1, 2021	39,138,776.00

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 December 31, 2021, the contribution by the investor according to the Articles of Association is as follows:

Particulars	As at December 31,					
	2021			2020		
	USD	Ratio	Equivalent to RMB	USD	Ratio	Equivalent to RMB
		%			%	
Infosys Limited	164,599,982.00	100.00	1,052,400,443.23	149,600,000.00	100.00	956,355,558.48

17. Operating income

in RMB

Particulars	As at December 31,	
	2021	2020
Income from principal activities		
Rendering of services	424,953,011.90	394,265,323.33
Other operating income		
Rental income	2,247,371.32	5,320,836.33
Total	427,200,383.22	399,586,159.66

18. Financial expenses

in RMB

Particulars	As at December 31,	
	2021	2020
Interest income	(216,069.62)	(292,023.98)
Interest expenses	7,016,093.83	7,892,305.98
Interest expenses of lease liabilities	456,849.73	–
Exchange losses	(1,598,143.78)	(4,207,036.16)
Total	5,658,730.16	3,393,245.84

19. Other income

in RMB

Government Grants	Related to assets/income	As at December 31,	
		2021	2020
Development zone supporting fund	Related to income	3,810,699.00	2,350,000.00
Technological support subsidy	Related to assets	1,284,120.00	1,284,120.00
Talent subsidy	Related to income	–	478,240.00
10% additional deduction of VAT input of Service Industry	Related to income	240,909.20	405,785.76
Refund of service charge for withholding and remit individual income tax	Related to income	119,874.23	297,386.29
Subsidy for job stabilization	Related to income	691.2	178,189.24
Training subsidy	Related to income	413,340.00	–
Export subsidy	Related to income	196,300.00	–
Subsidy for disabled employment	Related to income	170,824.44	–
Loss on disposal of fixed assets	Related to income	(150,151.75)	–
Others	Related to income	1,499,603.74	–
Total		7,586,210.06	4,993,721.29

20. Credit impairment loss

in RMB

Particulars	As at December 31,	
	2021	2020
Bad debt losses	(29,373.36)	(17,362.29)

21. Income tax expenses

Particulars	As at December 31,	
	2021	2020
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 December 31, 2021 amounting to RMB 370,964,248.23 is not recognized. Among the accumulated losses, RMB 40,620,742.52, RMB 96,778,379.30, RMB 100,136,322.85, RMB 88,534,506.63 and RMB 44,894,296.93 will expire in 2022, 2023, 2024, 2025 and 2026 respectively.

Reconciliation of income tax expenses to the accounting profit is as follows:

in RMB

Particulars	As at December 31,	
	2021	2020
Accounting losses	(43,976,608.34)	(91,661,481.15)
Expected income tax expense at tax rate of 25%	(10,994,152.09)	(22,915,370.29)
Tax effect of non-deductible expenses	61,644.17	79,519.64
Unused deductible loss	11,223,574.23	21,482,180.57
Temporary differences for deferred tax assets not recognized	(291,066.31)	1,353,670.07
Income tax expenses	–	–

22. Supplementary information to the cash flow statement

(i) Reconciliation of net loss to cash flows from operating activities:

in RMB

Particulars	As at December 31,	
	2021	2020
Net loss	(43,976,608.34)	(91,661,481.15)
Add: Provisions for impairment losses on credit	29,373.36	17,362.29
Depreciation of fixed assets	56,227,194.03	54,045,165.18
Depreciation of right-of-use assets	3,648,408.93	–
Financial expenses	8,211,500.19	8,805,220.93
Amortization of intangible assets	1,410,839.90	1,413,744.17
Amortization of non-current liabilities due within one year		–
Amortization of long-term deferred expenses	8,155,934.19	8,163,711.42
Decrease (Increase) in operating receivables	4,367,084.45	(28,442,222.28)
Increase (Decrease) in operating payables	(61,410,545.51)	38,011,284.90
Net cash flow from operating activities	(23,336,818.80)	(9,647,214.54)

(ii) Net changes in cash and cash equivalents:

in RMB

Particulars	As at December 31,	
	2021	2020
Cash and cash equivalents at the end of the year	35,890,767.14	48,449,796.57
Less: Cash and cash equivalents at the beginning of the year	48,449,796.57	6,882,292.22
Net increase / (decrease) in cash and cash equivalents	(12,559,029.43)	41,567,504.35

IX. Related party relationships and transactions

Information about the parent company of the Company is as follows:

in RMB

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%

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

Significant transactions between the Company and the related parties in current year

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,	
	2021	2020
Infosys Technologies (China) Co. Limited	252,489,047.66	277,684,762.47
Infosys Limited	94,093,438.74	75,306,054.28
Infosys Technologies S.De.R.L	7,563,223.31	10,664,690.33
Panaya Ltd.	1,024,950.94	–
Total		363,655,507.08

in RMB

Purchases	As at December 31,	
	2021	2020
Infosys Technologies (China) Co. Limited	6,890,246.34	5,970,721.49
Infosys Limited	2,936,670.59	1,225,987.30
Total	9,826,916.93	7,196,708.79

Loans and borrowings

The details of loans and borrowings between the Company and related parties are as follows:

in RMB

Particulars	Incurred amount in 2021	As at 31 December 2021	Incurred amount in 2020	As at 31 December 2020	Annual interest rate
	RMB	RMB	RMB	RMB	
Borrowings from					
Infosys Poland Sp. z o.o.	(746,000.00)	31,878,500.00	(2,256,500.00)	32,624,500.00	3.50%
Infosys Technologies (China) Co. Limited	–	50,000,000.00	–	50,000,000.00	6.00%
Infosys Limited	(65,249,000.00)	–	65,249,000.00	65,249,000.00	6.00%
Infosys Consulting Pte. Ltd.	–	41,200,000.00	41,200,000.00	41,200,000.00	4.00%
Total	(65,995,000.00)	123,078,500.00	104,192,500.00	189,073,500.00	

Note:

In 2017, the Company borrowed USD 5,000,000.00 from Infosys Poland Sp. z o.o., bearing an interest rate of 6% per annum. Since January 1, 2021, it has been adjusted to 3.50%. It was originally due on May 17, 2018, and was then extended to May 17, 2021. The incurred amount in 2021 is the difference arising from exchange rate changes.

In 2017, the Company borrowed RMB 15,000,000.00 from Infosys Technologies (China) Co. Limited, bearing an interest rate of 6% per annum. It was originally due on May 11, 2018 and then was extended until the lender requires repayment. In 2017, the Company also borrowed RMB 35,000,000.00 from Infosys Technologies (China) Co. Limited, bearing an interest rate of 6% per annum. It was originally due on July 27, 2018 and then was extended until the lender requires repayment.

A loan of USD10,000,000.00 (December 31, 2020: equivalent to RMB65,249,000.00) was obtained from Indian Infosys Limited in 2020 for the purpose of business operation, bearing an interest rate of 6.00% per annum. The Company repaid the loan on June 4, 2021.

A loan of RMB 41,200,000.00 was obtained from Infosys Consulting Singapore in 2020 for the purpose of business operation, bearing an interest rate of 4.00% per annum. The term of loan was 1 year. It was due on January 19, 2021, and was then extended to January 19, 2023.

in RMB

Particulars	As at December 31, 2021	2020
Interest expenses		
Infosys Technologies (China) Co. Limited	3,000,000.00	3,008,219.17
Infosys Poland Sp. z o.o.	874,451.74	973,050.99
Infosys Limited	1,493,642.09	2,326,246.78
Infosys Consulting Pte. Ltd.	1,648,000.00	1,584,789.04
Total	7,016,093.83	7,892,305.98

Amounts due to / from related companies

in RMB

Accounts	Name of the related parties	As at December 31, 2021	2020
Accounts receivable	Infosys Technologies (China) Co. Limited	68,535,874.44	73,903,122.63
	Infosys Limited	9,992,893.34	7,070,735.93
	Infosys Technologies S.De.R.L	89,553.40	1,422,465.98
	Panaya Ltd.	67,179.99	–
	Total	78,685,501.17	82,396,324.54

in RMB

Accounts	Name of the related parties	As at December 31, 2021	2020
Accounts payable	Infosys Technologies (China) Co. Limited	55,204,443.77	57,683,514.79
	Infosys Limited	2,708,039.13	2,156,015.44
	Total	57,912,482.90	59,839,530.23

in RMB

Accounts	Name of the related parties	As at December 31, 2021	2020
Other payables	Infosys Technologies (China) Co. Limited	13,499,178.08	10,499,178.08
	Infosys Poland Sp. z o.o.	5,503,626.46	4,694,352.68
	Infosys Limited	–	2,327,512.28
	Infosys Consulting Pte. Ltd.	3,232,789.04	1,584,789.04
	Total	22,235,593.58	19,105,832.08

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 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 and INR. The Company's principal activities are settled in RMB. As at December 31, 2021, 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, 2021	2020
Cash and bank balances	329,644.99	24,022,264.52
Accounts receivable	9,622,587.82	7,768,970.35
Short-term loans	(31,878,500.00)	(97,873,500.00)
Interest payable	(5,503,626.46)	(7,021,864.96)
Accounts payable	(2,708,039.13)	(2,156,015.44)
Total	(30,137,932.78)	(75,260,145.53)

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

Particulars	Changes in exchange rate	As at December 31,			
		2021		2020	
		Effect on profit	Effect on Owners' equity	Effect on profit	Effect on Owners' equity
Foreign currencies	10% increase against RMB	(3,013,793.28)	(3,013,793.28)	(7,448,159.21)	(7,448,159.21)
Foreign currencies	10% decrease against RMB	3,013,793.28	3,013,793.28	7,448,159.21	7,448,159.21

1.2 Credit risk

As at December 31, 2021, 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

Capital commitments

in RMB

Particulars	As at December 31,	
	2021	2020
Capital commitments that have been entered into but have not been performed:	2,660,619.03	6,171,058.67

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Infosys Automotive and Mobility GmbH & Co. KG

Independent Auditor's report

To the Members of Infosys Automotive and Mobility GmbH & 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 & Co. KG ("the Company"), which comprise the Balance Sheet as at December 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the Special Purpose Financial Statements). 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, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

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

Management's Responsibilities for the Special Purpose Financial Statements

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

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the 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.

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 : 22202841AJEPKN8900

For Shenoy & Kamath
Chartered Accountants,

Firm Registration Number: 006673S

(M Rathnakar Kamath)
Partner

Membership Number: 202841

Place: Bengaluru.

Date: May 18, 2022

Balance Sheet

in €

Particulars	Notes.	As at December 31, 2021
ASSETS		
Non-current assets		
Right-of-Use asset	2.1	9,359,818
Financial assets		
Investments	2.2	154,671
Other non-current assets	2.3	42,173,211
Total non - current assets		51,687,701
Current assets		
Financial assets		
Trade receivables	2.4	15,058,522
Cash and cash equivalents	2.5	582,748
Other financial assets	2.7	85,403,120
Other current assets	2.3	47,157,653
Total current assets		148,202,044
Total Assets		199,889,745
EQUITY AND LIABILITIES		
Equity		
Equity share capital	2.8	1,679,020
Other equity		(9,882,123)
Total equity		(8,203,103)
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Borrowings	2.9	36,479,926
Lease Liabilities	2.1	10,207,186
Other financial liablities	2.10	41,467,251
Other non-current liabilities		119,827
Total non - current liabilities		88,274,191
Current liabilities		
Financial liabilities		
Trade payables	2.11	9,997,344
Other financial liabilities	2.10	93,310,156
Other current liabilities	2.12	15,787,156
Provisions		724,000
Total current liabilities		119,818,657
Total equity and liabilities		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

M. Rathnakar Kamath
Partner

Membership Number: 202841

Bengaluru
Date: May 18, 2022

for and on behalf of the Board of Directors of Infosys Automotive and Mobility GmbH & Co. KG

Florian Lorenz
Director

Statement of Profit and Loss

in €

Particulars	Notes	Year ended December 31, 2021
Revenue from operations	2.13	51,621,374
Other income, net	2.14	269,043
Total income		51,890,417
Expenses		
Employee benefit expenses	2.15	3,715,296
Cost of technical sub-contractors	2.15	14,057,623
Finance Costs	2.16	448,632
Travel expenses	2.15	29,068
Communication expenses	2.15	39,716,398
Consultancy and professional charges	2.15	3,239,618
Depreciation and amortisation expense	2.1	337,840
Other expenses	2.15	228,063
Total expenses		61,772,540
Profit / (loss) before tax		(9,882,123)
Tax expense		
Current tax		–
Profit / (loss) for the year		(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		(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

M. Rathnakar Kamath
Partner

Membership Number: 202841

Bengaluru

Date: May 18, 2022

for and on behalf of the Board of Directors of Infosys Automotive and Mobility GmbH & Co. KG

Florian Lorenz
Director

Statements of Cash Flows

in €

Particulars	Notes	Year ended December 31, 2021
Cash flow from operating activities:		
Profit / (loss) for the year		(9,882,123)
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and Amortization	2.1	847,368
Finance cost	2.14	448,632
Changes in assets and liabilities		
Trade receivables		(15,058,522)
Other financial assets and other assets		(174,733,985)
Trade Payables		9,997,344
Other financial assets and other liabilities		161,615,577
Cash generated from / (used in) operations		(26,765,708)
Income tax paid		–
Net cash generated from / (used in) operating activities		(26,765,708)
Cash flow from investing activities:		
Expenditure on property, plant and equipment		(10,207,186)
Other payments		(154,671)
Net cash generated from / (used in) investing activities		(10,361,858)
Cash flow from financing activities:		
Proceeds from issue of share capital		1,529,753
Payment of lease liabilities		–
Proceedings from borrowings		36,479,926
Other payments		(299,365)
Net cash generated from / (used in) financing activities		37,710,314
Net increase / (decrease) in cash and cash equivalents		582,748
Cash and cash equivalents at the beginning of the year		–
Cash and cash equivalents at the end of the year	2.5	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 Number: 202841

Bengaluru

Date: May 18, 2022

for and on behalf of the Board of Directors of Infosys Automotive and Mobility GmbH & Co. KG

Florian Lorenz
Director

Statement of changes in Equity

in €

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	–	–	–
Equity share capital	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)

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 18, 2022

for and on behalf of the Board of Directors of Infosys Automotive and Mobility GmbH & Co. KG

Florian Lorenz
Director

Company Overview and Significant Accounting Policies

Company overview

Infosys Automotive and Mobility GmbH & Co. KG 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.

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

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

1.5 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 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 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 recognised 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.

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

in €

Particulars	Category of ROU asset Computer Equipment	Total
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

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

in €

Particulars	As at December 31, 2021
Current lease liabilities	
Non-current lease liabilities	10,207,186
Total	10,207,186

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

Particulars	As at December 31, 2021
Less than one year	–
One to five years	10,207,186
Total	10,207,186

in €

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 €

Particulars	As at December 31, 2021
Investment in lease	154,671
Total Investments	154,671

2.3 Other assets

in €

Particulars	As at December 31, 2021
Non-current	
Others	
Deferred contract cost [(1)]	42,173,211
	42,173,211
Current	
Others	
Prepaid expenses	11,632,780
VAT receivable	6,308,515
Deferred contract cost [(1)]	25,367,112
Devices - dealer type	2,419,876
Other receiveables	1,429,370
Total current other assets	47,157,653
Total other assets	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 €

Particulars	As at December 31, 2021
Current	
Unsecured	
Considered good	15,058,522
Considered doubtful	25,382
	15,083,904
Less: Allowances for credit losses	25,382
Total Trade Receivables	15,058,522

2.5 Cash and Cash Equivalents

in €

Particulars	As at December 31, 2021
Balances with banks	
In current accounts	582,748
Total cash and cash equivalents	582,748
	582,748

2.6 Other Financial Assets

in €

Particulars	As at December 31, 2021
Current	
Unbilled Revenue [(1)]	69,277,299
Others[(1)(2)]	16,125,821
Total other financial asset	85,403,120
(1) Financial assets carried at amortized cost	
(2) Includes dues from Holding Company and other fellow subsidiaries (Refer to Note 2.19)	15,529,467

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, 2021
Assets:	
Cash and cash equivalents (Refer to Note 2.5)	582,748
Investments (Refer to Note 2.2)	154,671.36
Trade receivables (Refer to Note 2.4)	15,058,522
Other financial assets (Refer to Note 2.6)[(1)]	85,403,120
Total	101,199,062
Liabilities:	
Trade payables (Refer to Note 2.11)	9,997,344
Borrowings (Refer to Note 2.9)	36,479,926
Lease liabilities (Refer noet 2.1)	10,207,186
Other financial liabilities (Refer to Note 2.11)	134,777,408
Total	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 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 15,058,522 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, 2021 and December 31, 2020, the Company had cash and cash equivalents of EUR 582,748

2.8 Equity

Equity share capital

in €

Particulars	As at December 31, 2021
Authorized	
Equity share capital, EUR 1679020 par value	1,679,020
1 equity share	
Issued, Subscribed and Paid-Up	–
Equity share capital, EUR 1679020 par value	
1 equity share	1,679,020
	1,679,020

The details of shareholder holding more than 5% shares as at December 31, 2021 and December 31, 2020 are set out below :

in €

Name of the shareholder	As at December 31, 2021
Infosys Germany Holding GmBH	50%
Infosys Limited	50%

2.9 Borrowings

in €

Particulars	As at December 31, 2021
Non-current	
Unsecured Loan	36,479,926
Total Borrowings	36,479,926

2.10 Other financial liablities

in €

Particulars	As at December 31, 2021
Non-current	
Financial liability on deals	41,467,251
	41,467,251
Current	
Financial liability on revenue deals	29,541,634
Others	
Accrued compensation to employees	2,313,982
Provision for expenses	39,282,348
Other payables [(1)]	22,172,192
	93,310,156
Total financial liabilities	134,777,408
(1) Includes dues from Holding Company and other fellow subsidiaries (Refer to Note 2.19)	22,172,192

2.11 Trade payables

in €

Particulars	As at December 31, 2021
Trade payables [(1)]	9,997,344
	9,997,344
(1) Includes dues from Holding Company and other fellow subsidiaries	15,865

2.12 Other liabilities

in €

Particulars	As at December 31, 2021
Current	
Unearned revenue	6,719,017
Others	
Withholding taxes and other	9,068,139
	15,787,156
	15,787,156

2.13 Revenue from operations

in €

Particulars	Year ended December 31, 2021
Income from software services	51,466,703
Income from products and platform	154,671
Total revenue from operation	51,621,374

2.14 Other income

in €

Particulars	Year ended December 31, 2021
Interest received on financial assets- Carried at amortized cost	299,365
Exchange gains / (losses) on translation of other assets and liabilities	(30,323)
Total other income	269,043

2.15 Expenses

in €

Particulars	Year ended December 31, 2021
Employee benefit expenses	
Salaries including bonus	3,584,077
Contribution to provident and other funds	119,827
Staff welfare	11,392
	3,715,296
Other expenses	
Cost of technical subcontractors	14,057,623
Legal & Professional Charges	3,239,618
Cost of software packages for own use	39,716,398
Travel expenses	29,068
Others	228,063
	57,270,771

2.16 Finance costs

in €

Particulars	Year ended December 31, 2021
Interest expense on loan from fellow subsidiary	149,267
Interest expense on finance deals	299,365
Total finance costs	448,632

2.17 Related party transactions

List of related parties:

in €

Name of Holding Companies	Country	Holding as at December 31, 2021
Infosys Ltd	India	100%
Infosys Germany Holding GmBH	Germany	0%

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.

Name of subsidiaries	Country
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.
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.

Name of subsidiaries	Country
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.
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 Turkey Bilgi Teknolojikeri Limited Sirketi[1](41)	Turkey
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) Wholly-owned subsidiary of Stater Duitsland B.V.
(14) Majority-owned and controlled subsidiary of Stater Participations B.V.
(15) Liquidated effective January 28, 2021.
(16) On March 13, 2020, Infosys Nova Holdings LLC, acquired 100% of the voting interests in Outbox Systems Inc.
(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) On February 20, 2020, Infosys Poland, Sp z.o.o, acquired 100% of the voting interests in Infosys Consulting Sp. z.o.o from Infosys Consulting Holding AG
(22) Liquidated effective July 17, 2020
(23) On June 1, 2020, Fluido Oy, acquired 100% of the voting interests in Infosys Fluido U.K,Ltd (formerly Simplus U.K, Ltd)
(24) Wholly-owned subsidiary of Infosys Fluido U.K,Ltd (formerly Simplus U.K, Ltd)
(25) Incorporated effective September 11, 2020.
(26) On October 1, 2020, Infy Consulting Company Limited acquired 100% of voting interests in GuideVision s.r.o
(27) Wholly-owned subsidiary of GuideVision s.r.o.
(28) On October 9, 2020, Infosys Nova Holdings LLC, acquired 100% voting interest in Kaleidoscope Animations, Inc.
(29) Wholly owned subsidiary of Kaleidoscope Animations, Inc.
(30) Merged with Infosys Poland Sp. z.o.o, effective October 21, 2020
(31) On October 27, 2020, Infosys Nova Holding LLC, a wholly-owned subsidiary of Infosys Limited, acquired 100% voting interest in Blue Acorn iCi Inc (formerly Beringer Commerce Inc) and Beringer Capital Digital Group Inc

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

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

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

[35] Liquidated effective November 19,2020

[36] Incorporated, effective December 9, 2020

[37] Merged into Fluido Sweden AB (Extero), effective December 18, 2020

[38] Merged into Stater Duitsland B.V., effective December 18, 2020

[39] Merged with Stater N.V., effective December 23, 2020

[40] On December 29, 2020, Stater Participation B.V acquired non-controlling interest of 28.01% of the voting interests in Stater Belgium NV/SA

[41] Incorporated on December 30, 2020.

[42] Under liquidation

[43] Liquidated effective March 9,2021

[44] Incorporated on March 23, 2021

[46] Liquidated effective April 27,2021

[47] Incorporated on August 4, 2021

[48] Liquidated effective July 20, 2021

[49] Liquidated effective September 1, 2021

[50] Liquidated effective September 2, 2021

[51] Incorporated on August 31, 2021

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

[53] Liquidated effective December 16, 2021

[54] Liquidated effective November 23, 2021

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

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

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

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

in €

Particulars	As at December 31 2021
Trade Receivable	
Infosys Limited	–
	–
Other financial assets	
Infosys Limited	15,529,467
	15,529,467
Trade Payable	
Lodestone Germany	15,865
	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	22,171,922
Lodestone Germany	270
	22,172,192
Share Capital	
Infosys Limited	1,679,020
	1,679,020
Borrowings [1]	
Lodestone Germany	202,137
Lodestone Singapore	3,018,651
Infosys Poland sp. z o o	17,081,459

Particulars	As at December 31 2021
McCamish Systems LLC	16,177,679
	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 €

Particulars	As at December 31 2021
Revenue transactions:	
Purchase of Services	
Infosys (Czech Republic) Ltd	400,126
Infosys Technologies China	123,802
Lodestone Germany	13,332
Infosys Limited	13,422,693
Infosys BPO Ltd.	97,671
	14,057,623
Interest expense	
Lodestone Germany	2,137
Lodestone Singapore	18,651
Infosys Poland sp. z o o	81,459
McCamish Systems LLC	47,020
	149,267

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.

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, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). 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, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's Responsibilities for the Special Purpose Financial Statements

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

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the 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.

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: 22202841AIWLVB9753

For Shenoy & Kamath
Chartered Accountants,
Firm Registration Number: 006673S

(M Rathnakar Kamath)
Partner
Membership Number: 202841

Place: Bengaluru.

Date: May 12, 2022

Balance Sheet

in €

Particulars	Notes	As at December 31	
		2021	2020
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	96,318	47,984
Right-of-use assets	2.18	17,63,937	5,96,112
Financial assets			
Loans	2.2	40,69,544	68,02,361
Other financial assets	2.3	11,29,827	-
Income tax assets, net	2.13	8,03,979	4,37,112
Total non-current assets		78,63,605	78,83,569
Current assets			
Financial assets			
Trade receivables	2.4	78,61,608	32,16,954
Cash and cash equivalents	2.5	7,49,957	24,80,309
Loans	2.2	2,60,505	44,535
Other financial assets	2.3	30,77,856	6,80,603
Other current assets	2.6	57,14,819	17,51,902
Total current assets		1,76,64,745	81,74,303
Total assets		2,55,28,350	1,60,57,872
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.8	86,000	86,000
Other equity		76,65,671	42,26,671
Total equity		77,51,671	43,12,671
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease Liabilities	2.18	22,21,018	4,12,485
Other financial liabilities	2.10	29,096	–
Total non-current liabilities		22,50,114	4,12,485
Current liabilities			
Financial liabilities			
Trade payables	2.9	19,35,590	6,14,342
Lease Liabilities	2.18	11,77,213	1,95,600
Other financial liabilities	2.10	88,66,645	75,77,685
Other current liabilities	2.11	31,67,373	22,33,733
Provisions	2.12	95,810	40,985
Income tax liabilities, net	2.13	2,83,934	6,70,371
Total current liabilities		1,55,26,565	1,13,32,716
Total equity and liabilities		2,55,28,350	1,60,57,872

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
Executive Director
Membership Number: 202841

Place: Bengaluru

Date: May 12, 2022

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 €, except equity share and per equity share data

Particulars	Notes	Year ended December 31	
		2021	2020
Revenue from operations	2.14	4,39,40,579	3,94,96,978
Other income, net	2.15	1,49,075	(1,22,241)
Total income		4,40,89,654	3,93,74,737
Expenses			
Employee benefit expenses	2.16	1,75,54,780	2,06,44,930
Cost of technical sub-contractors		97,81,692	1,29,04,613
Travel expenses		2,78,480	9,47,986
Cost of software packages and others	2.16	1,12,82,163	16,03,310
Communication expenses		39,380	3,24,827
Consultancy and professional charges		6,10,577	14,96,479
Depreciation expense	2.1	8,37,871	3,05,697
Finance cost		5,653	14,215
Other expenses	2.17	3,30,716	1,41,976
Total expenses		4,07,21,312	3,83,84,033
Profit / (loss) before tax		33,68,342	9,90,704
Tax expense			
Current tax	2.13	(70,658)	2,88,944
Deferred tax	2.13	–	–
Profit / (Loss) for the year		34,39,000	7,01,760
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		34,39,000	7,01,760

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
Executive Director
Membership Number: 202841

for and on behalf of the Board of Directors of Infosys Consulting GmbH

Ann Kathrin Sauthoff Bloch
Executive Director

Place: Bengaluru

Date: May 12, 2022

Statement of changes in equity

In €

Particulars	Equity share capital	Other equity		Total equity attributable to equity holders of the Company
		Reserves and Surplus		
		Retained earnings	Capital reserve	
Balance as of January 1, 2020	86,000	15,24,911	20,00,000	36,10,911
Changes in equity for the year ended December 31, 2020				
Profit for the year	–	7,01,760	–	7,01,760
Balance as of December 31, 2020	86,000	22,26,671	20,00,000	43,12,671
Changes in equity for the year ended December 31, 2021				
Profit for the year	–	34,39,000	–	34,39,000
Balance as of December 31, 2021	86,000	56,65,671	20,00,000	77,51,671

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 Registration Number: 006673S

M. Rathnakar Kamath Partner
Executive Director
Membership Number: 202841

Place: Bengaluru

Date: May 12, 2022

for and on behalf of the Board of Directors of Infosys Consulting GmbH

Ann Kathrin Sauthoff Bloch
Executive Director

Statement of Cash Flows

in €

Particulars	Notes	Year ended December 31 2021	2020
Cash flows from operating activities			
Profit / (Loss) for the year		34,39,000	7,01,760
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation and amortization expense	2.1 & 2.18	8,37,871	3,05,697
Income tax expense	2.13	(70,658)	2,88,944
Impairment loss recognized / (reversed) under expected credit loss model		4,955	(72,168)
Finance cost		5,653	14,215
Provision for post-sales client support and warranties		54,825	17,812
Interest and dividend income		(16,041)	(10,774)
Exchange differences on translation of assets and liabilities		(1,32,364)	1,61,042
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(46,62,022)	32,48,138
Other financial assets and other assets		(56,92,879)	8,85,859
Trade payables		13,21,248	(3,87,093)
Other financial liabilities, other liabilities and provisions		22,07,317	(23,39,809)
Cash generated from / (used in) operations		(27,03,095)	28,13,623
Income taxes paid	2.13	(6,82,646)	(8,05,939)
Net cash generated by / (used in) operating activities		(33,85,741)	20,07,684
Cash flow from investing activities			
Expenditure on property, plant and equipment net of sale proceeds		(1,06,929)	(1,815)
Loan given to Parent Company		–	(65,00,000)
Loans and advances to employees		2,32,888	(2,09,803)
Loans repaid by Parent Company		25,00,000	–
Loan given to subsidiaries		(2,00,000)	–
Interest and dividend received on investments		16,041	10,774
Net cash from / (used in) investing activities		24,42,000	(67,00,844)
Cash flow from financing activities			
Payment of lease liabilities		(7,84,182)	(2,66,757)
Interest and finance expenses paid		(2,429)	(14,215)
Net cash from / (used in) financing activities		(7,86,611)	(2,80,972)
Net increase / (decrease) in cash and cash equivalents		(17,30,352)	(49,74,132)
Cash and cash equivalents at the beginning of the year	2.5	24,80,309	74,54,441
Cash and cash equivalents at the end of the year	2.5	7,49,957	24,80,309

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
Executive Director
Membership Number: 202841

for and on behalf of the Board of Directors of Infosys Consulting GmbH

Ann Kathrin Sauthoff Bloch
Executive Director

Place: Bengaluru

Date: May 12, 2022

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 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 increase 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 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 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 occurr.

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

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

1.20 Leases:

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings & 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.

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, 2021 are as follows:

in €

Particulars	Plant and machinery	Computer equipment	Furniture and fixtures	Office Equipment	Total
Gross carrying value as of January 1, 2021	1	5,34,529	2,17,692	6,171	7,58,393
Additions	–	1,06,929	–	–	1,06,929
Gross carrying value as of December 31, 2021	1	6,41,458	2,17,692	6,171	8,65,322
Accumulated depreciation as of January 1, 2021	(1)	(4,96,190)	(2,10,332)	(3,886)	(7,10,409)
Depreciation	–	(51,515)	(6,151)	(929)	(58,595)
Accumulated depreciation as of December 31, 2021	(1)	(5,47,705)	(2,16,483)	(4,815)	(7,69,004)
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

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

in €

Particulars	Plant and machinery	Computer equipment	Furniture and fixtures	Office Equipment	Total
Gross carrying value as of January 1, 2020	1	5,34,529	2,17,692	4,356	7,56,578
Additions	–	–	–	1,815	1,815
Gross carrying value as of December 31, 2020	1	5,34,529	2,17,692	6,171	7,58,393
Accumulated depreciation as of January 1, 2020	(1)	(4,47,376)	(2,03,696)	(2,941)	(6,54,014)
Depreciation	–	(48,814)	(6,636)	(945)	(56,395)
Accumulated depreciation as of December 31, 2020	(1)	(4,96,190)	(2,10,332)	(3,886)	(7,10,409)
Carrying value as of December 31, 2020	–	38,339	7,360	2,285	47,984
Carrying value as of January 1, 2020	–	87,153	13,996	1,415	1,02,564

2.2 Loans

In €

Particulars	As at December 31	
	2021	2020
Non-current		
Unsecured, considered good		
Loan to Subsidiary(1)	40,24,678	65,10,774
Loans and advances to employees	44,866	2,91,587
Total Non-current loans	40,69,544	68,02,361
Current		
Loans Receivables considered good - Secured		
Loan to Subsidiary(1)	2,02,137	–
Loans and advances to employees	58,368	44,535
Total current loans	2,60,505	44,535
(1) Includes dues from related parties (Refer to Note No.2.19)	42,26,815	65,10,774

2.3 Other financial assets

in €

Particulars	As at December 31	
	2021	2020
Non-current		
Investment in Lease	11,29,827	–
	11,29,827	–
Current		
Unbilled Revenues[1]	21,02,082	5,89,667
Rental deposits [1]	72,886	83,436
Investment in Lease	6,67,291	–
Others [1][2]	2,35,597	7,500
Total current other financial assets	30,77,856	6,80,603
Total	42,07,683	6,80,603
[1]Financial assets carried at amortized cost	42,07,683	6,80,603
[2]Includes dues from related party (Refer to Note No.2.19)	2,35,615	3,415

2.4 Trade receivables

in €

Particulars	As at December 31	
	2021	2020
Current		
Unsecured		
Considered good [1]	78,61,608	32,16,954
Considered doubtful	32,342	23,658
	78,93,950	32,40,612
Less: Allowances for credit losses	32,342	23,658
Total trade receivables	78,61,608	32,16,954
[1]Includes dues from related parties (Refer to Note No.2.19)	22,55,053	26,00,230

2.5 Cash and cash equivalents

in €

Particulars	As at December 31	
	2021	2020
Balances with banks		
In current accounts	7,48,552	24,77,999
Cash on hand	1,405	2,310
Total Cash and Cash equivalents	7,49,957	24,80,309

2.6 Other assets

in €

Particulars	As at December 31	
	2021	2020
Current		
Others		
Prepaid expenses [1]	2,418,707	217,018
Advance for supply of goods and rendering of services	–	859
Unbilled Revenues	1,191,746	5,998
Withholding taxes and others	2,104,366	1,528,027
Total current other assets	5,714,819	1,751,902
(1) Includes dues from related party (Refer to Note No.2.19)	11,731	105,577

2.7 Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories as of December 31, 2021 and December 31, 2020 were as follows:

in €

Particulars	As at December 31	
	2021	2020
Assets		
Cash and cash equivalents (Refer to Note No. 2.5)	749,957	2,480,309
Trade receivables (Refer to Note No. 2.4)	7,861,608	3,216,954
Loans (Refer to Note No.2.2)	260,505	44,535
Other financial assets (Refer to Note No.2.3)	4,207,683	680,603
Total	13,079,753	6,422,401
Liabilities		
Trade payables (Refer to Note No. 2.9)	1,935,590	614,342
Lease Liability (Refer to Note 2.18)	3,398,231	608,085
Other financial liabilities (Refer to Note No.2.10)	8,411,522	6,971,307
Total	13,745,343	8,193,734

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 7,861,608 and EUR 3,216,954 as of December 31, 2021 and December 31, 2020, respectively and unbilled revenue amounting to EUR 3,293,828 and EUR 595,665 as of December 31, 2021 and December 31, 2020, respectively. Trade receivables and unbilled revenue are typically unsecured. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. 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, 2021 was EUR 4,955 and allowance for year ended December 31, 2020 was (EUR 72,168) respectively.

in €

Particulars	Year ended December 31,	
	2021	2020
Balance at the beginning	27,104	97,148
Impairment loss recognized / (reversed)	4,955	(72,168)
Translation differences	351	2,124
Balance at the end	32,410	27,104

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, 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, 2020, the Company had a negative working capital of 3,158,413, including cash and cash equivalents of 2,480,309.

As of December 31, 2021 and December 31, 2020, the outstanding compensated absences were 484,219 and 606,378 respectively.

The table below provides details regarding 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 2.9)	1,935,590	–	–	–	1,935,590
Accrued expenses (Refer to Note 2.10)	66,65,474	–	–	–	66,65,474
Accrued compensation to employees (Refer to Note 2.10)	16,54,105	–	–	–	16,54,105
Other payables (Refer to Note 2.10)	62,847	–	–	–	62,847

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

in €

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade Payables (Refer to Note 2.9)	614,342	–	–	–	614,342
Accrued expenses (Refer to Note 2.10)	37,93,403	–	–	–	37,93,403
Accrued compensation to employees (Refer to Note 2.10)	31,28,820	–	–	–	31,28,820
Other payables (Refer to Note 2.10)	49,084	–	–	–	49,084

2.8 Equity

Equity share capital

As at December 31, 2021, the Company had one member, Infosys Consulting Holding AG (formerly Lodestone Holding AG) ("the Member"). The Member owns 100% of the interests of the Company

2.9 Trade payables

in €

Particulars	As at December 31, 2021	As at December 31, 2020
Trade payables *	19,35,590	6,14,342
Total trade payables	19,35,590	6,14,342
*Includes dues to related parties (Refer to Note No.2.19)	1,88,032	4,68,813

2.10 Other financial liabilities

in €

Particulars	As at December 31, 2021	As at December 31, 2020
Non-current		
Others		
Other payables	29,096	
	29,096	–
Current		
Others		
Accrued compensation to employees	16,54,105	31,28,820
Accrued expenses (1)	66,65,474	37,93,403
Compensated absences	4,84,219	6,06,378
Other payables (2)	62,847	49,084
	88,66,645	75,77,685
Total current other financial liabilities	88,95,741	75,77,685
Financial liability carried at amortized cost	84,11,522	69,71,307
Financial liability carried at fair value through profit or loss	–	–
(1) Includes dues to related party (Refer to Note No.2.19)	2,78,069	1,30,400
(2) Includes dues to related parties (Refer to Note No.2.19)	54,497	50,907

2.11 Other liabilities

in €

Particulars	As at December 31, 2021	As at December 31, 2020
Current		
Unearned revenue	90,282	3,48,805
Others		
Withholding taxes and others	27,77,089	15,84,927
Advance received from clients	3,00,002	3,00,001
Total current other liabilities	31,67,373	22,33,733

2.12 Provisions

in €

Particulars	As at December 31, 2021	As at December 31, 2020
Current		
Others		
Post-sales client support	95,810	40,985
Total current Provisions	95,810	40,985

Provision for post-sales client support

The movement in the provision for post-sales client support is as follow

in €

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Balance at the beginning	40,985	23,173
Provision recognized / (reversed)	54,825	17,812
Balance at the end	95,810	40,985

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 €

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Current taxes	(70,658)	2,88,944
Deferred taxes	–	–
Income tax expense	(70,658)	2,88,944

Current tax expense for the years ended December 31, 2021 and December 31, 2020 includes reversal (net of provisions) amounting to EUR 318,825 and provisions (net of reversals) of EUR 283,203 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, 2021	Year ended December 31, 2020
Profit / (Loss) before income tax	3,368,342	990,704
Enacted tax rates in Germany (%)	27.38%	27.38%
Computed expected tax expense	922,084	271,205
Effect of unrecognized deferred tax assets	(6,78,626)	(2,72,239)
Tax provision (reversals)	(3,18,825)	2,83,203
Others	4,709	6,775
Income tax expense	(70,658)	288,944

The applicable Germany statutory tax rate for year ended December 31, 2021 is 27.38% and tax rate for the year ended December 31, 2020 is 27.38%.

The details of income tax assets and income tax liabilities are as follows:

in €

Particulars	Year ended December 31, 2021	2020
Income tax assets	8,03,979	4,37,112
Current income tax liabilities	2,83,934	6,70,371
Net current income tax assets / (liability) at the end	5,20,045	(2,33,259)

The gross movement in the current income tax asset / (liability) is as follows:

in €

Particulars	Year ended December 31, 2021	2020
Net current income tax asset / (liability) at the beginning	(2,33,259)	(7,50,254)
Income tax paid	6,82,646	8,05,939
Current income tax expense	70,658	(2,88,944)
Net current income tax asset / (liability) at the end	5,20,045	(2,33,259)

2.14 Revenue from operations

in €

Particulars	Year ended December 31, 2021	2020
Income from consultancy services	4,39,40,579	3,94,96,978
Total revenue from operations	4,39,40,579	3,94,96,978

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by offerings for the year ended 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 €

Particulars	Year ended December 31, 2021	2020
Revenue by offerings		
Core	2,48,87,023	3,32,16,041
Digital	1,90,53,556	62,80,937
Total	4,39,40,579	3,94,96,978

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, 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, 2021, EUR 7,367 of unbilled revenue pertaining to fixed price development contracts as of January 1, 2021 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, 2021, other than those meeting the exclusion criteria mentioned above, is EUR 5,398,845. 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 €

Particulars	Year ended December 31,	
	2021	2020
Interest received on financial assets carried at amortized cost		
Interest received on employee loans and others	–	63
Interest income on loan To subsidiary	16,041	10,774
Exchange gains / (losses) on translation of assets and liabilities	1,32,364	(1,61,042)
Income from management fees	–	25,433
Others	670	2,531
	1,49,075	(1,22,241)

2.16 Employee Benefit Expenses & Cost of Software Packages

in €

Particulars	Year ended December 31,	
	2021	2020
Employee benefit expenses		
Salaries, including bonus	1,75,54,780	2,06,44,930
Total employee benefit expenses	1,75,54,780	2,06,44,930
Cost of software packages and others		
For own use	23,189	–
Third-party items bought for service delivery to clients	1,12,58,974	16,03,310
Total cost of software packages and others	1,12,82,163	16,03,310

2.17 Other expenses

in €

Particulars	Year ended December 31,	
	2021	2020
Other expenses		
Power and fuel	59,799	50,861
Brand and marketing	9,475	15,940
Printing and stationery	10,407	11,189
Rates and taxes	2,794	1,912
Repairs and maintenance	52,879	50,532
Insurance	59,377	73,058
Provision for post-sales client support and others	54,825	17,812
Statutory audit fees	27,891	26,880
Bank charges	5,623	6,390
Others	47,646	(1,12,598)
Total other expenses	3,30,716	1,41,976

2.18 Leases

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

in €

Particulars	Category of ROU asset			Total
	Buildings	Computer Equipment	Vehicles	
Balance as of January 1, 2021	5,57,630	4,488	33,994	5,96,112
Additions	21,688	35,71,104	–	35,92,792
Deletion	–	(16,45,691)	–	(16,45,691)
Depreciation	(1,80,242)	(5,84,476)	(14,558)	(7,79,276)
Balance as of December 31, 2021	3,99,076	13,45,425	19,436	17,63,937

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

in €

Particulars	Category of ROU asset			Total
	Buildings	Computer Equipment	Vehicles	
Balance as of January 1, 2020	7,78,165	6,491	72,108	8,56,764
Deletion	(11,350)	–	–	(11,350)
Depreciation	(2,09,185)	(2,003)	(38,114)	(2,49,302)
Balance as of December 31, 2020	5,57,630	4,488	33,994	5,96,112

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:

in €

Particulars	As at December 31	
	2021	2020
Current lease liabilities	11,77,213	1,95,600
Non-current lease liabilities	22,21,018	4,12,485
Total	33,98,231	6,08,085

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

in €

Particulars	For the year ended December 31,	
	2021	2020
Balance at the beginning	6,08,085	8,70,322
Additions	35,71,104	–
Finance cost accrued during the period	3,224	4,520
Payment of lease liabilities	(7,84,182)	(2,66,757)
Balance at the end	33,98,231	6,08,085

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,	
		2021	2020
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 Pvt. Ltd. (Skava Systems)[(1)(42)]	India
Kallidus Inc, (Kallidus)[(43)]	U.S.
Infosys Chile SpA[(1)]	Chile
Infosys Arabia Limited[(2)]	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)(54)]	Canada
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.
Infosys Consulting S.R.L.[(4)]	Argentina
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)(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 (Belgium) NV[(5)]	Belgium

Name of fellow subsidiaries	Country
Panaya Inc. (Panaya)[(1)]	U.S.
Panaya Ltd.[(6)]	Israel
Panaya GmbH[(6)]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[(1)]	U.K.
Brilliant Basics Limited[(7)]	U.K.
Brilliant Basics (MENA) DMCC[(7)(22)]	Dubai
Infosys Consulting Pte Limited (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
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

Name of fellow subsidiaries	Country
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.
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 Turkey Bilgi Teknolojikeri Limited Sirketi[1][41]	Turkey
Infosys Germany Holding Gmbh[1][44]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1][45]	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) Wholly-owned subsidiary of Stater Duitsland B.V.
(14) Majority-owned and controlled subsidiary of Stater Participations B.V.
(15) Liquidated effective January 28, 2021.
(16) On March 13, 2020, Infosys Nova Holdings LLC, acquired 100% of the voting interests in Outbox Systems Inc.
(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) On February 20, 2020, Infosys Poland, Sp z.o.o, acquired 100% of the voting interests in Infosys Consulting Sp. z.o.o from Infosys Consulting Holding AG
(22) Liquidated effective July 17, 2020
(23) On June 1, 2020, Fluido Oy, acquired 100% of the voting interests in Infosys Fluido U.K,Ltd (formerly Simplus U.K, Ltd)
(24) Wholly-owned subsidiary of Infosys Fluido U.K,Ltd (formerly Simplus U.K, Ltd)
(25) Incorporated effective September 11, 2020.
(26) On October 1, 2020, Infy Consulting Company Limited acquired 100% of voting interests in GuideVision s.r.o
(27) Wholly-owned subsidiary of GuideVision s.r.o.
(28) On October 9, 2020, Infosys Nova Holdings LLC, acquired 100% voting interest in Kaleidoscope Animations, Inc.
(29) Wholly-owned subsidiary of Kaleidoscope Animations, Inc.
(30) Merged with Infosys Poland Sp. z.o.o, effective October 21, 2020
(31) On October 27, 2020, Infosys Nova Holding LLC, a wholly-owned subsidiary of Infosys Limited, acquired 100% voting interest in Blue Acorn iCi Inc (formerly Beringer Commerce Inc) and Beringer Capital Digital Group Inc
(32) Wholly-owned subsidiary of Blue Acorn iCi Inc
(33) Wholly-owned subsidiary of Beringer Commerce Holdings LLC
(34) Wholly-owned subsidiary of Beringer Capital Digital Group Inc.

[35] Liquidated effective November 19,2020

[36] Incorporated, effective December 9, 2020

[37] Merged into Fluido Sweden AB (Extero), effective December 18, 2020

[38] Merged into Stater Duitsland B.V., effective December 18, 2020

[39] Merged with Stater N.V., effective December 23, 2020

[40] On December 29, 2020, Stater Participation B.V acquired non-controlling interest of 28.01% of the voting interests in Stater Belgium NV/SA

[41] Incorporated on December 30, 2020.

[42] Under liquidation

[43] Liquidated effective March 9,2021

[44] Incorporated on March 23, 2021

[45] On March 28, 2021 Infosys Limited and Infosys Germany Holding Gmbh registered Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm.

[46] Liquidated effective April 27,2021

[47] Incorporated on August 4, 2021

[48] Liquidated effective July 20, 2021

[49] Liquidated effective September 1, 2021

[50] Liquidated effective September 2, 2021

[51] Incorporated on August 31, 2021

[52] On December 14, 2021, Infosys Consulting Pte Limited, a wholly owned subsidiary of Infosys Limited acquired 100% of voting interests in Global Enterprise International (Malaysia) Sdn. Bhd.

[53] Liquidated effective December 16, 2021

[54] Liquidated effective November 23, 2021

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

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

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

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

in €

Particulars	As at December 31	
	2021	2020
Trade receivables		
Infosys Management Consulting Pty Limited	5,047	–
Infosys Automotive and Mobility GmbH & Co. KG	15,865	–
Infosys Consulting AG	–	68,854
Infosys Compaz Pte. Ltd	–	70,631
Infosys Consulting Ltda	–	4,44,019
Infy Consulting Company Limited	22,32,437	20,15,022
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
	22,55,053	26,00,230
Loans		
Infosys Consulting Holding AG (Infosys Lodestone) (formerly Lodestone Holding AG)	40,24,678	65,10,774
Infosys Automotive and Mobility GmbH & Co. KG	2,02,137	–
	42,26,815	65,10,774
Other financial assets		
Infosys Automotive and Mobility GmbH & Co. KG	270	–
Infosys Consulting AG	78,103	3,415
Infy Consulting Company Limited	3,875	–
Infosys Consulting Holding AG	5,913	–
Infosys Limited	65,836	–
Infosys Consulting (Belgium) NV	4,462	–
Infy Consulting B.V.	77,156	–
	2,35,615	3,415
Trade payables		
Infosys Poland Sp z.o.o	89,152	92,928
Infosys Consulting AG	3,921	–
Infosys Consulting S.R.L. (Romania)	11,312	32,882
Infosys Consulting (Shanghai) Co., Ltd	–	8,227
Infosys (Czech Republic) Limited s.r.o.	–	10,702
Infy Consulting B.V.	–	40,102
Infosys Consulting Pte Limited	–	7,041
Infy Consulting Company Limited	83,647	2,76,931
	1,88,032	4,68,813
Other Financial Liabilities		
Infosys Limited	54,477	68
Infosys Consulting Sp. z.o.o	–	1,660
Lodestone Management Consultants Portugal, Unipessoal, Lda.	–	49,179
Infosys (Czech Republic) Limited s.r.o.	20	–
	54,497	50,907
Accrued expenses		
Infosys Limited	2,78,069	1,30,400
	2,78,069	1,30,400
Other current assets		
Panata Limited	11,731	1,05,577
	11,731	1,05,577

The details of the related parties' transactions entered into by the Company for the year ended December 31, 2021 and December 31, 2020 are as follows:

in €

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Revenue transactions		
Purchase of services, shared facilities and personnel		
Infosys Consulting S.R.L. (Romania)	2,42,301	3,26,281
Infosys Poland Sp z.o.o	11,08,394	7,34,388
Infy Consulting B.V.	–	26,503
Infosys Consulting (Belgium) NV	–	3,630
Infosys Consulting SAS	2,008	–
Infosys Limited	24,809	41,367
Infosys Consulting (Shanghai) Co., Ltd	–	33,775
Infosys (Czech Republic) Limited s.r.o.	16,255	1,17,761
Infosys Consulting Holding AG (Infosys Lodestone) (formerly Lodestone Holding AG)	–	55,341
Infosys Consulting AG	1,75,619	2,98,710
Panaya Limited	46,923	46,923
Infosys Consulting Sp. z.o.o	–	8,40,555
Infosys Consulting Pte Limited	–	32,760
Infy Consulting Company Limited	45,00,109	41,41,003
	61,16,418	66,98,997
Interest Income		
Infosys Consulting Holding AG (Infosys Lodestone) (formerly Lodestone Holding AG)	16,041	10,774
	16,041	10,774
Sale of services		
Infosys Consulting Ltda.	–	25,433
Infosys Consulting AG	25,892	2,73,372
Infosys Consulting SAS	–	1,552
Infosys Consulting (Belgium) NV	575	–
Infosys Management Consulting Pty Limited	4,892	–
Infosys Consulting Pte Limited	4,901	–
Infosys Poland Sp z.o.o	–	489
Infosys Automotive and Mobility GmbH & Co. KG	13,332	–
Infosys Compaz Pte. Ltd	–	410
Infy Consulting Company Limited	2,15,71,951	2,55,36,481
	2,16,21,543	2,58,37,737

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

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

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

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

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

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

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

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

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

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

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 No. 202841)

UDIN : 22202841AJKHOW2178

Place: Bengaluru

Date: May 23, 2022

Balance Sheet

in ¥ million

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	137	27
(b) Goodwill	2A	–	–
(c) Right of use asset	2B	627	106
(d) Other intangible assets	2A	189	161
(e) Deferred tax assets	8	180	179
(f) Financial assets			
(i) Others	4	119	91
Total non-current assets		1,252	564
Current assets			
(a) Financial assets			
(i) Trade receivables	6	11,839	12,302
(ii) Cash and cash equivalents	7	2,554	2,667
(iii) Others	4	5,505	4,347
(b) Other current assets	5	1,257	770
Total current assets		21,155	20,086
TOTAL ASSETS		22,407	20,650
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	3	500	500
(b) Other equity	3	1,016	682
Total equity		1,516	1,182
Liabilities			
Non-current liabilities			
(a) Provisions	9	251	232
(b) Other financial liabilities			
(i) Lease liability	10	480	8
Total non-current liabilities		731	240
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	11	19,284	18,480
(ii) Other financial liabilities	10	611	571
(b) Other current liabilities	12	265	177
Total current liabilities		20,160	19,228
TOTAL EQUITY AND LIABILITIES		22,407	20,650

The accompanying notes are an integral part of these 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
May 23, 2022

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 years ended March 31, 2022	2021
I Revenue from operations	13	5,078	4,046
Other income	14	96	35
Total income (I)		5,174	4,081
II Expenses			
Employee benefits expense	15	2,248	1,942
Depreciation and amortization expense	16	187	149
Cost of technical sub-contractors		1,649	1,130
Travel expenses		12	9
Other expenses	17	473	346
Total expenses (II)		4,569	3,576
III Profit before tax (I-II)		605	505
IV Tax expense			
(i) Current tax	21	160	151
(i) Deferred tax	21	(1)	(20)
Total tax expense (IV)		159	131
V Profit for the years (III- IV)		446	374
VI Other comprehensive income / (loss)			
(i) Items that will not be reclassified subsequently to profit or loss		–	–
Other comprehensive expense for the years		–	–
VII Total comprehensive income for the years (V+VI)		446	374
Earnings per share (EPS)			
Basic and diluted (¥)	18	446,371	374,125
Weighted average equity shares used in computing earnings per equity share		1,000	1,000

The accompanying notes are an integral part of these 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

May 23, 2022

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 earinings	
Balance as at March 31, 2020	500	1	379	879
Changes in equity				
Dividend (including tax on dividend)	–	–	(72)	(72)
Profit / (loss) for the years	–	–	374	374
Total comprehensive income	–	–	374	374
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 years	–	–	446	446
Total comprehensive income	–	–	446	446
Balance as at March 31, 2022	500	1	1,015	1,516

The accompanying notes are an integral part of these 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 HIPUS Co., Ltd

M Rathnakar Kamath
Partner
Membership number : 202841

Anantha Radhakrishnan
Director

Rajeev Ranjan
Director

Bengaluru

May 23, 2022

Statement of Cash Flows

in ¥ million

Particulars	Notes	For the years ended March 31, 2022	2021
Cash flows from operating activities			
Profit before tax for the years		605	505
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation and amortization expense		187	149
Interest income		(79)	–
Other adjustments		(159)	(131)
Changes in assets and liabilities:			
Trade receivables		463	2,447
Other financial asset and other assets		(527)	(296)
Trade payables		805	(701)
Other financial liabilities, other liabilities and provisions		770	155
Cash used in operations		2,065	2,128
Income taxes paid, net of refunds		(152)	(126)
Net cash used in operating activities (A)		1,914	2,002
Cash flows from investing activities			
Expenditure on property plant and equipment, Intangibles		(846)	(122)
Interest income		30	–
Net cash used in / from investing activities (B)		(816)	(122)
Cash flows from financing activities			
Loan given / received		(1,099)	(1,093)
Dividend including tax on dividend paid / refund		(112)	(72)
Others		–	–
Net cash generated by financing activities (C)		(1,211)	(1,165)
Net increase / (decrease) in cash and cash equivalents (A+B+C)		(113)	716
Cash and cash equivalents at the beginning of the year		2,667	1,951
Cash and cash equivalents at the end of the year	7	2,554	2,667

The accompanying notes are an integral part of these 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 HIPUS Co., Ltd

M Rathnakar Kamath
Partner
Membership number : 202841

Anantha Radhakrishnan
Director

Rajeev Ranjan
Director

Bengaluru

May 23, 2022

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 (¥)

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.

Estimation of uncertainties relating to the global health pandemic from 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 nonfinancial 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 related information and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

1.5 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 assets have been separately presented in the Balance Sheet, and lease payments have been classified as financing cash flows.

1.10 Financial instruments

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.

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

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 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 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 equipments

in ¥ million

Particulars	Buildings	Furniture and fixtures	Construction in progress	Total
Gross Block				
Balance as at March 31, 2020	24	5	12	41
Additions	–	23	11	34
Deletions	(1)	–	(23)	(24)
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
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
Depreciation expense for the years	3	5		8
Deletions	(18)	(1)		(19)
Balance as at March 31, 2022	5	9	–	14
Net block as at March 31, 2021	3	24	–	27
Net block as at March 31, 2022	94	43	–	137

Note 2A: Goodwill and other intangible assets

in ¥ million

Particulars	Goodwill	Other intangible assets	
		Software	Construction in progress
Balance as at March 31, 2020	–	247	3
Additions	–	100	107
Deletions	–	(20)	(101)
Balance as at March 31, 2021	–	327	9
Additions		63	46
Deletions		(2)	(36)
Balance as at March 31, 2022	–	388	19
Accumulated amortization and impairment losses			
Balance as at March 31, 2020	–	152	–

Amortization expense for the years	–	28	–
Deletions		(4)	
Balance as at March 31, 2021	–	175	–
Amortization expense for the years		44	–
Deletions		(1)	
Balance as at March 31, 2022	–	218	–
Net block as at March 31, 2021	–	152	9
Net block as at March 31, 2022	–	170	19

Note 2B: Leases

The changes in the carrying value of ROU assets for the years ended March 31, 2022 are as follows:

in ¥ million

Particulars	Category of ROU asset			Total
	Land	Buildings	Computers	
Balance as at April 1, 2021	–	106	–	106
Additions	–	655	–	655
Deletion	–	–	–	–
Depreciation	–	(134)	–	(134)
Balance as at March 31, 2022	–	627	–	627

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

in ¥ million

Particulars	Category of ROU asset			Total
	Land	Buildings	Computers	
Balance as at April 1, 2020	–	202	–	202
Additions	–	20	–	20
Deletion	–	–	–	–
Tenancy improvement charges	–	–	–	–
Depreciation	–	(116)	–	(116)
Balance as at March 31, 2021	–	106	–	106

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 March 31, 2022 and March 31, 2021 are as follows:

in ¥ million

Particulars	As at March 31,	
	2022	2021
Current lease liabilities	147	107
Non-current lease liabilities	480	8
Total	627	115

The movement in lease liabilities during the year ended March 31, 2022 and March 31, 2021 is as follows:

in ¥ million

Particulars	Year ended March 31,	
	2022	2021
Balance at the beginning	115	212
Additions	655	–
Finance cost accrued during the period	–	–
Deletions	–	–
Payment of lease liabilities	(143)	(97)
Balance at the end	627	115

The details regarding the contractual maturities of lease liabilities as at March 31, 2022 and March 31, 2021 on an undiscounted basis are as follows:

in ¥ million

Particulars	As at March 31,	
	2022	2021
Less than one year	480	8
One to five years	147	107
More than five years	–	–
Total	627	115

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	For the years ended March 31,	
	2022	2021
Authorized		
Equtiy shares, ¥ 500,000 par value		
1,000 common stock	500	500
Issued, subsrcibed and paid-up capital		
Equtiy shares, ¥ 500,000 par value		
1,000 common stock	500	500

The details of shareholder holding more than 5% shares as at March 31, 2022 and March 31, 2021 are as follows:

Name of shareholder	As at March 31,			
	2022		2021	
	Number of shares	Holding %	Number of shares	Holding %
Infosys Limited	810	81%	810	81%
Hitachi Limited	150	15%	150	15%

The number of shares outtanding and the amount of share capital as at March 31, 2022 and March 31, 2021 is as follows:

Number of shares at the beginning and end of the period	As at March 31,			
	2022		2021	
	Number of shares	Amount	Number of shares	Amount
Number of shares	1,000	500,000,000	1,000	500,000,000

Note 4: Other financial assets

in ¥ million

Particulars	As at March 31,			
	2022		2021	
	Non-current	Current	Non-current	Current
Considered good				
(a) Other financial assets	119	–	91	–
(b) Loan	–	5,505	–	4,347
	119	5,505	91	4,347

Note 5: Other assets

in ¥ million

Particulars	As at March 31,			
	2022		2021	
	Non-current	Current	Non-current	Current
Considered good				
(a) Prepaid expenses	–	97	–	98
(b) Balances with statutory / government authorities	–	469	–	269
(d) Others	–	691	–	403
	–	1,257	–	770

Note 6: Trade receivables

in ¥ million

Particulars	As at March 31,	
	2022	2021
Trade receivables (unsecured)		
Considered good	11,839	12,302
Less: Allowance for doubtful debts	–	–
	11,839	12,302

Note 7: Cash and cash equivalents

in ¥ million

Particulars	As at March 31,	
	2022	2021
(a) Cash on hand	–	–
(b) Balances with bank		
In current accounts	2,554	2,667
	2,554	2,667

Note 8: Recognized deferred tax, net

in ¥ million

Particulars	As at March 31,	
	2022	2021
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	176	175
Provisions for property, plant and equipment	4	4
Provision for unused tax losses	–	–
Deferred tax assets, net [1]	180	179

[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,			
	2022		2021	
	Non-current	Current	Non-current	Current
Asset retirement obligation	21	–	11	–
Provision for retirement benefits	230	–	221	–
	251	–	232	–

Note 10: Other financial liabilities

in ¥ million

Particulars	As at March 31,			
	2022		2021	
	Non-current	Current	Non-current	Current
Accrued expenses	–	152	–	175
Deposits received	–	40	–	11
Employee benefits payable	–	272	–	278
Lease liability	480	147	8	107
	480	611	8	571

Note 11: Trade payables

in ¥ million

Particulars	As at March 31, 2022	2021
Trade payables	19,284	18,480
	19,284	18,480

Refer note 22 for related party balances

Note 12: Other liabilities

in ¥ million

Particulars	As at March 31, 2022	2021
Income taxes payable	99	92
Others	166	85
	265	177

Note 13: Revenue from operations

in ¥ million

Particulars	For the years ended March 31, 2022	2021
Revenue from services	5,078	4,046
	5,078	4,046

Trade receivables

The Company classifies the right to consideration in exchange for deliverables as either 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, 2021, 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 December 31, 2020 is insignificant.

Note 14: Other income

in ¥ million

Particulars	For the years ended March 31, 2022	2021
Interest income	79	14
Miscellaneous income, net	17	21
	96	35

Note 15: Employee benefits expense

in ¥ million

Particulars	For the years ended March 31, 2022	2021
Salaries and wages	1,812	1,562
Staff welfare expenses	308	282
Pension costs	111	83
Directors remuneration	17	15
	2,248	1,942

Note 16: Depreciation and amortization expense

in ¥ million

Particulars	For the years ended March 31, 2022	2021
Depreciation of property, plant and equipment *	143	120
Amortization of intangible assets	44	29
	187	149

* Including RoU amortization

Note 17: Other expenses

in ¥ million

Particulars	For the years ended March 31, 2022	2021
Communication expenses	21	15
Office expenses	298	229
Rental	45	36
Recruitment	31	13
Consumables	6	11
Auditor's remuneration		
Statutory audit fees	13	9
Miscellaneous expenses	22	1
Rates and taxes	37	32
	473	346

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	For the years ended March 31,	
	2022	2021
a. Profit after tax (¥ million)	446	374
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) ¥	446,371	374,125

Note 19: Financial instruments

Set out below, is a comparision 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 31 March 2022

(Amount in ¥ million)

Particulars	Note No	Amortised cost	Financial assets/liabilities		Total carrying value	Fair value			
			Fair value through profit and loss	Fair value through other comprehensive income		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	–	–	–	–

As at 31 March 2021

(Amount in ¥ million)

Particulars	Note No	Amortised cost	Financial assets/liabilities		Total carrying value	Fair value			
			Fair value through profit and loss	Fair value through other comprehensive income		Level 1	Level 2	Level 3	Total
ASSETS									
Financial assets									
Other Financial Assets	4	4,437	–	–	4,437	–	–	–	–
Trade receivables	6	12,302	–	–	12,302	–	–	–	–
Cash and cash equivalents	7	2,667	–	–	2,667	–	–	–	–
Total financial assets		19,406	–	–	19,406	–	–	–	–
LIABILITIES									
Financial liabilities									
Trade payables	11	18,480	–	–	18,480	–	–	–	–
Other financial liabilities	10	579	–	–	579	–	–	–	–
Total financial liabilities		19,059	–	–	19,059	–	–	–	–

Note : The carrying value of all the items in the table above have been classified as amortised cost. Amortised 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 categorised 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 recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (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 summarised 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 foreing 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, 2022 and March 31, 2021 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 table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2022.

(Amount in ¥ million)

Particulars	Less than 1 year	1 to 5 Years	More than 5 years	Total
31 March 2022				
Trade payables	19,284	-	-	19,284
Other financial liabilities	611	480	-	1,091
	19,895	480	-	20,375

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

(Amount in ¥ million)

Particulars	Less than 1 year	1 to 5 Years	More than 5 years	Total
31 March 2021				
Trade payables	18,480	-	-	18,480
Other financial liabilities	579	-	-	579
	19,059	-	-	19,059

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 maximise 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 ;

(Amount in ¥ million)

Particulars	For the year ended March 31, 2022	2021
Current taxes	160	151
Deferred taxes	(1)	(20)
Income tax expense	159	131

The following table provides the details of income tax assets and income tax liabilities as of 31 March 2022 and 31 March 2021

(Amount in ¥ million)

Particulars	For the year ended March 31, 2022	2021
Income tax assets	-	-
Current income tax liabilities	99	92
Net current income tax assets/ (liability) at the end	99	92

The grosss movement in the current income tax assets/ (liabilities) for the year ended 31 March 2022 and 31 March 2021 is as follows;

(Amount in ¥ million)

Particulars	For the year ended March 31, 2022	2021
Net current income tax assets/ (liabilities) at the beginning	92	88
Income tax paid	(152)	(126)
Current income tax expense	159	131
Net current income tax assets/ (liabilities) at the end	99	92

The movement in gross deferred income tax asset/ (laibilities) for the year ended March 31,2022 is as follows:

(Amount 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

The movement in gross deferred income tax asset/ (laibilities) for the year ended March 31,2021 is as follows:

(Amount in ¥ million)

Particulars	Carrying Value as on March31, 2020	Changes through Profit & Loss A/c	Carrying Value as on March 31, 2021
Deferred income tax assets / (liabilities)			
Property plant and equipment	4	0	4
Accrued compensation to employees	155	20	175
Total Deferred income tax assets / (liabilities)	159	20	179

Note 22: Related party transactions

Name of holding company	Relationship with related party	Country	% of Holding For the years ended March 31, 2022	2021
Infosys Consulting Pte Limited (Infosys Singapore)	Parent entity	Singapore	81%	81%
Hitachi Limited (former parent entity)	Shareholder (parent entity)	Japan	15%	15%

List of related parties

Name of subsidiaries	Country	Holdings as at March 31, 2022	2021
Infosys Technologies (China) Co. Limited (Infosys China)[(1)]	China	100%	100%
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)[(1)]	Mexico	100%	100%
Infosys Technologies (Sweden) AB (Infosys Sweden)[(1)]	Sweden	100%	100%
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)[(1)]	China	100%	100%
Infosys Nova Holdings LLC. (Infosys Nova)[(1)]	US	100%	100%
EdgeVerve Systems Limited (EdgeVerve)[(1)]	India	100%	100%
Infosys Austria GmbH[(1)]	Austria	100%	100%
Skava Systems Private Limited (Skava Systems)[(1)(41)]	India	100%	100%
Kallidus Inc, (Kallidus)[(42)]	US	–	–
Infosys Chile SpA[(1)]	Chile	100%	100%
Infosys Arabia Limited[(2)]	Saudi Arabia	70%	70%
Infosys Consulting Ltda.[(1)]	Brazil	100%	100%
Infosys CIS LLC[(15)]	Russia	–	–
Infosys Luxembourg S.a.r.l[(1)]	Luxembourg	100%	100%
Infosys Americas Inc., (Infosys Americas)[(1)]	US	100%	100%
Infosys Public Services, Inc. USA (Infosys Public Services)[(1)]	US	100%	100%
Infosys Canada Public Services Inc[(20)(53)]	Canada	–	–
Infosys BPM Limited[(1)(61)]	India	100%	99.99%
Infosys (Czech Republic) Limited s.r.o.[(3)]	Czech Republic	100%	99.99%
Infosys Poland Sp z.o.o[(3)]	Poland	100%	99.99%
Infosys McCamish Systems LLC[(3)]	US	100%	99.99%
Portland Group Pty Ltd[(3)]	Australia	100%	99.99%
Infosys BPO Americas LLC.[(3)]	US	100%	99.99%
Infosys Consulting Holding AG (Infosys Lodestone)[(1)]	Switzerland	100%	100%
Infosys Management Consulting Pty Limited[(4)]	Australia	100%	100%
Infosys Consulting AG[(4)]	Switzerland	100%	100%
Infosys Consulting GmbH[(4)]	Germany	100%	100%
Infosys Consulting S.R.L.[(1)]	Romania	100%	100%
Infosys Consulting SAS[(4)]	France	100%	100%
Infosys Consulting s.r.o. v likvidaci (formerly, Infosys Consulting s.r.o.)[(4)(52)]	Czech Republic	–	100%
Infosys Consulting (Shanghai) Co., Ltd.[(4)(48)]	China	–	100%
Infy Consulting Company Ltd[(4)]	UK	100%	100%
Infy Consulting B.V.[(4)]	The Netherlands	100%	100%
Infosys Consulting Sp. z.o.o[(29)]	Poland	–	–
Lodestone Management Consultants Portugal, Unipessoal, Lda.[(4)(34)]	Portugal	–	–
Infosys Consulting S.R.L.[(4)]	Argentina	100%	100%
Infosys Consulting (Belgium) NV[(5)]	Belgium	99.90%	99.90%
Panaya Inc. (Panaya)[(1)]	US	100%	100%
Panaya Ltd.[(6)]	Israel	100%	100%
Panaya GmbH[(6)]	Germany	100%	100%
Brilliant Basics Holdings Limited (Brilliant Basics)[(1)(41)]	UK	100%	100%
Brilliant Basics Limited[(7)(41)]	UK	100%	100%
Brilliant Basics (MENA) DMCC[(7)(21)]	Dubai	–	–

Name of subsidiaries	Country	Holdings as at March 31,	
		2022	2021
Infosys Consulting Pte. Ltd. (Infosys Singapore)[(1)]	Singapore	100%	100%
Infosys Middle East FZ LLC[(8)]	Dubai	100%	100%
Fluido Oy[(8)]	Finland	100%	100%
Fluido Sweden AB (Extero)[(11)]	Sweden	100%	100%
Fluido Norway A/S[(11)]	Norway	100%	100%
Fluido Denmark A/S[(11)]	Denmark	100%	100%
Fluido Slovakia s.r.o[(11)]	Slovakia	100%	100%
Fluido Newco AB[(11)(36)]	Sweden	–	–
Infosys Compaz Pte. Ltd[(9)]	Singapore	60%	60%
Infosys South Africa (Pty) Ltd[(8)]	South Africa	100%	100%
WONGDOODY Holding Company Inc. (WONGDOODY)[(1)(54)]	US	–	100%
WDW Communications, Inc[(10)(55)]	US	–	100%
WONGDOODY, Inc[(10)(56)]	US	100%	100%
Stater N.V.[(9)]	The Netherlands	75%	75%
Stater Nederland B.V.[(12)]	The Netherlands	75%	75%
Stater Duitsland B.V.[(12)(38)]	The Netherlands	–	–
Stater XXL B.V.[(12)]	The Netherlands	75%	75%
HypoCasso B.V.[(12)]	The Netherlands	75%	75%
Stater Participations B.V.[(12)]	The Netherlands	75%	75%
Stater Deutschland Verwaltungs–GmbH[(13)(37)]	Germany	–	–
Stater Deutschland GmbH & Co. KG[(13)(37)]	Germany	–	–
Stater Belgium N.V./S.A.[(14)(39)]	Belgium	75%	75%
Stater Gmbh[(12)(46)]	Germany	75%	–
Outbox systems Inc. dba Simplus (US)[(16)]	US	100%	100%
Simplus North America Inc.[(17)(45)]	Canada	–	100%
Simplus ANZ Pty Ltd.[(17)]	Australia	100%	100%
Simplus Australia Pty Ltd[(18)]	Australia	100%	100%
Sqware Peg Digital Pty Ltd[(19)(49)]	Australia	–	100%
Simplus Philippines, Inc.[(17)]	Philippines	100%	100%
Simplus Europe, Ltd.[(17)(47)]	UK	–	100%
Infosys Fluido UK, Ltd. (formerly, Simplus UK, Ltd)[(22)]	UK	100%	100%
Infosys Fluido Ireland, Ltd.(formerly, Simplus Ireland, Ltd)[(23)]	Ireland	100%	100%
Infosys Limited Bulgaria EOOD[(1)](24)	Bulgaria	100%	100%
Kaleidoscope Animations, Inc.[(27)]	US	100%	100%
Kaleidoscope Prototyping LLC[(28)]	US	100%	100%
GuideVision s.r.o.[(25)]	Czech Republic	100%	100%
GuideVision Deutschland GmbH[(26)]	Germany	100%	100%
GuideVision Suomi Oy[(26)]	Finland	100%	100%
GuideVision Magyarország Kft[(26)]	Hungary	100%	100%
GuideVision Polska SP.Z.O.O[(26)]	Poland	100%	100%
GuideVision UK Ltd[(26)]	UK	100%	100%
Blue Acorn iCi Inc (formerly, Beringer Commerce Inc.)[(30)]	US	100%	100%
Beringer Capital Digital Group Inc[(30)(59)]	US	–	100%
Mediotype LLC[(31)(59)]	US	–	100%
Beringer Commerce Holdings LLC[(31)(59)]	US	–	100%
SureSource LLC[(32)(57)]	US	–	100%
Blue Acorn LLC[(32)(57)]	US	–	100%
Simply Commerce LLC[(32)(57)]	US	–	100%
iCiDIGITAL LLC[(33)(58)]	US	–	100%
Infosys BPM UK Limited[(3)(35)]	UK	–	–

Name of subsidiaries	Country	Holdings as at March 31,	
		2022	2021
Infosys Turkey Bilgi Teknolojikeri Limited Sirketi[(1)(40)]	Turkey	100%	–
Infosys Germany Holding Gmbh[(1)(43)]	Germany	100%	100%
Infosys Automotive and Mobility GmbH & Co. KG[(1)(44)]	Germany	100%	–
Infosys Green Forum[(1)(50)]	India	100%	–
Infosys (Malaysia) SDN. BHD. (formerly, Global Enterprise International (Malaysia) Sdn. Bhd.)[(51)]	Malaysia	100%	–
Infosys Business Solutions LLC[(1)(60)]	Qatar	–	–
Infosys Germany GmbH (formerly, Kristall 247. GmbH ('Kristall'))[(62)]	Germany	100%	–

(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) Wholly-owned subsidiary of Stater Duitsland B.V.
(14) Majority owned and controlled subsidiary of Stater Participations B.V.
(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) Liquidated effective July 17, 2020
(22) On June 1, 2020, Fluido Oy, acquired 100% of the voting interests in Infosys Fluido UK, Ltd. (formerly, Simplus UK, Ltd)
(23) Wholly-owned subsidiary of Infosys Fluido UK, Ltd. (formerly, Simplus UK, Ltd)
(24) Incorporated effective September 11, 2020.
(25) On October 1, 2020, Infy Consulting Company Limited acquired 100% of voting interests in GuideVision s.r.o
(26) Wholly-owned subsidiary of GuideVision s.r.o.
(27) On October 9, 2020, Infosys Nova Holdings LLC, acquired 100% voting interest in Kaleidoscope Animations, Inc.
(28) Wholly-owned subsidiary of Kaleidoscope Animations, Inc.
(29) Merged with Infosys Poland Sp. z.o.o, effective October 21, 2020
(30) On October 27, 2020, Infosys Nova Holding LLC, a wholly-owned subsidiary of Infosys Limited, acquired 100% voting interest in Blue Acorn iCi Inc (formerly, Beringer Commerce Inc.) and Beringer Capital Digital Group Inc.
(31) Wholly-owned subsidiary of Blue Acorn iCi Inc.
(32) Wholly-owned subsidiary of Beringer Commerce Holdings LLC
(33) Wholly-owned subsidiary of Beringer Capital Digital Group Inc.
(34) Liquidated effective November 19, 2020
(35) Incorporated, effective December 9, 2020
(36) Merged into Fluido Sweden AB (Extero), effective December 18, 2020
(37) Merged into Stater Duitsland B.V., effective December 18, 2020
(38) Merged with Stater N.V., effective December 23, 2020
(39) On December 29, 2020, Stater Participation B.V acquired non-controlling interest of 28.01% of the voting interests in Stater Belgium NV / SA
(40) Incorporated on December 30, 2020
(41) Under liquidation
(42) Liquidated effective March 9, 2021
(43) Incorporated on March 23, 2021

[44] On March 28, 2021 Infosys Limited and Infosys Germany Holding GmbH registered Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm

[45] Liquidated effective April 27, 2021

[46] Incorporated on August 4, 2021

[47] Liquidated effective July 20, 2021

[48] Liquidated effective September 1, 2021

[49] Liquidated effective September 2, 2021

[50] Incorporated on August 31, 2021

[51] 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.)

[52] Liquidated effective December 16, 2021

[53] Liquidated effective November 23, 2021

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

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

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

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

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

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

[60] Incorporated on February 20, 2022

[61] On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited

[62] 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'))

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

in ¥ million

Particulars	For the years ended March 31,	
	2022	2021
Trade payables		
Payable to Infosys BPM Limited	–	1
Payable to Portland Group Pty Ltd	–	2
Payable to Infosys Limited	4	–
Payable to Infosys China	10	33
Trade receivables		
Receivable to Infosys Limited	3	10
Receivable to Infosys BPM Limited	–	8
Intercompany revenue		
Services provided to Infosys Limited	25	7
Services provided to Infosys BPM Limited	–	8
Intercompany Sub-contractors		
Services taken from Infosys BPM Limited	–	1
Services taken from Portland Group Pty Ltd	–	2
Services taken from Infosys China	112	78
Loan		
Loan given to Infosys Singapore	5,419	4,328
Interest accrued		
Interest accrued on loan given to Infosys Singapore	79	14

Note 23: 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 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.

WONGDOODY Holding Company, Inc.

Independent Auditor's Report

Board of Directors

WONGDOODY Holding Company, Inc. and Subsidiaries

Seattle, Washington

Opinion

We have audited the consolidated financial statements of WONGDOODY Holding Company, Inc. and Subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the related consolidated statements of income, statements of stockholder's equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 within one year after the date that the consolidated financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the 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 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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.

BDO USA LLP

May 19, 2022

Consolidated Balance Sheet

in US$

Particulars	As at December 31, 2021	2020
Assets		
Current Assets		
Cash	17,817,000	4,899,000
Short-term investments - other	–	7,070,000
Accounts receivable	7,232,000	3,421,000
Unbilled receivables	24,000	1,587,000
Prepaid expenses and other current assets	744,000	481,000
Income taxes receivable	1,216,000	1,430,000
Total Current Assets	27,033,000	18,888,000
Deferred tax assets	10,021,000	11,164,000
Property and equipment, net	1,297,000	846,000
Other long-term assets	195,000	124,000
Total Assets	38,546,000	31,022,000
Liabilities and Stockholder's Equity		
Current Liabilities		
Accounts payable	2,610,000	1,660,000
Accrued compensation	3,425,000	2,241,000
Accrued expenses	1,189,000	111,000
Advance billings	495,000	424,000
Current portion of deferred rent	114,000	76,000
Current portion of capital lease obligations	28,000	32,000
Total Current Liabilities	7,861,000	4,544,000
Other long-term liabilities	–	287,000
Deferred rent, net of current portion	431,000	214,000
Capital lease obligations, net of current portion	87,000	9,000
Total Liabilities	8,379,000	5,054,000
Commitments (Note 5)		
Stockholder's Equity		
Common stock - no par value; 50,000 shares authorized, 2,000 shares issued and outstanding	14,004,000	14,004,000
Retained earnings	16,163,000	11,964,000
Total Stockholder's Equity	30,167,000	25,968,000
Total Liabilities and Stockholder's Equity	38,546,000	31,022,000

See accompanying notes to consolidated financial statements.

Consolidated Statement of Income

in US$

Particulars	Year ended December 31, 2021	2020
Revenues		
Advertising services	21,158,000	18,712,000
Related party sub-contracting	24,528,000	15,589,000
Related party professional services	7,149,000	1,075,000
Total Revenues	52,835,000	35,376,000
Operating Expenses		
Salaries and related expenses	27,475,000	23,832,000
General and administrative expenses	19,782,000	13,892,000
Total Operating Expenses	47,257,000	37,724,000
Income (Loss) from Operations	5,578,000	(2,348,000)
Other Income (Expense), net		
Interest expense	(2,000)	(12,000)
Interest income	33,000	121,000
Total Other Income, net	31,000	109,000
Income (Loss) Before Income Taxes	5,609,000	(2,239,000)
Income tax (benefit) expense	1,410,000	(5,153,000)
Net Income	4,199,000	2,914,000

See accompanying notes to consolidated financial statements.

Consolidated Statement of Stockholder's Equity

in US$

Particulars	Common Stock		Retained Earnings	Total
	Shares	Amount		
Balance, December 31, 2019	2,000	$ 9,911,000	$ 9,050,000	$18,961,000
Contributed capital from parent	–	4,093,000	–	4,093,000
Net income	–	–	2,914,000	2,914,000
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

See accompanying notes to consolidated financial statements.

Consolidated Statement of Cash Flows

in US$

Particulars	Year ended December 31,	
	2021	2020
Operating Activities		
Net income	4,199,000	2,914,000
Adjustments to reconcile net income to net cash provided by		
(used in) operating activities:		
Depreciation and amortization	453,000	530,000
Deferred tax Expense (Benefit)	1,143,000	(3,323,000)
Loss on disposal of long-lived assets	2,000	4,000
Receipt of tenant improvement allowance	286,000	–
Changes in operating assets and liabilities		
Accounts receivable	(3,811,000)	1,107,000
Unbilled receivables	1,563,000	(1,478,000)
Prepaid expenses and other assets	(334,000)	(105,000)
Income taxes receivable	214,000	(1,430,000)
Accounts payable	950,000	611,000
Income taxes payable	–	(289,000)
Advance billings	71,000	(2,283,000)
Accrued compensation	1,184,000	(1,367,000)
Accrued expenses	1,078,000	88,000
Deferred rent	(31,000)	(38,000)
Other long-term liabilities	(287,000)	287,000
Net Cash Provided by (Used in) Operating Activities	6,680,000	(4,772,000)
Investing Activities		
Purchases of property and equipment	(794,000)	(475,000)
Purchases of short-term investments, net	–	(4,062,000)
Proceeds from sales of short-term investments, net	7,070,000	–
Net Cash Provided by (Used in) Investing Activities	6,276,000	(4,537,000)
Financing Activities		
Payments of capital lease obligations	(38,000)	(152,000)
Capital contributions from parent	–	4,093,000
Net Cash (Used in) Provided by Financing Activities	(38,000)	3,941,000
Net Increase (Decrease) in Cash	12,918,000	(5,368,000)
Cash, beginning of year	4,899,000	10,267,000
Cash, end of year	17,817,000	4,899,000
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	2,000	12,000
Cash paid for taxes	–	–
Non-Cash Investing and Financing Activities		
Property and equipment acquired under capital lease	112,000	–

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

1. Description of Business and Summary of Significant Accounting Policies

Description of Business

WONGDOODY Holding Company, Inc. and Subsidiaries (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.

The Company was formed on November 30, 1993. On April 13, 2018, the Company 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. The Company is now a wholly owned subsidiary of Infosys. These consolidated financial statements do not include any adjustments relating to the acquisition of the Company by Infosys.

On March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief, and Economic Security Act, or the CARES Act. The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property. The Company has elected to defer employer side social security payments as allowed under the CARES Act. Of this amount, 50% was required to be paid by December 31, 2021 and the remaining amount is to be paid by December 31, 2022. As of December 31, 2021, the Company accrued $312,000 to be paid by December 31, 2022. This amount is included in Accrued Compensation within the consolidated balance sheet. As of December 31, 2020, the Company accrued $574,000 of employer side social security payments. The portion to be paid by December 31, 2022, has been classified as other short term liabilities within the consolidated balance sheet.

Principles of Consolidation

The accompanying consolidated financial statements include WONGDOODY, Inc. and WDW Communications, Inc., two companies that are subsidiaries of WONGDOODY Holding Company, Inc. All significant intercompany accounts and transactions have been eliminated upon consolidation. On January 1, 2022, WONGDOODY Holding Company, Inc. reverse merged into WONGDOODY, Inc. Concurrently, WDW Communications merged into WONGDOODY, Inc with WONGDOODY, Inc. as the surviving entity.

Basis of Financial Statement Presentation

The accompanying consolidated 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).

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.

Cash and Short-term Investments - Other

The Company maintains its cash and its short term investments, in the form of certificates of deposit, in bank accounts that, at times, may exceed federally insured limits. The Company has not experienced and does not anticipate any losses on such accounts.

The Company holds its excess cash in the form of certain certificates of deposit with maturities greater than three months but less than twelve months. As per FASB ASC 320, since these certificates of deposit have original maturities greater than three months and remaining maturities less than one year, they are classified as short term investments – other. These certificates of deposit are in nature time deposits with the bank earning a fixed interest over its duration. Interest income earned on the short term investments is recorded in interest income in the accompanying consolidated statements of income. The Company did not have short-term investments as of December 31, 2021.

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, 2021 and 2020.

Unbilled Receivables

Unbilled receivables consist of labor hours incurred on behalf of customers that have not yet been invoiced to clients. Such amounts are invoiced to customers at various times over the course of providing services, generally based upon an agreed upon billing schedule included in the contract with the customer.

Property and Equipment

Property and equipment are stated at cost. 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	Lesser of expected lease term or useful life

Expenditures for major renewals and betterments are capitalized while those for repairs and maintenance are expensed as incurred.

Accrued Compensation

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. 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. During 2021, a portion of the allocated retention bonuses of employees who had terminated employment was extended to be paid in May 2022. As of December 31, 2021 and 2020, the Company accrued $257,000 and $827,000, respectively. The amount accrued as of year end represents the portion of the bonus related to the services provided from the date of the last payment in May through the end of the year.

In 2021, the Company entered into long-term 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, 2021, the Company had accrued $1,378,000 for payments due under these agreements.

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.

Performance Obligations

In 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 stand alone 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.

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.

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.

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.

Advertising Costs

The Company expenses all advertising costs when incurred. Advertising expense for the years ended December 31, 2021 and 2020 was approximately $252,000 and $48,000, respectively.

Rent Expense

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.

Leases meeting the criteria for capitalization under FASB ASC Topic 840, Leases, are reported as capital leases.

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 consolidated 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 consolidated 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, 2021 and 2020, the Company had no uncertain tax positions.

Sales Taxes

Revenues are presented net of sales taxes. The sales tax obligation is included in accrued liabilities until the taxes are remitted to the appropriate taxing authorities.

Advance Billings

Fees billed to clients in excess of fees recognized as revenue along with client deposits related to pass through costs to cover project expenses are classified as Advance Billings. As of December 31, 2021, advance billings included $478,000 of such fees and $17,000 of pass through related costs. As of December 31, 2020, advance billings included $273,000 of such fees and $151,000 of pass through related costs.

Reclassification of Prior Year Presentation

Certain prior year amounts have been reclassified for consistency with the current year presentation. The reclassifications had no effect on the prior year reported consolidated statement of income.

New Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016 02, Leases (ASU 2016 02). The new standard requires lessees to record, for all leases with a term exceeding 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments. This standard is currently effective for the Company for the year ending December 31, 2022. Early adoption is permitted, and the Company is currently reviewing the provisions of this update to determine if there will be any material effect on its consolidated financial statements.

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.

Subsequent Events

The date to which events occurring after December 31, 2021, have been evaluated for possible adjustment to the consolidated financial statements or disclosure therein is May 19, 2022, which is the date on which the consolidated financial statements were available to be issued.

On February 16, 2022, the Company entered into a loan agreement with Outbox Systems, Inc. (Borrower) for a loan of up to $10,000,000 to be disbursed in multiple tranches. The Borrower is a subsidiary of Infosys. Interest will be charged on the principal balance at the USD LIBOR rate plus 1.15% per year. The rate will be adjusted quarterly based on the 12 months USD LIBOR rate. The loan is to be repaid in full on February 16, 2025. The initial disbursement of $7,000,000 was made by the Company to the Borrower on March 4, 2022.

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, 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. For the year ended December 31, 2020, one third party customer represented approximately 38% of the Company's total revenues and approximately 29% of the Company's total accounts receivable as of December 31, 2020. The loss of any of the Company's significant customer relationships would have a material effect on the Company's operations. See also note 8 for discussion of related party concentrations.

3. Property and Equipment

Property and equipment consist of the following:

in US$

Particulars	Year ended December 31,	
	2021	2020
Furniture, fixtures, and office equipment	1,311,000	1,302,000
Computer hardware and software	1,698,000	1,369,000
Leasehold improvements	1,660,000	1,273,000
	4,669,000	3,944,000
Less accumulated depreciation and amortization	(3,372,000)	(3,098,000)
Property and Equipment, net	1,297,000	846,000

Depreciation and amortization expense related to property and equipment for the years ended December 31, 2021 and 2020 was $453,000 and $530,000, respectively. Property and equipment as of December 31, 2021 and 2020 included total cost of $962,000 and $1,023,000 and accumulated amortization of $848,000 and $981,000, respectively, of property and equipment held under capital leases.

4. Capital Lease Obligations

The aggregate amount of capital lease obligations is as follows:

in US$

Particulars	Year ended December 31,	
	2021	2020
Capital lease obligations	115,000	41,000
Less current portion	(28,000)	(32,000)
Capital Lease Obligations, long term portion	87,000	9,000

The aggregate amounts of payments of capital lease obligations are as follows as of December 31, 2021:

in US$

Particulars	As at December 31, 2021
2022	32,000
2023	32,000
2024	32,000
2025	26,000
Total future payments	122,000
Less amount representing interest on capital leases	(7,000)
Total capital lease obligation	115,000

5. Operating Lease Commitments

The Company leases certain computer hardware, equipment, furniture, and office space under various operating leases. Certain of the Company's lease agreements contain rent escalation clauses and/or landlord incentives. Landlord incentives provided within leases are deferred and reflected as a reduction in rent expense over the lease term. These lease terms vary from two to five years. Total rent expense under operating leases was $1,446,000 and $1,367,000 for the years ended December 31, 2021 and 2020, respectively.

The following is a schedule of future minimum rental payments due under non cancelable operating leases with initial or remaining terms in excess of one year as of December 31, 2021:

in US$

Particulars	As at December 31, 2021
2022	1,479,000
2023	1,523,000
2024	807,000
2025	451,000
2026	424,000
Future Minimum Rental Payments	4,684,000

6. Income Taxes

Income tax expense in the statements of income is comprised of:

in US$

Particulars	As at December 31,	
	2021	2020
Current income tax expense (benefit)	267,000	(1,830,000)
Deferred income tax expense (benefit)	1,143,000	(3,323,000)
Total Income Tax Expense (Benefit)	1,410,000	(5,153,000)

For the year ended December 31, 2021, the difference between the provision for income taxes and the income tax determined by applying the statutory federal income tax rate of 21% 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,	
	2021	2020
Fixed assets	(155,000)	(72,000)
Accrued compensation	126,000	206,000
Accrued vacation	108,000	172,000
Other liabilities	65,000	72,000
Other assets	(125,000)	(50,000)
Goodwill and intangible assets from acquisition	9,859,000	10,674,000
Accrued payroll taxes	143,000	143,000
Net operating losses	–	19,000
Net Deferred Tax Assets	10,021,000	11,164,000

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, 2021 and 2020, the Company has net operating loss carryforwards of approximately $0 and $90,000, respectively. As of December 31, 2021, the Company determined that no valuation allowance against its net deferred tax assets was necessary.

7. Retirement Plan

The Company has a defined contribution plan covering all employees with at least 1,000 hours after their original date of hire. The Company may make an annual discretionary profit sharing contribution. The Company made profit sharing contributions of $278,000 and $207,000 for the years ended December 31, 2021 and 2020, respectively.

8. Related Party Transactions

During the years ended December 31, 2021 and 2020, the Company performed certain services for Infosys, the Company's parent as of May 22, 2018, and its fellow subsidiaries. The related party accounts receivable balance at December 31, 2021 and 2020 totaled $6,437,000 and $1,713,000, respectively. Revenues from the parent company and its fellow subsidiaries during the year ended December 31, 2021 totaled $24,528,000 from sub contracting services and $7,149,000 from professional services performed. During 2021, revenues from professional services included $5,979,000 of revenue from shared services performed for Infosys by WONGDOODY employees. Revenues from the parent company and its fellow subsidiaries during the year ended December 31, 2020 totaled $15,589,000 from sub contracting services and $1,075,000 from professional services performed. For the year ended December 31, 2021, revenue from the parent company and fellow subsidiaries represented approximately 60% of the Company's total revenues and approximately 89% of the Company's total accounts receivable as of December 31, 2021. For the year ended December 31, 2020, revenue from the parent company and fellow subsidiaries represented approximately 47% of the Company's total revenues and approximately 50% of the Company's total accounts receivable as of December 31, 2020.

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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, 2021 and 2020, and the related Statements of Comprehensive 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, 2021 and 2020, 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

Date: March 22, 2022

Place: Tel-Aviv, Israel

Statement of Financial Position

NIS in thousands

Particulars	Note No.	December 31	
		2021	2020
ASSETS			
Current assets			
Cash and cash equivalents		14,387	20,889
Trade receivables		556	699
Trade receivables - Related parties		329	95
Other receivables - Related parties		920	723
Other current assets		4,218	4,476
Total current assets		20,410	26,882
Property and equipment, net	3	4,081	5,058
Total assets		24,491	31,940
LIABILITIES AND SHAREHOLDERS' DEFICIENCY			
Current Liabilities			
Trade payables		6,490	4,542
Trade payables - Related parties		107,837	117,049
Other payables - Related parties		321	65,986
Other payables		8,467	8,135*
Employee related payables		12,742	12,632*
Loan – Related parties	4	44,989	-
Deferred revenue		105,770	106,833
Total current liabilities		286,616	315,177
Accrued severance pay, net of severance fund	5	325	291
Commitments and contingent liabilities	6		
Total shareholders' deficiency		(262,450)	(283,528)
Liabilities and shareholders' deficiency		24,491	31,940

*Reclassified

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

Date: March 22, 2022
Place: Tel-Aviv, Israel

David Binny
Director

Statement of Comprehensive Income

NIS in thousands

Particulars	Note	Year ended December 31	
		2021	2020
Revenues	2H	126,243	120,741
Cost of revenues		31,971	30,955
Gross profit		94,272	89,786
Operating expenses			
Research and development	2C, 9A	36,888	38,606
Selling and marketing expenses	9B	29,952	32,146
General and administrative expenses	9C	11,425	13,995
Operating profit		16,007	5,039
Financial income, net		5,071	4,793
Other expenses		-	599
Net profit		21,078	9,233

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

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, 2020	13	79,925	15,863	68,798	(457,360)	(292,761)
Net Profit	-	-	-	-	9,233	9,233
Balance at December 31, 2020	13	79,925	15,863	68,798	(448,127)	(283,528)
Net Profit	-	-	-	-	21,078	21,078
Balance at December 31, 2021	13	79,925	15,863	68,798	(427,049)	(262,450)

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

Statement of Cash Flows

NIS in thousands

Particulars	Year ended December 31	
	2021	2020
Cash flows provided by (used in) operating activities		
Net profit	21,078	9,233
Adjustment required to reconcile net loss to cash provided by (used in) operating activities		
Depreciation and amortization	1,350	2,135
Decrease (increase) in trade, other receivables and other assets	(30)	9,013
Decrease in trade and other payables	(72,597)	(17,835)
Increase (Decrease) in employee related payables-	110	(6,977)
Increase (Decrease) in deferred revenue	(1,063)	11,563
Increase (Decrease) in accrued severance pay, net	34	(16)
Increase in interest of Loan	(2,054)	-
Net cash (used in) provided by operating activities	(53,172)	7,116
Cash flows from investing activities		
Acquisition of property and equipment	(373)	(748)
Net cash used in investing activities	(373)	(748)
Cash flows from financing activities		
Loan – related parties	47,043	-
Net cash provided by financing activities	47,043	-
Increase (Decrease) in cash and cash equivalents	(6,502)	6,368
Cash and cash equivalents at the beginning of the year	20,889	14,521
Cash and cash equivalents at the end of the year	14,387	20,889

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

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, US.

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 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 straightline 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 straightline 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 straightline 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 straightline 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	December 31,	
	2021	2020
Cost		
Furniture and fixtures	2,130	2,349
Computers and software	11,087	10,766
Leasehold improvements	11,338	11,337
Communication equipment	390	373
	24,945	24,825
Less - Accumulated depreciation	20,864	19,767
Net book value	4,081	5,058

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%.

During 2021, the Company repaid NIS 6.65 million (USD 2.1 million), including accrued interest.

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-

A. Lease agreements:

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 till December 2025.

Future minimum lease payments under the lease agreement for the new premises are NIS 197 thousand per month, for a period of 36 months commencing January 2022.

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	
	2021	2020
	Authorized	Issued and fully paid
	Number of shares	
Ordinary shares NIS 1.00 par value each	10,000	10,000

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 rates relevant to the Company in 2021 and 2022 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.

The 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 2016.

C. As of December 31, 2021, the Company had a net carryforward tax loss of approximately NIS 339 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, 2021.

Note 9 Supplementary statements of operations information

A. Research and development costs

NIS in thousands

Particulars	Year ended December 31,	
	2021	2020
Payroll and related expenses	25,220	27,274
Consultants and related expenses	6,737	6,576
Depreciation and amortization	526	537
Other	4,405	4,219
	36,888	38,606

B. Selling and marketing expenses

NIS in thousands

Particulars	Year ended December 31,	
	2021	2020
Payroll and related expenses	14,112	16,698
Consultants and related expenses	2,763	2,381
Marketing	5,400	4,399
Travel and office expenses	449	1,353
Other	5,359	5,356
Related Parties – subcontractors	1,869	1,959
	29,952	32,146

C. General and administrative expenses

NIS in thousands

Particulars	Year ended December 31,	
	2021	2020
Payroll and related expenses	9,491	10,548
Consultants and related expenses	563	135
Doubtful debts	(287)	721
Other	1,658	2,591
	11,425	13,995

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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, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). 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, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's Responsibilities for the Special Purpose Financial Statements

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

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the 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.

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 : 22202841AIWJOG6606

For SHENOY & KAMATH

Chartered Accountants,

Firm Registration Number. 006673S

(M Rathnakar Kamath)

Partner

Membership Number. 202841

Place: Bengaluru.

Date: May 12, 2022

Balance Sheet

in RON

Particulars	Note No.	As at December 31, 2021	As at December 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	9,479,443	14,994,928
Right to use of asset	2.13	15,351,332	19,437,065
Income tax assets, net	2.12	2,119,744	11,773
Other non-current assets		1,295,099	–
Total non-current assets		28,245,618	34,443,766
Current assets			
Financial assets			
Trade receivables	2.4	7,002,994	9,742,108
Cash and cash equivalents	2.5	9,060,626	2,112,460
Loans	2.2	10,168	10,187
Other financial assets	2.3	5,741,302	2,104,050
Other current assets	2.6	9,748,249	3,445,379
Total current assets		31,563,339	17,414,184
Total assets		59,808,957	51,857,950
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.8	9,918,300	9,918,300
Other equity		20,459,627	10,414,882
Total equity		30,377,927	20,333,182
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liability	2.13	12,578,950	16,744,068
Total non-current liabilities		12,578,950	16,744,068
Current liabilities			
Financial liabilities			
Trade payables	2.10	1,770	406,596
Lease liability	2.13	4,439,489	4,387,016
Other financial liabilities	2.9	8,597,023	7,147,000
Other current liabilities	2.11	3,578,256	2,840,088
Income tax liabilities, net	2.12	235,542	–
Total current liabilities		16,852,080	14,780,700
Total equity and liabilities		59,808,957	51,857,950

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 12, 2022

for and on behalf of the Board of Directors of
Infosys Consulting S.R.L.

Cristin Florescu
Director

Statement of Profit and Loss

in RON, except equity share and per equity share data

Particulars	Note No.	Year ended December 31, 2021	Year ended December 31, 2020
Revenue from operations	2.14	139,094,884	92,256,130
Other income, net	2.15	163,275	173,376
Total income		139,258,159	92,429,506
Expenses			
Employee benefit expenses	2.16	110,351,626	66,694,743
Cost of technical sub-contractors		491,687	329,392
Travel expenses		82,840	745,032
Communication expenses		1,081,863	900,901
Consultancy and professional charges		1,399,104	2,502,371
Depreciation and amortization expenses	2.1	9,725,245	10,000,248
Finance cost		120,792	327,633
Other expenses	2.16	5,927,621	4,832,983
Total expenses		129,180,778	86,333,303
Profit before tax		10,077,381	6,096,203
Tax expense			
Current tax	2.12	32,636	656,595
Profit for the year		10,044,745	5,439,608
Earnings per equity share			
Equity shares of RON 100 par value each			
Basic (RON)		101.27	54.84
Diluted (RON)		101.27	54.84
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

M. Rathnakar Kamath
Partner
Membership Number: 202841

Place: Bengaluru

Date: May 12, 2022

for and on behalf of the Board of Directors of
Infosys Consulting S.R.L.

Cristin Florescu
Director

Statement of Cash Flows

in RON

Particulars	Note No.	Year ended December 31, 2021	Year ended December 31, 2020
Cash flows from operating activities			
Profit for the year		10,044,745	5,439,608
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation expense	2.1	9,725,245	10,000,248
Finance cost		120,792	327,633
Income tax expense	2.12	32,636	656,595
Currency translation differences		314,353	598,127
Changes in assets and liabilities			
Trade receivables		2,739,114	(2,943,226)
Other financial assets and other assets		(11,235,221)	1,450,512
Trade payables		(404,826)	(520,065)
Other financial liabilities, other liabilities and provisions		2,188,191	4,454,788
Cash generated from operations		13,525,029	19,464,220
Income taxes paid		(1,905,065)	(1,039,553)
Net cash generated by operating activities		11,619,964	18,424,667
Cash flow from investing activities			
Expenditure on property, plant and equipment net of sale proceeds		(124,028)	(7,304,372)
Loans to employees		19	305,020
Net cash used in investing activities		(124,009)	(6,999,352)
Cash flow from financing activities			
Loan taken from holding company		–	(5,041,096)
Finance cost		(120,792)	(180,822)
Payment of lease liabilities		(4,426,997)	(4,480,953)
Net cash used in financing activities		(4,547,789)	(9,702,871)
Net decrease in cash and cash equivalents		6,948,166	1,722,444
Cash and cash equivalents at the beginning of the year	2.5	2,112,460	390,016
Cash and cash equivalents at the end of the year	2.5	9,060,626	2,112,460

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 12, 2022

for and on behalf of the Board of Directors of Infosys Consulting S.R.L.

Cristin Florescu
Director

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, 2020	99,18,300	8,00,000	39,07,387	147,887	120,000	1,48,93,574
Changes in equity for the year ended December 31, 2020						
Profit for the year	–	–	5,439,608	–	–	5,439,608
Balance as at December 31, 2020	9,918,300	8,00,000	93,46,995	1,47,887	1,20,000	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	800,000	19,391,740	147,887	120,000	30,377,927

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 12, 2022

for and on behalf of the Board of Directors of
Infosys Consulting S.R.L.

Cristin Florescu
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 with effect from February 1, 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 provisions of the Companies Act, 2013 (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 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.

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

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of standalone 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 standalone 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 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 straightline 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 straightline 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 straightline 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 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 / adjustments	–	–	124,028	–	–	124,028
Other adjustments	–	–	(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
Other adjustments	–	–	(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

The changes in the carrying value of Property, plant and equipment for the year ended 31st December 2020 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, 2020	–	1,072,823	7,677,810	5,915,726	1,700,207	16,366,566
Additions	–	408,539	2,420,780	(2,222,509)	6,697,562	7,304,372
Deletions	–	–	–	–	–	–
Gross carrying value as at December 31, 2020	–	1,481,362	10,098,590	3,693,217	8,397,769.00	23,670,938
Accumulated depreciation as at January 1, 2020	–	146,011	1,626,710	854,660	141,684	2,769,065
Depreciation	–	262,648	2,531,691	1,543,874	1,799,356	6,137,569
Accumulated depreciation on deletions	–	–	(230,624)	(653,253)	653,253	(230,624)
Accumulated depreciation as at December 31, 2020	–	408,659	3,927,777	1,745,281	2,594,293	8,676,010
Carrying value as at December 31, 2020	–	1,072,703	6,170,813	1,947,936	5,803,476	14,994,928
Carrying value as at January 1, 2020	–	926,812	6,051,100	5,061,066	1,558,523	13,597,501

2.2 Loans

in RON

Particulars	As at December 31	
	2021	2020
Current		
Unsecured, considered good		
Other loans		
Loans and advances to employees	10,168	10,187
Total loans	10,168	10,187

2.3 Other financial assets

in RON

Particulars	As at December 31	
	2021	2020
Current		
Rental deposits [2]	1,670,566	1,643,995
Others [1] [2]	2,289,671	356,583
Unbilled revenues [2]	1,781,065	–
Accrued expenses [2]	–	103,472
	5,741,302	2,104,050
Total	5,741,302	2,104,050
[1] Includes dues from related parties (Refer to Note 2.17)	1,193,470	24,354
[2] Financial assets carried at amortized cost (Refer to Note 2.7)	5,741,302	2,104,050

2.4 Trade receivables

in RON

Particulars	As at December 31	
	2021	2020
Current		
Unsecured		
Considered good[1]	7,002,994	9,742,108
Considered doubtful	23,129	–
	7,026,123	9,742,108
Less: Allowances for credit loss	(23,129)	–
	7,002,994	9,742,108
(1) Includes dues from related parties (Refer to Note 2.17)	4,642,916	9,218,986

2.5 Cash and cash equivalents

in RON

Particulars	As at December 31	
	2021	2020
Balances with banks		
In current accounts	9,060,626	2,112,460
Total cash and cash equivalents	9,060,626	2,112,460

2.6 Other assets

in RON

Particulars	As at December 31	
	2021	2020
Current		
Advances other than capital advance		
Payment to vendors for supply of goods	1,646,081	1,964,808
Others		
Prepaid expenses	5,120,409	677,909
Deferred contract cost	777,059	–
Withholding taxes and others	2,204,700	802,662
	8,102,168	1,480,571
Total current other assets	9,748,249	3,445,379

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	
	2021	2020
Assets		
Cash and cash equivalents (Refer to Note 2.5)	9,060,626	2,112,460
Trade receivables (Refer to Note 2.4)	7,002,994	9,742,108
Loans (Refer to Note 2.2)	10,168	10,187
Other financial assets (Refer to Note 2.3)	5,741,302	2,104,050
Total	21,815,090	13,968,805
Liabilities		
Trade payables (Refer to Note 2.10)	1,770	406,596
Other financial liabilities (Refer to Note 2.9)	4,641,351	4,352,085
Total	4,643,121	4,758,681

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 7,002,994 and RON 9,742,108 as of December 31, 2021 and December 31, 2020, respectively and unbilled revenue amounting to RON 1,781,065 and NIL as of December 31, 2021 and December 31, 2020. respectively, Trade receivables and unbilled revenue are typically unsecured. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind-AS 109, the Company uses ECL model to assess the impairment loss or gain. The Company uses a provision matrix to compute the ECL allowance for trade receivables 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, 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, 2020, the Company had a working capital of RON 2,633,484 including cash and cash equivalents of RON 2,112,460.

As of December 31, 2021 and December 31, 2020 the outstanding compensated balances were RON 3,955,672 and RON 2,794,915 respectively.

2.8 Equity

Equity share capital

in RON, except as stated otherwise

Particulars	As at December 31, 2021	2020
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, 2021		2020	
	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, 2021 and December 31, 2020 is as follows:

in RON, except as stated otherwise

Particulars	As at December 31, 2021		As at December 31, 2020	
	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, 2021	2020
Current		
Others		
Accrued compensation to employees [1]	3,073,471	4,143,613
Accrued expenses [1] [2]	778,410	56,103
Compensated absences	3,955,672	2,794,915
Other payables [1](3)	789,470	152,369
	8,597,023	7,147,000
Total financial liabilities	8,597,023	7,147,000
[1] Financial liability carried at amortized cost	4,641,351	4,352,085
[2] Includes dues to related parties (Refer to Note 2.17)	247,737	41,279
[3] Includes dues to related parties (Refer to Note 2.17)	237,921	35,736

2.10 Trade payables

in RON

Particulars	As at December 31, 2021	2020
Trade payables(1)	1,770	406,596
	1,770	406,596
[1] Includes dues to related parties (Refer to Note 2.17)	1,770	406,596

2.11 Other liabilities

in RON

Particulars	As at December 31, 2021	2020
Current		
Unearned revenue	17,811	–
Others		
Withholding taxes and others	3,560,445	2,840,088
	3,578,256	2,840,088

2.12 Income taxes

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

in RON

Particulars	Year ended December 31, 2021	2020
Current taxes	32,636	656,595
Income tax expense	32,636	656,595

Current tax expense for the years ended December 31, 2021 and December 31, 2020 includes reversals (net of provisions) amounting to Nil and RON 211,495 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	Year ended December 31,	
	2021	2020
Profit before income tax	10,077,381	6,096,203
Enacted tax rates in Romania (%)	16.00%	16.00%
Computed expected tax expense	1,612,381	975,392
Tax reversals, overseas and domestic - Prior year	–	(211,495)
Overseas / PE taxes	32,637	–
Others	(1,612,382)	(107,302)
Income tax expense	32,636	656,595

The applicable Romanian statutory tax rate for the year ended December 31, 2021 and December 31, 2020 is 16%.

The details of income tax assets and income tax liabilities are as follows:

in RON

Particulars	As at December 31	
	2021	2020
Income tax assets	2,119,744	11,773
Current income tax liabilities	235,542	–
Net current income tax assets / (liability) at the end	1,884,202	11,773

The gross movement in the current income tax asset / (liability) is as follows:

in RON

Particulars	Year ended December 31,	
	2021	2020
Net current income tax asset / (liability) at the beginning	11,773	(371,185)
Income tax paid	1,905,065	1,039,553
Current income tax expense	(32,636)	(656,595)
Net current income tax asset / (liability) at the end	1,884,202	11,773

2.13 Leases

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

in RON

Particulars	Category of ROU asset		Total
	Buildings	Vehicles	
Balance as of January 1, 2020	23,445,395	84,973	23,530,368
Depreciation	(4,068,324)	(24,979)	(4,093,303)
Balance as of December 31, 2020	19,377,071	59,994	19,437,065

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 are as follows:

in RON

Particulars	As at December 31,	
	2021	2020
Current lease liabilities	4,439,489	4,387,016
Non-current lease liabilities	12,578,950	16,744,068
Total	17,018,439	21,131,084

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

in RON

Particulars	As at December 31,	
	2021	2020
Balance at the beginning	21,131,084	24,867,100
Additions	–	–
Finance cost accrued during the period	120,792	146,811
Payment of lease liabilities	(4,547,790)	(4,480,953)
Translation difference	314,353	598,126
Balance at the end	17,018,439	21,131,084

The details of the contractual maturities of lease liabilities as at December 31, 2021 and December 31, 2020 on an undiscounted basis are as follows:

in RON

Particulars	As at December 31,	
	2021	2020
Less than one year	4,535,177	4,510,654
One to five years	12,698,179	16,977,571
More than five years	–	–
Total	17,233,356	21,488,225

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 595,119 for the year ended December 31,2021.

2.14 Revenue from operations

in RON

Particulars	Year ended December 31,	
	2021	2020
Income from consultancy services	139,094,884	92,256,130
	139,094,884	92,256,130

Disaggregate revenue information

The disaggregated revenues from contracts with customers by offerings for the years ended December 31, 2021 and December 31, 2020 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 RON

Particulars	Year ended December 31,	
	2021	2020
Revenue by offerings		
Core	121,624,567	80,614,330
Digital	17,470,317	11,641,800
Total	139,094,884	92,256,130

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, 2021, 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	Year ended December 31,	
	2021	2020
Miscellaneous income, net	163,275	173,376
	163,275	173,376

2.16 Expenses

in RON

Particulars	Year ended December 31,	
	2021	2020
Employee benefit expenses		
Salaries including bonus	107,660,925	65,224,738
Staff welfare	2,690,701	1,470,005
	110,351,626	66,694,743
Other expenses		
Power and fuel	282,215	419,716
Cost of software packages and others for own use	835,801	84,847
Brand and marketing	159,803	188,195
Operating lease payments	595,119	242,794
Rates and taxes	13,668	23,670
Repairs and maintenance	1,834,646	2,435,355
Consumables	790,710	212,920
Insurance	178,827	105,540
Exchange (gains) / losses on translation of other assets and liabilities	–	622,834
Others	1,236,832	497,112
	5,927,621	4,832,983

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. February 1, 2019)	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)	US
EdgeVerve Systems Limited (EdgeVerve)	India
Infosys Austria GmbH	Austria
Skava Systems Pvt. Ltd. (Skava Systems)[(42)]	India
Kallidus Inc, (Kallidus)[(43)]	US
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)	US
Infosys Public Services, Inc. US (Infosys Public Services)	US
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)]	US
Portland Group Pty Ltd[(3)]	Australia
Infosys BPO Americas LLC.[(3)]	US
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 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)]	UK
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)	US
Panaya Ltd.[(6)]	Israel
Panaya GmbH[(6)]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)	UK
Brilliant Basics Limited[(7)]	UK
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

Name of subsidiaries	Country
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]	US
WDW Communications, Inc[10][56]	US
WONGDOODY, Inc[10][57]	US
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]	US
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]	UK
Infosys Fluido UK, Ltd. (formerly Simplus UK, Ltd)[23]	UK
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[24]	Ireland
Infosys Limited Bulgaria EOOD[1][25]	Bulgaria
Kaleidoscope Animations, Inc.[28]	US
Kaleidoscope Prototyping LLC[29]	US
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]	UK
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[31]	US
Beringer Capital Digital Group Inc[31]	US
Mediotype LLC[32]	US
Beringer Commerce Holdings LLC[32]	US
SureSource LLC[33]	US
Blue Acorn LLC[33]	US
Simply Commerce LLC[33]	US
iCiDIGITAL LLC[34]	US
Infosys BPM UK Limited[3][36]	UK
Infosys Turkey Bilgi Teknolojikeri Limited Sirketi[1][41]	Turkey
Infosys Germany Holding Gmbh[1][44]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1][45]	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] Wholly-owned subsidiary of Stater Duitsland B.V.

[14] Majority-owned and controlled subsidiary of Stater Participations B.V.

[15] Liquidated effective January 28, 2021.

[16] On March 13, 2020, Infosys Nova Holdings LLC, acquired 100% of the voting interests in Outbox Systems Inc.

[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] On February 20, 2020, Infosys Poland, Sp z.o.o, acquired 100% of the voting interests in Infosys Consulting Sp. z.o.o from Infosys Consulting Holding AG

[22] Liquidated effective July 17, 2020

[23] On June 1, 2020, Fluido Oy, acquired 100% of the voting interests in Infosys Fluido U.K,Ltd (formerly Simplus U.K, Ltd)

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

[25] Incorporated effective September 11, 2020.

[26] On October 1, 2020, Infy Consulting Company Limited acquired 100% of voting interests in GuideVision s.r.o

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

[28] On October 9, 2020, Infosys Nova Holdings LLC, acquired 100% voting interest in Kaleidoscope Animations, Inc.

[29] Wholly owned subsidiary of Kaleidoscope Animations, Inc.

[30] Merged with Infosys Poland Sp. z.o.o, effective October 21, 2020

[31] On October 27, 2020, Infosys Nova Holding LLC, a wholly-owned subsidiary of Infosys Limited, acquired 100% voting interest in Blue Acorn iCi Inc (formerly Beringer Commerce Inc) and Beringer Capital Digital Group Inc

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

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

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

[35] Liquidated effective November 19,2020

[36] Incorporated, effective December 9, 2020

[37] Merged into Fluido Sweden AB (Extero), effective December 18, 2020

[38] Merged into Stater Duitsland B.V., effective December 18, 2020

[39] Merged with Stater N.V., effective December 23, 2020

[40] On December 29, 2020, Stater Participation B.V acquired non-controlling interest of 28.01% of the voting interests in Stater Belgium NV / SA

[41] Incorporated on December 30, 2020.

[42] Under liquidation

[43] Liquidated effective March 9,2021

[44] Incorporated on March 23, 2021

[45] On March 28, 2021 Infosys Limited and Infosys Germany Holding Gmbh registered Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm.

[46] Liquidated effective April 27,2021

[47] Incorporated on August 4, 2021

[48] Liquidated effective July 20, 2021

[49] Liquidated effective September 1, 2021

[50] Liquidated effective September 2, 2021

[51] Incorporated on August 31, 2021

[52] On December 14, 2021, Infosys Consulting Pte Limited, a wholly owned subsidiary of Infosys Limited acquired 100% of voting interests in Global Enterprise International (Malaysia) Sdn. Bhd.

[53] Liquidated effective December 16, 2021

[54] Liquidated effective November 23, 2021

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

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

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

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

in RON

Particulars	As at December 31	
	2021	2020
Trade receivables		
Infosys Consulting AG	35,121	50,910
Infosys Consulting Sp. z.o.o	88,425	35,660
Infosys Consulting GmbH	56,009	96,813
Infy Consulting B.V.	–	57,048
Infosys Limited	4,463,361	8,978,555
	4,642,916	9,218,986
Prepaid and other financial assets		
Infosys Limited	–	20,836
Infosys Consulting AG	1,144,954	–
Infy Consulting B.V.	48,516	–
Infosys Consulting GmbH	–	3,518
	1,193,470	24,354
Trade payables		
Infy Consulting Company Ltd	1,770	1,626
Infosys Consulting AG	–	404,970
	1,770	406,596
Other payables		
Infosys Limited	202,261	76
Infosys Consulting Sp. z.o.o.	35,660	35,660
	237,921	35,736
Accrued expenses		
Infosys Limited	220,940	41,279
Infosys Technologies (China) Co.Limited	5,336	–
Infosys (Czech Republic) Ltd	17,250	–
Infosys BPM Limited	4,211	–
	247,737	41,279

in RON

Particulars	Year ended December 31,	
	2021	2020
Capital transactions		
Financing transactions		
Equity		
Infosys Limited	–	9,318,300
	–	9,318,300
Revenue transactions		
Purchase of shared services including facilities and personnel		
Infy Consulting Company Ltd	–	2,723
Infosys Limited	110,028	32,427
Infosys Technologies (China) Co.Limited	5,340	–

Particulars	Year ended December 31,	
	2021	2020
Infosys (Czech Republic) Ltd	17,261	–
Infosys BPM Limited	4,213	–
Infy Consulting B.V.	–	51,793
Infosys Consulting AG	427,598	1,519,483
	564,440	1,606,426
Sale of services		
Infosys Consulting AG	871,229	649,089
Infosys Luxembourg S.à.r.l	268,579	–
Infosys Consulting SAS	81,890	–
Infy Consulting Company Ltd	–	7,657,966
Infosys Consulting Sp. z.o.o	302,157	323,812
Infosys Consulting GmbH	1,192,202	1,578,635
Infosys Limited	133,073,386	82,046,627
	135,789,443	92,256,129
Interest expense		
Infosys Limited	–	180,822
	–	180,822

2.18 Segment reporting

The Company is engaged in providing consultancy service in a single geography. Based on the 'management approach' 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.

Fluido Oy

Auditor’s Report

To the AGM 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 2021. 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

Marko Kämppi
Authorised Public Accountant

Place: Helsinki

Date: May 12, 2022

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 2021 was € 50.163.868 and profit before tax € 4.163.515. Group revenue grew by 25.1% in 2021 and the Company strengthened its market position as leading service provider in the Nordics in Salesforce technology area. Parent company Fluido Oy revenue was € 28.246.703 and profit before € 2.698.455.

Temporary changes in business took place due to COVID when employees transferred to remote work. After this Fluido 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 157.116. Infosys Group is based in Bangalore and is listed in New York and Mumbai stock exchanges and has over 260.000 employees. Infosys Group revenue in 2021 was 13 billion USD and profit 2,5 billion USD. 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 relate mainly to general global economic situation and the impact of economic fluctuations to the Company's 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

2022 has started as expected. Group will aim to grow revenue and profit according to its business plan.

Key Ratios

in € thousand

Fluido Oy	For the period between January 1 to December 31,		
	2021	2020	2019
Revenue	28.247	24.787	23.383
Ebitda	2.779	4.189	1.024
Profit before tax	2.698	4.008	860
EBIT-%	9,3%	16,4%	3,9%
Equity Ratio(%)	68,4%	63,7%	41,8%
ROE (%)	16,8%	35,7%	13,1%

Group	For the period between January 1 to December 31,		
	2021	2020	2019
Revenue	50.164	40.099	37.280
Ebitda	5.061	4.826	1.394
Profit before tax	4.164	4.091	816
EBIT-%	8,4%	10,0%	2,3%
Equity Ratio (%)	54,9%	49,8%	22,8%
ROE (%)	26,7%	48,0%	25,7%

Personnel

On average, 382 employees worked at Fluido Group during the year. The salaries and bonuses paid to personnel during the year were € 30.6 M.

Personnel in average

Particulars	2021	2020	2019
Group	382	329	284
Parent company	194	186	165

Related party guarantees

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 € 462.878 and Fluido UK Limited € 2.049.501. 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 5.333 203,10 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.

Board proposal for dividend distribution

Board proposes to Annual General Meeting no dividend is distributed.

Consolidated Balance Sheet

in €

Particulars	As at December 31, 2021	2020
ASSETS		
Non-current assets		
Intangible assets		
Other long-term assets	19 106,82	50 943,65
Goodwill	1 107 803,52	1 754 977,74
Intangible total	1 126 910,34	1 805 921,39
Tangible assets		
Machinery and equipment	513 837,23	409 222,24
Tangible total	513 837,23	409 222,24
Total non-current assets	1 640 747,57	2 215 143,63
Current assets		
Long term receivables		
Other long-term receivables	185 085,60	314 508,74
Total long-term receivables	185 085,60	314 508,74
Short-term receivables		
Trade debtors	9 926 607,66	6 428 580,58
Other debtors	424 570,04	701 551,90
Prepayments and accrued income	2 997 272,56	1 613 889,77
Total short-term receivables	13 348 450,26	8 744 022,25
Cash	7 385 101,74	7 679 717,34
Total current assets	20 918 637,60	16 738 248,33
Total assets	22 559 385,17	18 953 391,96
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	2 500,00	2 500,00
Other reserves	5 508 280,03	5 508 812,92
Retained earnings	3 976 120,61	793 507,27
Profit (loss) of the financial year	2 911 925,15	3 182 613,34
Translation difference	(9 963,93)	(47 773,30)
Total capital and reserves	12 388 861,86	9 439 660,23
Provisions	94 432,50	88 007,50
Creditors		
Long-term creditors	11 506,00	245 212,06
Short-term creditors		
Advances received	155 470,96	309 740,10
Trade creditors	422 641,55	607 768,93
Other creditors	3 350 736,58	3 525 231,40
Accruals and deferred income	6 135 735,72	4 737 771,74
Total short-term creditors	10 064 584,81	9 180 512,17
Total creditors	10 076 090,81	9 425 724,23
Total equity and liabilities	22 559 385,17	18 953 391,96

Consolidated statement of Profit and Loss

in €

Particulars	January 1 to December 31,	
	2021	2020
Revenue	50 163 868,27	40 098 897,84
Other income	26 260,31	70 504,99
Materials and services		
Materials		
Purchases during year	(162 302,15)	(186 796,53)
Materials total	(162 302,15)	(186 796,53)
External services		
External services	(2 521 531,72)	(2 316 512,25)
Materiaalit ja palvelut yhteensä	(2 683 833,87)	(2 503 308,78)
Personnel costs		
Salaries	(30 611 881,68)	(22 412 062,22)
Personnel related costs		
Pension costs	(3 810 889,87)	(3 420 984,24)
Other social costs	(3 097 656,94)	(2 851 402,64)
Total personnel related costs	(6 908 546,81)	(6 272 386,88)
Total personnel costs	(37 520 428,49)	(28 684 449,10)
Other expenses	(4 924 823,97)	(4 156 126,96)
EBITDA	5 061 042,25	4 825 517,99
Depreciation		
Depreciation according to plan	(855 043,58)	(801 493,80)
Depreciation total	(855 043,58)	(801 493,80)
EBIT	4 205 998,67	4 024 024,19
Financial income and cost		
Other interest income		
Other	72 850,52	144 831,62
Total other financial income	72 850,52	144 831,62
Interest expenses and other financial costs		
To others	(115 333,42)	(78 319,29)
Total interest expense and other costs	(115 333,42)	(78 319,29)
Total Financial income and cost	(42 482,90)	66 512,33
Profit before tax	4 163 515,77	4 090 536,52
Income tax	(1 251 590,62)	(907 923,18)
Net profit	2 911 925,15	3 182 613,34

Consolidated Statement of Cash Flow

in €

Particulars	As at December 31,	
	2021	2020
Operations Cash Flow		
Profit before Tax	4 163 515,76	4 090 536,52
Corrections:		
Depreciations	855 043,58	801 493,80
Financial income	42 482,00	(66 512,33)
Cash Flow before change in working capital	5 061 041,34	4 825 517,99
Change in working capital:		
Addition to short-term receivables	(4 604 428,01)	1 341 017,56
Additions to short-term debt	311 613,50	(4 334 039,86)
Operations cash flow before financial items and tax	768 226,83	1 832 495,69
Paid direct taxes	(776 985,48)	(505 796,34)
Business interests	(42 482,00)	66 512,33
Operations Cash Flow	(51 240,65)	1 393 211,68
Investments Cash Flow		
Investments to tangible and intangible	(280 647,52)	(221 933,23)
Long term investment to subsidiaries	–	(953 300,62)
Investments Cash Flow	(280 647,52)	(1 175 233,85)
Funding Cash Flow		
Paid increase of equity	–	2 496 793,87
Dividend payout	–	(10 000,00)
Funding Cash Flow	–	2 486 793,87
Change of cash position	(331 888,17)	2 704 771,70
Impact of currencies	37 272,57	(54 398,81)
Cash 1.1	7 679 717,34	5 029 344,45
Cash 31.12	7 385 101,74	7 679 717,34

Parent company Balance Sheet

in €

Particulars	As at December 31, 2021	As at December 31, 2020
ASSETS		
Non-current assets		
Intangible assets		
Other long-term assets	–	29 856,10
Intangible total	–	29 856,10
Tangible assets		
Machinery and equipment	355 536,24	277 382,39
Total tangible assets	355 536,24	277 382,39
Investments		
Investment in group companies	4 482 574,96	4 482 574,96
Receivables from group companies	2 564 370,27	514 868,67
Investments total	7 046 945,23	4 997 443,63
Non-current assets total	7 402 481,47	5 304 682,12
Current assets		
Long-term receivables		
Deferred tax asset	129 827,19	93 926,74
Long-term receivables total	129 827,19	93 926,74
Short-term receivables		
Trade debtors	2 834 618,84	2 430 956,88
Receivables from Group companies	5 110 482,52	4 844 007,19
Other receivables	328 409,66	219 884,01
Prepayments and accrued income	1 618 459,53	1 247 526,14
Short-term receivables total	9 891 970,55	8 742 374,22
Total receivables	10 021 797,74	8 836 300,96
Cash	3 004 195,55	4 390 510,33
Current assets total	13 025 993,29	13 226 811,29
Assets total	20 428 474,76	18 531 493,41
EQUITY AND LIABILITIES		
Equity		
Share capital	2 500,00	2 500,00
Other reserves	5 499 123,10	5 499 123,10
Retained earnings	6 311 296,06	3 105 015,13
Profit / (loss) of the financial year	2 160 779,97	3 206 280,93
Equity total	13 973 699,13	11 812 919,16
Provisions	94 432,50	88 007,50
Creditors		
Short term creditors		
Received advances	155 470,96	138 253,91
Accounts Payable	212 644,09	144 783,89
Group creditors	1 015 208,63	1 748 839,36
Other creditors	1 405 407,43	1 437 376,88
Accruals and deferred income	3 571 612,02	3 161 312,71
Short term creditors total	6 360 343,13	6 630 566,75
Creditors total	6 360 343,13	6 630 566,75
Equity and liabilities total	20 428 474,76	18 531 493,41

Parent Company's Statement of Profit and Loss

in €

Particulars	For the period between January 1 to December 31,	
	2021	2020
Revenue	28 246 703,34	24 787 614,85
Other income	26 260,31	32 077,71
Materials and services		
Materials		
Purchases during year	(162 302,15)	(186 796,53)
Materials total	(162 302,15)	(186 796,53)
External services		
External services	(2 309 953,53)	(2 115 341,47)
Materials and services total	(2 472 255,68)	(2 302 138,00)
Personnel costs		
Salaries	(16 526 046,29)	(12 772 059,85)
Other personnel related costs		
Pension costs	(2 603 493,47)	(2 221 722,46)
Other personnel related costs	(837 876,30)	(727 360,57)
Other personnel related costs, total	(3 441 369,77)	(2 949 083,03)
Total personnel costs	(19 967 416,06)	(15 721 142,88)
Other expenses	(3 053 904,89)	(2 606 504,62)
EBITDA	2 779 387,02	4 189 907,06
Depreciation		
Depreciation according to plan	(149 449,67)	(132 724,97)
Depreciation total	(149 449,67)	(132 724,97)
EBIT	2 629 937,35	4 057 182,09
Financial income and cost		
Other interest income	29 091,98	8 759,92
Other	59 121,14	–
Total other financial income	88 213,12	–
Interest expenses & other financial costs		
Others	(19 695,35)	(57 985,88)
Total interest expense & other costs	(19 695,35)	(57 985,88)
Total Financial income and cost	68 517,77	(49 225,96)
PROFIT BEFORE TAX	2 698 455,12	4 007 956,13
Income tax	(537 675,15)	(801 675,20)
NET PROFIT	2 160 779,97	3 206 280,93

Parent Company's Statement of Cash Flow

in €

Particulars	For the period between January 1 to December 31,	
	2021	2020
Operations Cash Flow		
Profit before Tax	2 698 455,12	4 007 956,13
Corrections:		
Depreciations	149 449,67	132 724,97
Financial income	(68 517,77)	49 225,96
Cash flow before change in working capital	2 779 387,02	4 189 907,06
Change in working capital:		
Addition to short-term receivables	(1 701 716,61)	(623 290,97)
Additions to short-term debt	539 070,03	(2 533 934,99)
Operations cash flow before financial items and tax	1 616 740,44	1 032 681,10
Business interests	39 425,79	(57 985,88)
Paid direct taxes	(573 575,60)	(443 318,94)
Operations Cash Flow	1 082 590,63	531 376,28
Investments Cash Flow		
Investments to tangible and intangible	(197 747,42)	(123 650,28)
Long-term investment to subsidiaries	(802 868,65)	(1 546 466,41)
Change in subsidiary receivables	(1 497 381,32)	795 107,15
Interest income from subsidiaries	29 091,98	8 759,92
Investments Cash Flow	(2 468 905,41)	(866 249,62)
Funding Cash Flow		
Paid increase of equity	–	2 488 700,10
Dividend pay-out	–	(10 000,00)
Funding Cash Flow	–	2 478 700,10
Change in cash position	(1 386 314,78)	2 143 826,76
Cash 1.1	4 390 510,33	2 246 683,57
Cash 31.12	3 004 195,55	4 390 510,33

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.

Valuation principles for assets

Non-current assets are valued at cost minus depreciation

Receivables and other financial assets have been valued as 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	
	2021	2020	2021	2020
Finland	19 276 514	19 892 716,15	19 276 514	19 892 716
Europe	17 925 697,56	15 083 415,36	3 862 192	2 474 394
Other	12 961 656,42	5 122 765,73	5 107 997	2 420 504
Total	50 163 868	40 098 897	28 246 703	24 787 614

Audit fees

in €

Particulars	Group		Parent	
	2021	2020	2021	2020
Audit	55 046,00	60 719,23	20 600,00	14 852,00
Other services	1 675,00	3 921,76	–	–
TOTAL	56 721,00	64 640,99	20 600,00	14 852,00

Balance sheet Additional Information

Non-current assets detail

in €

Particulars	Group		Parent	
	2021	2020	2021	2020
Non-current assets				
Acq. cost at beginning of year	189 060,34	189 060,34	160 856,70	160 856,70
Additions	–	–	–	–
Acq cost 31.12	189 060,34	189 060,34	160 856,70	160 856,70
Accumul. depreciation 1.1	(138 951,23)	(105 288,54)	(131 000,60)	(98 840,60)
Depreciation cur. year	(31 408,27)	(33 662,69)	(29 856,10)	(32 160,00)
Accumul. depreciation 31.12	(170 359,50)	(138 951,23)	(160 856,70)	(131 000,60)
Currency difference	405,98	834,54	–	–
Accounting value 31.12	19 106,82	50 943,65	–	29 856,10
Goodwill				
Acq. cost at beginning of year	3 297 388,62	2 042 868,09	–	–
Additions	–	1 254 520,53	–	–
Acq cost 31.12	3 297 388,62	3 297 388,62	–	–
Accumul. depreciation 1.1	(1 601 374,56)	(975 066,89)	–	–
Depreciation cur. year	(636 110,55)	(626 307,67)	–	–
Accumul. depreciation 31.12	(2 237 485,11)	(1 601 374,56)	–	–
Currency difference	47 900,01	58 963,68	–	–
Accounting value 31.12	1 107 803,52	1 754 977,74	–	–
Machinery & equipment				
Acq. cost at beginning of year	834 946,92	677 879,56	597 260,43	473 610,15
Additions	295 218,82	157 067,36	197 747,42	123 650,28
Acq cost 31.12	1 130 165,74	834 946,92	795 007,85	597 260,43
Accumul. depreciation 1.1	(430 737,53)	(289 268,89)	(319 878,04)	(219 313,07)
Depreciation cur. year	(187 524,76)	(141 468,64)	(119 593,57)	(100 564,97)
Accumul. depreciation 31.12	(618 262,29)	(430 737,53)	(439 471,61)	(319 878,04)
Currency difference	1 933,78	5 012,85	–	–
Accounting value 31.12	513 837,23	409 222,24	355 536,24	277 382,39
Investments				
Acq. cost at beginning of year	–	–	3 679 706,31	2 133 239,90
Additions	–	–	–	1 546 466,41
Acq cost 31.12	–	–	3 679 706,31	3 679 706,31

Prepayments and accrued income

in €

Particulars	Group		Parent	
	2021	2020	2021	2020
Unbilled sales	2 527 190,16	1 382 930,88	1 317 206,13	1 073 100,45
Other receivables	470 082,40	230 958,89	301 253,40	174 425,69
Total	2 997 272,56	1 613 889,77	1 618 459,53	1 247 526,14

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

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	2021	2020
Long term		
Capital loans	514 868,67	514 868,67
Other long term loans	2 049 501,60	–
Short term		
Trade receivables	4 647 604,38	3 829 008,77
Other receivables	462 878,14	1 014 998,42
TOTAL	7 674 852,79	5 358 875,86

Previously, UK subsidiary debt € 560.029,19 was classified as short-term debt. Now it has been classified as long term. Previous year's comparison column financials were not changed.

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	2021		2020	
	Group	Parent	Group	Parent
Tax for the year	1 130 345,42	573 575,60	375 083,94	364 737,94
Change in deferred taxes	121 245,20	(35 900,45)	532 839,24	436 937,26
TOTAL	1 251 590,62	537 675,15	907 923,18	801 675,20

Changes in equity

in €

Particulars	2021		2020	
	Group	Parent	Group	Parent
Share capital	2 500,00	2 500,00	2 500,00	2 500,00
Other reserves	5 508 280,03	5 499 123,10	5 508 812,92	5 499 123,10
Translation difference	(9 963,93)	–	(47 773,30)	–
Retained earnings	3 976 120,61	6 311 296,06	803 507,27	3 115 015,13
Dividends	–	–	(10 000,00)	(10 000,00)
Own share purchase	–	–	–	–
Profit for the year	2 911 925,15	2 160 779,97	3 182 613,34	3 206 280,93
Total available equity	12 386 361,86	13 971 199,13	9 437 160,23	11 810 419,16
TOTAL EQUITY	12 388 861,86	13 973 699,13	9 439 660,23	11 812 919,16

Calculation of distributable equity according to Company Act 13:5§:

in €

Other reserves	5 499 123,10
Retained earnings	6 311 296,06
Profit for the year	2 160 779,97
Total available equity	13 971 199,13
Capitalised development costs	–
Total available equity for dividend	13 971 199,13

Debts to group companies

in €

Particulars	2021	2020
Creditors	1 015 208,63	945 970,71
Other group debt	–	802 868,65
TOTAL	1 015 208,63	1 748 839,36

Other accrued debts

in €

Particulars	Group		Parent	
	2021	2020	2021	2020
Salary related	5 584 767,45	4 306 860,02	3 337 727,47	2 859 168,64
Tax related	95 165,55	120 790,43	95 165,55	120 790,43
Other	455 802,72	280 121,29	138 719,00	181 353,64
Total	6 135 735,72	4 707 771,74	3 571 612,02	3 161 312,71

Group transactions with related party

During financial year Fluido Oy had group sales worth € 7.606.298,93 and group purchases € 1.661.434,21. Sales and purchases have been carried out at normal commercial terms.

Personnel

Average personnel

in €

Group		Parent	
2021	2020	2021	2020
382	329	194	186

Guarantees and future liabilities

Fluido Oy guarantees following on behalf of Fluido Denmark A/S: Fluido Oy irrevocably and unconditionally guarantees to provide sufficient liquidity to Fluido Denmark A/S so that it can meet its current and future liabilities all the time.

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.

Keva (facilities landlord), rental guarantee for Espoo office € 122.541,81. Lease will end 28.2.2023. Fluido Oy can end lease by giving notice of 6 months and paying 6 months rent. Total future rent liability to Keva is € 557.170,18 and to others € 12.664,32.

Place: Espoo

Date: April 25, 2022

Thomas Johanson
CEO

Ravi Kumar Singisetti
Chairman of the Board

Dinesh Ramakrishna
Board Member

Jasmeet Singh
Board Member

Auditor signature

Audit statement has been given with this date May 12, 2022

Marko Kämppi, KHT
Audita Oy, publicly certified auditing firm

List of Accounting Materials

Daily Ledger	Electronic
General Ledger	Electronic
Annual Accounts	Electronic/physical
Balance sheet spesifications	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

Infosys Consulting Ltda.

Independent Auditor's report

To the Members of Infosys Consulting Ltda.

Report on the Ind AS Financial Statements

Opinion

We have audited the Ind AS financial statements of Infosys Consulting Ltda. ('the company'), which comprises the Balance sheet as at 31st December, 2021, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information (herein after referred to as 'Ind AS financial statements')

In our opinion and to the best of our information and according to the explanation given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS , of the financial position of the Company as at 31st December, 2021 and its financial performance including other comprehensive income and its Cash Flows and the Changes in Equity for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing 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 together with the Ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with the requirements and the code of Ethics.

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

Responsibilities of Management's 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 Companies Act, 2013('the Act') with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, Cash Flows and changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with relevant rule issued there under.

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 Ind AS financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as 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 Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements:

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, 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 decision of users taken on the basis of these 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 and

iv) in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rule issued there under.

UDIN : 22202841AIMNQM7144

For SHENOY & KAMATH
Chartered Accountants,

Firm Registration Number. 006673S

(M RATHNAKAR KAMATH)
Partner

Membership Number. 202841

Place: Bengaluru.

Date: March 31, 2022

Balance Sheet

in BRL

Particulars	Note No.	As at December 31, 2021	As at December 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	5,137,113	1,171,770
Right to use of asset	2.8	5,123,006	7,504,570
Capital work-in-progress		–	31,187
Income tax assets, net	2.14	3,558,498	1,831,678
Total non-current assets		13,818,617	10,539,205
Current assets			
Financial assets			
Trade receivables	2.3	30,713,463	34,536,083
Cash and cash equivalents	2.4	43,188,057	33,917,348
Loans	2.5	832,174	973,333
Other financial assets	2.2	18,320,161	23,291,089
Other current assets	2.6	21,460,902	22,787,118
Total current assets		114,514,757	115,504,971
Total assets		128,333,374	126,044,176
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.9	275,071,070	275,071,070
Other equity	2.9	(216,250,435)	(222,789,617)
Total equity		58,820,635	52,281,453
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liability	2.8	3,024,130	7,382,671
Total non-current liabilities		3,024,130	7,382,671
Current liabilities			
Financial liabilities			
Lease liability	2.8	3,168,764	1,587,914
Trade payables	2.10	4,439,181	9,689,695
Other financial liabilities	2.11	36,864,930	35,715,439
Other current liabilities	2.12	20,978,751	18,347,642
Provisions	2.13	1,036,983	1,039,362
Total current liabilities		66,488,609	66,380,052
Total equity and liabilities		128,333,374	126,044,176

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 Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Place: Bengaluru

Date: March 31, 2022

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,	
		2021	2020
Revenue from operations	2.15	173,392,966	174,263,603
Other income, net	2.16	2,322,195	(13,118,194)
Total income		175,715,161	161,145,409
Expenses			
Employee benefit expenses	2.17	124,570,993	129,667,075
Cost of technical sub-contractors		22,461,007	21,369,311
Travel expenses		467,181	1,762,050
Communication expenses		3,982,445	3,321,879
Consultancy and professional charges		3,130,594	3,225,213
Depreciation and amortization expenses	2.1	4,396,230	4,614,885
Finance cost		575,249	4,566,832
Other expenses	2.17	8,159,620	18,832,992
Total expenses		167,743,319	187,360,237
Profit / (Loss) before tax		7,971,842	(26,214,828)
Tax expense			
Current tax	2.14	1,432,660	(513,479)
Profit / (Loss) for the year		6,539,182	(25,701,349)
Total comprehensive income for the year		6,539,182	(25,701,349)
Earnings per equity share			
Equity shares of par value BRL 1 each			
Basic and diluted (BRL)		0.02	(0.13)
Weighted average equity shares used in computing earnings per equity share			
Basic and diluted		275,071,070	196,517,558

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: March 31, 2022

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, 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
Balance as of January 1, 2020	164,915,570	(183,368,921)	(10,113,476)	(28,566,827)
Changes in equity for the year ended December 31, 2020				
Impact on account of adoption of INDAS 116	–	(3,605,871)	–	(3,605,871)
Equity instruments (Issue of 110,155,500 shares at BRL 1 each)	110,155,500	–	–	110,155,500
Loss for the year	–	(25,701,349)	–	(25,701,349)
Balance as of December 31, 2020	275,071,070	(212,676,141)	(10,113,476)	52,281,453

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: March 31, 2022

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	
	2021	2020
Cash flows from operating activities		
Profit/Loss for the year	6,539,182	(25,701,349)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation expense	4,396,230	4,614,885
Income tax expense	(637,645)	(513,479)
Impairment loss recognized / (reversed) under expected credit loss model	1,123,067	1,426,738
Finance Cost	575,249	4,566,832
Other adjustments	3,742	(3,400,626)
Exchange differences on translation of assets and liabilities	(990,402)	12,856,005
Changes in assets and liabilities		
Trade receivables	2,699,553	45,333,887
Other financial assets and other assets	7,639,496	27,386,101
Trade payables	(5,602,464)	(33,991,884)
Other financial liabilities and other liabilities and provisions	3,774,479	(25,933,048)
Cash generated from operations	19,520,487	6,644,061
Income taxes paid	(1,089,176)	7,654,481
Net cash used in operating activities	18,431,311	14,298,542
Cash flow from investing activities		
Expenditure on property, plant and equipment	(5,016,848)	(558,662)
Loans to employees	141,159	(120,508)
Net cash flow from / used in investing activities	(4,875,689)	(679,171)
Cash flow from / used in financing activities		
Loan repaid	–	(93,557,973)
Finance Cost	(575,249)	(3,560,160)
Payment of lease liability	(3,709,664)	(3,287,005)
Proceeds from issue of share capital	–	110,155,500
Net cash flow from financing activities	(4,284,913)	9,750,363
Net (decrease) / increase in cash and cash equivalents	9,270,709	23,369,735
Cash and cash equivalents at the beginning of the year	33,917,348	10,547,614
Cash and cash equivalents at the end of the year	43,188,057	33,917,348

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: March 31, 2022

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.
With effect from October 01, 2019, Infosys Technologia Do Brasil Ltda merged with Infosys Consulting Ltda.

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.

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 nonfinancial 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 related information and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

1.5 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 'software related services').
A summary of new and / or revised significant accounting policies related to revenue recognition is as follows:
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 as 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 catchup 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 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

1.10 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.

(v) 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 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 2.7).

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 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.

Transition

Effective January 1, 2020, the Company adopted Ind-AS 116, Leases, and applied the standard to all lease contracts existing on January 1, 2020, using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended December 31, 2019, have not been retrospectively adjusted.

The summary of practical expedients elected on initial application is as follows:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind-AS 116 is applied only to contracts that were previously identified as leases under Ind-AS 17.
5. The difference between the lease obligation recorded as of December 31, 2019 under Ind-AS 17 and the value of the lease liability as of April 1, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind-AS 116 and discounting the lease liabilities to the present value under Ind-AS 116.

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, 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, 2021	11,445	24,851	94,068	136,146	905,260	1,171,770

The changes in the carrying value of property, plant and equipment for the year ended December 31, 2020 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, 2020	1,525,976	505,393	9,044,498	5,438,368	1,193,096	17,707,331
Additions	–	1,980	85,073	11,870	560,885	659,808
Deletions	(264,792)	(232,759)	(703,694)	(623,066)	–	(1,824,311)
Gross carrying value as of December 31, 2020	1,261,184	274,614	8,425,877	4,827,172	1,753,981	16,542,828
Accumulated depreciation as of January 1, 2020	(1,486,171)	(424,384)	(8,794,332)	(5,090,242)	(451,816)	(16,246,945)
Depreciation	(28,360)	(18,596)	(204,775)	(219,903)	(396,905)	(868,539)
Accumulated depreciation on deletions	264,792	193,217	667,298	619,119	–	1,744,426
Accumulated depreciation as of December 31, 2020	(1,249,739)	(249,763)	(8,331,809)	(4,691,026)	(848,721)	(15,371,058)
Carrying value as of December 31, 2020	11,445	24,851	94,068	136,146	905,260	1,171,770
Carrying value as of January 1, 2020	39,805	81,009	250,166	348,126	741,280	1,460,386

2.2 Other financial assets

in BRL

Particulars	As at December 31	
	2021	2020
Current		
Unbilled revenues	18,302,151	23,248,659
Others[(1)]	18,010	42,430
Total other current financial assets	18,320,161	23,291,089
Total other financial assets	18,320,161	23,291,089
Financial assets carried at amortized cost (Refer Note 7)	18,320,161	23,291,089

2.3 Trade receivables

in BRL

Particulars	As at December 31	
	2021	2020
Current		
Unsecured		
Considered good[(1)]	30,713,463	34,536,083
Considered doubtful	5,698,828	4,728,507
	36,412,291	39,264,590
Less: Allowances for credit losses	(5,698,828)	(4,728,507)
Total trade receivables	30,713,463	34,536,083
(1) Includes dues from related parties (refer to Note No.2.18)	5,787,701	3,996,477

2.4 Cash and cash equivalents

in BRL

Particulars	As at December 31	
	2021	2020
Balances with banks		
In current accounts	28,188,057	33,917,348
Fixed deposit	15,000,000	–
Total cash and cash equivalents	43,188,057	33,917,348

2.5 Loans

in BRL

Particulars	As at December 31	
	2021	2020
Current		
Unsecured, considered good		
Loans to employees	832,174	973,333
Total current loans	832,174	973,333

2.6 Other current assets

in BRL

Particulars	As at December 31	
	2021	2020
Current		
Advances other than capital advance		
Payment to vendors for supply of goods	84,516	1,502
Others		
Prepaid expenses[1]	7,173	12,493
Withholding taxes and others	20,828,085	22,773,123
Interest accrued not due	541,128	–
Total current other assets	21,460,902	22,787,118
[1] Includes dues from subsidiaries (Refer to Note 2.18)	3,409	10,951

2.7 Financial instruments

Financial instruments by category

in BRL

Particulars	As at December 31	
	2021	2020
Assets		
Cash and cash equivalents (Refer to Note 2.4)	43,188,057	33,917,348
Trade receivables (Refer to Note 2.3)	30,713,463	34,536,083
Loans (Refer to Note 2.5)	832,174	973,333
Other financial assets (Refer to Note 2.2)	18,320,161	23,291,089
Total	93,053,855	92,717,855
Liabilities		
Trade payables (Refer to Note 2.10)	4,439,181	9,689,695
Other financial liabilities (Refer to Note 2.11)	26,901,632	26,011,419
Total	31,340,813	35,701,114

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, 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

The following table analyses the foreign currency risk from monetary assets and liabilities as at December 31, 2020:

in BRL

Particulars	US Dollars	Euro	UK Pound Sterling	Swiss Francs	Other currencies	Total
Net financial assets	10,730,026	11,593,939	485,012	–	–	22,808,977
Net financial liabilities	(1,431,896)	(61,582)	–	(11,799,950)	(1,151,247)	(14,444,675)
Net assets / (liabilities)	9,298,130	11,532,357	485,012	(11,799,950)	(1,151,247)	8,364,302

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 30,713,463 and BRL 34,536,083 as of December 31, 2021 and December 31, 2020, respectively, and unbilled revenue amounting to BRL 18,302,151 and BRL 23,248,659 as of December 31, 2021 and December 31, 2020, respectively. Trade receivables and unbilled revenue are typically unsecured. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. 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 1,123,067 for ECL on customer balances was done for the year ended December 31, 2021, and reversal of BRL 1,426,738 for ECL on customer balances was done for the year ended December 31, 2020.

n BRL

Particulars	Year ended December 31,	
	2021	2020
Balance at the beginning	1,577,021	150,283
Impairment loss recognized / reversed	1,123,067	1,426,738
Balance at the end	2,700,088	1,577,021

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, 2021 and December 31,2020, the Company had cash and cash equivalents of BRL 43,188,057 and BRL 33,917,348.

As of December 31, 2021 and December 31, 2020, the outstanding compensated absences were BRL 9,963,298 and BRL 9,704,020.

2.8 Leases

The weighted average incremental borrowing rate applied to lease liabilities as at January 1, 2021 is 8.36%.

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	
Balance as of January 1, 2021	5,433,517	2,071,052	7,504,569
Modifications/ 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 changes in the carrying value of right of use assets for the year ended December 31, 2020 are as follows:

in BRL

Particulars	Category of ROU asset		Total
	Buildings	Vehicles	
Balance as of January 1, 2020	10,715,408	3,850,014	14,565,422
Additions	988,621	130,967	1,119,588
Deletion	(4,383,667)	(50,427)	(4,434,094)
Depreciation	(1,886,845)	(1,859,502)	(3,746,347)
Balance as of December 31, 2020	5,433,517	2,071,052	7,504,569

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, 2021 and December 31, 2020 is as follows:

in BRL

Particulars	December 31,	
	2021	2020
Current lease liabilities	3,168,764	1,587,914
Non-current lease liabilities	3,024,130	7,382,671
Total	6,192,894	8,970,585

The movement in lease liabilities during the year ended December 31, 2021 and December 31, 2020 is as follows:

in BRL

Particulars	For the year ended December 31,	
	2021	2020
Balance at the beginning	8,970,585	18,171,293
Additions	1,531,381	1,119,589
Deletions	(599,508)	(8,039,964)
Finance cost accrued during the period	575,249	1,006,672
Payment of lease liabilities	(4,284,913)	(3,287,005)
Balance at the end	(6,192,894)	8,970,585

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

in BRL

Particulars	As at December 31,	
	2021	2020
Less than one year	3,168,764	4,212,577
One to five years	6,650,989	5,798,055
More than five years	–	–
Total	9,819,753	10,010,632

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 BRL 181,047 and BRL 57,603 for the year ended December 31, 2021 and December 31, 2020.

2.9 Equity

Equity share capital

in BRL, except as otherwise stated

Particulars	As at December 31, 2021	2020
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 31,2021)		
	275,071,070	275,071,070

The details of shareholders holding more than 5% shares as at December 31, 2021 and December 31, 2020 are as follows:

in BRL, except as otherwise stated

Name of the shareholder	As at December 31,			
	2021		2020	
	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, 2021 and December 31, 2020 is as follows:

in BRL except as stated otherwise

Particulars	As at December 31,			
	2021		2020	
	Number of shares	Amount	Number of shares	Amount
Number of shares at the beginning of the period	275,071,070	275,071,070	164,915,570	164,915,570
Issue of shares during the year	–	–	110,155,500	110,155,500
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, 2021	2020
Trade payables *	4,439,181	9,689,695
Total trade payables	4,439,181	9,689,695
*Includes dues to related parties (Refer to Note 2.18)	3,518,600	7,480,727

2.11 Other financial liabilities

in BRL

Particulars	As at December 31, 2021	2020
Current		
Others		
Accrued compensation to employees*	8,585,720	10,859,038
Accrued expenses [(1)]*	10,586,837	9,090,531
Compensated absences	9,963,298	9,704,020
Other payables [(2)] *	7,729,075	6,061,850
Total current other financial liabilities	36,864,930	35,715,439
* Financial liability carried at amortized cost	26,901,632	26,011,419
(1) Includes dues to related parties (Refer to Note 2.18)	3,409	10,951
(2) Includes dues to related parties (Refer to Note 2.18)	7,495,600	6,372,032

2.12 Other current liabilities

in BRL

Particulars	As at December 31, 2021	2020
Non-current		
Current		
Unearned revenue	3,195,948	1,947,371
Others		
Withholding taxes and others	17,782,803	16,400,271
Total other current liabilities	20,978,751	18,347,642

2.13 Provisions

in BRL

Particulars	As at December 31, 2021	2020
Current		
Others		
Post-sales client support	1,036,983	1,039,362
Total current Provisions	1,036,983	1,039,362

2.14 Income taxes

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

in BRL

Particulars	Year ended December 31, 2021	2020
Current taxes	1,432,660	(513,479)
Income tax expense	1,432,660	(513,479)

Income tax expense for the years ended December 31, 2021 and December 31, 2020 includes provisions (net of reversals) amounting to BRL 1,432,660 and reversals amounting to BRL 513,479 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	Year ended December 31,	
	2021	2020
Profit / (loss) before income tax	7,971,842	(26,214,828)
Enacted tax rates in Brazil (%)	34.00%	34.00%
Computed expected tax expense	2,710,426	(8,913,042)
Overseas taxes	–	–
Tax reversals, overseas and domestic	–	(513,479)
Effect of unrecognized deferred tax assets	(1,278,152)	7,704,346
Effect of non-deductible expenses	386	1,208,696
Income tax expense	1,432,660	(513,479)

The applicable Brazil statutory tax rate for year ended December 31,2021 and December 31,2020 is 34%.
The details of income tax assets and income tax liabilities are as follows:

in BRL

Particulars	Year ended December 31,	
	2021	2020
Income tax assets	3,789,426	1,831,678
Current income tax liabilities	(230,928)	–
Net current income tax assets / (liability) at the end	3,558,498	1,831,678

The gross movement in the current income tax asset / (liability) is as follows:

in BRL

Particulars	Year ended December 31,	
	2021	2020
Net current income tax asset / (liability) at the beginning	1,831,678	8,972,680
Income tax paid / (set-off)	1,089,176	(7,654,481)
Forex	44,370	–
Movement due to customer WHT	2,025,935	–
Current income tax expense	(1,432,660)	513,479
Net current income tax asset / (liability) at the end	3,558,499	1,831,678

2.15 Revenue from operations

Revenue from operations for the year ended December 31, 2021 and December 31, 2020 is as follows:

in BRL

Particulars	Year ended December 31,	
	2021	2020
Revenue from software services	173,352,476	169,789,467
Revenue from products and platforms	40,490	4,474,136
Total revenue from operations	173,392,966	174,263,603

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by offerings for the year ended 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 BRL

Particulars	Year ended December 31,	
	2021	2020
Revenue by offerings		
Core	165,913,153	168,888,290
Digital	7,479,813	5,375,314
Total	173,392,966	174,263,604

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 is classified as unearned revenue.
Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.
During the year ended December 31, 2021, the Company recognized revenue of BRL 1,548,752 arising from opening unearned revenue of BRL 1,947,371 as of January 1, 2021.
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, 2021, other than those meeting the exclusion criteria mentioned above, is BRL 61,127,383. Out of this, the Group expects to recognize revenue of around 55.4% 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.

2.16 Other income

in BRL

Particulars	Year ended December 31,	
	2021	2020
Interest received on financial assets Carried at amortized cost		
Deposits with banks and others	839,772	197,537
Interest received on financial assets fair valued through other comprehensive income		
Exchange gains / (losses) on translation of other assets and liabilities	1,266,460	(15,988,830)
Miscellaneous income, net	215,963	2,673,099
Total other income	2,322,195	(13,118,194)

2.17 Expenses

in BRL

Particulars	Year ended December 31,	
	2021	2020
Employee benefit expenses		
Salaries including bonus	123,753,948	128,945,742
Share based payments to employees	726,827	456,117
Staff welfare	90,218	265,216
Total employee benefit expenses	124,570,993	129,667,075

in BRL

Particulars	Year ended December 31,	
	2021	2020
Other expenses		
Power and fuel	26,161	30,615
Brand and marketing	330,918	279,147
Operating lease payments	181,047	57,603
Rates and taxes	2,532,606	12,354,443
Repairs and maintenance	1,745,782	3,384,327
Consumables	25,081	67,425
Insurance	122,113	286,459
Provision / (Reversal) for post-sales client support	3,742	205,245
Cost of software packages and others	1,732,141	494,551
Allowances / (Reversals) for credit losses on financial assets	1,123,067	1,426,738
Others	336,962	246,439
Total other expenses	8,159,620	18,832,992

2.18 Related party transactions

List of related parties

Name of the holding companies	Country	Holding as at	
		December 31, 2021	December 31, 2020
Infosys Limited (w.e.f. August 14, 2018)	India	100%	100%

Name of the ultimate holding company	Country
Infosys Limited	India

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
Infosys Austria GmbH	Austria
Skava Systems Private Limited (Skava Systems)[42]	India
Kallidus Inc, (Kallidus)[43]	U.S.
Infosys Chile SpA	Chile
Infosys Arabia Limited[2]	Saudi Arabia
Infosys CIS LLC[1] [15]	Russia
Infosys Luxembourg S.a.r.l	Luxembourg

Name of subsidiaries	Country
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.
Brilliant Basics (MENA) DMCC[7][22]	Dubai
Infosys Consulting Pte. Ltd. (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.

Name of subsidiaries	Country
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.
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 Turkey Bilgi Teknolojikeri Limited Sirketi[1][41]	Turkey
Infosys Germany Holding Gmbh[1][44]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1][45]	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) Wholly-owned subsidiary of Stater Duitsland B.V.

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

(15) Liquidated effective January 28, 2021.

(16) On March 13, 2020, Infosys Nova Holdings LLC, acquired 100% of the voting interests in Outbox Systems Inc.

(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) On February 20, 2020, Infosys Poland, Sp z.o.o, acquired 100% of the voting interests in Infosys Consulting Sp. z.o.o from Infosys Consulting Holding AG

(22) Liquidated effective July 17, 2020

(23) On June 1, 2020, Fluido Oy, acquired 100% of the voting interests in Infosys Fluido U.K,Ltd (formerly Simplus U.K, Ltd)

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

(25) Incorporated effective September 11, 2020.

(26) On October 1, 2020, Infy Consulting Company Limited acquired 100% of voting interests in GuideVision s.r.o

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

(28) On October 9, 2020, Infosys Nova Holdings LLC, acquired 100% voting interest in Kaleidoscope Animations, Inc.

(29) Wholly owned subsidiary of Kaleidoscope Animations, Inc.

(30) Merged with Infosys Poland Sp. z.o.o, effective October 21, 2020

(31) On October 27, 2020, Infosys Nova Holding LLC, a wholly-owned subsidiary of Infosys Limited, acquired 100% voting interest in Blue Acorn iCi Inc (formerly Beringer Commerce Inc) and Beringer Capital Digital Group Inc

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

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

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

(35) Liquidated effective November 19,2020

(36) Incorporated, effective December 9, 2020

(37) Merged into Fluido Sweden AB (Extero), effective December 18, 2020

(38) Merged into Stater Duitsland B.V., effective December 18, 2020

(39) Merged with Stater N.V., effective December 23, 2020

(40) On December 29, 2020, Stater Participation B.V acquired non-controlling interest of 28.01% of the voting interests in Stater Belgium NV/SA

(41) Incorporated on December 30, 2020.

(42) Under liquidation

(43) Liquidated effective March 9,2021

(44) Incorporated on March 23, 2021

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

(46) Liquidated effective April 27,2021

(47) Incorporated on August 4, 2021

(48) Liquidated effective July 20, 2021

(49) Liquidated effective September 1, 2021

(50) Liquidated effective September 2, 2021

(51) Incorporated on August 31, 2021

(52) On December 14, 2021, Infosys Consulting Pte Limited, a wholly owned subsidiary of Infosys Limited acquired 100% of voting interests in Global Enterprise International (Malaysia) Sdn. Bhd.

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

in BRL

Particulars	As at December 31	
	2021	2020
Trade receivables		
Infosys Consulting S.R.L.	150	150
Infosys Consulting AG	1,177,418	1,196,673
Infosys Limited	4,183,478	2,799,654
Infosys BPM Ltd	154,838	–
Infosys Compaz Pte. Ltd	271,817	–
	5,787,701	3,996,477
Trade payables		
Infosys Consulting S.R.L.	76,584	401,247
Infosys Consulting AG	3,116,247	6,082,808
Infosys Limited	86,977	996,671
Infosys Management Consulting Pty. Ltd	238,792	–
	3,518,600	7,480,727
Other Financial Liabilities		
Infosys Consulting AG	5,975,082	5,814,481
Infosys Limited	1,520,518	557,551
	7,495,600	6,372,032
Accrued expenses		
Panaya Limited	3,409	10,951
	3,409	10,951

in BRL

Particulars	For the year ended December 31	
	2021	2020
Capital transactions		
Financing transactions		
Equity		
Infosys Limited	–	110,155,500
	–	110,155,500
Revenue transactions		
Purchase of shared services, facilities and personnel		
Infosys Consulting S.R.L.	1,362,892	1,497,795
Panaya Limited	502,595	–
Infosys Management Consulting Pty. Ltd	236,692	–
Infosys Limited	5,103,341	6,395,826
Infosys Consulting GmbH	–	118,919
	7,205,520	8,012,539
Sale of services		
Infosys Limited	40,375,020	23,320,247
Infosys Compaz Pte. Ltd	271,707	–
Infosys BPM Limited	1,038,280	–
Infosys Consulting AG	(22,831)	435,093
	41,662,176	23,755,340
Interest Expense		
Infosys Consulting AG	–	616,816
Infosys Poland Sp. Z o.o	–	629,971
Infosys Technologies S. de R. L. de C. V.	–	151,770
Infosys Consulting Holding AG	–	2,128,813
	–	3,527,370

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 (Czech Republic) Limited s.r.o

Introduction

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

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

Fields of activity:

- Services in the area of administration and services of an organizational and economic nature,
- Provision of software, information technology consulting, data processing, hosting and related activities and web portals,
- Advisory and consulting activities, preparation of expert studies and opinions,
- Research and development in the field of natural and technical sciences or social sciences,
- Trade and services intermediation
- Translation and interpretation activities

2. Activities of accounting advisors and accounts keeping, tax records keeping

Description of activities:

Technical contact center

Providing technical support to Infosys clients' personnel and/ or customers via phone, mail, or chat.
Service is provided in most of European languages

Finance and accounting

Providing expert accounting support in the following areas:

- Accounts payable
- Accounts receivable
- Travel expenses
- 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 transition to a 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 region for an American hi-tech manufacturer.

Other services

Small teams providing the following services

- 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 Coll., the Accounting Act

- Post- balance sheet events that are material for the fulfilment of the purpose of this Annual Report

The ongoing war in Ukraine and related sanctions against the Russian Federation may have an impact on the European and world economy. The Company has no significant direct exposure to Ukraine, Russia or Belarus. Hence, there is no significant impact to the carrying amounts of assets and liabilities and at the date of execution of this Annual Report, the Company continues to meet its obligations as they fall due and will continue to monitor the development closely for significant changes in future economic conditions.

- Anticipated development in the activities of the reporting entity

The revenues from the sale of services for 2021-22 amounted to CZK 676,260 Thousand compared with CZK 530,698 Thousand for 2020-21. The number of employees as at March 31, 2022 (including employees on maternity and parental leave) amounted to 745 (March 31, 2021 – 758 employees).
The expected number of employees in 2022- 23 is 1,548 (excluding employees on maternity and parental leave) and the expected turnover is CZK 831,730 thousand
The Executive Director of the Company is not aware of any other matter or circumstance that has occurred after the balance sheet date that has significantly affected or may affect the operations of the Company, the results of such operations or the state of affairs of the Company in subsequent financial years.

- about any R&D activities: none
- Acquisition of treasury shares and holdings
- The company did not acquire any treasury shares or holdings
- about any activities in the area of environmental protection
- The Company tries to reach for ecological and thrifty handling with raw materials, energy, water and other sources when providing services in order to increase the inputs efficiency
- about labor-law relations
- The company fulfils all obligations arising from labour-law relations 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, 2022
2. Profit and Loss Statement for the period from April 1, 2021 to March 31, 2022
3. Notes to the financial statements
4. Report on Relations 2021-22
5. Audit report

Kapil Jain
Company Executive Director
Date: May 23, 2022

Independent Auditor's Report

To the Partner of
Infosys (Czech Republic) Limited s.r.o
Registered Office: 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, 2022, 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, 2022, 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 and to the extent we are able to assess, 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 based on 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.

Audit firm:	Statutory auditor:
Deloitte Audit s.r.o.	Miroslav Zigáček
Firm Registration Number: 079	Registration Number: 2222

Place: Prague
Date: May 23, 2022

Balance Sheet

in CZK thousand

Particulars		As at March 31, 2022 Gross	Adjustment	Net	2021 Net
	TOTAL ASSETS	534,440	119,384	415,056	329,727
B.	Fixed assets	161,992	119,215	42,777	55,168
B.I.	Intangible fixed assets	3,092	1,992	1,100	1,718
B.I.2.	Valuable rights	3,092	1,992	1,100	1,718
B.I.2.1.	Software	3,092	1,992	1,100	1,718
B.II.	Tangible fixed assets	158,900	117,223	41,677	53,450
B.II.1.	Land and structures	46,823	32,612	14,211	28,289
B.II.1.2.	Structures	46,823	32,612	14,211	28,289
B.II.2.	Tangible movable assets and sets of tangible movable assets	112,077	84,611	27,466	25,161
C.	Current assets	359,321	169	359,152	262,034
C.II.	Receivables	159,301	169	159,132	105,238
C.II.1.	Long-term receivables	17,702		17,702	16,970
C.II.1.4.	Deferred tax asset	6,100		6,100	4,531
C.II.1.5.	Receivables - other	11,602		11,602	12,439
C.II.1.5.2.	Long-term prepayments made	11,602		11,602	12,439
C.II.2.	Short-term receivables	141,599	169	141,430	88,268
C.II.2.1.	Trade receivables	118,522	169	118,353	73,447
C.II.2.4.	Receivables - other	23,077		23,077	14,821
C.II.2.4.3.	State - tax receivables	4,226		4,226	7,940
C.II.2.4.4.	Short-term prepayments made				50
C.II.2.4.5.	Estimated receivables	18,848		18,848	6,828
C.II.2.4.6.	Sundry receivables	3		3	3
C.IV.	Cash	200,020		200,020	156,796
C.IV.2.	Cash at bank	200,020		200,020	156,796
D.	Other assets	13,127		13,127	12,525
D.1.	Deferred expenses	13,127		13,127	12,525

	TOTAL LIABILITIES & EQUITY	415,056	329,727
A.	Equity	284,270	254,819
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 (+/-)	234,193	231,847
A.IV.1.	Accumulated profits or losses brought forward (+/-)	234,193	231,847
A.V.	Profit or loss for the current period (+/-)	29 452	2,347
B.+C.	Liabilities	117,417	62,339
B.	Reserves	11,520	8,198
B.II.	Income tax reserve	2,940	
B.IV.	Other reserves	8,580	8,198
C.	Payables	105,897	54,141
C.II.	Short-term payables	105,897	54,141
C.II.4.	Trade payables	8,742	2,411
C.II.8.	Other payables	97,155	51,730
C.II.8.3.	Payables to employees	47	25,257
C.II.8.4.	Social security and health insurance payables	13	8,521
C.II.8.5.	State - tax payables and subsidies	2	
C.II.8.6.	Estimated payables	96,143	17,646
C.II.8.7.	Sundry payables	950	306
D.	Other liabilities	13,369	12,569
D.1.	Accrued expenses	13,366	12,433
D.2.	Deferred income	3	136

Statement of Profit and Loss

in CZK thousand

Particulars		Years ended March 31, 2022	2021
I.	Sales of products and services	676,260	530,698
A.	Purchased consumables and services	159,656	81,250
A.2.	Consumed material and energy	5,326	5,988
A.3.	Services	154,330	75,262
D.	Staff costs	440,509	395,301
D.1.	Payroll costs	330,210	288,547
D.2.	Social security and health insurance costs and other charges	110,299	106,754
D.2.1.	Social security and health insurance costs	101,621	98,573
D.2.2.	Other charges	8,678	8,181
E.	Adjustments to values in operating activities	27,022	27,047
E.1.	Adjustments to values of intangible and tangible fixed assets	27,029	27,002
E.1.1.	Adjustments to values of intangible and tangible fixed assets - permanent	27,029	27,002
E.3.	Adjustments to values of receivables	(7)	45
III.	Other operating income	20,621	185
III.1.	Sales of fixed assets	20,484	-
III.3.	Sundry operating income	137	185
F.	Other operating expenses	23,908	(1,033)
F.1.	Net book value of sold fixed assets	20,484	823
F.2.	Material sold		
F.3.	Taxes and charges	70	40
F.4.	Reserves relating to operating activities and complex deferred expenses	382	(6,464)
F.5.	Sundry operating expenses	2,972	4,568
*	Operating profit or loss (+/-)	45,786	28,318
VI.	Interest income and similar income	-	11
VI.2.	Other interest income and similar income	-	11
VII.	Other financial income	8,915	9,563
K.	Other financial expenses	17,292	31,969
*	Financial profit or loss (+/-)	(8,377)	(22,395)
**	Profit or loss before tax (+/-)	37,409	5,923
L.	Income tax	7,957	3,576
L.1.	Due income tax	9,525	4,985
L.2.	Deferred income tax (+/-)	(1,568)	(1,409)
**	Profit or loss net of tax (+/-)	29,452	2,347
***	Profit or loss for the current period (+/-)	29,452	2,347
*	Net turnover for the current period	705,796	540,457

Statement of Changes in Equity

Year ended March 31, 2022

in CZK thousand

Particulars	Share capital	Capital funds	Funds from profit, reserve fund	Accumulated profits or losses brought forward	Other profit or loss from prior years	Profit share prepayments declared	Profit or loss for the current period	TOTAL EQUITY
Balance at March 31, 2020	18,750	0	1,875	214,846			17,001	252,472
Distribution of profit or loss				17,001			(17,001)	0
Profit or loss for the current period							2,347	2,347
Balance at March 31, 2021	18,750	0	1,875	231,847			2,347	254,819
Distribution of profit or loss				2,347			(2,347)	0
Change in share capital				(1)				(1)
Profit or loss for the current period							29,452	29,452
Balance at March 31, 2022	18,750	0	1,875	234,193			29,452	284,270

Statement of Cash Flow

Year ended March 31, 2022

in CZK thousand

Particulars		Years ended March 31,	
		2022	2021
P.	Opening balance of cash and cash equivalents	156,796	211,342
	Cash and cash equivalents acquired through transformation	-	-
	Opening balance of cash and cash equivalents after transformation	-	-
	Cash flows from ordinary activities (operating activities)	-	-
Z.	Profit or loss before tax	37,409	5,923
A.1.	Adjustments for non-cash transactions	27,404	21,395
A.1.1.	Depreciation of fixed assets	27,029	27,002
A.1.2.	Change in provisions and reserves	375	(6,419)
A.1.4.	Profit/(loss) on the sale of fixed assets	-	823
A.1.5.	Interest expense and interest income	-	(11)
A.*	Net operating cash flow before changes in working capital	64,813	27,318
A.2.	Change in working capital	(2,399)	(37,166)
A.2.1.	Change in operating receivables and other assets	(54,954)	(8,637)
A.2.2.	Change in operating payables and other liabilities	52,555	(28,529)
A.**	Net cash flow from operations before tax	62,414	(9,848)
A.5.	Income tax paid from ordinary operations	(493)	(15,212)
A.***	Net operating cash flows	61,921	(25,060)
	Cash flows from investing activities		
B.1.	Fixed assets expenditures	(35,122)	(29,486)
B.2.	Proceeds from fixed assets sold	16,425	
B.***	Net investment cash flows	(18,697)	(29,486)
	Cash flow from financial activities		
C.***	Net financial cash flows	-	-
F.	Net increase or decrease in cash and cash equivalents	43,224	(54,546)
R.	Closing balance of cash and cash equivalents	200,020	156,796

Notes to the financial statements (unconsolidated)

Year ended March 31, 2022

1. General information and description of the business

Incorporation and Description of the Company

Infosys (Czech Republic) Limited s.r.o (hereinafter the 'Company') was incorporated

on 4 February 2004 following its registration in the Register of Companies held by the Regional Court in Brno, Insert No. 45386, File C. The principal business activities of the Company include the production, trade and services not listed in Appendices 1 to 3 of the Trade Licencing Act, and accounting advisory, book-keeping and tax records keeping.

Reporting period

April 1, 2021 – March 31, 2022

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 Executive Director of the Company as of March 31, 2022:

Kapil Jain

Acting on Behalf of the Company

The Executive Director acts independently on behalf of the Company.

Members of the Supervisory Board as of March 31, 2022

Ritesh Gandhi
Chairman of the Board of Directors

JAN SKOTÁK
Member of the Board of Directors

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 in the consolidating entity's registered office.

Changes in the corporate records made in the Register of Companies

In the year ended March 31, 2022,

No changes were recorded.

Organizational Structure

The Company is managed by the Executive Director.

2. Significant accounting policies applied by the Company

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

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

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

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

Based on currently available information, the Management does not expect 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 depreciation methods and periods by asset type are as follows:

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 recognises 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 Czech Koruna (CZK) from a bank account maintained in a foreign currency (EUR, USD) are translated using an internal exchange rate of Citi Bank a.s., Deutsche Bank. During the reporting period, solely realized foreign exchange rate gains and losses are reported.

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

(e) Assets held under leases

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

(f) Income taxation

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

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

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

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

(g) Classification of payables

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

Accrued expenses and deferred income are recognized in Balance Sheet item D 'Other liabilities' as long-term. The presentation treatment corresponds to that of deferred expenses and accrued income in both the current and previous periods.

(h) Other operating income

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

(i) Accruals and deferrals accounts

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

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

Deferred income consists of income relating to future reporting periods. Income from accrual contracts is recognized when the relating services are carried out and the unbilled income of the current reporting period is recognized as estimated items.

(j) Revenue recognition

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

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

(k) Cash and cash equivalents

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

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

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

(l) Employee benefits

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

(m) Related party transactions

The Company's related parties refer to:

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

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

(n) Subsequent events

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

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

3. Changes in accounting principles and policies

In the year ended March 31, 2022, no changes were made in the accounting principles and policies.

4. Tangible fixed assets

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	173	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	8 279	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

Major additions to fixed assets in the reporting period primarily include the purchase of IT equipment and computers.
None of the Company's assets have been pledged as security.

Particulars	Buildings	Machinery and equipment, Account No. 042	Total
Cost			
Balance at April 1, 2020	32 770	92 661	125 431
Additions	22 332	8 554	30 886
Disposals	–	3 604	3 604
Reclassification	–	–	–
Balance at March 31, 2021	55 102	97 611	152 713
Accumulated depreciation		–	–
Balance at April 1, 2020	11 372	62 888	74 260
Depreciation	15 441	11 764	27 705
Accumulated depreciation on disposals	–	2 202	2 202
Reclassification	–	–	–
Balance at March 31, 2021	26 813	72 450	99 263
Net book value at April 1, 2020	21 398	29 773	51 171
Net book value at March 31, 2021	28 289	25 161	53 450

5. Assets held under leases

Operating leases

In the reporting period, the Company held non-residential premises under leases; the premises were located at the following address: Vlněna 526/1, Trnitá, Brno (new lease agreements were entered into with the validity from March 15, 2020 with the option of further extension). The validity of the lease agreement at Holandská 9, Brno, 639 00 was terminated as of March 15, 2020. The total lease expenses amounted to CZK 42,208 thousand and CZK 46,811 thousand in the years ended March 31, 2022 and 2021, respectively.

6. Trade receivables and payables

(a) Short-term trade receivables amounted to CZK 118,353 thousand (March 31, 2021 – CZK 73,447 thousand), of which CZK 90,509 thousand (March 31, 2021 – CZK 24,226 thousand) included past-due receivables. The provision against doubtful receivables amounted to CZK 169 thousand and CZK 176 thousand as of March 31, 2022 and 2021, respectively.

(b) Short-term trade payables amounted to CZK 8,742 thousand (March 31, 2021 – CZK 2,411 thousand), of which CZK 5,831 thousand (March 31, 2021 – CZK 0 thousand) included past-due payables. The Company records no payables with maturity of more than five years.

7. Advance payments made

Short-term advance payments made include prepayments for the lease of residential and non-residential premises in the amount of CZK 0 thousand (March 31, 2021 – CZK 0 thousand).

Long-term advance payments made include prepayments (deposit) for the lease of office premises in the amount of CZK 11,602 thousand (March 31, 2021 – CZK 12,439 thousand).

8. Statement of changes in equity

As of the date of signing the financial statements, no decision was made about the transfer of profit for 2021/2022. The Company's Management anticipates transferring the profit generated in the reporting period to retained earnings.

9. Reserves

Particulars	Reserve for outstanding vacation days	Reserve for risks	Reserve for income tax	Reserve for other risks	Total
Balance at April 1, 2021	5 272	204	–	2 722	8 198
Change in reserves	(129)	(59)	–	570	382
Other adjustments	–	–	2 940*	–	2 940
Balance at March 31, 2022	5 143	145	2 940	3 292	11 520

* The income tax reserve in the amount of CZK 10,433 thousand (March 31, 2021 – CZK 3,147 thousand), the advance payments made in the amount of CZK 7,024 thousand (March 31, 2021 – CZK 9,239 thousand), andthe resulting payable are reported in the line 'Income tax reserve' in the amount of CZK 2,940 thousand (31 March 2021 – 'State – tax receivables' in the amount of CZK 6,092 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 145 thousand (March 31, 2021 – CZK 204 thousand) and the reserve for other risks amounts to CZK 3,292 thousand (March 31, 2021 – CZK 2,722 thousand). The reserve for outstanding vacation days amounts to CZK 5,143 thousand (March 31, 2021 – CZK 5,272 thousand).

10. Sales

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

Particulars	Year ended March 31, 2022				Year ended March 31, 2021			
	In-country	Europe USA	India	Total	In-country	Europe USA	India	Total
Advisory, HW and SW consulting	72 410	113 356	490 494	676 260	69 022	86 787	374 908	530 698
Total	72 410	113 356	490 494	676 260	69 022	86 787	374 908	530 698

11. Related party transactions

(a) Trade receivables and payables

Particulars	Receivables at March 31, 2022	Receivables at March 31, 2021	Payables at March 31, 2022	Payables at March 31, 2021
Infosys Poland Sp.z.o.o	243	–	–	–
Infosys BPM Ltd	418	438	110	–
Infosys Technologies Limited	51 397	36 280	–	–
Infosys Austria	543	–	–	–
Infosys Automotive	22 393	–	–	–
Infosys Consulting BE	467	–	–	–
Infosys Cons. AG	514	–	–	–
Infosys Cons. Co.LTD	1 741	–	–	–
Infosys Luxembourg	1	–	–	–
Infosys McCamish	1 241	–	–	–
Infosys Technologies (China) Co. Limited (Infosys China)	859	–	77	–
Infosys Tech.Sweden	487	–	–	–
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)	43	–	–	–
Infosys Turkey	321	–	–	–
Infosys Cons S.R.L (Romania)	284	–	–	–
Infosys Cons S.R.L (Lodestone Argentina)	73	–	–	–
Balance as at March 31, 2022	80 925	36 718	187	–

(b) Sales of goods and services and purchases thereof

Year ended March 31, 2022	Sales for the year	Purchases for the year
Infosys Automotive and Mobility GmbH &.	22 772	–
Infosys Turkey Bilgi Teknolojikeri Limited	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

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

(c) Benefits and loans provided to the Members of Statutory and Supervisory Bodies

In the years ended March 31, 2022 and 2021, the Company did not provide any benefits and loans to the members of its statutory bodies.

12. Services

The total costs of services amounted to CZK 154 330 thousand (March 31, 2021 – CZK 75,262 thousand), which principally included the lease expenses in the amount of CZK 44 682 thousand (March 31, 2021 – CZK 46,811 thousand).

13. Other operating expenses

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

14. Employees and managers

The average re-calculated number of employees and managers, and the staff costs for the years ended March 31, 2022 and 2021 were as follows:

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

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

15. Estimated receivables

Total estimated receivables amounted to CZK 18,848 thousand (March 31, 2021 – CZK 6,828 thousand) and included estimated unbilled services of CZK 18,848 thousand (March 31, 2021 – CZK 6,828 thousand) and accrual contracts income.

16. Estimated payables

Total estimated payables amounted to CZK 96 143 thousand (March 31, 2021 – CZK 17,646 thousand) and included estimated unbilled services as well as items included in remuneration of employees.

17. Accrued expenses

Total accrued expenses amount to CZK 13,366 thousand (March 31, 2021 – CZK 12,433 thousand). Lease payments under operating leases are charged to expenses on a straight line basis in the profit and loss account over the lease term. An outstanding part of the lease arising from straight-line recognition (lease incentives) is recorded as accrued expenses.

18. Deferred income

Total deferred income amounts to CZK 3 thousand (March 31, 2021 – CZK 136 thousand) and represents deferred income from long-term projects with customers.

19. Other financial expenses and income

Other financial expenses in the amount of CZK 17,292 thousand (March 31, 2021 – CZK 31,969 thousand) and other financial income in the amount of CZK 8,915 thousand (March 31, 2021 – CZK 9,563 thousand) principally included realized and unrealized foreign exchange rate gains and losses.

20. Due amounts arising from social security and health insurance

The amounts due arising from social security and health insurance amounted to CZK 9,446 thousand (March 31, 2021 – CZK 8,521 thousand), of which the amount of CZK 6,929 thousand (March 31, 2021 – CZK 6,265 thousand) included estimated social security payments by the employer and the amount of CZK 2,817 thousand (March 31, 2021 – CZK 2,256 thousand) included estimated health insurance payments by the employer. As of March 31, 2022, these estimated liabilities are part of the line - Estimated payables. As of March 31, 2021, they were presented in the line - Liabilities from social security and health insurance. None of these amounts were past their due dates.

21. Fees paid to the statutory auditor

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

22. Income taxation

(a) Tax currently payable

The income tax payable comprises the estimated tax amount for the taxation period ended March 31, 2022 in the amount of CZK 9,964 thousand (taxation period ended March 31, 2021 - CZK 3,147 thousand), and an adjustment of the estimated income tax for the taxation period ended March 31, 2021 of CZK 439 thousand (taxation period ended March 31, 2020 - CZK 1,838 thousand).

(b) Deferred tax

Particulars	Asset		Liabilities	
	Balance at March 31, 2022	Balance at March 31, 2021	Balance at March 31, 2022	Balance at March 31, 2021
Fixed assets	4 437	2 940	–	–
Receivables	32	33	–	–
Reserves	1 631	1 558	–	–
Other temporary differences	–	–	–	–
Deferred tax asset / (liability)	6 100	4 531	–	–

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, 2022.

In line with the accounting policies presented in Note 2 (f) above, in calculating deferred tax as of March 31, 2022, the applied tax rate amounted to 19% (2021 – 19%).

23. Off balance sheet commitments

The Company has no contractual liabilities reported off the Balance Sheet.

The Company is not aware of any contingent liabilities.

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

24. Cash flow statement

For the purposes of the cash flow statement, cash and cash equivalents are defined as cash on hand, cash in transit, cash at bank, and other financial assets, the value of which can be reliably determined and easily converted into cash.

The balance of cash and cash equivalents as of the Balance Sheet date is as follows:

Particulars	Balance at March 31,	
	2022	2021
Total current financial assets	200 020	156 796
Cash and cash equivalents	200 020	156 796

Cash flows from operating, investment and financial activities presented in the Cash Flow Statement are not offset.

25. Significant post balance sheet events

The ongoing war in Ukraine and the related sanctions against the Russian Federation may have an impact on the European and global economy. The entity has no significant direct exposure to Ukraine, Russia or Belarus. Hence, there is no significant impact to the carrying amounts of assets and liabilities currently, nor is such impact expected in the future. The Company continues to meet its obligations as they fall due and will continue to monitor the development closely should any significant changes in economic conditions occur. Therefore, the financial statements have been prepared while applying the going concern basis assumption in respect of this event.

As of the Balance Sheet date, the Company's Management is not aware of any significant post Balance Sheet events that would have a material impact on the financial statements as of March 31, 2022.

Prepared on:	Signature of the statutory body or natural person who acts as the entity
May 23,2022	Kapil Jain
	Executive Director

Report on the relations

for the accounting period April 1, 2021 – March 31, 2022

The Executive Director 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, 2021 –March 31, 2022 (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

The information available to the Executive Director of the Company acting with due care, the Company was a member of the Infosys BPM group, in which the controlling entity was Infosys BPM Limited (hereinafter referred to as the "Infosys BPM Group") during the Reference Period. Infosys BPM Limited is a majority-owned subsidiary of Infosys Limited. The information about the entities belonging to the Infosys BPM Group is stated as at 31 March 2022 and is based on the information available to the Executive Director of the Company acting with due care. The structure of relationships in the Infosys BPM Group is shown in the overview which forms Annex No. 1.

Controlling Entity:	Infosys BPM Limited, Plot Nos. 26/3, 26/4 and 26/6, Electronics City, Hosur Road, Bangalore, 561229 India
Controlled Entity:	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) in the capacity of the general meeting of the Company. Infosys BPM Limited is sole shareholder of the Company.

4) Overview of mutual contracts between controlled and controlling entities and between the controlled entity and the entities controlled by the same controlling entity.

In the Reference period, the Company made no actions in the interest or at the initiative of the of the controlling entity or entitites controlled by the controlling entity which related to property exceeding 10 percent of the equity of the Company asserted in accordance with the last financial statements.

5) Overview of mutual contracts between controlled and controlling entities, and between the controlled entity and the entities controlled by the same controlling entity.

a) Contracts between the controlled and the controlling entity:

In the decisive period, the sub-contracting agreements between the Company (as vendor, respectively supplier) and Infosys BPM Limited (as customer) and Infosys Limited (as customer) were in effect.

Particulars	Sales for the Decisive Period in TCZK	Purchases for the Decisive Period in TCZK
Infosys BPM Limited	5,605	177
Infosys Limited	484,776	4,829

b) Contracts between the controlled entity and the entities controlled by the same controlling entity

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

Sales for the decisive period

in CZK thousand

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
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. (InfosysMexico)	45
Infosys Poland Sp z.o.o	554
Infosys Technologies (Sweden) AB (Infosys Sweden)	493
Infosys McCamish Systems LLC	1,290

in CZK thousand

Infosys Technologies (China) Co. Limited (Infosys China)	77

6) Assessment of detriment and assessment of its settlement

On the basis of the contracts concluded between the Company and the controlling entity and between the Company and the entities controlled by the same controlling entity and on the basis of actions made by the Company in the interest or at the initiative of the controlling entity or entities controlled by the controlling entity, the Company suffered no detriment.

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

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.

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

Date: May 23, 2022

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Kaleidoscope Animations, Inc.

Independent Auditors' Report

To the Board of Directors of Kaleidoscope Animations, Inc.

Opinion

We have audited the consolidated financial statements of Kaleidoscope Animations, Inc. and its subsidiary (the 'Company'), which comprise the Consolidated Balance Sheets as of December 31, 2021 and 2020, 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, 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, 2021 and 2020, 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.

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, 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 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 audit.

Delloitte & Touche LLP

April 12, 2022

Consolidated Balance sheet

in US$

Particulars	As at December 31, 2021	As at December 31, 2020
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	4,724,630	1,178,390
Contract receivables	7,004,060	5,899,397
Other current assets	268,191	355,265
Total current assets	11,996,881	7,433,052
PROPERTY AND EQUIPMENT, NET	1,061,073	1,030,819
OTHER ASSETS		
Deposits	27,540	23,640
Deferred taxes, net	318,645	
Total other assets	346,185	23,640
TOTAL ASSETS	13,404,139	8,487,511
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
Accounts payable	253,746	487,802
Accrued expenses	685,295	838,738
Other short-term payable	108,212	25,000
Unearned revenue	818,033	844,008
Total current liabilities	1,865,286	2,195,548
LONG-TERM LIABILITIES		
Deferred taxes, net		12,499
Total long-term liabilities		12,499
Total liabilities	1,865,286	2,208,047
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	7,026,845	1,767,456
Total stockholder's equity	11,538,853	6,279,464
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	13,404,139	8,487,511

See notes to consolidated financial statements.

Consolidated statement of Income and Comprehensive Income

in US$

Particulars	Year ended December 31,			
	2021		2020	
	Amount	% of Revenue	Amount	% of Revenue
REVENUE	33,316,819	100.0%	26,161,074	100.0%
COST OF REVENUE	21,874,488	65.7	17,862,472	68.3
GROSS PROFIT	11,442,331	34.3	8,298,602	31.7
OPERATING EXPENSES				
Salaries and related expenses	2,543,264	7.6	2,384,401	9.1
Occupancy and office expenses	781,641	2.3	622,954	2.4
Real estate and other taxes expenses	208,355	0.6	128,987	0.5
Travel, meals, and entertainment expenses	299,653	0.9	174,698	0.7
Information technology expenses	512,132	1.5	394,780	1.5
Insurance expenses	56,396	0.2	82,678	0.3
Departmental and other staff-related expenses	309,145	0.9	207,074	0.8
Professional fees	788,150	2.4	416,086	1.6
Total operating expenses	5,498,736	16.5	4,411,658	16.9
OPERATING INCOME	5,943,595	17.8	3,886,944	14.9
OTHER INCOME (EXPENSES)				
Other income			89,074	0.3
Interest expenses	(3,507)		(47,487)	(0.2)
Depreciation and amortization	(256,533)	(0.8)	(113,035)	(0.4)
Provision for income taxes	(424,166)	(1.3)	(40,107)	(0.2)
Total other income (expenses)	(684,206)	(2.1)	(111,555)	(0.4)
NET INCOME AND TOTAL COMPREHENSIVE INCOME	5,259,389	15.8%	3,775,389	14.4%

See Notes to consolidated financial statements

Consolidated statement of Changes in Stockholder's Equity

in US$

Particulars	Common Stock	Paid In Capital	Treasury Stock	Retained Earnings	Total
BALANCE—January 1, 2020	20,000	616,023	(522,000)	2,571,964	2,685,987
Retirement of treasury stock and par value	(20,000)	(502,000)	522,000		-
Plus: Capital contributions		4,485,377			4,485,377
Plus: Net income and total comprehensive income				3,775,389	3,775,389
Less: Impact of tax status conversion (see footnote 4)		(87,392)			(87,392)
Less: Distributions				(4,579,897)	(4,579,897)
BALANCE - December 31, 2020	–	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

See Notes to consolidated financial statements

Consolidated Statement of Cash Flows

in US$

Particulars	Years ended December 31, 2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income adjustments to reconcile net income to net cash provided by (used in) operating activities:	5,259,389	3,775,389
Non-monetary gain	–	(75,000)
Depreciation and amortization	256,533	113,035
Gain on sale of fixed assets	–	(13,795)
Deferred income tax expense	(331,144)	(74,893)
Changes in operating assets and liabilities:		
Contract receivables	(1,104,663)	(1,227,097)
Other current assets	87,074	124,837
Change in deposits	(3,900)	(3,000)
Accounts payable	(234,056)	40,485
Accrued expenses	(153,443)	473,974
Other short-term payable	83,212	–
Unearned revenue	(25,975)	(484,438)
Net cash provided by operating activities	3,833,027	2,649,497
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(286,787)	(817,301)
Proceeds from sales of fixed assets	–	15,000
Net cash used in investing activities	(286,787)	(802,301)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments On line of credit	–	(2,643,845)
Borrowings On line of credit	–	480,000
Repayments of long-term debt	–	(2,617,997)
Proceeds from debt	–	2,330,407
Distributions to shareholders	–	(3,684,323)
Capital contributions	–	4,485,377
Net cash used in financing activities	–	(1,650,381)
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,546,240	196,815
BEGINNING CASH AND CASH EQUIVALENTS	1,178,390	981,575
ENDING CASH AND CASH EQUIVALENTS	4,724,630	1,178,390
Interest paid	3,507	47,487
Income taxes paid	818,473	24,078
NONCASH FINANCING AND INVESTING ACTIVITIES CONSIST OF		
Property purchased in exchange for future services	–	100,000
Noncash distributions to shareholders	–	895,574
Acquisition of other current assets financed through debt	–	165,933

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 manufactures 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.

Use of Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the 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 and amounts on deposit 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 as at December 31, 2021 and 2020.

It is the 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, 2021 and 2020.

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.

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 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 Financial Accounting Standards Board (FASB) Accounting Standards Codification (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, the Management considers the likelihood that some or all 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. The 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. The 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, 2017. 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, 2021, were $10,129 (2020–$12,067) 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 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 off are reported at the lower of carrying amount or the fair value less the costs to sell. The Management has determined that no impairment exists at December 31, 2021 or 2020.

Recently Issued Significant Accounting Standards—In February 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842). The core principle of Topic 842 is that a lessee should recognize the assets and liabilities that arise from leases that are not excluded by this standard. Such leases create an asset and a liability for the lessee in accordance with FASB Concepts Statement No. 6, Elements of Financial Statements, and therefore, recognition of those lease assets and lease liabilities represents an improvement over previous Generally Accepted Accounting Principles (GAAP), which did not require lease assets and lease liabilities to be recognized for most leases. The ASU is effective for nonpublic entities for years beginning after December 15, 2021.

In June 2016, the FASB issued its final standard on measurement of credit losses on financial instruments. This standard, issued as ASU No. 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 these ASUs on its consolidated financial statements.

2. Contract receivables and contract liabilities

Contract receivables, net on the Balance Sheet are as follows:

in US$

Particulars	As at December 31,	
	2021	2020
Contracts in progress—billed	6,682,483	5,623,094
Contracts in progress—unbilled	321,577	276,303
	7,004,060	5,899,397

The Company's only contract liability is unearned revenue, which represents payments received in advance of services performed.

The activities for contract liabilities are as follows:

in US$

Balance as at December 31,2019	Refunds issued	Revenue recognized and included in Dec. 31, 2019 Balance	Cash received in advance of performance	Balance at December 31, 2020
1,451,155	-	1,451,155	844,088	844,088

in US$

Balance at December 31,2020	Refunds Issued	Revenue Recognized Included in Dec. 31, 2020 Balance	Cash Received in Advance of Performance	Balance at December 31,2021
844,088	-	844,088	818,033	818,033

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,	
	2021	2020
Furniture and equipment	1,703,663	1,490,249
Leasehold improvements	36,510	31,341
Software	8,870	229,068
Subtotal	1,749,043	1,750,658
Less accumulated depreciation	(687,970)	(719,839)
Net book value	1,061,073	1,030,819

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.

Differences between the enacted statutory rates and the Company's effective rate are driven by the Company's election to not apply push-down accounting for book accounting, whereas push-down accounting is reflected within the income tax provision in accordance with ASC 740.

The provision for taxes on income consists of the following:

in US$

Particulars	As at December 31,	
	2021	2020
Current tax expense		
Federal	659,502	84,592
State	95,808	30,408
	755,310	115,000
Deferred tax benefit		
Federal	(286,528)	(46,256)
State	(44,616)	(28,637)
	(331,144)	(74,893)
Total provision for income taxes	424,166	40,107

Disclosure of the Company's total deferred tax assets and liabilities at year-end required by FASB ASC is as follows:

in US$

Particulars	As at December 31,	
	2021	2020
Deferred tax asset		
Accrued expenses	92,053	72,446
Intangibles	764,585	152,917
	856,638	225,363
Deferred tax liability		
Property and equipment, net	(257,522)	(92,586)
Goodwill	(273,965)	(54,793)
Other current assets	(6,506)	(90,483)
	(537,993)	(237,862)
Net deferred tax asset (liability)	318,645	(12,499)

There were no valuation allowances for deferred tax assets at December 31, 2021 and 2020. There are no net operating loss carryforwards. The 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. Line of credit and notes payable

Animations had a $3,000,000 line of credit that bore interest at the prime rate less 1% and matured on August 21, 2021. The line of credit was closed upon the purchase of Animations by Infosys Nova Holdings, LLC in October 2020.

Animations had four equipment, vehicle, and software license loans, of which two of these loans were received in 2020 for a total principal amount of $340,706. All of these loans were repaid in full upon the purchase of Animations by Infosys in October 2020. In addition, Animations also received a Paycheck Protection Program loan during 2020 in the amount of $2,174,863. This loan, which bore interest at 1%, was also repaid in full prior to December 31, 2020.

6. Concentrations, risks, and uncertainties

The Company maintains cash balances at two financial institutions. At times, the cash account may exceed federally insured limits of $250,000. At December 31, 2021, the amount uninsured was $4,355,492 (2020–$969,468).

The Company generated approximately 56% of its external sales from three customers during 2021 (2020–60% from three customers). The top three customers represent 28%, 15%, and 13% of external sales (2020–23%, 19%, and 18%). At December 31, 2021, approximately 71% of Contract Receivables are due from three customers (2020–73% from three customers). The top three customers represent 50%, 16%, and 5% of Contract Receivables (2020–51%, 20%, and 2%)

7. 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 $169,899 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 2021 (2020–$133,208).

8. Commitments and contingencies

The Company has entered into various operating leases for facilities. The lease agreements expire in periods between 2022 and 2028. In addition, the Company is responsible for insurance, utilities, maintenance, repair and replacement expenses, real estate taxes, and improvements on the properties. Rent expense for the year ended December 31, 2021, was $356,971 (2020–$256,206) and is included in occupancy and office expenses in the consolidated statement of income and comprehensive income.

Future minimum lease payments under the terms of the leases are due as follows:

in US$

2022	401,398
2023	291,188
2024	298,178
2025	276,607
2026	271,321
	1,538,692
Thereafter	515,091
	2,053,783

9. Related-party transactions

During the year ended December 31, 2021, the Company generated $1,505,025 (2020–$0) of revenue from entities affiliated with Infosys Nova Holdings, LLC. Included in contract receivables at December 31, 2021, is $373,131 (2020–$0) due from Infosys. The Company provided product development, design, and engineering services as part of various medical technology and industrial customer solutions.

10. Subsequent events

In preparing these consolidated financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through April 12, 2022, the date the consolidated financial statements were available to be issued. The Management has determined that there were no events that occurred that require additional disclosure.

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Infosys Consulting AG

Independent Auditor's Report

Report of the Statutory Auditor

To The General Meeting of INFOSYS CONSULTING AG, KLOTEN

Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the accompanying financial statements of Infosys Consulting AG, which comprise the balance sheet as at 31 December 2021, and the income statement and notes for the year then ended.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of these financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation 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 system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, 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 for the year ended 31 December 2021 comply with Swiss law and the company's articles of incorporation.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 Code of Obligations (CO)) and that there are no circumstances incompatible with our independence.

In accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further 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

Fabien Lussu
Licensed Audit Expert
Auditor in Charge

Claudia Schmid
Licensed Audit Expert

Place: Zurich

Date: May 13, 2022

Balance sheet

in CHF

Particulars	Notes	As at December 31, 2021	As at December 31, 2020
Assets			
Cash and cash equivalents		6,960,362.63	5,480,482.19
Receivables from third parties		2,014,274.69	3,539,863.78
Receivables from other group companies		5,145,179.58	2,704,338.66
Receivables from subsidiaries		246,586.86	211,904.55
Prepaid expenses and accrued income		1,185,135.46	915,131.62
Total current assets		15,551,539.22	12,851,720.80
Loans to shareholder		402,596.36	9,390,401.18
Investments	2.1	65,118.06	65,118.06
Tangible assets	2.2	103,259.81	105,024.99
Right-of-use assets	2.3	6,811,880.15	7,590,076.16
Total non-current assets		7,382,854.38	17,150,620.39
TOTAL ASSETS		22,934,393.60	30,002,341.19
Liabilities and equity			
Accounts payable to third parties		1,000,902.21	241,886.17
Accounts payable to other group companies		517,561.70	204,194.42
Other short-term liabilities		1,496,053.06	827,819.35
Other short-term payables to shareholder		14,520.51	0.00
Short-term lease liability		774,936.63	774,936.63
Accrued expenses and deferred income		6,024,280.55	6,006,023.63
Total short-term liabilities		9,828,254.66	8,054,860.20
Lease liability	2.3	5,863,985.92	6,637,651.93
Total long-term liabilities		5,863,985.92	6,637,651.93
Total liabilities		15,692,240.58	14,692,512.13
Share capital	2.4	120,000.00	120,000.00
Statutory retained earnings		60,000.00	60,000.00
Voluntary retained earnings		6,129,829.06	12,638,214.29
Net result for the year		932,323.96	2,491,614.77
Total equity		7,242,153.02	15,309,829.06
TOTAL LIABILITIES AND EQUITY		22,934,393.60	30,002,341.19

Income statement

in CHF

Particulars	Notes	Year ended December 31, 2021	2020
Consulting revenue		7,422,761.30	13,592,282.20
Other service revenue		24,677,909.28	24,064,615.95
Revenue discounts / reversals		(405,387.44)	(391,872.96)
Trade revenue, (net)		31,695,283.14	37,265,025.19
Total cost of services		(9,012,189.81)	(11,789,980.16)
Gross profit		22,683,093.33	25,475,045.03
Personnel expenses		(20,109,223.30)	(20,034,813.33)
Office rent and maintenance		(87,388.66)	(133,151.10)
Administration and general expenses		(117,008.73)	(120,341.39)
Consulting (Accounting, tax, legal) expenses		(401,562.04)	(296,501.19)
Marketing expenses		(36,071.84)	(90,679.07)
Depreciation and amortization	2.3	(836,526.86)	(849,215.00)
Total operating expenses		(21,587,781.43)	(21,524,701.08)
Earnings before interest and taxes (EBIT)		1,095,311.90	3,950,343.95
Financial expenses	2.3	(106,984.93)	(1,289,945.40)
Financial income		524,181.22	78,163.96
Net financial result		417,196.29	(1,211,781.44)
Extraordinary expenses		0.00	(34,875.06)
Extraordinary income		275.98	0.00
Net extraordinary result		275.98	(34,875.06)
Earnings before tax (EBT)		1,512,784.17	2,703,687.45
Tax expenses		(580,460.21)	(212,072.68)
Net result for the year		932,323.96	2,491,614.77

Notes to the financial statement

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. It should be noted that to ensure the company's going concern, the Company's financial statements may be influenced by the creation and release of hidden reserves.

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. An expected project loss is recognized as an expense immediately. Revenue from fixed-price, fixed-timeframe contracts is recognized as per the percentage-of-completion method. 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

As of 2019 financial year and onwards, leasing and rental agreements will be disclosed by the principle of Right-of-use in accordance with IFRS 16.

1.6 Foregoing a cash flow statement and additional disclosures in the notes

As Infosys Ltd., the owner of Infosys Consulting Holding AG, has prepared its consolidated financial statements in accordance with a recognized accounting standard (IFRS), 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.
Notes to the financial statement

2. Information on Balance Sheet and income statement items

2.1 Investments

Company: Infosys Consulting S.R.L.
Location: Buenos Aires, Argentina

in CHF

Particulars	Year ended December 31,	
	2021	2020
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	Year ended December 31,	
	2021	2020
Installations and equipment	103,259.81	105,024.99
TOTAL	103,259.81	105,024.99

2.3 Right-of-use assets (RoU) and lease liabilities

As a result of disclosing lease and rental agreements in accordance with the principle of Right-of-use, the following accounts were affected:

in CHF

Particulars	Year ended December 31,	
	2021	2020
Balance Sheet		
Rent office - 7 years	6,811,880.15	7,590,076.10
Lease liability	(6,638,922.55)	(7,412,588.56)
Income Statement		
Amortization - RoU building	778,196.01	780,328.06
Interest expense on lease liability	14,233.51	15,822.85
Cashflow		
Cashflow (01.01.-31.12.)	848,567.76	848,567.76

2.4 Share capital

As at 31 December 2021, 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 below 250 similar to the previous reporting year.

3.2 Summary of hidden reserves

in CHF

Particulars	Year ended December 31,	
	2021	2020
Accounts receivable	5,877.93	4,310.28
Total	5,877.93	4,310.28
Increase / (Dissolution) of Hidden Reserve:	1,568	

3.3 Estimation of uncertainties relating to the global health pandemic 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 nonfinancial 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 related information and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements
The Group has evaluated the impact of COVID – 19 resulting from (i) the possibility of constraints to render services, which may require revision of estimations of costs to complete the contract because of additional efforts; (ii) onerous obligations; (iii) penalties relating to breaches of service level agreements, and (iv) termination or deferment of contracts by customers. The Company

has concluded that the impact of COVID – 19 is not material based on these estimates. Due to the nature of the pandemic, the Company continues to monitor developments to identify significant uncertainties relating to revenue in future periods.

Proposal on the appropriation of voluntary retained earnings

The Board of Directors proposes to appropriate the voluntary retained earnings (available earnings) as follows:

in CHF

Particulars	Year ended December 31,	
	2021	2020
Voluntary retained earnings (brought forward)	6,129,829.06	12,638,214.29
Net result for the year	932,323.96	2,491,614.77
Total voluntary retained earnings	7,062,153.02	15,129,829.06
Dividend	3,500,000.00	9,000,000.00
To be carried forward	3,562,153.02	6,129,829.06

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Portland Group Pty. Ltd.

Independent Auditor's Report

To the Board of Directors of Portland Group Pty Limited

Opinion

We have audited the financial report of Portland Group Pty Ltd (the "Company") which comprises the statement of financial position as at 31 March 2022, 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 2022 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 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 – 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 23, 2022

Directors' Report

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

There were no significant changes in the nature of the activities of the Company during the year. No matters or circumstances have arisen since the end of the financial year, which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

3. Dividends

The Board of Directors, in their meeting on October 16, 2021, declared and paid an interim dividend of $5,000,000 for the financial year ended March 31, 2022. The Board of Directors, in their meeting on April 16, 2021, declared and paid a final dividend of $13,000,000 for the financial year ended March 31, 2021. Further, franking credit of $7,725,322 was utilized during the current period for the above final and interim dividend.

4. Operating and financial review

The profit after tax for the year ended 31 March 2022 amounted to $2,806,543 (2021: profit after tax of $2,332,588). This was primarily a result of increase of revenue from $23,099,753 for the year ended 31 March 2021 to $36,759,629 for the year ended 31 March 2022.

5. Environmental regulation

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

6. Events subsequent to reporting date

No matters or circumstances except as mentioned in note 26 have arisen since the end of the financial year and the date of this report, which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

7. Likely developments

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

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

8. Indemnification and insurance of officers and auditors

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

9. Lead auditor's independence declaration

The Lead auditor's independence declaration is set out and forms part of the directors' report for the financial year ended March 31, 2022.

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

Place: Sydney

Date: May 23, 2022

Statement of Financial Position

in AU $

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
Assets			
Current assets			
Cash and cash equivalents	12a	14,851,954	30,814,212
Trade and other receivables	10	11,589,835	6,481,904
Other current assets	11c	67	23,604
Prepayments	11a	1,444,932	321,691
Total current assets		27,886,788	37,641,411
Non-current assets			
Deferred tax assets	16a	576,973	544,421
Property, plant and equipment	13	76,264	76,779
Right of use assets	19	1,313,578	704,720
Trade and other receivables	10	1,819,761	2,334,838
Prepayments	11b	406,107	778
Total non-current assets		4,192,683	3,661,536
Total assets		32,079,471	41,302,947
Liabilities			
Current liabilities			
Trade and other payables	14	803,695	337,856
Lease liabilities	19	377,412	144,986
Other current liabilities	15	12,422,372	7,310,158
Current tax liabilities, (net)		16,236	476,034
Provisions	17	25,935	76,033
Employee benefit obligations	18	2,909,680	2,566,654
Total current liabilities		16,555,330	10,911,721
Non-current liabilities			
Lease liabilities	19	996,791	624,134
Employee benefit obligations	18	586,084	565,382
Other non-current liabilities	15	2,412,314	2,479,301
Total non-current liabilities		3,995,189	3,668,817
Total liabilities		20,550,519	14,580,538
Net Assets		11,528,952	26,722,409
Equity			
Share capital	25a	3,389,049	3,389,049
Retained earnings		8,139,903	23,333,360
Total equity		11,528,952	26,722,409
Total liabilities and equity		32,079,471	41,302,947

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

Statement of Profit or Loss and other Comprehensive Income

in AU $

Particulars	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Revenue	5	36,759,629	23,099,753
Cost of sales	6	(31,255,875)	(18,311,475)
Gross profit		5,503,754	4,788,278
Selling and distribution expenses		(28,274)	(12,187)
Administrative expenses		(1,380,102)	(1,389,676)
Operating profit		4,095,378	3,386,415
Finance income	7	68,389	9,995
Finance costs	19	(63,972)	(25,996)
Net finance income		4,417	(16,001)
Profit before tax		4,099,795	3,370,414
Income tax expense	16b & c	(1,293,252)	(1,037,826)
Profit after tax		2,806,543	2,332,588
Other comprehensive income			
Items that will never be reclassified to profit or loss:		–	–
Items that are or may be reclassified subsequently to profit or loss:		–	–
Other comprehensive income, net of tax		–	–
Total comprehensive income		2,806,543	2,332,588

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

Statement of Changes in Equity

in AU $

Particulars	Year ended March 31, 2022		
	Share capital	Retained earnings	Total equity
Balance as on April 1, 2020	3,389,049	21,000,772	24,389,821
Total other comprehensive income	–	–	–
Profit for the year	–	2,332,588	2,332,588
	–	23,333,360	26,722,409
Transactions with owners of the Company			
Issue of ordinary shares	–	–	–
Dividends	–	–	–
Total transactions with owners of the Company	–	–	–
Balance at March 31, 2021	3,389,049	23,333,360	26,722,409
Balance as on April 1, 2021	3,389,049	23,333,360	26,722,409
Profit for the year	–	2,806,543	2,806,543
Total comprehensive income	3,389,049	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

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

Statement of Cash Flows

in AU $

Particulars	Notes	Year ended March 31, 2022	2021
Cash flows from operating activities			
Cash receipts from customers (inclusive of GST)		35,327,662	33,338,391
Cash paid to suppliers and employees		(31,083,358)	(29,314,089)
Cash generated from operations		4,244,304	4,024,302
Interest received		23,552	26,428
Net Income taxes paid		(1,785,600)	(958,372)
Net cash from operating activities	12b	2,482,256	3,092,358
Cash flows from investing activities			
Purchase of plant equipment	13	(66,651)	(15,101)
Net cash used in investing activities		(66,651)	(15,101)
Cash flows from financing activities:			
Payment of lease liability	19	(377,863)	(492,391)
Dividends paid		(18,000,000)	–
Net cash used in financing activities		(18,377,863)	(492,391)
Net increase / (decrease) in cash and cash equivalents		(15,962,258)	2,584,866
Cash and cash equivalents at April 1		30,814,212	28,229,346
Cash and cash equivalents as at March 31	12a	14,851,954	30,814,212

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

Notes to the financial statements

1. Reporting entity

Portland Group Pty Ltd (the "Company") is a Company domiciled in Australia. The Company's registered office and principal place of business is Suite 9.01, Level 9, 130 Pitt Street, Sydney NSW 2000, Australia. The parent of the Company is Infosys BPO Ltd. India, and the ultimate parent is Infosys 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. Reduced disclosure regime has been adopted in the preparation of these financial statements.

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

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

The annual financial statements were approved by the Board of Directors on the 23rd day of May 2022.

(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 31 March 2022 are:

- Recognition of provisions and contingencies: Key assumptions about the likelihood and magnitude of an outflow of resources.
- ·Recognition of deferred tax assets: Availability of future taxable profit against which carry forward tax losses can be used.
- The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.
- AASB 16 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts (Refer to Note no. 19).
- The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of financial statements, including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

3. Significant accounting policies

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

(a) Revenue

The Company's main source of income is from provision of sourcing and category management service, project-based consultancy support and ongoing management services. The entity recognizes revenue using the output method i.e. right to invoicing based on the consultants being provided and costs being incurred as per AASB 15.

Fixed price:

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

Time and material:

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

Uncertainty:

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

Maintenance:

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

Unbilled / Unearned:

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

Licenses:

Revenue from licenses where the customer obtains a 'right-of-use', the licenses is recognized at the time the license is made available to the customer. Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS). The Company has applied the principles under AASB 115 to account for revenues from these performance obligations. ATS revenue is recognized ratably over the period in which the services are rendered.

Agency Revenue:

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

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 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	2022
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 expired.

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

(ii) Non derivative financial assets – measurement

Financial assets at fair value through profit or loss:

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

Held to maturity financial assets:

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

Loans and receivables:

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

Cash and cash equivalents:

In the Statement of Cash Flows, cash and cash equivalents include 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 reclassifications of amounts previously recognized in other comprehensive income. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

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

(r) Determination of fair values

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

(i) Trade and other receivables

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

(ii) Other non-derivative financial liabilities

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

(s) Comparatives

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

4. New standards and interpretations not yet adopted

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

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)	01-Apr-23
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	01-Apr-22
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	01-Apr-23
Mar-20	AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities	01-Apr-22
Jun-20	AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments	01-Apr-22
Apr-21	AASB 2021-3 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions beyond 30 June 2021	01-Apr-22
Mar-21	AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	01-Apr-23
Jun-21	AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	01-Apr-23
Mar-20	AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Entities	01-Apr-22
Aug-20	AASB 2020-7 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions: Tier 2 Disclosures	01-Apr-22
Dec-20	AASB 2020-9 Amendments to Australian Accounting Standards – Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments	01-Apr-22

5. Revenue

in AU $

Particulars	As at March 31,	
	2022	2021
Related party revenue	6,106,974	6,997,206
Third party revenue (Principal)	30,652,655	15,495,784
Third party revenue (Agent)	–	606,763
	36,759,629	23,099,753

At March 31, 2022 the Company has deferred revenue of $2,425,488 (2021: $1,447,426), which represents the fair value of that portion of the revenue and the Company has unbilled revenue of $7,684,907 (2021: $5,489,046).

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.

in AU $

Revenues by Contract type	As at March 31,	
	2022	2021
Fixed price	25,730,128	17,192,005
Time and materials	11,029,501	5,907,748
Total	36,759,629	23,099,753

Trade receivables and contract balances

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

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

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

Invoicing in excess of earnings is classified as unearned revenue.

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

6. Cost of sales

in AU $

Particulars	As at March 31, 2022	2021
Employee benefit expense	11,376,254	10,274,284
Cost of third-party software	16,879,908	6,785,236
External contractor expense and others	2,999,713	1,251,955
	31,255,875	18,311,475

7. Finance Income

in AU $

Particulars	As at March 31, 2022	2021
Interest income from deposits with banks	–	9,995
Interest income on prepaid contract cost	23,552	–
Miscellaneous Income	44,837	–
	68,389	9,995

8. Auditors' remuneration

in AU $

Particulars	As at March 31, 2022	2021
Audit of financial statements – Deloitte Touche Tohmatsu	23,650	23,650
	23,650	23,650

9. Expenses by nature

in AU $

Particulars	As at March 31, 2022	2021
Depreciation	65,166	87,818
Employee benefits	12,084,403	10,894,721
Rental expenses	1,342	8,731
Amortization on ROU assets	333,667	393,651
Interest expenses on leases liability	40,421	25,996

10. Trade and other receivables

in AU $

Particulars	As at March 31, 2022	2021
Current		
Trade receivables	5,279,102	3,075,570
Unbilled revenue	5,865,146	3,154,208
	11,144,248	6,229,778
Amounts due from related party (Trade receivables, Other receivables & Unbilled revenue - Note 23)	445,587	252,126
	11,589,835	6,481,904
Non-Current		
Unbilled revenue	1,819,761	2,334,838
	1,819,761	2,334,838

The average credit period is 30 days. No interest is charged on trade receivables. Based on the management's best estimate, impairment in trade receivables amounting to AUD 8,307 and AUD 136,068 exist as on March 31, 2022 and March 31, 2021 respectively. Also, an exposure to credit risk from trade receivables and unbilled revenue amounting to AUD 164,079 and AUD 74,736 exist as on March 31, 2022 and March 31, 2021 respectively.

11.a. Prepayments (current)

in AU $

Particulars	As at March 31, 2022	2021
Prepaid expenses	892,448	301,610
Loans and advances to employees	11,008	20,081
Prepaid contract cost	541,476	–
	1,444,932	321,691
b. Prepayments (non-current)		
Prepaid expenses	–	778
prepaid contract cost	406,107	–
	406,107	778
c. Other current assets		
Electricity and other deposits	–	20,000
Advances to PF trust	67	1,515
Vat Account	–	2,089
	67	23,604

12.a. Cash and cash equivalents

in AU $

Particulars	As at March 31, 2022	As at March 31, 2021
Cash at Bank	14,851,954	30,814,212
	14,851,954	30,814,212
b. Cash flows from operating activities		
Reconciliation of cash flow from operations with profit after Income tax	2,806,543	2,332,588
Adjustments for:		
– Depreciation and amortization	398,833	481,469
– Deferred tax assets	(32,551)	(6,511)
– Net tax assets (liabilities)	(459,797)	79,455
– Finance cost	63,972	25,996
	2,777,000	2,912,997
Changes in:		
– Trade and other receivables	(5,107,931)	3,026,554
– Other current and non-current assets	538,613	(2,332,671)
– Prepayments	(1,528,570)	1,829,208
– Trade and other payables	465,839	(1,240,346)
– Other current and non-current liabilities	5,045,227	(610,930)
– Provisions	(50,098)	1,103
– Employee benefits obligation	363,729	(493,557)
– Finance income	(23,552)	–
– Other miscellaneous expenses	1,999	–
Net cash from operating activities	2,482,256	3,092,358

13. Property, plant and equipment

in AU $

Particulars	Plant and machinery	Furniture and fixtures	Computer equipment	Total
Cost				
Balance at April 1, 2020	76,547	317,834	568,775	963,156
Additions	3,205	–	11,896	15,101
Disposals	(57,293)	(225,417)	(10,667)	(293,377)
Balance at March 31, 2021	22,459	92,417	570,004	684,880
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
Accumulated Depreciation				
Balance at April 1, 2020	74,983	306,444	432,233	813,660
Depreciation	1,473	8,835	77,510	87,818
Disposals	(57,293)	(225,417)	(10,667)	(293,377)
Balance at March 31, 2021	19,163	89,862	499,076	608,101
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
Carrying Amounts				
At March 31, 2021	3,296	2,555	70,928	76,779
At March 31, 2022	6,840	–	69,424	76,264

14. Trade and other payables

in AU $

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payables	667,785	222,668
Amounts due to related party	135,910	115,188
	803,695	337,856

15. Other current liabilities

in AU $

Particulars	As at March 31, 2022	As at March 31, 2021
Accrued expenses - cost of third-party software	8,008,164	5,361,979
Accrued expenses - others	922,859	463,052
Deferred revenue	2,425,488	1,447,426
Withholding taxes payable	403,232	37,701
Provision for expense - inter company	295,994	–
Financial liabilities under revenue deals (current)	366,635	–
	12,422,372	7,310,159
Non-Current		
Accrued expenses - cost of third-party software	1,732,214	2,479,301
Financial liabilities under revenue deals (non-current)	680,100	–
	2,412,314	2,479,301

16. Tax assets and liabilities

(a) Deferred tax assets

in AU $

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax assets due to timing differences:		
Provision for doubtful debts	52,152	63,493
Provision for employee benefits	517,224	458,118
Provision for post-sale customer support	7,597	22,810
Deferred tax liabilities	–	–
Net Deferred tax assets	576,973	544,421
(b) Reconciliation of effective tax rate		
Profit before tax	4,099,795	3,370,414
Tax using the Company's domestic tax rate of 30% (2021: 30%)	1,229,939	1,011,124
Adjustments in respect of prior years	45,643	13,980
Non-deductible expenses	17,670	12,722
Income tax expense for the period	1,293,252	1,037,826
(c) Income tax expense		
Corporation income tax		
Current year	1,280,159	1,030,357
Adjustments in respect of prior years	45,643	13,980
	1,325,802	1,044,337
Deferred tax expense		
Origination and reversal of temporary differences	(32,550)	(6,511)
Write down of previously recognized deferred tax assets	–	–
Income tax expense for the period	(32,550)	(6,511)
Total income tax expense	1,293,252	1,037,826

17. Provisions

in AU $

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for post service client support	25,935	76,033
	25,935	76,033
The movement in provisions is as follows:		
Balance at the beginning	76,033	74,930
Provision recognized / (reversed)	(50,098)	1,103
Balance at the end	25,935	76,033

18. Employee Benefit Obligations

in AU $

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Provision for employee bonuses	1,771,688	1,604,974
Annual leave	835,021	737,014
Long service leave	302,971	224,666
	2,909,680	2,566,654
Non-Current		
Long service leave	586,084	565,382
	586,084	565,382

19. Leases

Leases as lessee

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

in AU $

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	704,720	705,342
Additions	942,525	393,029
Deletions	–	–
Amortization	(333,667)	(393,651)
Closing Balance	1,313,578	704,720
The following is the movement in lease liabilities during the year		
Opening balance	769,120	842,486
Additions	1,302,120	393,029
Deletions	(359,595)	–
Finance cost accrued during the year	40,421	25,996
Payment of lease liabilities	(377,863)	(492,391)
Closing Balance	1,374,203	769,120
The following is the break-up of current and non-current lease liabilities		
Current lease liabilities	377,412	144,986
Non-current lease liabilities	996,791	624,134
Total	1,374,203	769,120

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 and March 31, 2021 on an undiscounted basis.

in AU $

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	367,832	164,676
One to five years	1,035,327	652,156
More than five years	–	7,272
Total	1,403,159	824,104

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 AU $

Particulars	As at March 31, 2022	As at March 31, 2021
Short term employee benefits	564,001	573,702

21. Financial instruments

Financial instruments by category

in AU $

Particulars	As at March 31, 2022	As at March 31, 2021
Financial assets		
Cash and cash equivalents	14,851,954	30,814,212
Trade and other receivables	13,409,596	8,816,742
Other current assets	67	23,604
	28,261,617	39,654,558
Financial liabilities		
Lease Liability	1,374,203	769,120
Trade and other payables	803,695	337,856
Other financial liabilities	11,066,468	8,342,033
	13,244,366	9,449,009

22. Contingent liabilities and Financing facilities

a. Contingent liabilities

In the opinion of the management, there are no contingent liabilities as at March 31, 2022 (2021 - Nil)

b. Financing facilities

in AU $

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured bank guarantee facility reviewed annually and payable		
at call-Amount used	293,432	435,086
	293,432	435,086

23. Related party transactions

The details of the related party transactions entered into by the company during the year ended March 31, 2022 and March 31, 2021 are as follows

in AU $

Particulars	As at March 31, 2022	As at March 31, 2021
Purchase of services		
Infosys Limited	583,838	474,920
Infosys BPM Limited	601,922	–
	1,185,760	474,920
Sale of services		
Infosys Limited	3,799,383	6,077,333
Infosys BPM Limited	2,305,546	902,522
Hipus Co., Ltd	2,045	17,351
	6,106,974	6,997,205
Purchase of shared services		
Infosys Limited	134,678	–
	134,678	–
Sale of shared services		
Infosys Limited	70,205	–
Infosys Management Consulting Pty Limited	1,948	–
	72,153	–

The details of the amount due to or due from the related parties as at March 31, 2022 and March 31, 2021 are as follows

in AU $

Particulars	As at March 31, 2022	2021
Trade receivables		
Infosys Limited	237,888	130,262
Infosys BPM Limited	202,157	83,620
Hipus Co., Ltd	–	26,273
	440,045	240,155
Other receivables		
Infosys Limited	5,542	10,900
Infosys Management Consulting Pty Limited	–	1,071
Infosys BPM Limited	–	–
	5,542	11,971
Unbilled revenues		
Hipus Co., Ltd	–	–
	–	–
Trade payables		
Infosys BPM Limited	59,213	53,265
	59,213	53,265
Other payables		
Infosys Limited	76,697	61,923
	76,697	61,923
Accrued Expense		
Infosys Limited	295,994	295,994
	295,994	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 AU $

Particulars	As at March 31, 2022	2021
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 AU $

Particulars	As at March 31, 2022	2021
Dividend Paid	18,000,000	–
	18,000,000	–
Dividend franking account		
30 per cent franking credits available to shareholders of Portland Group Pty Ltd for subsequent financial years	3,022,102	8,980,463
	3,022,102	8,980,463

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

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

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

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

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

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

26. Events subsequent to reporting date

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

Directors' declaration

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

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

(b) The financial statements and notes, are in accordance with the Corporations Act 2001, including:

  (i) Giving a true and fair view of the financial position of the Company as at March 31, 2022 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

Place: Sydney

Date: May 23, 2022

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Infosys Technologies (Sweden) AB

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 2021-01-01 - 2021-12-31.
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 2021 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 2021-01-01 - 2021-12-31 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 material respect:

- 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.

Deloitte AB
Signature on Swedish original

Jonas Lindgren
Authorized Public Accountant

Date : May 17, 2022

Board of Directors Report

The Board of Infosys Technologies (Sweden) AB submits the following annual report for the financial year 2021.
The annual report is prepared in Swedish Kronas, SEK. Unless otherwise stated, all amounts are reported in full SEK.
Data in parentheses refer to the previous year.

General information about the business

The Company provides end-to-end business solutions that leverage technology, thereby enabling its clients to enhance business performance. The Company's operations are to provide solutions that span the entire software lifecycle encompassing technical consulting, design, development, re-engineering, maintenance, system integration, package evaluation and implementation, testing and infrastructure management services.

The registered office of the Company is situated in Stockholm.

Ownership structure

Infosys Limited, (L85110KA1981PLC013115), Hosur Road, Bengaluru 560 100, India, is
the parent company that prepares the consolidated accounts of the largest Group that Infosys Technologies (Sweden) AB is part of as a subsidiary.

Significant events during the financial year

Covid-19 has not had any measurable effects on the Company's operations in 2021.

Expected future developments and significant risks and uncertainties

The Company has taken into account the possible effects the Covid-19 pandemic may have on the reported values of receivables.
In developing the assumptions about any future uncertainties in the global economic conditions due to this pandemic, the Company has used, 'at the date of presentation of the annual report, internal and external sources of information and related information as well as financial forecasts.'

The Company has also performed a sensitivity analysis on the assumptions on which the estimates and assessments are based, which confirms their reasonableness.

The significant improvement in revenue and profit compared to the previous year is a result of additional sales from both existing and new customers.

This is also supported by services, such as provided by both the parent company and other companies within the group.

in SEK

Multi-year comparison (SEK)	2021	2020	2019	2018	2017
Net turnover	225,745	143,030	74,056	82,170	130,363
Profit / (loss) after financial items	41,292	19,041	6,596	2,817	4,138
Total assets	172,495	145,895	55,530	49,557	55,250
Equity-asset ratio (%)	58.48%	41.58%	74.98%	70.70%	58.32%
Average number of employees	34	31	44	52	72

Appropriation of profit / (loss)

in SEK

At the disposal of the general meeting:	
Profit / (loss) brought forward	60,575,487
Profit / (loss) for the year	40,207,972
	100,783,459
The Board of Directors proposes the following:	
To be carried forward	100,783,459
	100,783,459

For information about the Company's earnings and financial position in other respects, please refer to the Income Statements, Balance Sheets and accompanying notes set out as follows:

Change in Equity

in SEK

Particulars	Share capital	Non-restricted equity	Profit/(loss) for the year	Total Equity
Opening amount 2021-01-01	100,000	41,534,909	19,040,578	60,675,487
Appropriation of profits, last year		19,040,578	(19,040,578)	–
Profit / (loss) for the year			40,207,972	40,207,972
Closing amount 2021-12-31	100,000	60,575,487	40,207,972	100,883,459

Income Statement

in SEK

Particulars	Note	Year ended December 31,	
		2021	2020
Net turnover	2	225,744,823	143,029,954
Total operating income		225,744,823	143,029,954
Operating expenses			
Other external expenses	3,4	(128,593,880)	(72,472,886)
Personnel costs	5	(53,599,132)	(51,895,018)
Depreciation and write-down of tangible and intangible assets		(33,604)	-33,671
Total operating expenses		(182,226,616)	(124,401,575)
Operating profit / (loss)	6	43,518,207	18,628,379
Financial items			
Other interest income and similar profit / (loss) items	7	–	412,199
Interest expense and similar profit / (loss) items	8	(2,226,467)	–
Profit / (loss) after financial items		41,291,740	19,040,578
Profit / (loss) before tax			
Tax on profit for the year	9	(1,083,768)	–
Net profit / (loss) for the year		40,207,972	19,040,578

Balance Sheet

in SEK

Particulars	Note No.	As at December 31, 2021	As at December 31, 2020
ASSETS			
Fixed assets			
Tangible assets			
Equipment, tools fixtures and fittings	10	94,842	128,447
		94,842	128,447
Financial assets			
Deferred tax assets	11	49,067	–
Other long-term receivables	12	400,000	400,000
		449,067	400,000
Total fixed assets		543,909	528,447
Current assets			
Current receivables			
Trade receivables		22,707,509	62,114,734
Receivables from group companies		76,733,229	38,864,897
Current tax assets		579,689	–
Prepaid expenses and accrued income	13	19,535,517	1,043,152
		119,555,944	102,022,783
Cash and bank		52,394,850	43,344,036
Total current assets		171,950,794	145,366,819
TOTAL ASSETS		172,494,703	145,895,266

in SEK

Particulars	Note No.	As at December 31, 2021	As at December 31, 2020
EQUITY AND LIABILITIES			
Equity	14, 20		
Restricted equity			
Share capital		100,000	100,000
Total restricted equity		100,000	100,000
Non-restricted equity			
Profit / (loss) brought forward		60,575,487	41,534,909
Profit / (loss) for the year		40,207,972	19,040,578
Total non-restricted equity		100,783,459	60,575,487
Total equity		100,883,459	60,675,487
Current liabilities			
Accounts payable		898,929	89,605
Liabilities to group companies		16,460,577	9,282,946
Current tax liability		–	1,673,645
Other liabilities		14,764,189	18,085,953
Accrued expenses and deferred income	15	39,487,549	56,087,630
Total current liabilities		71,611,244	85,219,779
TOTAL EQUITY AND LIABILITIES		172,494,703	145,895,266

Cash Flow Analysis

in SEK

Particulars	Note No.	Years ended December 31, 2021	2020
Operating activities			
Profit / (loss) after financial items		41,291,740	19,040,578
Adjustments for non-cash items, etc.	16	2,260,072	33,671
Taxes paid		(3,386,169)	(17,583,675)
Cash flow from operating activities before changes in working capital		40,165,643	1,490,574
Cash flow from changes in working capital			
Change in accounts receivable		39,407,225	(62,114,734)
Increase(-) / decrease(+) in current receivables		(56,360,697)	(22,679,323)
Increase(+) / decrease(-) in current liabilities		(14,161,357)	88,908,009
Cash flow from operating activities		9,050,814	5,604,526
Investing activities			
Acquisition of equipment, tools, fixtures and fittings		–	–
Acquisition of financial assets		–	–
Repayment of financial receivables		–	–
Cash flow from investing activities		–	–
Change in cash and cash equivalents		9,050,814	5,604,526
Cash and cash equivalents at beginning of year	17	43,344,036	37,739,510
Cash and cash equivalents at year-end		52,394,850	43,344,036

Notes to the financial statement

Note 1 Notes with accounting concept

The annual report has been prepared in accordance with the Annual Accounts Act (1995:1554) and general advice from the Swedish Accounting Standards Board BFNAR 2012:1 Annual accounts and consolidated accounts ('K3').
Monetary assets and liabilities in foreign currency are valued at the currency rate of the closing day.
Transactions in foreign currency are converted according to the transaction days current rate.
The accounting principles are unchanged compared with the previous year.

Revenue recognition

Sales revenue is recorded when the significant risks and benefits are associated with transferred ownership to the purchaser and when revenue amount can be accounted for in a reliable manner.

Fixed assets

Tangible fixed assets are recorded at cost of acquisition less accumulated depreciation and any write-downs.
Depreciation takes place on a straight-line basis over the expected useful life, taking into account significant residual value.
The following depreciation percentage is applied:
Tangible fixed assets
Equipment, tools fixtures and fittings (20%)

Other receivables

Receivables are reported as current assets, except items with expiry date more than 12 months after Balance Sheet date, which are classified as fixed assets.
Receivables are reported to the amount that are expected to be received after deductions for individually assessed bad debts.

Leasing agreements

Leasing agreements are classified as financial or operational leasing. Financial leasing exists when the financial risks and benefits associated with the ownership are transferred to the lessee. In all other cases operational leasing exists.
Leasing fees for operational leasing agreements are expensed linear over the leasing period, unless another systematical procedure is reflecting the lease financial benefit over time.

Income taxes

Current tax is calculated on the taxable result for the period. Taxable result is divided from the accountable result in the income statement since it is adjusted for non-taxable revenue, non-taxable costs and the revenue and costs that is taxable or deductible in other periods.
Current tax debt is calculated by the tax rates on the closing day.
Current tax is reported as a cost or revenue in the income statement, except when the tax regards transactions against equity.
In such cases tax is reported against equity.

Remuneration to employees

Remuneration to employees in form of salary, bonus, paid vacation, paid sick leave etc. are accounted for in line with the vesting.

Cash flow analysis

Cash flow analysis expose change of the business liquid funds during the fiscal year. The cash flow analysis has been prepared according to the indirect method. The reported cash flow only includes transactions that have involved in and outflow of payments.

Definitions of business and financial ratios

Net turnover

The main income of the business, invoiced expenses, side income and income corrections.

Profit / (loss) after financial items

Profit after financial income and expenses but before appropriations and tax.

Balance Sheet total

The sum of assets or the sum of debts and equity in the Balance Sheet.

Solidity (%)

Adjusted equity (equity and untaxed reserves less deferred tax) as a percentage of the Balance Sheet total.

Number of employees

Average number of employees during the financial year.

Note 2 Distribution of net sales

in SEK

Operating income per region	Years ended December 31,	
	2021	2020
Sweden	220,991,562	142,230,914
United Kingdom	3,558,485	2,564,800
Rest of Europe	1,194,776	–
US	–	(1,765,760)
	225,744,823	143,029,954

Note 3 Leasing

in SEK

Particulars	Year ended December 31,	
	2021	2020
Operational leasing agreements – lease		
The year's total expensed leasing charges for operating expenses amount to SEK 3 215 328 (3 415 576).		
Future minimum lease payments for non-cancellable leases, falling due for payment as follows:		
Maturity dates		
Within one year	2,647,456	3,224,165
Between two and five years	2,202,814	4,957,465
	4,850,270	8,181,630

Note 4 Auditors' remuneration

Audit assignments refer to the audit of the annual report and accounting as well as the Board's administration, other tasks that it is the Company's auditor to perform and advice or other assistance that is caused by observations in such auditing or the execution of such other tasks.

in SEK

Particulars	Years ended December 31,	
	2021	2020
Deloitte AB		
Audit assignment	159,000	166,463
	159,000	166,463

Note 5 Personnel

in SEK

Particulars	Years ended December 31,	
	2021	2020
Average number of employees		
Average number of employees, men	27	23
Average number of employees, women	7	8
Total	34	31
Gender distribution of the Board and Management		
Women:		
Board members	–	–
other persons in company management, including CEO	–	–
Men:		
Board members	100%	100%
Other persons in the Company Management, including CEO	100%	100%
Wages / salaries and remunerations		
Wages / salaries and remunerations includes		
Wages, salaries and remunerations	36,238,104	35,014,868
Pensions costs	6,459,761	6,404,480
Social security costs	10,901,267	10,475,670
	53,599,132	51,895,018

Note 6 Intra-group purchases and sales

in SEK

Particulars	Years ended December 31,	
	2021	2020
Percentage of sales relating to group companies	24.5%	38.7%
Percentage of purchases relating to group companies	60.8%	53.5%

Note 7 Interest income and similar profit / (loss) items

in SEK

Particulars	Years ended December 31,	
	2021	2020
Interest income, other	–	364
Exchange rate differences	–	411,835
	–	412,199

Note 8 Interest expense and similar profit / (loss) items

in SEK

Particulars	Years ended December 31,	
	2021	2020
Interest expense, bank	–	–
Exchange rate differences	(2,226,467)	–
	(2,226,467)	–

Note 9 Tax on profit for the year

in SEK

Particulars	Years ended December 31,	
	2021	2020
Current tax expense (-) / tax income (+)		
Tax expense for the period	(1,132,835)	–
Adjustments, tax previous years	49,037	–
	(1,083,798)	–

Reconciliation current tax

in SEK

Particulars	Percent	Amount	Percent	Amount
Profit / (loss) before tax		41,291,740		19,040,578
Tax according to current tax rate	20.6%	(8,506,098)	21.4%	(4,074,684)
Non-deductible costs	0.0%	(8,495)	0.1%	(10,735)
Non-taxable income	0.0%	–	0.0%	–
Effect of temporary differences	0.0%	–	0.4%	(77,081)
Taxes, previous year	0.0%	–	0.0%	–
Effect of changed tax rates / and taxation rules	0.0%	–	0.0%	–
Loss carry forward, excluding deferred tax	(18.0%)	7,450,060	(21.9%)	4,162,500
Other	0.0%	(19,235)		0
Declared effective tax	2.6%	(1,083,768)	0.0%	–

Note 10 Equipment, tools fixtures and fittings

in SEK

Particulars	As at December 31,	
	2021	2020
Opening cost of acquisition	167,980	167,980
Purchases	–	–
Closing accumulated cost of acquisition	167,980	167,980
Opening depreciation	(39,533)	(5,862)

Particulars	As at December 31,	
	2021	2020
Depreciation for the year	(33,605)	(33,671)
Closing accumulated depreciation	(73,138)	(39,533)
Closing carrying amount	94,842	128,447

Note 11 Deferred tax

in SEK

Particulars	As at December 31,	
	2021	2020
Deferred tax asset	49,067	–
	49,067	–

Note 12 Other long-term receivables

in SEK

Particulars	As at December 31,	
	2021	2020
Opening cost of acquisition	400,000	400,000
Paid deposits	–	–
Closing carrying amount	400,000	400,000

Note 13 Prepaid expenses and accrued income

in SEK

Particulars	As at December 31,	
	2021	2020
Prepaid insurance	2,543,292	53
Accrued income	16,992,225	1,043,099
	19,535,517	1,043,152

Note 14 Equity

Number of shares are 1 000 and quotient value is 100 SEK per share.

Note 15 Accrued expenses and deferred income

in SEK

Particulars	Years ended December 31,	
	2021	2020
Accrued salary	2,661,773	2,072,770
Accrued vacation pay	6,199,396	2,886,312
Other accrued expenses	7,587,344	30,795,066
Prepaid income	23,039,036	20,333,482
	39,487,549	56,087,630

Note 16 Adjustments for items not included in cash flow

in SEK

Particulars	Years ended December 31,	
	2021	2020
Exchange rate differences	2,226,467	–
Depreciation	33,605	33,671
	2,260,072	33,671

Note 17 Cash in cash flow

in SEK

Particulars	Years ended December 31,	
	2021	2020
Bank balance	52,394,850	43,344,036
	52,394,850	43,344,036

Note 18 Group information

Infosys Ltd, (L85110KA1981PLC013115), Hosur Road Bangalore 560 100, India, is the parent company that prepares the consolidated accounts of the largest Group that Infosys Technologies (Sweden) is part of as a subsidiary.

Note 19 Important events after the end of the financial year

The Company has considered the possible effects that may result from the global situation when establishing of the annual report and the possibilities for recovering the reported values of financial and non-financial assets. In the development of assumptions relating to possible future uncertainties in the global economic conditions the Company has, at the time of their approval financial statements, used related information and expects the carrying amount of these assets will be recovered. The current political climate, taking into account the conflict between Russia and Ukraine, have no impact on operations and the Company continues to monitor the situation carefully.

Note 20 Appropriation of profit / (loss)

in SEK

At the disposal of the general meeting:

Particulars	Year ended December 31, 2021
Profit / (loss) brought forward	60,575,487
Shareholders' contributions	–
Profit / (loss) for the year	40,207,972
	100,783,459
The Board of Directors proposes the following:	
To be carried forward	100,783,459
	100,783,459

Stockholm, April 29, 2022

Mohit Joshi
Chairman of the Board

Eric Stephen Paternoster
Member of the Board

Auditor's report was submitted on May 17, 2022

Deloitte AB
Signature on Swedish original

Jonas Lindgren
Authorized Public Accountant

Infosys Management Consulting Pty. Ltd

Independent Auditor's Report

To The Board of Directors 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 2021, 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 2021 and of financial performance for the year then ended; and
- 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 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 2021, but does not include the financial report and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the 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

Harsh Shah
Partner
Chartered Accountants,
Parramatta, 26 April 2022

Directors' report

For the year ended December 31, 2021
The directors presented their report together with the financial report of Infosys Management Consulting Pty Ltd (the Company), for the financial year ended December 31, 2021 and the auditor's report thereon.

1. Directors

The directors of the Company at any time during or since the end of the financial year are:
Mr. Geoffrey Anton Leong Appointed May 16, 2016
Mr. Roger Gibson Resigned December 17, 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 reimagining 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.
No matters or circumstances have arisen since the end of the financial year, which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

4. Dividends

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

5. Operating and financial review

The profit after tax for the year ended December 31, 2021 amounted to $1,695,546 (2020 Profit after tax of $1,206,498). This was primarily a result of an increase of revenue from $23,322,860 in year 2020 to $33,450,435 in year 2021. There is an increase of $489,048 overall profit after tax compared to 2021 and 2020. Although there is an increase in cost of sales from $19,713,084 in year 2020 to $28,988,695 in year 2021 and increase of tax expenses from $509,163 in year 2020 to $754,387 in year 2021.

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 28 and forms part of the directors' report for the financial year ended December 31, 2021.

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.

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:

Geoffrey Leong
Director
Dated in Sydney this 26th day of April 2022

Statement of financial position

In AUD

Particulars	Note	As at December 31, 2021	As at December 31, 2020
Assets			
Cash and cash equivalents	8	8,010,038	7,975,336
Trade and other receivables	9	2,723,850	1,988,372
Current tax Assets		240,914	–
Other assets		14,240	27,258
Total current assets		10,989,042	9,990,966
Property, plant and equipment	10	84,758	9,269
Net deferred tax assets	7a	988,372	1,059,653
Total non-current assets		1,073,130	1,068,922
Total assets		12,062,172	11,059,888
Liabilities			
Trade payables	11	(410,217)	(662,004)
Other payables	12	(1,334,654)	(1,130,220)
Current tax liabilities		–	(207,154)
Provisions	13	(2,596,430)	(2,823,944)
Total current liabilities		(4,341,301)	(4,823,322)
Provisions	13	(392,739)	(603,980)
Total non-current liabilities		(392,739)	(603,980)
Total liabilities		(4,734,040)	(5,427,302)
Surplus in net assets		7,328,132	5,632,586
Equity			
Share capital	14	3,500,300	3,500,300
Accumulated profit		3,827,832	2,132,286
Surplus in equity		7,328,132	5,632,586

The notes on pages 508 to 516 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, 2021	As at December 31, 2020
Revenue	5	33,450,435	23,322,860
Cost of sales	6b	(28,988,695)	(19,713,084)
Gross profit		4,461,740	3,609,776
Administrative expenses	6d	(791,573)	(798,461)
Other expenses	6c	(1,177,279)	(1,095,487)
Operating profit		2,492,888	1,715,828
Finance costs	6a	(42,955)	(167)
Net finance costs		(42,955)	(167)
Profit before tax		2,449,933	1,715,661
Income tax expense	7b	(754,387)	(509,163)
Profit for the year		1,695,546	1,206,498
Other comprehensive income, net of tax		-	–
Total comprehensive income		1,695,546	1,206,498

The notes on pages 508 to 516 are an integral part of these financial statements.

Statement of changes in equity

In AUD

Particulars	Share capital	Accumulated losses	Surplus in Equity
Balance at January 1, 2020	3,500,300	925,788	4,426,088
Total other comprehensive income	–	–	–
Profit for the year	–	1,206,498	1,206,498
Total comprehensive income for the year	–	1,206,498	1,206,498
Transactions with owners of the Company			
Issue of ordinary shares	–	–	–
Total transactions with owners of the Company	–	–	–
Balance at December 31, 2020	3,500,300	2,132,286	5,632,586
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

The notes on pages 508 to 516 are an integral part of these financial statements.

Statement of cash flows

In AUD

Particulars	Note	As at December 31, 2021	As at December 31, 2020
Cash flows from operating activities			
Cash receipts from customers		32,718,039	24,048,331
Cash paid to suppliers and employees		(31,440,295)	(20,019,087)
Cash (used in) / generated from operations		1,277,744	4,029,244
Interest (paid) / received net		(15,813)	(11,477)
Income tax (paid) / refund received		(1,131,172)	(788,354)
Net cash (used in) / from operating activities	16	130,759	3,229,413
Cash flows from investing activities			
Purchase of property, plant and equipment		(96,057)	–
Net cash used in investing activities		(96,057)	–
Cash flows from financing activities			
Net cash from financing activities		–	–
Net increase / (decrease) in cash and cash equivalents		34,702	3,229,413
Cash and cash equivalents at January 1		7,975,336	4,745,923
Cash and cash equivalents as at December 31		8,010,038	7,975,336

The notes on pages 508 to 516 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 address at Level 3, 100 Arthur Street, PO Box 1885, North Sydney, NSW 2060 effective from May 1, 2020. The financial statements of the Company are as at and for the year ended December 31, 2021. 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 – Reduced Disclosure Requirements – and comply with other requirements of the law. (Refer to Note 3 (n))

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 authorized by the directors on February 23, 2021.

(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 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.

(i) Non-derivative 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 non-derivative financial assets:

Loans and receivables

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) Non-derivative 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 non-derivative 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.

(iii) 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.

(c) 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.

(d) 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.

(e) 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) Non-derivative 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 the 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.

(f) 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 and loss account based on the recharges from the ultimate parent entity.

(g) 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.

(h) 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.

(i) Services

Revenue is derived from providing local marketing and client liaison functions for clients based in Australia as well as performing onsite software development / implementation services on the basis of agreed mark-up on cost incurred.

(j) 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. Hence, they 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 consolidated 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 consolidated 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 'Other expenses' in profit or loss (refer to Note 6c).

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.

(k)Finance income and finance costs

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

Finance costs comprise interest expense on borrowings and changes in the fair value of financial assets at fair value through profit or loss (except impairment on trade receivables).

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized 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.

(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 not yet adopted / effective

(i) There are no new standards, amendments to standards and interpretations effective for annual periods beginning after January 1, 2021 that have any significant effect on the financial statements of the Company for the year ended December 31, 2021.

(ii)(i) 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	Standard/Amendment	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	January 1, 2022
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	January 1, 2023
March 2020	AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities	January 1, 2022
June 2020	AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments	January 1, 2022
April 2021	AASB 2021-3 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions beyond 30 June 2021	January 1, 2022
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 2020	AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Entities	January 1, 2022
August 2020	AASB 2020-7 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions: Tier 2 Disclosures	January 1, 2022
December 2020	AASB 2020-9 Amendments to Australian Accounting Standards – Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments	January 1, 2022

The directors expect that the Company will prepare General Purpose Financial Statements – Simplified Disclosures for the year ending December 31, 2022 as the disclosure requirements in AASB 1060 replace those required under 'Reduced Disclosure Requirements'(RDR) by adoption of AASB1060 listed above. The directors do not expect that the adoption of the Standards listed above except for AASB 1060 will have a material impact on the financial statements of the Company in future periods.

4. 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.

5. Revenue

In AUD

Particulars	As at December 31,	
	2021	2020
Related party revenue	33,450,435	23,322,860
Total	33,450,435	23,322,860

6a. Finance income and finance costs

In AUD

Particulars	As at December 31,	
	2021	2020
Finance income		
Interest received	–	89
	–	89
Finance costs		
Bank charges	(15,813)	(11,566)
Net unrealized / realized foreign currency gain / (loss)	(27,142)	11,310
	(42,955)	(256)
Net finance	(42,955)	(167)

6b. Cost of sales

In AUD

Particulars	As at December 31,	
	2021	2020
Travel	278,309	496,818
Employee benefits expense	21,352,368	16,037,239
External contractor expense	7,358,018	3,179,027
	28,988,695	19,713,084

6c. Other expenses

In AUD

Particulars	As at December 31,	
	2021	2020
Depreciation expense	20,567	10,660
Other expense	1,156,712	1,084,827
	1,177,279	1,095,487

6d. Administrative expenses

In AUD

Particulars	As at December 31,	
	2021	2020
Communications	127,860	98,754
Legal and accounting	49,994	97,084
Back office expense	171	23,659
Employee benefit expense	613,548	578,964
	791,573	798,461

6e. Employee expense

In AUD

Particulars	As at December 31,	
	2021	2020
Employee salary	18,361,871	12,622,016
Employee bonus	554,645	1,390,827
Annual leave and long service leave	21,527	328,623
Superannuation	1,877,796	1,278,975
Other employee related expenses	1,139,787	995,762
	21,955,626	16,616,203

7. Tax expense

(a) Deferred tax asset

In AUD

Particulars	As at December 31,	
	2021	2020
Deferred tax assets – timing differences	(988,372)	(1,075,958)
Deferred tax liabilities	–	16,305
	(988,372)	(1,059,653)

(b) Reconciliation of effective tax rate

In AUD

Particulars	As at December 31,	
	2021	2020
Profit before tax	2,449,933	1,715,661
Tax using the Company's domestic tax rate of 30% (2020: 30%)	734,980	514,698
Catch-up deferred tax accounted	(7,287)	(17,150)
Non-deductible tax expenses	14,452	11,615
Others	12,242	–
Income tax expense for the year	754,387	509,163

8. Cash and cash equivalents

In AUD

Particulars	As at December 31, 2021	2020
Cash and cash equivalents	8,010,038	7,975,336

9. Trade and other receivables

In AUD

Particulars	As at December 31, 2021	2020
Trade receivable due from related party	2,637,543	1,896,465
Other receivables	86,307	91,907
	2,723,850	1,988,372

Allowance 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, 2020	205,163	267,257	39,026	511,446
Additions	–	–	–	–
Disposals / write off	–	(23,454)	–	(23,454)
Balance at December 31, 2020	205,163	243,803	39,026	487,992
Depreciation and impairment losses				
Balance at January 1, 2020	(205,163)	(251,034)	(35,320)	(491,517)
Depreciation for the year	–	(8,756)	(1,904)	(10,660)
Disposals / write off	–	23,454	–	23,454
Balance at December 31, 2020	(205,163)	(236,336)	(37,224)	(478,723)
Carrying amounts				
As at January 1, 2020	–	16,223	3,706	19,929
As at December 31, 2020	–	7,467	1,802	9,269

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
Disposals / write off	–	–	–	–
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)
Disposals / write off	–	–	–	–
Balance at December 31, 2021	(205,163)	(255,102)	(39,026)	(499,291)
Carrying amounts				
at January 1, 2021	–	7,467	1,802	9,269
at December 31, 2021	–	84,758	–	84,758

11. Trade payables

In AUD

Particulars	As at December 31, 2021	2020
Trade payables due to related party	32,409	25,321
Other trade payables	377,808	636,683
	410,217	662,004

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, 2021	2020
Accrued superannuation expense	396,918	145,405
Accrued subcontractor expenses	619,591	459,851
Other accruals	208,332	400,463
Other accruals due to related party	109,813	124,501
	1,334,654	1,130,220

13. Provisions

Employee benefits

In AUD

Particulars	As at December 31, 2021	2020
Current		
Annual leave	1,323,403	1,056,250
Long service leave outstanding	138,498	172,883
Incentive provision	49,668	70,454
Accrued bonus	1,084,861	1,524,357
Total current	2,596,430	2,823,944
Non-current		
Long service leave outstanding	392,739	603,980
Total non-current	392,739	603,980
Total employee provisions	2,989,169	3,427,924

14. Capital and reserves

Share capital

In shares

Particulars In shares	As at December 31, 2021	2020
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.

No dividend was paid during the year, and no proposed dividend has been made or anticipated at the date of this report (2020 $nil).
Dividend franking account

In AUD

Particulars	As at December 31, 2021	2020
30% franking credits available to shareholders of Infosys Management Consulting Pty Ltd for subsequent financial years	3,411,192	2,280,019
	3,411,192	2,280,019

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 credit 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, 2021	2020
Short term employee benefits*	11,30,009	1,018,950

* 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, 2021	2020
Reconciliation of Cash Flow from Operations with Profit after Income Tax paid		
Profit for the year after tax	1,695,546	1,206,498
Adjustments for:		
Depreciation expense	20,567	10,660
Income tax expense	754,387	509,163
Operating profit before changes in working capital	2,470,500	1,726,321
Decrease / (increase) in trade and other receivables	(722,462)	725,843
(Decrease) / increase in trade and other payables	(68,365)	687,792
(Decrease) / increase in provision and employee benefits	(417,968)	878,184
Increase / (decrease) in deferred income	226	(373)
Income tax paid	(1,131,172)	(788,354)
Net cash from operating activities	130,759	3,229,413

17. Related party transactions

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

In AUD

Particulars	As at December 31, 2021	2020
Revenue Transactions		
Sale of services		
Infosys Limited	33,391,488	22,496,013
Infosys Consulting Ltda	58,947	–
Infosys BPM Limited	–	567,267
Infosys Compaz Pte Ltd		259,580
	33,450,435	23,322,860

Particulars	As at December 31,	
	2021	2020
Purchase of services		
Infosys Consulting Pte Ltd	128,596	135,081
Infosys Consulting BV	184	24,533
Infosys Consulting AG	118,878	114,254
	247,658	273,868
Employee stock compensation – Cross Charge by Infosys Limited	(28,233)	105,142

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

In AUD

Particulars	As at December 31,	
	2021	2020
Trade receivables		
Infosys Limited	2,558,003	1,734,917
Infosys Consulting Ltda	58,947	32,148
Infosys Consulting GmbH	–	12,893
Infosys BPM Limited	–	192
Infosys Compaz pte ltd	–	116,315
Infy Consulting BV	20,593	
	2,637,543	1,896,465
Trade Payables		
Infosys Consulting Pte Ltd	11,238	24,249
Infy Consulting BV	–	18
Infosys Consulting AG	11,010	(17)
Infosys Consulting GmbH	7,865	–
Infosys Compaz pte ltd	2,296	–
Portland Group Pty Ltd	–	1,071
	32,409	25,321
Provision expense		
Employee stock compensation – Cross Charge by Infosys Limited	109,813	124,501

18. Financial instruments

Financial instruments by category

In AUD

Particulars	As at December 31,	
Financial assets	2021	2020
Cash and cash equivalents	8,010,038	7,975,336
Receivables	2,723,850	1,988,372
Financial liabilities		
At amortized cost:		
Trade payables	(410,217)	(662,004)
Other payables	(1,334,654)	(1,130,220)

19. Auditors' remuneration

In AUD

Particulars	As at December 31,	
	2021	2020
Audit of financial reports*	27,500	27,500
Total	27,500	27,500

*The audit fees for 2020 and 2021 are payable to Deloitte Touche Tohmatsu.

20. Ultimate parent entity

As at, and throughout the financial year ending December 31, 2021, 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. Please refer note 2 (e) "Assumptions and estimation uncertainties" for the COVID 19 pandemic disclosure.

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.

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 504 to 516 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, 2021 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 26th day of April 2022.

Geoffrey Leong
Director

Infosys BPO Americas LLC

Independent Auditor's Report

To The Board of Directors Infosys BPO Americas LLC

Opinion

We have audited the financial statements of Infosys BPO Americas LLC (a Delaware corporation, referred as the Company), which comprise the balance sheets as of March 31, 2022 and 2021, and the related statements of operations, changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Infosys BPO Americas LLC as of March 31, 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 of Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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

Sudhir Pai CPA, PLLC
Certified Public Accountants Plano, TX

Date: April 30, 2022

Balance Sheet

in US$

Particulars	As at March 31, 2022	As at March 31, 2021
ASSETS		
Current assets		
Cash and cash equivalents	4,616,808	408,205
Accounts receivables, net of doubtful balances	2,226,324	3,426,009
Unbilled revenue	1,912,785	2,702,430
Prepayments and other assets	83,816	92,491
Total current assets	8,839,733	6,629,135
Non-current assets		
Deferred tax assets	4,640	–
Plant and equipment	15,350	26,567
Prepayments and other assets	10,677	–
Total non-current assets	30,667	26,567
Total assets	8,870,400	6,655,702
LIABILITIES AND EQUITY		
Current liabilities		
Trade payables	3,144,311	1,363,396
Unearned revenue	66,391	–
Provisions	57,133	52,607
Income tax liabilities	9,502	–
Other liabilities	4,060,628	4,156,971
Total current liabilities	7,337,965	5,572,974
Total liabilities	7,337,965	5,572,974
MEMBER'S EQUITY		
Member's equity	17,750,000	8,000,000
Accumulated deficit	(16,217,565)	(6,917,272)
Total member's equity	1,532,435	1,082,728
Total liabilities and member's equity	8,870,400	6,655,702

The accompanying notes form an integral part of the financial statements

Vasudeva Maipady
Authorized Signatory

Date: April 30, 2022

Statements of Comprehensive Income

in US$

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue	22,143,204	18,352,791
Cost of revenue	31,120,642	23,232,426
Gross loss	(8,977,438)	(4,879,635)
Other expenses:		
Selling and marketing expenses	5,035	–
Administrative expenses	312,206	184,072
Total other expenses	317,241	184,072
Operating loss	(9,294,679)	(5,063,707)
Miscellaneous income	628	(86)
Loss before income taxes	(9,295,307)	(5,063,621)
Income tax expense	4,862	–
Net Loss	(9,300,169)	(5,063,621)
Other comprehensive income	(124)	–
Total comprehensive loss	(9,300,293)	(5,063,621)

The accompanying notes form an integral part of the financial statements

Vasudeva Maipady
Authorized Signatory

Date: April 30, 2022

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, 2020	1,000,000	2,000,000	(1,853,651)	1,146,349
Changes in members equity for the period ended March 31, 2021				
Shares issued to member	–	5,000,000	–	5,000,000
Net loss for the year	–	–	(5,063,621)	(5,063,621)
Balance as at March 31, 2021	1,000,000	7,000,000	(6,917,272)	1,082,728
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

The accompanying notes form an integral part of the financial statements

Vasudeva Maipady
Authorized Signatory

Date: April 30, 2022

Statement of Cash Flows

in US$

Particulars	Year ended March 31, 2022	2021
Cash flows from operating activities		
Net Loss for the year	(9,300,169)	(5,063,621)
Adjustments to reconcile net profit to net cash provided by operating activities:		
Income tax expense	4,862	–
Provision for service level risk on revenue contracts	4,525	47,964
Allowance for doubtful accounts	32,568	65,216
Depreciation	11,216	7,285
Exchange difference	506	17
Cash operating loss	(9,246,492)	(4,943,139)
Changes in assets and liabilities		
Accounts receivable	1,169,605	(3,203,223)
Prepayments and other assets	(2,002)	460
Unbilled revenues	786,529	(1,982,623)
Trade payables	1,780,915	1,213,192
Unearned revenue	66,391	–
Other liabilities and provisions	(96,343)	3,357,576
Net cash used in operating activities	(5,541,397)	(5,557,757)
Cash flows from investing activities		
Expenditure on Property, plant and equipment	–	(15,772)
Net cash used in investing activities	–	(15,772)
Cash flows from financing activities		
Capital Infusion	9,750,000	5,000,000
Net cash generated in financing activities	9,750,000	5,000,000
Net changes in cash and cash equivalents	4,208,603	(573,529)
Cash and cash equivalents at the beginning of the period	408,205	981,734
Cash and cash equivalents at the end of the year	4,616,808	408,205
Supplementary information:		
Interest paid during the period	–	–

The accompanying notes form an integral part of the financial statements

Vasudeva Maipady
Authorized Signatory

Date: April 30, 2022

Notes to the financial statements for the year ended March 31, 2022

1. Company overview and significant accounting policies

1.1 Company overview

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

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

1.2 Basis of preparation of financial statements

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

1.3 Use of estimates

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

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

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

1.4 Revenue recognition

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

1.5 Plant and equipment

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

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

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

For computer equipment, based on internal assessment and independent technical evaluation carried out by external valuers the management believes that the useful lives as given above best represent the period over which 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, 2022, 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,	
	2022	2021
-Current Account	4,616,808	408,205

4. Cost of Revenue

in US$

Particulars	For the Year ended March 31,	
	2022	2021
Salaries	24,689,416	14,766,973
Subcontractor charges	5,896,609	7,261,265
Others	534,617	1,204,188
Total	31,120,642	23,232,426

5. Other Expenses

in US$

Particulars	For the Year ended March 31,	
	2022	2021
Legal & Professional charges	61,504	61,858
Others(Salaries,Insurance & Rates and taxes)	255,737	122,214
Total	317,241	184,072

6. Related party transactions

Name of the related party and their relationships:

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

The details of the related party transactions entered into by the company during the year ended 31st March 2022 and 31st March 2021 as as follows

in US$

Particulars	As at March 31,	
	2022	2021
Other receivables		
Infosys BPM Limited	7,030	8,985
	7,030	8,985
Trade payables		
Infosys BPM Limited	1,515,510	196,440.00
Infosys Limited	1,509,931	999,465.00
	3,025,442	1,195,905
Other payables		
Infosys BPM Limited	4,148	18,844
Infosys McCamish	869	25,211
	5,017	44,055
Provision for expenses		
Infosys Limited	57,014	–
	57,014	–

The details of related party transactions as at 31st March 2022 and 31st March 2021 as as follows

Capital Transactions:

in US$

Particulars	For the Year ended March 31, 2022	2021
Capital Infusion		
Infosys BPM Limited	9,750,000	5,000,000
	9,750,000	5,000,000
Revenue Transactions:		
Purchase of services		
Infosys BPM Limited	2,030,096	354,279
Infosys Limited	2,368,690	2,957,099
	4,398,786	3,311,378
Purchase of shared services		
Infosys Limited	57,074	–
Infosys McCamish	115,876	335,494
	172,949	335,494

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: April 30, 2022

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 2021, 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 2021 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 matter

The consolidated financial statements of GuideVision, s.r.o. for the year ended 31 December 2020 were audited by another auditor who expressed an unqualified opinion on those financial statements on 30 April 2021.

Other information in the consolidated annual report

Pursuant to Section 2(b) of the Auditors Act, other information is 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 4 May 2022

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

1. General information

GuideVision, s.r.o. has prepared a consolidated annual report for 2021 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 specializes 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 digitize business processes and the employee experience. It is designed especially for larger corporations with a large headcount.[1]
1 https://www.guidevision.eu/, 2021

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]

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 https://www.snow-mirror.com/, 2021

2. Additional information

2.1. Financial Performance of the Consolidated Entity in 2021

In the 2021 reporting period, the Group achieved net turnover of CZK 533 million. This represents an increase of approximately 13% compared to the prior period (CZK 470 million).
The Group's net profit for 2021 amounts to CZK 41 million (2020: CZK 70 million). The year-on-year decrease in profit of approximately CZK 29 million stems from several reasons. One of them is the increase in the share of internal projects within the Infosys Group, which lead to a dilution of profitability within the Group's chain. This is caused by transfer pricing agreements concluded within the Group.
Another important factor is the significant increase in staff costs for employee bonuses (especially in the case of "retention" bonuses)
The strengthening of the CZK, PLN and GBP currencies against the EUR during 2021 and the stronger exchange rate of the Czech crown at the balance sheet date are also reasons to be mentioned. Both of the latter factors resulted in an increase of exchange rate losses and a significantly higher financial loss than in the prior reporting period.
The average recalculated headcount in 2021 was 193 (2020:177).

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 war in Ukraine. The Group does not anticipate a material impact on its business continuity due to this event.
The potential and anticipated impacts related to increases in the prices of energy, fuel, services and materials (accelerating inflation from the Balance Sheet date to the date of the financial statements) will be economy-wide. Any specific impacts on the Group cannot be reliably quantified.

2.3.Information on the Anticipated Development of the Entity's Activities

The Group does not anticipate any significant changes to the business in 2022. It anticipates a steady increase in sales volume. The Group's objective for 2022 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 labor relations as stipulated by the Labor 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 as of 31 December 2021

in CZK thousands

Class	ASSETS	As at December 31, 2021	2020
	TOTAL ASSETS	268 330	203 613
B.	Fixed assets	1 445	1 670
B.I.	Intangible fixed assets	289	306
B.II.	Tangible fixed assets	1 147	1 354
B.IV.	Goodwill on consolidation	9	10
C.	Current assets	249 311	183 074
C.II.	Receivables	128 318	101 040
C.IV.	Cash	120 993	82 034
D.	Accruals and deferrals	17 574	18 869

in CZK thousands

Class	LIABILITIES	As at December 31, 2021	2020
	TOTAL LIABILITIES & EQUITY	268 330	203 613
A.	Equity	109 267	70 136
A.I.	Share capital	200	200
A.II.	Share premium and capital funds	(235)	1 795
A.IV.	Retained earnings (+/-)	68 141	(1 526)
A.V.	Profit or loss for the current period net of minority interests	41 161	69 667
B.+C.	Liabilities	76 040	69 362
B.	Reserves	23 558	17 245
C.	Payables	52 482	52 117
C.II.	Short-term payables	52 482	52 117
D.	Accruals and deferrals	83 023	64 115

Consolidated Profit and Loss Account for the Period from 1 January 2021 to 31 December 2021

in CZK thousands

Class	Particulars	Year ended December 31, 2021	2020
I.	Sales of products and services	523 862	448 979
A.	Purchased consumables and services	186 548	140 781
B.	Increase / decrease in finished goods and in work-in-progress	–	–
C.	Own work capitalized (-)	(1 269)	(1 054)
D.	Staff costs	265 055	201 648
E.	Adjustments to values in operating activities	2 397	2 198
E.1.A.	Release of positive consolidation difference (goodwill)	1	1
III.	Other operating income	1 298	3 772
F.	Other operating expenses	8 239	21 557
*	Operating profit or loss (+/-)	64 190	87 621
VI.	Interest income and similar income	19	7
J.	Interest expenses and similar expenses	13	39
VII.	Other financial income	7 483	17 107
K.	Other financial expenses	15 362	17 753
*	Financial profit or loss (+/-)	(7 873)	(678)
**	Profit or loss before tax (+/-)	56 317	86 943
L.	Income tax	15 156	17 276
**	Profit or loss net of tax (+/-)	41 161	69 667
**	Consolidated profit or loss net of share of income from associates	41 161	69 667
***	Profit or loss for the current period net of minority interests (+/-)	41 161	69 667
*	Net turnover for the current period	532 662	469 865

Notes to the Financial Statements for the Year Ended 31 December 2021

1. 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 following table shows individuals and legal entities with an equity interest greater than 20% and the amount of their equity interest:

Shareholder/Owner	Ownership percentage
Infy Consulting Company Limited Registration No.: 06087315	100%
Registered office: 14th Floor, 10 Upper Bank Street, Canary Wharf, London, E14 5NP, United Kingdom of Great Britain and Northern Ireland	
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

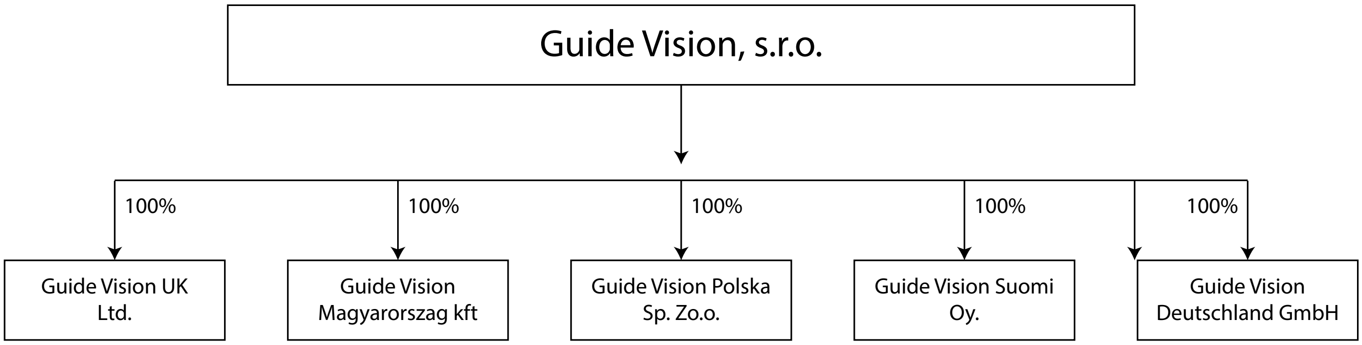
GuideVison, s.r.o. is part of a group. The consolidated financial statements for the widest group of entities are prepared by Infosys Limited, a company registered in the Republic of India.

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”)

2.1. Organisational Chart of the 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 consolidation group includes all entities in which the parent entity has an interest.
The financial statements of all companies included in the Group 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 Group in 2021. No subsidiaries have been included or eliminated.
The Balance Sheet date of all companies included in the Group is 31 December 2021.

2.3. Subsidiaries

The following table shows information on the Group’s subsidiaries as of 31 December 2021:

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 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 the purpose of the preparation of the consolidated financial statements of the GuideVision Group, the accounting policies within the Group have been consolidated. The significant accounting policies as applied by each company are described below.
The Group’s consolidated financial statements have been prepared as of the Balance Sheet date, i.e. 31 December 2021, for the calendar year ended 31 December 2021.
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 ongoing 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 2021.
The pandemic, on the other hand, has created new needs in the area of automation of corporate processes and, in particular, has contributed to the increased interest of our clients in our products. 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 potential 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 expected price increases across industries, the management expects that there will be higher year-on-year cost increases across the GV Group in 2022 than in previous years. In particular, wages and other business-related operating costs are expected to increase. This might also lead to a decline in the Group's operating profit next year.
The war in Ukraine has also led to a reassessment of human resources plans. The Group's original intention to secure new development capacities in other Eastern European countries, namely Belarus, Ukraine and Moldova, had to be reconsidered. Instead, the Group will focus more on other countries within the EU, including leveraging resources and opportunities within the Infosys Group.
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 in order to obtain benefits from their activities are classified as Equity investments in controlled entities.
For the purposes of consolidation, 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 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 Group with regards 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

Fixed assets are assets with an estimated useful life greater than one year and acquisition cost greater than CZK 40 thousand in respect of tangible assets and CZK 60 thousand in respect of intangible assets, on an individual basis.

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 40 thousand for individual tangible assets for the taxation period, and CZK 60 thousand for individual intangible assets for the taxation period, increases the acquisition cost of the related fixed asset.

The cost of tangible and intangible fixed assets, except for land and investments under construction, 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

Assets held under finance leases are depreciated by the lessor.

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, for unused points in the Cafeteria benefit scheme (or equivalent benefit scheme in the respective country) and for 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 into consolidation are translated into CZK using the exchange rate of the Czech National Bank as of 31 December 2021.

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 accruals 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 on the basis of 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. 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

in CZK thousands

Particulars	Opening balance	Additions	Disposals	Transfers	Closing balance
Software and development	5 674	1 271	1	0	6 944
Total 2021	5 674	1 271	1	0	6 944
Total 2020	4 620	1 054	0	0	5 674

Provisions and accumulated amortization

in CZK thousands

Particulars	Opening balance	Additions	Disposals	Transfers	Closing balance	Provisions	Net book value
Development	5 368	1 287	0	0	6 655	0	289
Total 2021	5 368	1 287	0	0	6 655	0	289
Total 2020	4 305	1 063	0	0	5 368	0	306

4.2. Tangible Fixed Assets (TFA)

Cost

in CZK thousands

Particulars	Opening balance	Additions	Disposals	Transfers	Closing balance
Tangible movable assets and their sets	4 563	1 996	1 443	0	5 116
Other TFA	94	37	0	0	131
Total 2021	4 657	2 033	1 443	0	5 247
Total 2020	2 903	2 352	459	0	4 796

Provisions and Accumulated Depreciation

in CZK thousands

Particulars	Opening balance	Additions	Disposals	Transfers	Closing balance	Provisions	Net book value
Tangible movable assets and their sets	3 325	1 157	409	0	4073	0	1 043
Other TFA	16	11	0	0	27	0	104
Total 2021	3 341	1 168	409	0	4100	0	1 147
Total 2020	1 394	2 318	270	0	3 442	0	1 354

4.3. Settlement of the Consolidation Difference

in CZK thousands

Value of the consolidation difference	as of 1 Jan 2021	Amortisation of the consolidation difference	Value of the consolidation difference as of 31 Dec 2021
GuideVision Polska Sp. z o.o.	10	(1)	9

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 2021, the Group records receivables past their due dates for more than 90 days in the amount of CZK 460 thousand (31 December 2020: CZK 98 thousand).
The structure of other than Group receivables is presented in the following table:

in CZK thousands

Particulars	As at December 31,	
	2021	2020
Trade receivables	102 315	91 351

Particulars	As at December 31,	
	2021	2020
Receivables – controlled or controlling entity	0	0
Social security and health insurance contributions	0	0
State – tax receivables	727	0
Prepayments made	2 960	955
Estimated receivables	17 927	3 214
Sundry receivables	847	2 424

Particulars	As at December 31,	
	2021	2020
Receivables (excluding deferred tax asset)	124 776	97 944
Deferred tax asset	3 542	3 096
Total receivables	128 318	101 040

Receivables are not collateralized and do not serve as collateral for the Company's liabilities.

4.5. Derivatives

During the reporting period, the Company hedged its foreign exchange risks using currency options. At the end of the financial year, no such trade was entered into.

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 16,125 thousand (2020: CZK 16,295 thousand) in the Parent Company GuideVision, s.r.o.

4.7. Equity

The Parent Company's statutory body anticipates that the 2021 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 (1526) thousand to CZK 68,141 thousand. This is mainly due to the fact that the parent company's profit share for 2020 was not paid out.

The item share premium and capital funds include 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

in CZK thousands

Particulars	As at December 31,	
	2021	2020
Outstanding vacation days	2 975	2 424
Unused points in the cafeteria benefit scheme	396	375
Management bonuses (annual, retention and incentive program)	19 423	14,446
Bonuses for sales staff	764	0
Total other reserves	23 558	17 245

The most significant item in other reserves comprises the annual management bonus, which will be paid in the first half of 2022 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 2021, the Group records no payables past their due dates for more than 90 days (31 December 2020: CZK 28 thousand).

The structure of other than Group payables is presented in the following table:

in CZK thousands

Particulars	As at December 31,	
	2021	2020
Payables to credit institutions	0	0
Short-term prepayments received	25	25
Trade payables	12 882	12 836
Payables - controlled or controlling entity	0	0
Payables to employees	10 554	7 785
Social security and health insurance payables	6 019	5 365
State - tax payables and subsidies	3 473	18 124
Estimated payables	19 505	7 657
Sundry payables	24	325
Total	52 482	52 117

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) in the total amount of CZK 57,035 thousand (2020: CZK 48,770 thousand), 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 in the amount of CZK 3,542 thousand arising from temporary differences between tax and carrying amounts of assets and reserves.

In the years ended 31 December 2019 and 2020, no deferred tax was recorded in the parent company GuideVision, s.r.o., although there was a basis for the deferred tax. In 2021, an additional adjustment was made to the parent company's Balance Sheet in the item "Deferred tax asset" (C.II. 1.4, PY column, CZK 3,096 thousand) and in the item "Other profit or loss from prior years" (A. IV. 2, PY column, CZK (214) thousand). An adjustment was also made in the parent company's profit and loss account to the item

Deferred income tax" (L.2, PY column) in the amount of CZK 2,882 thousand. Following these adjustments, the consolidated financial statements were also adjusted in the corresponding past year's items.

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").

in CZK thousands

Particulars	As at December 31,	
	2021	2020
SN Consulting services – TM projects	397 562	144 964
SN Consulting services – FTFP projects	23	189 116
Post-implementation support and training	38 829	31 304
Sales of SN+SM licenses	86 537	67 052
Other	911	16 544
Total sales of own products and services	523 862	448 979

In 2021, the share of FTFP projects decreased significantly in favor of TM projects. This change reflects the Group's desire to report consulting services provided to clients in a simpler and more transparent manner.

4.13. Employees, Management and Statutory Bodies

The following table summarizes the average headcount of GuideVision's employees and managers for the years ended 31 December 2021 and 31 December 2020:

Number of staff Total staff costs in CZK '000s

Particulars	As at December 31,	
	2021	2020
Management	7	24 134
Total	193	265 055

Number of staff Total staff costs in CZK '000

Particulars	As at December 31,	
	2021	2020
Employees and management	177	201 648
Total	177	201 648

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.

Data for the prior period are not disclosed as they would relate to a very small number of persons in the parent company's management, which would lead to a disclosure of sensitive information.

4.14. Significant post-Balance Sheet events

No events occurred subsequent to the Balance Sheet date, except the military conflict in Ukraine (refer to Note 3.2), that would have a material impact on the financial statements.

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Infosys Luxembourg S.à r.l

Independent Auditor's Report

To the Members of Infosys Luxembourg S.à r.l

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Infosys Luxembourg S.à r.l ("the Company"), which comprise the Balance Sheet as at March 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 March 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 are responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

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

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

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

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

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

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

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

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

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

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

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

UDIN : 22202841AIVXTF5337

For Shenoy & Kamath
Chartered Accountants,
Firm Registration Number: 006673S

(M Rathnakar Kamath)
Partner
Membership Number: 202841

Place: Bengaluru

Date: May 12, 2022

Balance Sheet

in €

Particulars	Note No.	As at March 31	
		2022	2021
ASSETS			
Non-current assets			
Right of Use Asset	2.1	49,689	70,165
Other non-current assets	2.4	421	
Income tax assets (net)	2.12	7,356	–
Total non - current assets		57,466	70,165
Current assets			
Financial assets			
Trade receivables	2.6	4,971,120	1,483,714
Cash and cash equivalents	2.2	1,790,036	1,641,092
Loans	2.5	–	10
Other financial assets	2.3	30,803	81,135
Income tax assets (net)		–	6,554
Other current assets	2.4	507,097	497,373
Total current assets		7,299,056	3,709,878
Total Assets		7,356,522	3,780,043
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.5	2,000,000	2,000,000
Other equity		(1,219,814)	(1,509,026)
Total equity		780,186	490,974
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Lease liability	2.1	25,400	47,235
Total non - current liabilities		25,400	47,235
Current liabilities			
Financial liabilities			
Lease liability	2.1	24,600	23,392
Trade Payables	2.8	3,403,030	2,825,600
Other financial liabilities	2.9	332,127	167,560
Other current liabilities	2.10	2,743,592	225,282
Provisions	2.16	42,772	–
Income tax liabilities (net)	2.12	4,815	–
Total current liabilities		6,550,936	3,241,834
Total equity and liabilities		7,356,522	3,780,043

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 Luxembourg S.à r.l

Puneet Shukla
Director

Antonio Sica
Director

Place: Bengaluru

Date: May 12, 2022

Statement of Profit and Loss

in €, except equity share and per equity share data

Particulars	Note No.	Years ended March 31	
		2022	2021
Revenue from operations	2.13	12,589,943	1,802,981
Other income / loss, net	2.14	(16,305)	22
Total income		12,573,638	1,803,003
Expenses			
Employee benefit expenses	2.15	832,604	9,854
Cost of Technical sub-contractors		10,753,838	2,836,451
Cost of software packages and others	2.15	2,506	–
Consultancy and professional charges		500,386	199,371
Depreciation and amortization expense	2.1	24,592	23,367
Finance Costs	2.1	2	517
Other expenses	2.15	170,498	113,361
Total expenses		12,284,426	3,182,921
Profit/(loss) before tax		289,212	(1,379,918)
Tax expense			
Current tax			–
Profit/(loss) for the year		289,212	(1,379,918)
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		289,212	(1,379,918)
Earnings per equity share			
Equity shares of par value € 100/- each			
Basic €		14.46	(69.00)
Diluted €		14.46	(69.00)
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 Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Place: Bengaluru

Date: May 12, 2022

for and on behalf of the Board of Directors of Infosys Luxembourg S.à r.l

Puneet Shukla
Director

Antonio Sica
Director

Statement of changes in Equity

in €

Particulars	Equity Share Capital	Other Equity		Total equity attributable to equity holders of the Company
		Reserves & Surplus	Share application money pending allotment	
Balance as of April 1, 2020	370,000	(129,108)	130,000	370,892
Changes in equity for the period April 1, 2020 to March 31, 2021	1,630,000		(130,000)	1,500,000
Loss for the period		(1,379,918)		(1,379,918)
Balance as of March 31, 2021	2,000,000	(1,509,026)	–	490,974
Changes in equity for the year ended March 31, 2022	–	–		–
Profit for the period	–	289,212	–	289,212
Balance as of March 31, 2022	2,000,000	(1,219,814)	–	780,186

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 Luxembourg S.à r.l

Puneet Shukla
Director

Antonio Sica
Director

Place: Bengaluru

Date: May 12, 2022

Statements of Cash Flows

in €

Particulars	Year ended March 31, 2022	2021
Cash flow from operating activities:		
Profit/(loss) for the period	289,212	(1,379,918)
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation	24,592	23,367
Provision	42,772	–
Finance cost	2	517
Changes in assets and liabilities		
Trade receivables and unbilled revenue	(3,437,074)	(1,564,849)
Loans, other financial assets and other assets	(10,135)	(468,943)
Trade payables	577,430	2,821,390
Other financial liabilities, other liabilities and provisions	2,682,877	289,815
Cash used in operations	169,676	(278,621)
Income taxes paid	4,013	31,730
Net cash used in operating activities	173,689	(246,891)
Cash flow from investing activities:		
Net cash used in investing activities	–	–
Cash flow from financing activities:		
Issue of equity shares	–	1,500,000
Lease payouts	(24,745)	(25,740)
Net cash used in financing activities	(24,745)	1,474,260
Net decrease in cash and cash equivalents	148,944	1,227,369
Cash and cash equivalents at the beginning of the period	1,641,092	413,723
Cash and cash equivalents at the end of the period	1,790,036	1,641,092

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 12, 2022

for and on behalf of the Board of Directors of Infosys Luxembourg S.à r.l

Puneet Shukla
Director

Antonio Sica
Director

Significant Accounting Policies

Company overview

Infosys Luxembourg s.à 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 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.

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

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues, goodwill and intangible assets(if necessary to give). 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 including credit reports and related information on the expected future performance of the Company . The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

1.5 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 recognised 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, 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.

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 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.

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 ROU assets are as follows:

in €

Particulars	Years ended March 31	
	2022	2021
Balance at the beginning	70,165	93,520
Additions	4,116	12
Deletions	–	–
Depreciation	(24,592)	(23,367)
Translation difference		–
Balance at the end	49,689	70,165

The break-up of the current and non-current lease liability are as follows:

in €

Particulars	2022	2021
Non-current lease liability	25,400	47,235
Current lease liability	24,600	23,392
Total	50,000	70,627

The movement in lease liability is as follows:

in €

Particulars	2022	2021
Balance at the beginning	70,627	95,838
Additions	4,116	12
Deletions		–
Interest accrued during the period	2	517
Lease payments	(24,745)	(25,740)
Translation difference		–
Balance at the end	50,000	70,627

2.2 Cash and cash equivalents

in €

Particulars	As at March 31	
	2022	2021
Balances with banks		
In current accounts	1,790,036	1,641,092
	1,790,036	1,641,092

2.3 Other financial assets

in €

Particulars	As at March 31	
	2022	2021
Current		
Financial Assets		
Unbilled Revenue[(1)]	30,480	81,135
Others[(1)(2)]	323	–
	30,803	81,135
[(1)] Financial assets carried at amortized cost	30,803	81,135
[(2)] Includes dues from Holding Company and other fellow subsidiaries	323	–

2.4 Other assets

in €

Particulars	As at March 31	
	2022	2021
Non-current		
Others		
Deferred contract cost	421	–
	421	–
Current		
Advances other than capital advance		
Payment to vendors for supply of good / services	2,439	–
Others		
Unbilled revenue	–	441,997
Prepaid expenses[1]	434,321	22,603
Deferred contract cost	561	–
Reimbursable VAT	69,776	32,773
	507,097	497,373
[1] Includes dues from Holding Company and other fellow subsidiaries	434,321	–

2.5 Loans

in €

Particulars	As at March 31	
	2022	2021
Current		
Unsecured, considered good		
Other loans		
Loans to employees	–	10
	–	10

2.6 Trade receivables

in €

Particulars	As at March 31	
	2022	2021
Current		
Unsecured		
Considered good	4,971,120	1,483,714
Considered doubtful	27,197	13,475
	4,998,317	1,497,189
Less: Allowances for credit losses	27,197	13,475
	4,971,120	1,483,714

2.7 Equity

Equity share capital

in €, except as otherwise stated

Particulars	As at March 31	
	2022	2021
Authorized		
Equity shares		
20000 equity shares of € 100 par value	2,000,000	2,000,000
Issued, subscribed and paid-up		
Equity shares		
20000 equity shares of € 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, 2022 and March 31, 2021 are as follows:

	Number of shares	% held	Number of shares	% held
Infosys Limited	20,000	100%	20,000	100%

2.8 Trade payables

in €

Particulars	As at March 31	
	2022	2021
Trade payables [1]	3,403,030	2,825,600
	3,403,030	2,825,600
[1]Includes dues to related parties	3,314,301	2,822,131

2.9 Other financial liablities

in €

Particulars	As at March 31	
	2022	2021
Current		
Others		
Compensated absences	34,184	
Accrued compensation to employees	72,390	
Other payables [1][2]	225,553	167,560
	332,127	167,560
[1]Financial liability carried at amortized cost	332,127	167,560
[2]Includes dues to related parties	93,961	14,306

2.10 Other liabilities

in €

Particulars	As at March 31	
	2022	2021
Current		
Unearned revenue	2,241,511	–
Others		
Withholding taxes and others	502,081	225,282
	2,743,592	225,282

2.11 Financial instruments

Financial instruments by category

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

in €

Particulars	As at March 31,	
	2022	2021
Assets:		
Cash and cash equivalents (Refer Note No. 2.2)	1,790,036	1,641,092
Trade Receivable	4,971,120	1,483,714
Others Financial Assets	30,803	81,135
Total	6,791,959	3,205,941
Liabilities:		
Other financial liabilities (Refer Note No. 2.9)	332,127	167,560
Trade payable	3,403,030	2,825,600
Lease liabilities	50,000	70,627
Total	3,785,157	3,063,787

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, 2022 and March 31, 2021, the Company had cash and cash equivalents of € 1,790,036 and € 1,641,092 respectively.

2.12 Income taxes

The following table provides the details of income tax assets and income tax liabilities as of March 31, 2022, March 31, 2021:

in €

	Years ended March 31,	
	2022	2021
Income tax assets	7,356	6,554
Current income tax liabilities	(4,815)	–
Net current income tax assets/ (liability) at the end	2,541	6,554

The gross movement in the current income tax asset/ (liability) is as follows:

	Years ended March 31,	
	2022	2021
Net current income tax asset/ (liability) at the beginning	6,554	38,284
Income tax paid/ (refund)	(4,013)	(31,730)
Current income tax expense	–	–
Net current income tax asset/ (liability) at the end	2,541	6,554

2.13 Revenue from operations

in €

Particulars	Years ended March 31,	
	2022	2021
Income from software services	12,589,943	1,802,981
Total revenue from operation	12,589,943	1,802,981

2.14 Other income

in €

Particulars	Years ended March 31,	
	2022	2021
Exchange gains / losses on translation of other assets and liabilities	(16,305)	22
Total other income	(16,305)	22

2.15 Expenses

in €

Particulars	Years ended March 31,	
	2022	2021
Employee benefit expenses		
Salaries including bonus	832,084	9,854
Staff welfare	520	–
	832,604	9,854
Cost of software packages and others	2,506	–
For own use	2,506	–
Other expenses		
Rates and taxes	35,695	65,792
Postage and courier charges	242	290
Communication expenses	4,212	–
Audit fees	38,000	24,950
Provision for post-sales client support and others	42,772	–
Impairment loss recognized / (reversed) under expected credit loss model	9,280	18,225
Travel expenses	18,627	
Bank charges	20,628	4,104
Marketing expenses	634	–
Office maintenance	408	
Total other expenses	170,498	113,361

2.16 Provisions

in €

Particulars	As at March 31	
	2022	2021
Current		
Others		
Post-sales client support and others	42,772	–
	42,772	–

2.17 Related party transactions

List of related parties

Name of Holding Companies	Country	Holding as at March 31,	
		2022	2021
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
Infosys Austria GmbH[1]	Austria
Skava Systems Private Limited (Skava Systems)[1][41]	India
Kallidus Inc, (Kallidus)[42]	U.S.
Infosys Chile SpA[1]	Chile
Infosys Arabia Limited[2]	Saudi Arabia
Infosys Consulting Ltda.[1]	Brazil

Name of fellow subsidiaries	Country
Infosys CIS LLC(15)	Russia
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)(53)	Canada
Infosys BPM Limited(1)(61)	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)(52)	Czech Republic
Infosys Consulting (Shanghai) Co., Ltd.(4)(48)	China
Infy Consulting Company Ltd(4)	UK
Infy Consulting B.V.(4)	The Netherlands
Infosys Consulting Sp. z.o.o(29)	Poland
Lodestone Management Consultants Portugal, Unipessoal, Lda.(4)(34)	Portugal
Infosys Consulting S.R.L.(4)	Argentina
Infosys Consulting (Belgium) NV(5)	Belgium
Panaya Inc. (Panaya)(1)	U.S.
Panaya Ltd.(6)	Israel
Panaya GmbH(6)	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)(1)(41)	U.K.
Brilliant Basics Limited(7)(41)	U.K.
Brilliant Basics (MENA) DMCC(7)(21)	Dubai
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
Fluido Newco AB(11)(36)	Sweden
Infosys Compaz Pte. Ltd(9)	Singapore
Infosys South Africa (Pty) Ltd(8)	South Africa
WONGDOODY Holding Company Inc. (WONGDOODY)(1)(54)	U.S.
WDW Communications, Inc(10)(55)	U.S.
WONGDOODY, Inc(10)(56)	U.S.
HIPUS Co., Ltd(9)	Japan
Stater N.V.(9)	The Netherlands
Stater Nederland B.V.(12)	The Netherlands

Name of fellow subsidiaries	Country
Stater Duitsland B.V.(12)(38)	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)(37)	Germany
Stater Deutschland GmbH & Co. KG(13)(37)	Germany
Stater Belgium N.V./S.A.(14)(39)	Belgium
Stater Gmbh(12)(46)	Germany
Outbox systems Inc. dba Simplus (US)(16)	U.S.
Simplus North America Inc.(17)(45)	Canada
Simplus ANZ Pty Ltd.(17)	Australia
Simplus Australia Pty Ltd(18)	Australia
Sqware Peg Digital Pty Ltd(19)(49)	Australia
Simplus Philippines, Inc.(17)	Philippines
Simplus Europe, Ltd.(17)(47)	U.K.
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)(22)	U.K.
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)(23)	Ireland
Infosys Limited Bulgaria EOOD(1)(24)	Bulgaria
Kaleidoscope Animations, Inc.(27)	U.S.
Kaleidoscope Prototyping LLC(28)	U.S.
GuideVision s.r.o.(25)	Czech Republic
GuideVision Deutschland GmbH(26)	Germany
GuideVision Suomi Oy(26)	Finland
GuideVision Magyarország Kft(26)	Hungary
GuideVision Polska SP.Z.O.O(26)	Poland
GuideVision UK Ltd(26)	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)(30)	U.S.
Beringer Capital Digital Group Inc(30)(59)	U.S.
Mediotype LLC(31)(59)	U.S.
Beringer Commerce Holdings LLC(31)(59)	U.S.
SureSource LLC(32)(57)	U.S.
Blue Acorn LLC(32)(57)	U.S.
Simply Commerce LLC(32)(57)	U.S.
iCiDIGITAL LLC(33)(58)	U.S.
Infosys BPM UK Limited(3)(35)	U.K.
Infosys Turkey Bilgi Teknolojikeri Limited Sirketi(1)(40)	Turkey
Infosys Germany Holding Gmbh(1)(43)	Germany
Infosys Automotive and Mobility GmbH & Co. KG(1)(44)	Germany
Infosys Green Forum(1)(50)	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)(51)	Malaysia
Infosys Business Solutions LLC(1)(60)	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH (“Kristall”))(62)	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] Wholly-owned subsidiary of Stater Duitsland B.V.
[14] Majority owned and controlled subsidiary of Stater Participations B.V.
[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] Liquidated effective July 17, 2020
[22] On June 1, 2020, Fluido Oy, acquired 100% of the voting interests in Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)
[23] Wholly-owned subsidiary of Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)
[24] Incorporated effective September 11, 2020.
[25] On October 1, 2020, Infy Consulting Company Limited acquired 100% of voting interests in GuideVision s.r.o
[26] Wholly-owned subsidiary of GuideVision s.r.o.
[27] On October 9, 2020, Infosys Nova Holdings LLC, acquired 100% voting interest in Kaleidoscope Animations, Inc.
[28] Wholly-owned subsidiary of Kaleidoscope Animations, Inc.
[29] Merged with Infosys Poland Sp. z.o.o, effective October 21, 2020
[30] On October 27, 2020, Infosys Nova Holding LLC, a wholly-owned subsidiary of Infosys Limited, acquired 100% voting interest in Blue Acorn iCi Inc (formerly Beringer Commerce Inc) and Beringer Capital Digital Group Inc
[31] Wholly-owned subsidiary of Blue Acorn iCi Inc
[32] Wholly-owned subsidiary of Beringer Commerce Holdings LLC
[33] Wholly-owned subsidiary of Beringer Capital Digital Group Inc.
[34] Liquidated effective November 19, 2020
[35] Incorporated, effective December 9, 2020
[36] Merged into Fluido Sweden AB (Extero), effective December 18, 2020
[37] Merged into Stater Duitsland B.V., effective December 18, 2020
[38] Merged with Stater N.V., effective December 23, 2020
[39] On December 29, 2020, Stater Participation B.V acquired non-controlling interest of 28.01% of the voting interests in Stater Belgium NV/SA
[40] Incorporated on December 30, 2020.
[41] Under liquidation
[42] Liquidated effective March 9, 2021
[43] Incorporated on March 23, 2021
[44] On March 28, 2021 Infosys Limited and Infosys Germany Holding Gmbh registered Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm.
[45] Liquidated effective April 27, 2021
[46] Incorporated on August 4, 2021
[47] Liquidated effective July 20, 2021
[48] Liquidated effective September 1, 2021
[49] Liquidated effective September 2, 2021
[50] Incorporated on August 31, 2021
[51] 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.)

[52] Liquidated effective December 16, 2021

[53] Liquidated effective November 23, 2021

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

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

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

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

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

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

[60] Incorporated on February 20, 2022

[61] On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

[62] 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"))

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

in €

Particulars	As at March 31	
	2022	2021
Trade payables		
Infosys Limited	3,267,039	2,751,277
Infosys BPM Limited	25,110	16,054
Infosys Czech Republic	31	–
Infosys Poland sp Z.o.o.	22,121	–
Infosys Consulting S.R.L	–	54,800
	3,314,301	2,822,131
Other Current Assets		
Panaya Ltd.	434,321	–
	434,321	–

in €

Other Financial Liabilities		
Infosys Limited	93,961	–
Infosys Poland sp Z.o.o.	–	14,306
Infosys Limited	323	–
	94,284	14,306

The details of the related parties transactions entered into by the Company for the year ended March 31, 2022 and March 31, 2021 are as follows:

in €

Partoculars	For the years ended March 31	
	2022	2021
Capital infusion		
Infosys Limited	–	1,500,000
	–	1,500,000
Revenue Transactions		
Technical subcontractor charges		
Infosys Limited	10,790,484	2,751,277
Infosys BPM Limited	130,033	16,054
Infosys Consulting S.R.L	123	54,800
Infosys Czech Republic	31	–
Infosys Poland sp Z.o.o.	99,496	14,320
Panaya Ltd.	122,365	
	11,142,532	2,836,451

n €

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.

Infy Consulting B.V.

(formerly Lodestone Management Consultants B.V.)

Independent Auditor's report

To the Members of INFY CONSULTING B.V. (formerly Lodestone Management Consultants B.V.)

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of INFY CONSULTING B.V. (formerly Lodestone Management Consultants B.V.) ("the Company"), which comprise the Balance Sheet as at December 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). 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, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's Responsibilities for the Special Purpose Financial Statements

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

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the 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.

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 : 22202841AIWKCC9224

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

M Rathnakar Kamath
PARTNER
Membership Number. 202841

Place: Bengaluru.

Date: May 12, 2022

Balance Sheet

(In ₹)

Particulars	Note no.	As at December 31, 2021	As at December 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	5,64,614	10,96,687
Right to use of asset	2.14	2,97,39,681	2,51,83,194
Financial assets			
Loans	2.2	13,52,73,933	14,68,98,078
Income tax assets, net	2.13	–	46,22,305
Total non-current assets		16,55,78,228	17,78,00,264
Current assets			
Financial assets			
Trade receivables	2.4	35,06,58,096	18,70,47,421
Cash and cash equivalents	2.5	14,73,87,264	8,89,05,229
Other financial assets	2.3	40,89,188	17,33,144
Other current assets	2.6	11,22,35,383	3,70,76,623
Total current assets		61,43,69,931	31,47,62,417
Total assets		77,99,48,159	49,25,62,681
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.8	53,27,009	53,27,009
Other equity		34,50,68,358	23,41,29,620
Total equity		35,03,95,367	23,94,56,629
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liability	2.14	47,58,406	1,45,72,608
Income tax liabilities (net)	2.13	34	–
Total non-current liabilities		47,58,440	1,45,72,608
Current liabilities			
Financial liabilities			
Trade payables	2.9	9,77,43,940	4,34,09,219
Lease liability	2.14	2,34,44,007	88,74,692
Other financial liabilities	2.10	14,53,48,823	10,71,75,750
Other current liabilities	2.11	13,75,47,936	7,64,98,135
Provisions	2.12	34,95,095	8,69,053
Income tax liabilities (net)	2.13	1,72,14,551	17,06,595
Total current liabilities		42,47,94,352	23,85,33,444
Total equity and liabilities		77,99,48,159	49,25,62,681

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 12, 2022

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 No.	Year ended December 31,	
		2021	2020
Revenue from operations	2.15	96,31,22,695	66,89,22,555
Other income, net	2.16	64,89,837	2,76,94,920
Total income		96,96,12,532	69,66,17,475
Expenses			
Employee benefit expenses	2.17	42,34,21,932	40,66,19,552
Cost of technical sub-contractors		26,28,41,225	8,95,92,145
Travel expenses		41,06,144	2,04,21,539
Cost of software packages and others	2.17	5,11,79,316	1,17,44,594
Communication expenses		25,33,009	37,86,255
Consultancy and professional charges		1,89,58,503	1,93,62,868
Depreciation and amortization expense	2.1	1,22,03,090	1,10,83,086
Finance cost	2.14	5,07,654	78,185
Other expenses	2.17	1,97,37,637	1,73,42,997
Total expenses		79,54,88,510	58,00,31,221
Profit before tax		17,41,24,022	11,65,86,254
Tax expense			
Current tax	2.13	4,48,08,522	2,93,34,850
Profit for the year		12,93,15,500	8,72,51,404
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		(1,83,76,762)	1,99,08,951
Total other comprehensive income/(loss), net of tax		(1,83,76,762)	1,99,08,951
Total comprehensive income for the year		11,09,38,738	10,71,60,355
Earnings per equity share			
Equity shares of par value EUR 5/- each			
Basic and Diluted (₹)		7,184.19	4,847.30
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 and on behalf of the Board of Directors of Infy Consulting B.V.

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

M. Rathnakar Kamath
Partner
Membership Number: 202841

Walter Johan Schulze
Director

Place: Bengaluru

Date: May 12, 2022

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, 2020	53,27,009	10,78,41,541	1,91,37,657	13,23,06,207
Adjustments on adoption of Ind-AS 116	–	(9,933)	–	(9,933)
	53,27,009	10,78,31,608	1,91,37,657	13,22,96,274
Changes in equity for the year ended December 31, 2020				
Dividend Paid	–	0	–	0
Currency translation	–	–	1,99,08,951	1,99,08,951
Profit for the year	–	8,72,51,404	–	8,72,51,404
Balance as of December 31, 2020	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				
Transfer to general reserve	0	0	0	0
Dividend Paid	–	0	–	0
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

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 12, 2022

for and on behalf of the Board of Directors of Infy Consulting B.V.

Walter Johan Schulze
Director

Statement of Cash Flows

(In ₹)

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Cash flows from operating activities		
Profit for the year	12,93,15,500	8,72,51,404
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation and Amortization expense	1,22,03,090	1,10,83,086
Income tax expense	4,48,08,522	2,93,34,850
(Reversal) / Allowance for credit losses on financial assets	6,90,552	7,39,074
Finance Cost	5,07,654	78,185
Interest and dividend income	(3,48,992)	(1,92,966)
Other adjustments	27,48,409	7,38,495
Exchange differences on translation of assets and liabilities	(96,95,548)	1,80,79,111
Changes in assets and liabilities		
Trade receivables and unbilled revenue	(16,43,01,227)	(12,92,91,277)
Other financial assets and other assets	(7,75,14,804)	(1,02,33,239)
Trade payables	5,43,34,721	3,68,57,724
Other financial liabilities, other liabilities and provisions	9,92,22,874	4,11,79,230
Cash generated from operations	9,19,70,751	8,56,23,677
Income taxes paid	(2,46,78,227)	(2,80,85,961)
Net cash generated by operating activities	6,72,92,524	5,75,37,716
Cash flow from investing activities		
Expenditure on property, plant and equipment net of sale proceeds	–	(13,53,700)
Loan to Parent Company	–	(14,37,80,690)
Loans to employees	31,17,388	(27,11,121)
Interest and dividend received on investments	3,48,992	1,92,966
Net cash used in investing activities	34,66,380	(14,76,52,545)
Cash flow from financing activities		
Interest paid	(4,61,013)	–
Payment of lease liabilities	(1,18,15,856)	(1,07,94,592)
Net cash used in financing activities	(1,22,76,869)	(1,07,94,592)
Net (decrease) / increase in cash and cash equivalents	5,84,82,035	(10,09,09,421)
Cash and cash equivalents at the beginning of the year	8,89,05,229	18,98,14,650
Cash and cash equivalents at the end of the year	14,73,87,264	8,89,05,229

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 12, 2022

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 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 INR.

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.

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

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

1.5 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 FP

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 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 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 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 the 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 a date is 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 a 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 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 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 is 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 consists 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

The Company as a lessee

The Company's lease asset classes primarily consist of leases for 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 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 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 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, 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)	–	(4,81,769)
Translation difference	4,079	6,75,755	42,321	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

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

(In ₹)

Particulars	Office Equipment	Computer equipment	Furniture and fixtures	Total
Gross carrying value as of January 1, 2020	59,186	92,10,157	6,14,118	98,83,461
Additions / Adjustments	–	13,53,700	–	13,53,700
Translation difference	7,123	12,39,869	73,909	13,20,901
Gross carrying value as of December 31, 2020	66,309	1,18,03,726	6,88,027	1,25,58,062
Accumulated depreciation as of January 1, 2020	(59,186)	(92,10,157)	(6,14,118)	(98,83,461)
Depreciation	–	(3,73,099)	–	(3,73,099)
Translation difference	(7,123)	(11,23,783)	(73,909)	(12,04,815)
Accumulated depreciation as of December 31, 2020	(66,309)	(1,07,07,039)	(6,88,027)	(1,14,61,375)
Carrying value as of December 31, 2020	–	10,96,687	–	10,96,687
Carrying value as of January 1, 2020	–	–	–	–

2.2 Loans

(In ₹)

Particulars	As at December 31	
	2021	2020
Non-current		
Unsecured, considered good		
Other loans		
Loans to employees	–	31,17,388
	–	31,17,388
Unsecured, considered doubtful		
Loan to Parent Company [(1)]	13,52,73,933	14,37,80,690
	13,52,73,933	14,37,80,690
	13,52,73,933	14,68,98,078
Current		
Loan receivables considered good - Unsecured		
Other loans		
Loans and advances to employees	–	18,91,809
Less: Allowance for doubtful Loans to employees	–	18,91,809
	–	–
Total loans	13,52,73,933	14,68,98,078
[(1)] Includes dues from related party (Refer to Note No.2.18)	13,52,73,933	14,37,80,690

2.3 Other financial assets

(In ₹)

Particulars	As at December 31	
	2021	2020
Current		
Unbilled Revenue	25,59,557	–
Others [(2)]	15,29,631	17,33,144
Total	40,89,188	17,33,144
[(1)] Financial assets carried at amortized cost	40,89,188	17,33,144
[(2)] Includes dues from related party (Refer to Note No.2.18)	15,29,631	17,33,144

2.4 Trade receivables

(In ₹)

Particulars	As at December 31	
	2021	2020
Current		
Unsecured		
Considered good	35,06,58,096	18,70,47,421
Considered doubtful	14,07,967	7,44,798
	35,20,66,063	18,77,92,219
Less: Allowances for credit loss	(14,07,967)	(7,44,798)
	35,06,58,096	18,70,47,421
[(1)] Includes dues from related parties (Refer to Note No.2.18)	21,66,95,774	10,76,73,787

2.5 Cash and cash equivalents

(In ₹)

Particulars	As at December 31	
	2021	2020
Balances with banks		
In current accounts	14,73,87,264	8,89,05,229
Total Cash and cash equivalents	14,73,87,264	8,89,05,229

2.6 Other assets

(In ₹)

Particulars	As at December 31	
	2021	2020
Current		
Advances other than capital advance		
Payment to vendors for supply of goods	1,81,520	–
Others		
Unbilled Revenues	6,04,719	–
Prepaid expenses	6,20,67,089	2,01,21,984
Withholding taxes and others	4,93,82,055	1,69,54,639
Total current other assets	11,22,35,383	3,70,76,623

2.7 Financial instruments

Financial instruments by category

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

(In ₹)

Particulars	As at December 31	
	2021	2020
Assets		
Cash and cash equivalents (Refer to Note No. 2.5)	14,73,87,264	8,89,05,229
Trade receivables (Refer to Note No. 2.4)	35,06,58,096	18,70,47,421
Loans (Refer to Note No.2.2)	13,52,73,933	14,68,98,078
Other financial assets (Refer to Note No.2.3)	40,89,188	17,33,144
Total	63,74,08,481	42,45,83,872
Liabilities		
Trade payables (Refer to Note No. 2.9)	9,77,43,940	4,34,09,219
Other financial liabilities (Refer to Note No.2.10)	12,19,34,967	8,51,99,338
Total	21,96,78,907	12,86,08,557

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 ₹350,658,096 and ₹187,047,421 as of December 31, 2021 and December 31, 2020, respectively and unbilled revenue amounting to ₹2,559,557 and ₹ Nil as of December 31, 2021 and December 31, 2020, respectively. Trade receivables and unbilled revenue are typically unsecured. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. 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, 2021 was ₹6,90,552 and ₹7,39,074 for the year ending December 31, 2020 respectively.

(In ₹)

Particulars	Year ended December 31,	
	2021	2020
Balance at the beginning	7,44,798	–
Impairment loss recognized / reversed	6,90,552	7,39,074
Translation differences	(27,383)	5,724
Balance at the end	14,07,967	7,44,798

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, 2021, the Company had a working capital of ₹18,95,75,579, including cash and cash equivalents of ₹14,73,87,264. As of December 31, 2020, the Company had a working capital of ₹7,62,28,973, including cash and cash equivalents of ₹8,89,05,229.

2.8 Equity

Equity share capital

in ₹, except as otherwise stated

Particulars	As at December 31,	
	2021	2020
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,			
	2021		2020	
	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 31,2021.

2.9 Trade payables

(In ₹)

Particulars	As at December 31,	
	2021	2020
Trade payables *	9,77,43,940	4,34,09,219
Total trade payables	9,77,43,940	4,34,09,219
*Includes dues to related parties (Refer to Note No.2.18)	8,15,48,983	3,64,08,247

2.10 Other financial liabilities

(In ₹)

Particulars	As at December 31,	
	2021	2020
Current		
Others		
Accrued compensation to employees	3,29,05,562	4,95,72,436
Accrued expenses (1)	6,30,47,156	3,13,28,805
Compensated absences	2,34,13,856	2,19,76,412
Other payables (2)	2,59,82,249	42,98,097
Total financial liabilities	14,53,48,823	10,71,75,750
Financial liability carried at amortized cost	12,19,34,967	8,51,99,338
(1) Includes dues to related party (Refer to Note No.2.18)	2,87,63,711	1,65,13,293
(2) Includes dues to related parties (Refer to Note No.2.18)	2,59,56,984	42,98,097

2.11 Other liabilities

(In ₹)

Particulars	As at December 31,	
	2021	2020
Current		
Unearned revenue	7,40,36,031	2,72,76,011
Withholding taxes and others	6,35,11,905	4,92,22,124
Total other liabilities	13,75,47,936	7,64,98,135

2.12 Provisions

(In ₹)

Particulars	As at December 31,	
	2021	2020
Current		
Others		
Post-sales client support and warranties	34,95,095	8,69,053
Total provisions	34,95,095	8,69,053

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,	
	2021	2020
Opening balance at the beginning	8,69,053	–
Provision recognized / (reversed)	27,48,409	7,38,495
Exchange difference	(1,22,367)	1,30,558
Balance at the end	34,95,095	8,69,053

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.

2.13 Income taxes

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

(In ₹)

Particulars	Year ended December 31,	
	2021	2020
Current taxes	4,48,08,522	2,93,34,850
Income tax expense	4,48,08,522	2,93,34,850

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,	
	2021	2020
Profit before income tax	17,41,24,022	11,65,86,254
Enacted tax rates in Netherlands (%)	25.00%	25.00%
Computed expected tax expense	4,35,31,006	2,91,46,564
Tax provisions / (reversals)	4,20,769	72,744
Effect of non-deductible expenses	8,42,662	–
Others	14,085	1,15,542
Income tax expense	4,48,08,522	2,93,34,850

The applicable Netherlands statutory tax rate for year ended December 31, 2021 and December 31, 2020 is 25 %.

The details of income tax assets and income tax liabilities are as follows:

(In ₹)

	Year ended December 31,	
	2021	2020
Income tax assets / (Liabilities)	(34)	46,22,305
Current income tax liabilities	1,72,14,551	17,06,595
Net current income tax assets / (liability) at the end	(1,72,14,585)	29,15,710

The gross movement in the current income tax asset / (liability) is as follows:

(In ₹)

	Year ended December 31,	
	2021	2020
Net current income tax asset / (liability) at the beginning	29,15,710	41,64,599
Income tax paid	2,46,78,227	2,80,85,961
Current income tax expense	(4,48,08,522)	(2,93,34,850)
Net current income tax asset / (liability) at the end	(1,72,14,585)	29,15,710

2.14 Leases

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

(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

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

(In ₹)

Particulars	Category of ROU asset	Total
	Vehicles	
Balance as of January 1, 2020	1,73,75,771	1,73,75,771
Additions	1,62,82,211	1,62,82,211
Translation difference	22,35,199	22,35,199
Depreciation	(1,07,09,987)	(1,07,09,987)
Balance as of December 31, 2020	2,51,83,194	2,51,83,194

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:

(In ₹)

Particulars	As at December 31,	
	2021	2020
Current lease liabilities	2,34,44,007	88,74,692
Non-current lease liabilities	47,58,406	1,45,72,608
Total	2,82,02,413	2,34,47,300

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

(In ₹)

Particulars	For the year ended December 31,	
	2021	2020
Balance at the beginning	2,34,47,300	1,73,85,704
Additions	2,21,44,617	1,62,82,211
Deletions	(37,42,865)	–
Finance cost accrued during the period	46,641	78,185
Payment of lease liabilities	1,18,15,856	1,07,94,592
Translation Difference	(18,77,424)	4,95,792
Balance at the end	2,82,02,413	2,34,47,300

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(In ₹)

Particulars	As at December 31,	
	2021	2020
Less than one year	1,20,57,437	89,32,100
One to five years	1,77,15,427	1,64,13,602
More than five years	–	–
Total	2,97,72,864	2,53,45,702

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,	
	2021	2020
Income from consultancy services	96,31,22,695	66,89,22,555
	96,31,22,695	66,89,22,555

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by offerings for the year ended 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 ₹)

Particulars	Year ended December 31,	
	2021	2020
Revenue by offerings		
Core	69,17,57,360	50,61,02,315
Digital	27,13,65,335	16,28,20,240
Total	96,31,22,695	66,89,22,555

Digital Services

Digital Services comprise 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, 2021, other than those meeting the exclusion criteria mentioned above, is ₹6.9 crore. Out of this, the company expects to recognize revenue of around 49% 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,	
	2021	2020
Interest received on financial assets carried at amortized cost		
Deposits with banks and others	3,48,992	1,92,966
Exchange gains / (losses) on translation of other assets and liabilities	16,67,935	7,14,502
Miscellaneous income, net	44,72,910	2,67,87,452
	64,89,837	2,76,94,920

2.17 EXPENSES

(In ₹)

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Employee benefit expenses		
Salaries including bonus	42,31,79,400	40,62,89,793
Staff welfare	2,42,532	3,29,759
	42,34,21,932	40,66,19,552
Cost of software packages and others		
Third-party items bought for service delivery to clients	5,11,79,316	1,17,44,594
	5,11,79,316	1,17,44,594
Other expenses		
Power and fuel	1,50,918	1,38,708
Brand and marketing	2,95,427	3,83,326
Rates and taxes	98,572	(2,26,985)
Repairs and maintenance	1,44,89,807	1,34,54,645
Insurance	7,45,670	14,15,083
Provision / (Reversals) for post-sales client support	27,48,409	7,38,495
(Reversal) / Allowances for credit losses on financial assets	6,90,552	7,39,074
Others	5,18,282	7,00,651
	1,97,37,637	1,73,42,997

In ₹)

2.18 Related party transactions

List of related parties:

Name of the holding company	Country	Holding as at December 31, 2021	Holding as at December 31, 2020
Infosys Consulting Holding AG (Infosys Lodestone) (formerly Lodestone Holding AG)	Switzerland	100%	100%

Name of the ultimate holding company	Country
Infosys Limited [1]	India

List of related parties:

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
Infosys Austria GmbH	Austria
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.
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.
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.
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 Turkey Bilgi Teknolojikeri Limited Sirketi(1)(41)	Turkey
Infosys Germany Holding Gmbh(1)(44)	Germany
Infosys Automotive and Mobility GmbH & Co. KG(1)(45)	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) Wholly-owned subsidiary of Stater Duitsland B.V.

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

(15) Liquidated effective January 28, 2021.

(16) On March 13, 2020, Infosys Nova Holdings LLC, acquired 100% of the voting interests in Outbox Systems Inc.

(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) On February 20, 2020, Infosys Poland, Sp z.o.o, acquired 100% of the voting interests in Infosys Consulting Sp. z.o.o from Infosys Consulting Holding AG

(22) Liquidated effective July 17, 2020

(23) On June 1, 2020, Fluido Oy, acquired 100% of the voting interests in Infosys Fluido U.K,Ltd (formerly Simplus U.K, Ltd)

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

(25) Incorporated effective September 11, 2020.

(26) On October 1, 2020, Infy Consulting Company Limited acquired 100% of voting interests in GuideVision s.r.o

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

(28) On October 9, 2020, Infosys Nova Holdings LLC, acquired 100% voting interest in Kaleidoscope Animations, Inc.

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

(30) Merged with Infosys Poland Sp. z.o.o, effective October 21, 2020

(31) On October 27, 2020, Infosys Nova Holding LLC, a wholly-owned subsidiary of Infosys Limited, acquired 100% voting interest in Blue Acorn iCi Inc (formerly Beringer Commerce Inc) and Beringer Capital Digital Group Inc

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

(33) Wholly-owned subsidiary of Beringer Commerce Holdings LLC
(34) Wholly-owned subsidiary of Beringer Capital Digital Group Inc.
(35) Liquidated effective November 19,2020
(36) Incorporated, effective December 9, 2020
(37) Merged into Fluido Sweden AB (Extero), effective December 18, 2020
(38) Merged into Stater Duitsland B.V., effective December 18, 2020
(39) Merged with Stater N.V., effective December 23, 2020
(40) On December 29, 2020, Stater Participation B.V acquired non-controlling interest of 28.01% of the voting interests in Stater Belgium NV/SA
(41) Incorporated on December 30, 2020.
(42) Under liquidation
(43) Liquidated effective March 9,2021
(44) Incorporated on March 23, 2021
(45) On March 28, 2021 Infosys Limited and Infosys Germany Holding Gmbh registered Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm.
(46) Liquidated effective April 27,2021
(47) Incorporated on August 4, 2021
(48) Liquidated effective July 20, 2021
(49) Liquidated effective September 1, 2021
(50) Liquidated effective September 2, 2021
(51) Incorporated on August 31, 2021
(52) On December 14, 2021, Infosys Consulting Pte Limited, a wholly owned subsidiary of Infosys Limited acquired 100% of voting interests in Global Enterprise International (Malaysia) Sdn. Bhd.
(53) Liquidated effective December 16, 2021
(54) Liquidated effective November 23, 2021
(55) Wholly-owned subsidiary of Infosys Limited, merged with WONGDOODY Inc, effective December 31, 2021
(56) Wholly-owned subsidiary of WONGDOODY Holding Company Inc. (WONGDOODY), merged with WONGDOODY Inc, effective December 31, 2021
(57) Wholly-owned subsidiary of Infosys Limited, effective December 31, 2021

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

(In ₹)

Particulars	As at December 31	
	2021	2020
Trade receivables		
Infosys Consulting S R O	74,425	67,974
Infosys Consulting GmbH	–	6,46,538
Infy Consulting Company Ltd.	21,36,30,253	10,18,05,461
Infosys Consulting Belgium	3,98,228	32,82,208
Infosys Consulting SAS	2,27,144	–
S.C. Infosys Consulting S.R.L.	22,90,654	15,44,091
Infosys Consulting (Shanghai) Co., Ltd.	–	3,27,515
Infosys Consulting S.R.L.	75,070	–
	21,66,95,774	10,76,73,787
Loans		
Infosys Consulting AG (formerly Lodestone Management Consultants AG)	13,52,73,933	14,37,80,690
	13,52,73,933	14,37,80,690
Other financial assets		
Infosys Consulting Belgium	7,05,847	16,41,104
Infosys Consulting AG	8,23,784	–
Infosys Consulting S.R.L.	–	92,040
	15,29,631	17,33,144
Trade payables		
Infosys Middle East FZ-LLC	47,27,678	–
Infosys Consulting AG	3,90,510	2,36,81,785
Infosys Consulting SAS	–	2,42,031
Infy Consulting Company Ltd.	7,45,31,488	94,15,850
Infosys Consulting Belgium (formerly Lodestone Management Consultants (Belgium) S.A.)	18,99,307	16,41,104
Infosys Consulting S.R.L.	–	6,85,684

Infosys Management Consulting Pty Limited	–	5,41,317
Infosys Consulting Pte Ltd (formerly Lodestone Management Consultants Pte Ltd.)	–	2,00,476
	8,15,48,983	3,64,08,247
Other Financial Liabilities		
Infosys Consulting GmbH	64,98,095	6,90,696
Infy Consulting Company Ltd.	91,59,709	6,58,062
Infosys Consulting Holding AG	5,68,401	–
Infosys Consulting AG	32,96,008	7,59,238
Infosys Consulting SAS	4,35,357	–
Infosys Consulting S.R.L. (formerly Lodestone Management Consultants S.R.L.)	9,00,844	3,65,677
Infosys Consulting Belgium (formerly Lodestone Management Consultants (Belgium) S.A.)	5,46,019	–
Infosys Management Consulting Pty Ltd.	11,12,844	1,83,486
S.C. Infosys Consulting S.R.L.	8,41,542	–
Infosys Consulting Pte Ltd (formerly Lodestone Management Consultants Pte Ltd.)	4,92,633	77,308
Infosys Limited	21,05,532	15,63,630
	2,59,56,984	42,98,097
Accrued expenses		
Infosys Limited	2,87,63,711	1,65,13,293
	2,87,63,711	1,65,13,293

(In ₹)

Particulars	For the year ended December 31	
	2021	2020
Revenue transactions		
Purchase of shared services including facilities and personnel		
Infosys Consulting Belgium S.A.	53,92,793	–
Infosys Consulting GmbH	–	45,89,342
Infosys Consulting Holding AG	–	2,44,38,463
Infosys Limited	1,27,08,484	2,16,00,329
Infosys Middle East FZ LLC	49,64,327	–
Infosys Consulting AG	80,19,570	–
Infy Consulting Company Ltd.	13,93,93,907	1,74,32,080
	17,04,79,081	6,80,60,214
Interest income		
Infosys Consulting Holding AG	3,48,992	1,92,966
	3,48,992	1,92,966
Sale of services		
Infosys Consulting AG	–	10,23,238
Infosys Consulting SAS	29,48,323	–
Infy Consulting Company Ltd.	64,30,58,743	59,86,24,432
	64,60,07,066	59,96,47,670

2.19 Segment reporting

The Company is engaged in providing consultancy service in a single geography. Based on the 'Management approach' 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 Middle East FZ LLC

Independent Auditor's Report

To the Shareholders of Infosys Middle East FZ-LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Infosys Middle East FZ-LLC (the 'Company'), which comprise the Statement of Financial Position as at December 31, 2021, the Statements of Profit or Loss and Other Comprehensive Income, Changes in Equity, 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 at December 31, 2021, 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 (ISA). 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 the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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 the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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

Firm Registration Number: 1146

Emilio Pera
Partner

Place: Dubai, United Arab Emirates

Date: May 19, 2022

Statement of Profit or Loss and Other Comprehensive Income

in AED

Particulars	Notes	Years ended December 31, 2021	2020
Revenue	5	41,572,151	41,994,788
Cost of services	6	(39,044,128)	(39,975,714)
Gross profit		2,528,023	2,019,074
Administrative and general expenses	7	(2,601,207)	(3,496,617)
Operating loss		(73,184)	(1,477,543)
Finance cost	8	(48,702)	(140,921)
Loss for the year		(121,886)	(1,618,464)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement of the net defined benefit liability		(129,500)	(134,460)
Total other comprehensive loss		(129,500)	(134,460)
Total comprehensive loss for the year		(251,386)	(1,752,924)

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,	
		2021	2020
ASSETS			
Non-current assets			
Property & Equipment	9	67,886	136,844
Right of use assets	10	1,577,017	3,321,678
Total non-current assets		1,644,903	3,458,522
Current assets			
Trade and other receivables	11	5,143,349	6,272,858
Due from a related party	12	4,484,346	4,925,342
Cash and cash equivalent	13	3,893,420	8,754,738
Total current assets		13,521,115	19,952,938
Total assets		15,166,018	23,411,460
EQUITY & LIABILITIES			
EQUITY			
Share Capital	14	300,000	300,000
Accumulated losses		(10,220,185)	(9,968,799)
Total equity		(9,920,185)	(9,668,799)
LIABILITIES			
Non-current liabilities			
Provision for employees' end of service benefits	15	17,290,455	17,329,284
Lease liabilities	10	850,242	2,299,976
Total non-current liabilities		18,140,697	19,629,260
Current liabilities			
Trade and other payables	16	3,133,876	3,455,598
Due to related party	12	3,051,061	8,927,854
Lease liabilities	10	760,569	1,067,547
Total current liabilities		6,945,506	13,450,999
Total equity and liabilities		15,166,018	23,411,460

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, 2021.

These financial statements were approved for issuance by the Managing Director on May 19, 2022.

for and on behalf of Infosys Middle East FZ-LLC

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, 2021	2020
Operating activities			
Loss for the year		(121,886)	(1,618,464)
Adjustments for:			
Depreciation on property and equipment	9	68,958	94,079
Depreciation on right-of-use assets	10	968,529	1,370,308
Provision for employees' end-of-service benefits	15	2,043,167	2,191,996
Interest expense	8	48,702	140,921
Provision for incentives and leave accruals	16	1,986,499	2,517,778
		4,993,969	4,696,618
Changes in:			
Trade and other receivables	11	1,129,509	(5,468,156)
Due from a related party	12	440,996	2,884,787
Due to a related party	12	(5,876,793)	8,828,401
Trade and other payables	16	55,711	641,155
Payment for employees' end-of-service benefits	15	(2,211,496)	(2,434,714)
Payment of incentives and leave accruals	16	(2,363,932)	(2,292,073)
Net cash from operating activities		(3,832,036)	6,856,018
Financing activity			
Payment of lease liabilities	10	(1,029,282)	(1,436,979)
Net cash used in financing activity		(1,029,282)	(1,436,979)
Net (decrease) / increase in cash and cash equivalents		(4,861,318)	5,419,039
Cash and cash equivalents at the beginning of the year		8,754,738	3,335,699
Cash and cash equivalents at the end of the year	13	3,893,420	8,754,738

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
At January 1, 2020	300,000	(8,215,875)	(7,915,875)
Total comprehensive income for the year			
Loss for the year	–	(1,618,464)	(1,618,464)
Other comprehensive loss for the year	–	(134,460)	(134,460)
At December 31, 2020	300,000	(9,968,799)	(9,668,799)
Balance 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)
At December 31, 2021	300,000	(10,220,185)	(9,920,185)

The Notes to Financial statement form an integral part of these financial statements.

Notes to the financial statements

for the year ended December 31, 2021.

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 and 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, 22nd 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 (IFRS) 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, 2021 of AED 10,220,185 (December 31, 2020: AED 9,968,799) and AED 9,920,185 (December 31, 2020: 9,668,799) respectively. The continuation of the Company's operation is dependent 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 have 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 the 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 the 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 invoices for the services provided are usually payable within the period of 30 days.	Revenue is recognized at a point in time when the performance obligation is satisfied by transferring control of the promised goods or services to the customer.
		The Company operates in cost-plus model, where it charges the costs it incurs for providing its services plus a margin.

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 which 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; and
- 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 makes an assessment of 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 the Management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether the 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; and
- 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; 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 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 the Profit or Loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the Profit or Loss.

Equity investments at FVOCI:

These assets are subsequently measured at fair value. Dividends are recognized as income in the 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 the 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 the 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 the 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 the Profit or Loss. Any gain or loss on de-recognition is also recognized in the Profit or Loss.

De-recognition

The Company de-recognizes 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 the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all 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 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 the 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 & 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 ECLs 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 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 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 realizing security (if any is held); or
- the financial asset is more than 365 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs 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 ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs 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). 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 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; or
- 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:

- 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; or
- 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 the 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 amortisation, 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 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. 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.

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 the 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 the 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 the 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,	
	2021	2020
Revenue from services (i)	41,572,151	41,994,788

(i) Revenue from services includes AED 25,613,544 (2020: AED 33,845,723) 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

	Years ended December 31,	
	2021	2020
Salaries and other benefits	24,672,098	29,038,912
Provision for employees' end-of-services benefits (Refer to Note 15)	2,043,167	2,191,996
Subcontracted cost (Refer to Note 12)	12,328,863	8,744,806
	39,044,128	39,975,714

7 Administrative and general expenses

in AED

Particulars	Years ended December 31,	
	2021	2020
Communication expenses	257,666	385,182
Utilities	17,978	37,938
Office maintenance	397,705	550,751
Travel and entertainment expenses	345,015	599,191
Depreciation on property and equipment (Refer to Note 9)	68,958	94,079
Depreciation on right-of-use asset (Refer to Note 10)	968,529	1,370,308
Professional fees	227,785	222,653
Impairment loss charged (Refer to Note 11)	28,080	48,825
Others	289,491	187,690
	2,601,207	3,496,617

8 Finance cost

in AED

Particulars	Years ended December 31,	
	2021	2020
Interest expense on lease liability (Refer to Note 10)	48,702	140,921
	48,702	140,921

9 Property and equipment

in AED

Particulars	Office equipment and fixtures
Cost	
At January 1, 2020	3,202,735
At December 31, 2020	3,202,735
At January 1, 2021	3,202,735
At December 31, 2021	3,202,735
Depreciation	
At January 1, 2020	2,971,812
Charge for the year	94,079
At December 31, 2020	3,065,891
At January 1, 2021	3,065,891
Charge for the year	68,958
At December 31, 2021	3,134,849
Net book value	
At December 31, 2021	67,886
At December 31, 2020	136,844

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 March 31, 2024 based on its economic incentive.

Right of use assets

in AED

Particulars	As at December 31,	
	2021	2020
Opening balance	3,321,678	6,014,055
Derecognition of right of use asset	(776,132)	(1,322,069)
Depreciation	(968,529)	(1,370,308)
Closing balance	1,577,017	3,321,678

Lease liabilities

in AED

Particulars	As at December 31,	
	2021	2020
Opening balance	3,367,523	5,985,650
Interest on leases	48,702	140,921
Derecognition of lease liability	(776,132)	(1,322,069)
Payments during the year	(1,029,282)	(1,436,979)
Closing balance	1,610,811	3,367,523
Non-current portion	850,242	2,299,976
Current portion	760,569	1,067,547
	1,610,811	3,367,523

Maturity analysis of undiscounted lease payments that will be paid after the reporting date is as follows:

in AED

Particulars	As at December 31,	
	2021	2020
Less than one year	776,294	1,115,543
One to five years	856,455	2,350,166
	1,632,749	3,465,709

in AED

Particulars	Years ended December 31,	
	2021	2020
Balances recognized in Statement of Profit and Loss		
Interest on lease liabilities	48,702	140,921
Depreciation of right of use assets	968,529	1,370,308
	1,017,231	1,511,229

11 Trade and other receivables

in AED

Particulars	As at December 31,	
	2021	2020
Trade receivables	2,027,907	4,331,567
Unbilled revenue	1,747,013	1,138,200
Impairment loss on trade receivables and unbilled revenue (Refer to Note 7)	(44,827)	(48,825)
	3,730,093	5,420,942
Prepayments	1,014,417	648,627
Deposits	125,000	125,000
Advance to employees	63,072	41,224
VAT receivable	210,767	37,065
	5,143,349	6,272,858

The ageing of trade receivables are as follows:

in AED

Particulars	As at December 31,			
	2021		2020	
	Gross	Impairment	Gross	Impairment
Current	1,113,692	–	2,262,731	–
0-90 days	914,215	(30,743)	2,068,836	(38,993)
	2,027,907	(30,743)	4,331,567	(38,993)

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,	
	2021	2020
Services rendered to Shareholder	25,613,544	33,845,723
Subcontracted cost	12,328,863	8,744,806

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.

Balances with related party

Due from a related party

in AED

Particulars	Years ended December 31,	
	2021	2020
Infosys Limited ('the Shareholder')	4,484,346	4,925,342

Dues to a related-party

in AED

Particulars	Years ended December 31,	
	2021	2020
Infosys Limited ('the Shareholder')	3,051,061	8,927,854

13 Cash and cash equivalent

in AED

Particulars	As at December 31,	
	2021	2020
Cash at bank	3,893,420	8,754,738

14 Share capital

in AED

Particulars	As at December 31,	
	2021	2020
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	As at December 31,	
	2021	2020
At January 1	17,329,284	17,437,542
Provision made during the year	2,043,167	2,191,996
Unrecognized actuarial loss	129,500	134,460
Payments made during the year	(2,211,496)	(2,434,714)
At December 31	17,290,455	17,329,284

The principle actuarial assumptions at the reporting date (expressed as weighted averages) are as follows:

in AED

Particulars	Years ended December 31,	
	2021	2020
Discount rate	3.2%	2.8%
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 1,778,706 (2020: AED 1,663,144) and AED 1,537,819 (2020: AED 1,581,526) respectively.

16 Trade and other payables

in AED

Particulars	As at December 31,	
	2021	2020
Trade payables	45,642	7,455
Accruals	642,083	745,087
Other payables	350,448	229,920
Provision for incentives (i)	1,205,092	1,306,000
Provision for leave accrual (ii)	890,611	1,167,136
	3,133,876	3,455,598

(i) Movement of the provision for incentives is as follows:

in AED

Particulars	As at December 31,	
	2021	2020
At January 1	1,306,000	1,492,000
Provision made during the year	1,205,092	1,282,250
Payments made during the year	(1,306,000)	(1,468,250)
At December 31	1,205,092	1,306,000

(ii) Movement of the provision for leave accrual is as follows:

in AED

Particulars	As at December 31,	
	2021	2020
At January 1	1,167,136	755,431
Provision made during the year	781,407	1,235,528
Reversal made during the year	(1,057,932)	(823,823)
At December 31	890,611	1,167,136

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 the Statement of Profit or Loss are as follows.

in AED

Particulars	2021	2020
Impairment loss on trade receivables and unbilled revenue	28,080	48,825

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,	
	2021	2020
Cash and cash equivalent	3,893,420	8,754,738
Due from a related party	4,484,346	4,925,342
Trade and other receivables (excluding prepayments and advances)	4,065,860	5,583,007
	12,443,626	19,263,087

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 arise from transactions in the normal course of business and are stated net of amounts estimated to be uncollectable. These balances are subject to market credit risks which are closely monitored by the Management.

Trade receivable

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the 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 of 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

2021	Carrying amount	Contractual Cashflows	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)

in AED

2020	Carrying amount	Contractual Cashflows	1 year or less	1 to 5 years
Trade and other payables	3,455,597	(3,455,597)	(3,455,597)	-
Due to a related party	8,927,854	(8,927,854)	(8,927,854)	-
Lease liabilities	3,367,523	(3,465,709)	(1,115,543)	(2,350,166)
	15,750,974	(15,849,160)	(13,498,994)	(2,350,166)

(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	Years ended December 31,	
	2021	2020
Bank guarantees	2,725,730	2,723,874

There are no capital commitments as at December 31, 2021 (December 31, 2020: 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, the 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 Impact of COVID-19 pandemic

The Company has performed its assessment of the COVID-19 impact and concluded that there are no significant changes in its financial position and performance as at and for the year ended December 31, 2021. Based on that assessment the Company has concluded that significant changes are not required as of December 31, 2021, in its key accounting judgements and estimates except for updating the forward-looking assumptions relating to the macroeconomic environment used to determine the likelihood of credit losses.

The effects of Covid-19 on humanity and businesses continues to evolve, hence there are significant risks and uncertainties associated with its future impact on businesses, though the Company continues to update its plans to seek to respond to them.

21 Subsequent events

Subsequent to the year end, there have been no events noted that would require adjustments or further disclosure to the financial statements.

Infosys Consulting Pte Ltd

Directors' statement

The Directors present their statement together with the audited financial statements of the Company for the financial year ended December 31, 2021.

In the opinion of the Directors, the financial statements of the Company as set out on pages 601 to 624 are drawn up so as to give a true and fair view of the financial position of the Company as at December 31, 2021, and the financial performance, changes in equity and cash flows of the Company for the financial year then ended and at the date of this statement, with the continuing financial support from Infosys Limited, its holding company, and a letter of undertaking from Infosys Consulting Holding AG and the subsidiaries, HIPUS Co., Ltd, and Stater not to recall or demand repayment of the amount owing by the Company to the holding company unless it has the ability to repay such obligation.

1 Directors

The Directors of the Company in office at the date of this statement are:

Manohar Madgula Atreya (Appointed on May 17, 2021)

Andal Alwan (Appointed on December 31, 2021)

2 Arrangements to enable Directors to acquire benefits

By means of the acquisition of shares and debentures

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

3 Directors' interests in shares and debentures

The Directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of Directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act, 1967.

4 Share options

(a) Options to take up unissued shares

During the financial year, no option to take up unissued shares of the Company was granted.

(b) Options exercised

During the financial year, there were no shares of the Company issued by virtue of the exercise of an option to take up unissued shares.

(c) Unissued shares under option

At the end of the financial year, there were no unissued shares of the Company under option.

5 Auditors

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

Manohar Madgula Atreya

Andal Alwan

May 23, 2022

Independent Auditor's Report

To the member of Infosys Consulting Pte Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Infosys Consulting Pte Ltd (the "Company"),

which comprise the statement of financial position as at December 31, 2021, and the Statement of Profit or Loss and other comprehensive income, Statement of Changes in Equity and Statement of 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 601 to 624.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1967 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at December 31, 2021, and 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 Auditor's 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 ("ACRA") 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.

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

Management is responsible for the other information. The other information comprises the Directors' statement set out on page 598, 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 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 and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized and that they are recorded as 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.

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 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:

(a) 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.

(b) 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.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) 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.

(e) 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 control 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.

Public Accountants and
Chartered Accountants

Singapore

May 23, 2022

Statement of Financial Position

in SG $

Particulars	Notes	As at December 31, 2021	As at December 31, 2020
ASSETS			
Current assets			
Cash and cash equivalents	7	22,888,741	7,594,241
Derivative financial instruments	12A	422,329	1,955,654
Trade and other receivables	8	40,362,274	11,375,440
Total current assets		63,673,344	20,925,335
Non-current assets			
Other receivables	8	3,620,672	–
Derivative financial instruments	12B	4,298,605	7,080,463
Property, plant and equipment	9	66,669	7,331
Right-of-use assets	10	409,284	799,121
Subsidiaries	11	385,992,454	380,720,629
Total non-current assets		394,387,684	388,607,544
Total assets		458,061,028	409,532,879
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	12	4,871,418	1,321,684
Derivative financial instruments	12A	7,038,403	358,112
Lease liabilities	22	394,647	383,765
Loan from related company and subsidiaries	13	136,052,850	75,540,026
Income tax payable		1,236,156	128,435
Contingent consideration	14	3,821,234	3,932,517
Financial liabilities arising from contracts with a customer	15	1,986,914	–
Total current liabilities		155,401,622	81,664,539
Non-current liabilities			
Lease liabilities	22	56,539	427,339
Loan from related company and subsidiaries	13	–	44,999,997
Contingent consideration	14	6,039,828	5,628,561
Financial liabilities arising from contracts with a customer	15	4,232,879	–
Total non-current liabilities		10,329,246	51,055,897
Capital and reserve			
Share capital	16	10,990,000	10,990,000
Redeemable preference share	16	249,200,000	249,200,000
Accumulated profits		32,140,160	16,622,443
Total equity		292,330,160	276,812,443
Total liabilities and equity		458,061,028	409,532,879

Statement of Profit or Loss and other comprehensive income

in SG $

Particulars	Notes	Year ended December 31,	
		2021	2020
Revenue	17	14,724,204	10,486,442
Other income and loss, net	18	30,026,053	18,909,845
Total income		44,750,257	29,396,287
Travel expenses		(38,235)	(271,088)
Administrative expenses		(14,677,395)	(9,073,040)
Fair value gain on contingent consideration		50,582	720,459
Other operating expense		(11,489,603)	(718,601)
Finance costs	19	(1,894,162)	(2,784,382)
Profit before income tax		16,701,444	17,269,635
Income tax expense	20	(1,183,727)	(12,115)
Profit for the year, representing total comprehensive income for the year	21	15,517,717	17,257,520

Statement of Changes in Equity

Year ended December 31, 2021

in SG $

Particulars	Share capital	Redeemable preference share	Accumulated (loss) profits	Total
Balance as at January 1, 2020	10,990,000	249,200,000	(635,077)	259,554,923
Total comprehensive income for the year				
Profit for the year, representing total comprehensive income for the year	–	–	17,257,520	17,257,520
Balance as at December 31, 2020	10,990,000	249,200,000	16,622,443	276,812,443
Total comprehensive income for the year				
Profit for the year, representing total comprehensive income for the year	–	–	15,517,717	15,517,717
Balance as at December 31, 2021	10,990,000	249,200,000	32,140,160	292,330,160

Statement of Cash flows

in SG $

Particulars	Years ended December 31, 2021	2020
Operating activities		
Profit before income tax	16,701,444	17,269,635
Adjustments for:		
Depreciation of property, plant and equipment	21,361	9,310
Depreciation of right-of-use assets	362,820	380,095
Dividend income	(31,710,121)	(11,292,865)
Fair value loss (gain) on derivative financial instruments	18,941,614	(6,152,625)
Fair value gain on contingent consideration	(50,582)	(720,459)
Unrealised foreign exchange (gain) loss	(8,382,366)	591,567
Fair value loss (gain) on call and put options	2,781,858	(7,080,463)
Interest expense	1,829,265	2,784,382
Interest income	(894,066)	(332,728)
Operating cash flows before movements in working capital	(398,773)	(4,544,151)
Trade and other receivables	(7,950,808)	1,367,453
Trade and other payables	9,769,527	(221,302)
Cash from (used in) operations	1,419,946	(3,398,000)
Tax Paid	(76,006)	
Net cash from (used in) operating activities	1,343,940	(3,398,000)
Investing activities		
Purchase of property, plant and equipment	(80,699)	(3,136)
Investment in subsidiaries	(5,271,825)	(11,845,467)
Loans to related companies	(26,327,045)	(8,352,980)
Repayments received from loan to a related company	2,364,141	–
Interest Received	445,644	–
Dividend received	31,710,121	11,292,865
Net cash from (used in) investing activities	2,840,337	(8,908,718)
Financing activities		
Loans from related companies	34,799,000	80,139,582
Repayments of loans from related companies	(11,900,657)	(70,934,000)
Cash settlement for derivative financial instruments	(10,727,999)	4,079,008
Repayment of lease liabilities	(343,287)	(392,490)
Interest paid	(716,834)	(4,439,288)
Net cash from financing activities	11,110,223	8,452,812
Net increase (decrease) in cash and cash equivalents	15,294,500	(3,853,906)
Cash and cash equivalents at beginning of year	7,594,241	11,448,147
Cash and cash equivalents at end of year (Note 7)	22,888,741	7,594,241

Notes to financial statements

1 General

The Company (Registration No. 200009030D) is incorporated in Singapore with its principal place of business and registered office at Level 43, Unit 1, Suntec Tower 2, 9 Temasek Boulevard, Singapore 038989. The financial statements are expressed in Singapore dollars.

The principal activities of the Company are to carry on the development of e-commerce applications and IT consulting as well as that of investment holding.

The financial statements of the Company for the year ended December 31, 2021 were authorized for issue by the Board of Directors on May 23, 2022.

2 Summary of significant accounting policies

Basis of accounting - The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Financial Reporting Standards in Singapore ("FRSs").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 Share-based Payment, leasing transactions that are within the scope of FRS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in FRS 2 Inventories or value in use in FRS 36 Impairment of Assets.

In addition, 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.

Adoption of new and revised standards - On January 1, 2021, the Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior years except as disclosed below.

New and amendments to FRSs in issue but not yet effective.

At the date of authorization of these financial statements, the following FRSs, INT FRSs and amendments to FRS that are relevant to the Company were issued but not yet effective:

Effective for annual periods beginning on or after January 1, 2022

- Annual improvements to FRSs 2018-2020
- Amendments to FRS 103 Reference to the Conceptual Framework
- Amendments to FRS 16: Property, Plant and Equipment- Proceeds before Intended to use
- Amendments to FRS 37: Onerous contracts- Cost of fulfilling a contract
- Effective for annual periods beginning on or after January 1, 2023
- Amendments to FRS 1: Classification of Liabilities as Current or Non-current
- Amendments to FRS 1: Disclosure of Accounting Policies
- Amendments to FRS 8: Definition of Accounting Estimates
- Amendments to FRS 12: Deferred tax related to Assets and Liabilities arising from a single transaction

Management anticipates that the adoption of the above FRSs and amendments to FRS in future periods will not have a material impact on the financial statements of the Company in the period of their initial adoption.

Basis of consolidation - A subsidiary is an entity controlled by the Company. Control is achieved when the Company:

- has power over its investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Consolidated financial statements of the Company and its subsidiaries have not been prepared as the Company is a wholly-owned subsidiary of another company. Consolidated financial statements are prepared by the Company's ultimate holding company, Infosys Limited, a company incorporated in India, whose registered address is Electronics City, Hosur Road, Bengaluru 560 100 and is publicly available.

In the Company's financial statements, investment in subsidiaries is carried at cost less any impairment in net recoverable value that has been recognized in profit or loss.

Financial instruments - Financial assets and financial liabilities are recognized on the statement of financial position when the Company becomes a party to the contractual provisions of the instruments.

Financial assets

All financial assets are recognized and de-recognized on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments mainly comprise cash and bank balances and trade and other receivables that meet the following conditions and are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is 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.

Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest is recognized using the effective interest method for debt instruments measured subsequently at amortized cost, except for short-term balances when the effect of discounting is immaterial.

Impairment of financial assets

The Company recognizes a loss allowance for Expected Credit Losses ("ECL") on trade and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognizes lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortized cost;
- existing or forecast 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;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in 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 on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if

i) the financial instrument 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 flow obligations. The Company considers a financial asset to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definition.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- 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 above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

a) Significant financial difficulty of the borrower;

b) A breach of contract, such as a default or past due event;

c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or

e) The disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Company's trade and other receivables);
- Past-due status;
- Nature, size and industry of debtors;
- Nature of collaterals for finance lease receivables; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12 months ECL at the current reporting date.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

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 are recorded at the proceeds received, net of direct issue costs.

Preference shares

Preference shares are classified as equity if they are non-redeemable or are redeemable only at the option of the Company and dividend payments are discretionary. Dividends thereon are recognized as distributions within equity and are recognized as a liability in the period in which they are declared.

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost, using the effective interest method, with interest expense recognized on an effective yield basis.

Contingent consideration of an acquirer in a business combination is stated at fair value with any gains or losses arising on changes in fair value recognized in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liabilities.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Derivative financial instruments

The Company enters into derivative financial instruments (primarily foreign currency forward contracts) to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. Further details of derivative financial instruments are disclosed in Note 12A to the financial statements.

The Company does not use derivative financial instruments for speculative purposes.

Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of recognition in profit or loss depends on the nature of the hedge relationship.

A derivative is presented as a non-current asset or non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Offsetting arrangements - Financial assets and financial liabilities are offset and the net amount presented in the Statement of Financial Position when the Company has a legally enforceable right to set off the recognized amounts; and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

Leases

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract.

FRS 116 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration.

This is in contrast to the focus on 'risks and rewards' in FRS 17 and INT FRS 104.

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. 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.

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 Company uses the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability comprises of fixed lease payments (including in-substance fixed payments), less any lease incentives.

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 the initial 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); or
- 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 by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability,

lease payments made at or before the commencement day 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 FRS 37. 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.

The Company applies FRS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 3.

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 the line 'Other operating costs in the Statement of Profit or Loss'.

As a practical expedient, FRS 116 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 the 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 stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Investment in subsidiaries - A subsidiary is an enterprise in which the Company has control. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Investment in subsidiaries is stated at cost less any impairment in net recoverable value that has been recognized in profit or loss.

Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets, over their estimated useful lives, using the straight-line method, on the following bases:

Computers	3 years
Office equipment	5 years
Furniture and fittings	3 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognized in profit or loss.

Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation. Its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent consideration

The consideration for the acquisition of subsidiaries includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognized in profit or loss.

Government grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis in which the Company recognizes as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they become receivable.

Revenue recognition

The Company derives revenues from business IT services comprising of software development and related services and consulting ("together called as software related services").

Revenue is derived 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. Revenue from 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 assets.

Dividend income

Dividend income from investments is recognized when the shareholders' right to receive payment have been established.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

Management fee income

Revenue from management fee income is recognized when such services are rendered and on accrual basis.

Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Company's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

Employee leave entitlement

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Statement of Profit and Loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realized based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognized directly outside profit or loss (either in other comprehensive income or directly in equity, respectively).

Foreign currency transactions and translation

The financial statements of the Company are measured and presented in Singapore dollar, the currency of the primary economic environment in which the Company operates (its functional currency).

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognized in other comprehensive income.

Cash and cash equivalents in the Statement of Cash Flows - Cash and cash equivalents in the Statement of Cash Flows comprise cash on hand and demand deposits, bank overdrafts, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Critical judgements in applying the Company's accounting policies

Management is of the opinion that any instances of judgements (other than those arising from estimates discussed below) are not expected to have a significant effect on the amounts recognized in the financial statements.

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Fair value measurements and valuation process

Some of the Company's liabilities are measured at fair value for financial reporting purposes.

In estimating the fair value of a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. Management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Notes 4 and 14.

Impairment assessment of investment in subsidiaries (Note 11)

Market related information and estimates are used to determine the recoverable amount.

Key assumptions on which 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 management's best estimate about future developments.

Determining whether investment in subsidiaries is impaired involves the consideration of the performance of the subsidiaries and the market conditions in which the subsidiaries operate in. At the end of the reporting period, management of the Company has performed an impairment assessment of its investment in its subsidiaries. As at December 31, 2020, no allowance for impairment loss has been recognized.

4 Financial risks and capital risks management

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of reporting period:

in SG $

Particulars	As at December 31, 2021	2020
Financial assets		
Financial assets at amortized cost	61,032,697	18,879,176
Derivative financial instruments	4,720,934	9,036,117
Financial liabilities		
Financial liabilities at amortized cost	147,144,061	121,861,707
Lease liabilities	451,186	811,104
Derivative financial instruments not designated as hedges	7,038,403	358,112
Contingent consideration for a business combination	9,861,062	9,561,078

(b) Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements

The Company does not have any financial instruments which are subject to enforceable master netting arrangements or similar netting agreements.

(c) Financial risk management policies and objectives

The Board of Directors has an overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company is exposed to a variety of financial risks, comprising market risk (including foreign currency risk, commodity price risk and interest rate risk), credit risk and liquidity risk.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below:

(i) Foreign exchange risk management

The Company's foreign currency exposures arise mainly from the exchange rate movements of the Japanese yen and United States dollar against the Singapore dollar.

The Company ensure that the net exposure is kept to an acceptable level by entering into hedging activities such as forward foreign currency contracts. Forward foreign currency contracts are entered purely as a hedging tool and the Company do not hold or issue derivative financial instruments for speculative purposes. The Company's commitments on forward contracts at the end of the reporting period are disclosed in Note 12A.

The carrying amounts of foreign currency denominated monetary assets and monetary liabilities denominated in currency other than the Company's functional currency at the end of the reporting period are as follows:

in SG $

Particulars	As at December 31,			
	Liabilities		Assets	
	2021	2020	2021	2020
United States dollar	(394,570)	–	21,885,052	810,231
Chinese Yuan (RMB)	–	–	9,434,912	8,387,749
Japanese yen	(64,292,325)	(41,121,749)	–	–
Euro	(46,912,137)	(45,047,291)	4,741,170	5,031
Great Britain (GBP)	–	–	47,063	–
Swiss Franc (CHF)	(29,718,119)	(29,407,132)	–	12,693
Malaysia Ringgit (RM)	(192,463)	–	235,276	–
Indian Rupees (INR)	(141,757)	–	–	–
Total	(141,651,371)	(115,576,172)	36,343,473	9,215,704

Foreign currency sensitivity

The sensitivity rate used when reporting foreign exchange risk to key management personnel is 5%, which is the change in a foreign exchange rate that management deems reasonably possible, which will affect outstanding foreign currency denominated monetary items at the end of the reporting period.

If the relevant foreign currency strengthens by 5% against the functional currency of the Company, the effect on profit or loss (before tax) will increase by:

in SG $

Particulars	As at December 31,	
	2021	2020
United States dollar	1,074,524	40,512
Chinese Yuan (RMB)	471,746	419,387
Japanese yen	(3,214,616)	(2,056,087)
Euro	(2,108,548)	(2,252,113)
Great Britain (GBP)	2,353	–
Swiss Franc (CHF)	(1,485,906)	(1,469,722)
Malaysia Ringgit (RM)	2,141	–
Indian Rupees (INR)	(7,088)	

If the relevant foreign currency weakens by 5% against the functional currency of the Company, the above will have an opposite effect.

(ii) Interest rate risk management

The Company is not exposed to significant interest rate risk.

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instrument will fluctuate because of changes in market interest rates.

The Company's exposure to interest rate risk arises primarily from its loans from holding and related company. The Company has no policy to hedge against its interest rate risk.

(iii) Credit risk management

The Company develops and maintains its credit risk gradings to categorize exposures according to their degree of risk of default. The Company uses its own trading records to rate its major customers and other debtors.

The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognizing expected credit losses
Performing	The counterparty has a low risk of default and does not have and past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery.	Amount is written of

in SG $

Particulars	Notes	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
2021						
Trade receivables	8	(i)	Lifetime ECL	1,957,921	(45)	1,957,876
Other receivables	8	Performing	12-month ECL	2,169,565	–	2,169,565
Loan to related company	8	Performing	12-month ECL	34,016,469	–	34,016,469
2020						
Trade receivables	8	(i)	Lifetime ECL	1,804,532	–	1,804,532
Other receivables	8	Performing	12-month ECL	120,632	–	120,632
Loan to related company	8	Performing	12-month ECL	9,359,771	–	9,359,771

(i) The Company has applied the simplified approach to measure the loss allowance at lifetime ECL and in determining, has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Company's maximum exposure to credit risk without taking into account of the value of any collateral obtained.

(iv) Liquidity risk management

Liquidity risk refers to the risk in which the Company has difficulties in meeting its

short-term obligations. The holding Company will also provide the Company with sufficient liquidity to meet the working capital needs when required. The holding company will also provide the Company with sufficient liquidity to meet the working capital needs when required.

As at December 31, 2021, the Company's current liabilities exceeded its current assets by $91,728,278 (2020 : $60,739,204). In addition, the Company has capital surplus of $292,330,160 (2020 : capital surplus $276,812,443). The financial statements have been prepared on a going concern basis based on the letter of undertaking received from related company, Infosys Consulting Holding AG and the subsidiaries, HIPUS Co., Ltd, and Stater not to recall or demand repayment of the amount owing by the Company to them unless the Company has the ability to repay such obligation and Infosys Limited has also committed to provide continuing financial support to the Company to enable it to operate as going concern. The Directors are satisfied that such financial support will be available and forthcoming as and when required.

All financial assets and liabilities in 2020 and 2021 are repayable on demand or due within 1 year from the end of the reporting period, except for the non-current portion of the loan from related companies, contingent consideration and lease liabilities as disclosed in Notes 13, 14 and 21 respectively.

Non-derivative financial liabilities

The table below summarizes the maturity profile of the Company's non-derivative financial liabilities at the end of the reporting period based on contractual undiscounted payments.

in SG $

Particulars	Average effective interest rate (%)	On Demand or within 1 year	1 to 5 years	Over 5 years	Adjustment	Total
2021						
Trade and other payables	–	4,871,418	–	–	–	4,871,418
Financial liabilities arising from contracts with a customer	0.35	1,986,914	4,232,879	–	–	6,219,793
Loan from holding company and related company	0.90	136,052,850	–	–	–	136,052,850
Contingent consideration	8.25	3,821,234	7,000,000	_	(960,172)	9,861,062
Lease liabilities	1.58	399,714	56,960	–	(5,488)	451,186
		147,132,130	11,289,839	–	(965,660)	157,456,309

Particulars	Average effective interest rate (%)	On Demand or within 1 year	1 to 5 years	Over 5 years	Adjustment	Total
2020						
Trade and other payables	–	1,321,684	–	–	–	1,321,684
Loan from holding company and related company	0.41	75,540,026	44,999,997	–	–	120,540,023
Contingent consideration	10.30	4,059,899	7,000,000	–	(1,498,821)	9,561,078
Lease liabilities	1.58	383,765	427,339		–	811,104
		81,305,374	52,427,336	–	(1,498,821)	132,233,889

(v) Fair values of financial assets and financial liabilities

Fair value of the Company's financial assets and liabilities that are measured at fair value on a recurring basis

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

in SG $

Entity	Fair value as at 2021	Fair value as at 2020	Fair value hierarchy	Valuation technique and key input	Significant unobservable input	Relationship of unobservable inputs to fair value
Contingent consideration payable to Fluido Oy	(3,821,234)	(3,932,517)	Level 3	Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow out of the Company arising from the contingent consideration.	Discount rate of 13.6% (FY2020: 13.6%) per annum determined using a Capital Asset Pricing Model.	A slight increase in the discount rate used in isolation would result in a significant decrease in the fair value.
Contingent consideration payable to Infosys Compaz Pte. Ltd.	(6,039,828)	(5,628,561)	Level 3	Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow out of the Company arising from the contingent consideration.	The present value has been computed at a discount rate of 8.38% (FY2020: 8.00%), which is higher than cost of debt but lower than cost of equity of the Infosys Compaz Pte. Ltd.	A slight increase in the discount rate used in isolation would result in a significant decrease in the fair value.
Foreign currency forward contracts (Derivative financial instruments)	6,616,073	1,597,542	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.	Not Applicable	Not Applicable
Fair value gain on call and put option	4,298,605	7,080,463	Level 3	Monte Carlo simulations to carry out the valuation. The valuation uses simulations of expected revenue and EBITDA on the maturity date to estimate the payoff and therefore the fair value of the options on the valuation date. Expected revenue and EBITDA have been modelled using Geometric Brownian Motion model.	Expected revenue and EBITDA on the maturity date	A one percentage point change in the unobservable inputs used in the fair valuation would not have a significant impact in its value

Fair value of the Company's financial assets and liabilities that are not measured at fair value on a recurring basis

Management considers that the carrying amounts of cash and cash equivalents, trade and other current receivables and payables and other liabilities recorded at amortized cost in the financial statements approximate their fair values due to the relatively short-term maturity of these financial instruments. In respect of the financial assets and liabilities recorded at amortized cost whose maturity is more than a year, management also considers that such financial instruments approximate their fair values. The fair values of other classes of financial assets and financial liabilities are disclosed in the respective notes to the financial statements.

(d) Capital risk management policies and objectives

The Company reviews its capital structure at least annually to ensure that the Company will be able to continue as a going concern. The capital structure of the Company comprises only of issued capital and retained earnings.

The Company's overall strategy remains unchanged from the prior year.

5 Holding company and related company transactions

The Company is a wholly owned subsidiary of Infosys Limited, incorporated in India, which is also the Company's ultimate holding company. Related companies in these financial statements refer to members of the ultimate holding company's group of companies.

Some of the Company's transactions and arrangements and terms thereof are arranged by or between members of the group.

Significant intercompany transactions are as follows:

in SG $

Particulars	As at December 31,	
	2021	2020
Holding company and related companies		
Management fee income	(129,943)	(196,709)
Dividend income from a subsidiary	(31,710,121)	(11,292,865)
Services rendered	(13,306,358)	(10,486,442)
Interest income	(894,066)	(332,728)
Management fee expense	62,327	73,603
Guarantee fee	156,000	156,000
Loan interest expense	1,282,018	1,288,698
Cost of technical subcontractor	476,506	–

6 Related party transactions

Some of the Company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these financial statements. The balances are unsecured, interest-free and repayable within the next twelve months unless otherwise stated.

Compensation of Directors and key management personnel

The remuneration of Directors and other members of key management during the year is Nil (2020:Nil).

7 Cash and cash equivalents

in SG $

Particulars	As at December 31,	
	2021	2020
Cash at bank	22,887,958	7,594,070
Cash in hand	783	171
	22,888,741	7,594,241

8 Trade and other receivables

in SG $

Particulars	As at December 31, 2021	2020
Holding company - trade (Note 5)	1,344,647	335,266
Related companies - trade (Note 5)	584,063	1,469,266
Loan to related companies [1]	34,016,469	9,359,771
Trade receivables	29,167	–
Other receivables	322,726	53,830
Unbilled revenues	1,798,086	–
Deposits	59,360	66,802
Prepayments	35,352	90,505
Deferred contract cost [2]	5,793,076	–
	43,982,946	11,375,440
Classified as:		
Current	40,362,274	11,375,440
Non-current	3,620,672	–
	43,982,946	11,375,440

[1] Loan to related Company 'Infosys Austria GmbH' is denominated in US Dollars, bears interest at LIBOR plus 0.60% per annum, is unsecured and repayable on demand. Loan to related company 'Infosys Technology (Shanghai) Co. Ltd' is denominated in RMB, bears interest at 4% per annum, is unsecured and repayable on demand. Loan to related company 'Panaya Ltd' is denominated in USD, bears interest rate at equal to 12 Months USD LIBOR interbank rate + appropriate risk premium which will be 2.75%, is unsecured and repayable on demand. Loan to related company 'Infosys Automotive and Mobility GmbH & Co.KG' is denominated in EUR, bears interest rate at equal to EURIBOR + appropriate risk premium which is 2.5% simple interest per annum, is unsecured and repayable on demand.

[2] 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. 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.

The average credit period on rendering of services is 30 days (2020: 30 days). No interest is charged on overdue trade receivables.

Loss allowance for trade receivables has been measured at an amount equal to lifetime Expected Credit Losses (ECL). The ECL on trade receivables are estimated using reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate.

ECL on loan to subsidiary is measured at an amount equal to the 12-month ECL, as there is low risk default and does not have any past due amount.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

9 Plant and equipment

in SG $

Particulars	Computers	Office equipment	Furniture and fittings	Total
Cost:				
At January 1, 2020	207,109	9,285	298,327	514,721
Additions	3,136	–	–	3,136
Disposals	–	–	–	–
At December 31, 2020	210,245	9,285	298,327	517,857
Additions	80,699	–	–	80,699
Disposals	–	–	–	–
At December 31, 2021	290,944	9,285	298,327	598,556
Accumulated depreciation:				
At January 1, 2020	195,206	7,683	298,327	501,216
Depreciation	7,956	1,354	–	9,310
Disposals	–	–	–	–
At December 31, 2020	203,162	9,037	298,327	510,526

Particulars	Computers	Office equipment	Furniture and fittings	Total
Depreciation	21,113	248	–	21,361
Disposals	–	–	–	–
At December 31, 2021	224,275	9,285	298,327	531,887
Carrying amounts:				
At December 31, 2020	7,083	248	–	7,331
At December 31, 2021	66,669	–	–	66,669

10 Right-of-use-assets

The Company has taken office space / fax machine / hardware on leases. The average lease term is 5 years.

in SG $

Particulars	As at December 31,	
	2021	2020
Cost:		
At January 1,	1,527,243	1,518,665
Additions	60,200	8,578
Modifications	(87,217)	
At December 31,	1,500,226	1,527,243
Accumulated depreciation:		
At January 1,	728,122	348,027
Depreciation for the year	362,820	380,095
At December 31,	1,090,942	728,122
Carrying amount:		
At December 31,	409,284	799,121
At January 1,	799,121	1,170,638

11 Subsidiaries

in SG$

Particulars	As at December 31,	
	2021	2020
Unquoted equity shares, at cost	385,992,454	380,720,629

The subsidiaries of the Company are set out below:

Name of subsidiaries	Country of incorporation and operation	Proportion of ownership interest and voting power held by the Company		Principal activities
		2021	2020	
		%	%	
Infosys Middle East FZ-LLC	Middle East	100	100	Information technology application support services.
Fluido Oy	Finland	100	100	Salesforce advisor and consulting partner in cloud consulting, implementation and training services.
Stater NV*	Netherlands	75	75	Mortgage service provider.
HIPUS Co., Ltd	Japan	81	81	Procurement BPO service.
Infosys Compaz Pte. Ltd.	Singapore	60	60	IT services.
Infosys (Malaysia) Sdn. Bhd. (fka. Global Enterprise International Malaysia Sdn. Bhd.)**	Malaysia	100	–	IT Outsourcing and business process outsourcing services

* The Company and the non-controlling shareholder has a call option and a written put option relating to the 25% stake held by the non-controlling shareholder respectively, which are exercisable after May 2022. The Company has used the Monte Carlo simulations to carry out the fair valuation of the options. The valuation uses simulations of expected revenue and EBITDA on the maturity date to estimate the payoff and therefore the fair value of the options on the valuation date. Expected revenue and EBITDA have been modelled using Geometric Brownian Motion model. The key inputs used in determination of the

fair value of call and put options are included in Note 4. The fair value of the options is recognized as derivative financial instruments under Note 12B to the financial statements.

** On December 14, 2021, Infosys Consulting PTE Ltd. acquired 100% of the share capital of Singapore Telecommunications Limited's ("Singtel") delivery center in Malaysia - Global Enterprise International Malaysia Sdn. Bhd. ("GEIM"). Incorporated in 2013, GEIM was a step-down subsidiary of Singtel and is based in Kuala Lumpur, Malaysia. It acts as a delivery center to provide customer experience and technology services to Singtel.

12 Trade and other payables

in SG $

Particulars	As at December 31, 2021	2020
Holding company - trade (Note 5)	642,249	39,000
Related companies - trade (Note 5)	–	327
Outside parties	1,119,089	1,449
Accrued expenses	3,005,677	1,144,344
Compensated absences	104,403	136,564
	4,871,418	1,321,684

The average credit period on purchases of goods is 60 days (2020: 60 days). No interest is charged on the outstanding balance.

12A Derivative financial instruments

in SG $

Particulars	As at December 31, 2020	
	Assets	Liabilities
Foreign exchange forward contracts:		
Not designated in a hedge accounting relationship	1,955,654	358,112
	As at December 31, 2021	
Foreign exchange forward contracts:		
Not designated in a hedge accounting relationship	422,329	7,038,403

The Company holds derivative financial instruments such as foreign currency 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 quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

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

in SG $

Outstanding contracts	Average exchange rates		Foreign currency		Contract value		Fair value	
	2021	2020	2021	2020	2021	2020	2021	2020
			FC'000	FC'000	$'000	$'000	$	$
Buy Japanese Yen	0.012	0.013	6,735,921	4,264,000	81,410	55,157	(2,362,031)	358,112
Buy EURO	1.579	1.611	96,000	106,000	151,588	170,809	(4,676,350)	(1,642,500)
Buy CHF	1.469	1.488	20,000	20,000	29,378	29,759	218,700	(308,000)
Sell RMB	4.696	4.969	37,569	39,754	8,000	8,000	35,448	(5,154)
Sell USD	0.735	–	16,000	–	21,759	–	168,160	–

12B Derivative financial instruments

in SG $

Particulars	As at December 31, 2021	2020
Call and put options on non-controlling interest (Note 11)	4,298,605	7,080,463

13 Loan from related company and subsidiaries

in SG $

Particulars	As at December 31, 2021	As at December 31, 2020
Related company	29,714,131	30,061,842
Subsidiaries	106,338,719	90,478,181
	136,052,850	120,540,023
Analysed as:		
Current	136,052,850	75,540,026
Non-Current	–	44,999,997
	136,052,850	120,540,023

The loan from related company 'Infosys Consulting Holding AG' is denominated in CHF, bears interest at 0.3% per annum, is unsecured and repayable on demand.

The loan from subsidiary 'Hipus Co. Ltd.' is denominated in Japanese Yen, bears interest at 1.51% per annum (2020: 0.25% per annum), is unsecured and repayable on demand.

The loan from subsidiary 'Stater NV' is denominated in EURO, bears interest at 0.5% per annum till March 31, 2020. From April 1, 2020, bears interest at a rate equal to 12-month EURIBOR +0.83% per annum and never be less than 0.25%, is unsecured and repayable on demand.

Reconciliation of liabilities arising from financing activities

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's Statement of Cash Flows as cash flows from financing activities.

in SG $

Particulars	December 31, 2020	January 1, 2021	New lease liabilities	Financing cash flow (i)	Other changes (ii)	December 31, 2021
(a) Loan from related company	(30,061,842)	(30,061,842)	–	–	347,711	(29,714,131)
(b) Loan from Subsidiaries	(90,478,181)	(90,478,181)	–	(22,898,343)	7,037,805	(106,338,719)
(c) Lease liabilities (Note 22)	(811,104)	(811,104)	60,200	343,287	(43,569)	(451,186)
	(121,351,127)	(121,351,127)	60,200	(22,555,056)	7,341,947	(136,504,036)

in SG $

Particulars	December 31, 2019	January 1, 2020	New lease liabilities	Financing cash flow (i)	Other changes (ii)	December 31, 2020
(a) Loans from holding company	(74,340,672)	(74,340,672)	–	70,934,000	3,406,672	–
(b) Loan from related company	–	–		(30,014,710)	(47,132)	(30,061,842)
(c) Loan from Subsidiaries	(40,144,359)	(40,144,359)	–	(50,124,872)	(208,950)	(90,478,181)
(d) Lease liabilities (Note 22)	(1,179,060)	(1,179,060)	(8,579)	392,490	(15,955)	(811,104)
	(115,664,091)	(115,664,091)	(8,579)	(8,813,092)	3,134,635	(121,351,127)

(i) The cash flows make up the net amount of proceeds from borrowings and repayments of borrowings in the Statement of Cash Flows.

(ii) Other changes include foreign exchange movement, interest accruals and payments.

14 Contingent consideration

in SG $

Particulars	As at December 31, 2021	As at December 31, 2020
Current:		
Contingent consideration payable - Fluido Oy (1)	3,821,234	3,932,517
Non-current:		
Contingent consideration payable - Infosys Compaz (2)	6,039,828	5,628,561
	9,861,062	9,561,078

(1) On October 11, 2018, the Company acquired 100% of the issued share capital of Fluido Oy for consideration of EURO 65 million ($110 million), including cash consideration of EURO 45 million ($76 million), contingent consideration of EURO 12 million ($18.7 million) and retention payouts of up to EURO 8 million ($13.6 million), payable to the employees of Fluido over the next three years, subject to their continuous employment with the Infosys Group. This transaction has been accounted for by the acquisition method of accounting.

Fluido Oy is an entity incorporated in Finland with its principal activity being the salesforce advisor and consulting partner in cloud consulting, implementation and training services.

The payment of contingent consideration to sellers of Fluido is dependent upon the achievement of certain financial targets by Fluido. At the acquisition date, the key inputs used in determination of the fair value of contingent consideration are the discount rate of 16% and the probabilities of achievement of the financial targets. $18,700,000 represents the estimated fair value of this obligation.

(2) On November 16, 2018, the Company acquired 60% of the issued share capital of Infosys Compaz Pte. Ltd for consideration of $17 million, including cash consideration of $10 million which includes other payables of $5.6 million and contingent consideration of $7 million. This transaction has been accounted for by the acquisition method of accounting.

Infosys Compaz Pte. Ltd is an entity incorporated in Singapore with its principal activity being the provision of IT services.

The payment of contingent consideration to sellers of Infosys Compaz Pte. Ltd is dependent upon the achievement of certain revenue targets by Infosys Compaz Pte. Ltd. At the acquisition date, the key inputs used in determination of the fair value of contingent consideration are the discount rate of 9% and the probabilities of achievement of the financial targets. $4,549,520 represents the estimated fair value of this obligation.

The key inputs used in determination of the fair value of contingent considerations are included in Note 4. For the year ended December 31, 2021, a fair value gain of $50,582 (2020 : $720,459) was recognized in profit or loss arising from the change in value fair of the contingent consideration liability due to certain targets not being met. There have been no changes to the amounts recognized arising from changes in valuation techniques applied.

15 Financial liabilities arising from contracts with a customer

The financial liability is created for Sale and lease back (of old assets purchased from Daimler) to HP Financial Services (Singapore) Pte Ltd.

Particulars	As at December 31,	
	2021	2020
Current financial liabilities	1,986,914	–
Non-current financial liabilities	4,232,879	–
	6,219,793	–

The financial liabilities are created for the sale and lease back of old assets purchased from a third party customer to a financial institution arising from contracts with the customer.

16 Share capital and redeemable preference shares

in SG $

Particulars	2021	2020	2021	2020
	Number of shares		SG $	
Issued and paid up:				
i) Ordinary shares: At beginning and end of year	10,990,000	10,990,000	10,990,000	10,990,000
ii) Preference shares: At beginning and end of year	249,200,000	249,200,000	249,200,000	249,200,000

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company.

The main features of the redeemable preference shares are as follows:

1 They may be redeemed wholly or partially only by the Company by giving no less than fourteen (14) days' notice to holders of the preference shares.

2 In the event of dividend being declared, which is solely at the discretion of the Company, holders of the preference shares are entitled to receive, prior and in preference to the holders of ordinary shares, a preferential dividend at the rate of 4% per annum based on the issue price of the redeemable preference shares. These dividends are cumulative in nature and the Company shall not pay dividend in respect of ordinary shares unless all accumulated balances declared in respect of the preference shares has been fully paid.

3 They have preference in return of capital upon liquidation of the Company.

17 Revenue

in SG $

Particulars	As at December 31, 2021	As at December 31, 2020
Type of goods or service		
Provision of IT support services	14,724,204	10,486,442
Timing of revenue recognition		
Over time	14,724,204	10,486,442

There are no performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period.

18 Other income and loss, net

in SG $

Particulars	As at December 31, 2021	As at December 31, 2020
Dividend from subsidiary (Note 5)	31,710,121	11,292,865
Interest received from loan to subsidiary (Note 5)	894,066	332,728
Management fee income (Note 5)	129,943	196,709
Miscellaneous income	8,885	7,080
Interest income on prepaid contract cost	64,896	–
Fair value (loss) gain on call and put options (Note 12B)	(2,781,858)	7,080,463
	30,026,053	18,909,845

19 Finance costs

in SG $

Particulars	As at December 31, 2021	As at December 31, 2020
Interest expense:		
Loan from related company (Note 5)	1,282,018	1,288,698
Interest expense on lease liabilities	10,386	15,955
Interest on contingent consideration	536,861	1,479,729
Interest on Financial Liabilities arising from contract with customers	64,897	–
	1,894,162	2,784,382

20 Income tax expense

in SG $

Particulars	As at December 31, 2021	As at December 31, 2020
Income tax recognized in profit or loss:		
Withholding tax	76,006	5,074
Current year Income tax	1,193,539	–
(Over) Underprovision of income tax in prior years:	(85,818)	7,041
	1,183,727	12,115

Domestic income tax is calculated at 17% (2020 : 17%) of the estimated assessable income for the year.

The total charge for the year can be reconciled to the accounting profit as follows:

in SG $

Particulars	As at December 31, 2021	As at December 31, 2020
Profit before income tax	16,701,444	17,269,635
Income tax expense calculated at 17%	2,839,245	2,935,838
Exempt income	(5,390,856)	(4,362,851)
Non-deductible expenses	4,630,113	320,144
Effects of deferred tax benefits not recognized as deferred tax assets	(884,963)	1,106,869
Withholding tax	76,006	5,074
Under (Over)provision in prior years	(85,818)	7,041
	1,183,727	12,115

The Company has unutilized tax losses carry forward available for offsetting against future taxable income as follows:

in SG $

Particulars	Utilised tax losses
At January 1, 2020	16,388,459
Adjustment	(4,306,005)
Arising during the year	6,510,997
At December 31, 2020	18,593,451
Adjustment	(13,387,785)
Arising during the year	(5,205,666)
At December 31, 2021	–

in SG $

Particulars	As at December 31, 2021	As at December 31, 2020
Deferred tax benefit on above unrecorded at 17%	–	3,160,887

The tax losses are available for set-off against future taxable profits, subject to compliance with the provision of Section 37 of the Singapore Income Tax Act, Chapter 134 and agreement of the Comptroller of Income Tax.

Deferred tax assets have not been recognized in respect of these items due to the uncertainty of future taxable profits to be available against which the Company can utilize the benefits.

21 Profit for the year

Other than as disclosed in other notes to the financial statements, profit for the year includes the following charges:

in SG $

Particulars	As at December 31, 2021	As at December 31, 2020
Directors' remuneration	–	–
Employee benefits expense (including Directors' remuneration)*:	7,419,786	5,687,956
Cost of defined contributions plans included in employee benefit expense	393,060	287,730
	7,812,846	5,975,686

* In 2020, the Company received cash grant under the Job Support Scheme initiative from the Singapore Government as part of the Government's relief measures to help businesses deal with the impact from COVID-19. Consequently, the Company recognized government grant income of $417,420 in the profit or loss as a deduction against the employee benefit expense.

In 2021, the Company continues received cash grant under the Job Support Scheme initiative from the Singapore Government as part of the Government's relief measures to help businesses deal with the impact from COVID-19 and Jobs Growth Incentive (JGI) supports employers to expand local hiring from September 2020 to March 2022 (inclusive), so as to create good and long-term jobs for locals. Consequently, the Company recognized government grant income of $33,180 and $152,903 in the profit or loss as a deduction against the employee benefit expense.

22 Lease liabilities

in SG $

Particulars	As at December 31,	
	2021	2020
Maturity analysis:		
Year 1	**399,714**	393,840
Year 2	**51,234**	393,840
Year 3	**4,326**	34,470
Year 4	**1,400**	1,800
Year 5	**–**	1,350
	456,674	825,300
Less: Unearned interest	**(5,488)**	(14,196)
	451,186	811,104
Analyzed as:		
Current	**394,647**	383,765
Non-current	**56,539**	427,339
	451,186	811,104

The Company does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Company's treasury function. The weighted average incremental borrowing rate is 1.58% (2020: 1.989%) per annum.

23 Impact of covid-19

The full impact of the Coronavirus ("COVID-19") outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Company's financial condition, liquidity, and future results of operations. At this stage, the impact on the Company's activities and results has not been significant. Although the Company cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, management has assessed that the Company is able to maintain sufficient liquidity to enable the Company to continue as a going concern for at least the next 12 months from the end of the reporting period with the financial support of its holding company and related companies as disclosed in Note 4(c)(iv).

24. Events after the reporting period

On March 22, 2022, the company entered into a definitive agreement to acquire oddity group GmbH, a Germany-based digital marketing, experience, and commerce agency, for a total consideration of up to EUR 50 million, which includes earn-out and bonuses. To consummate this transaction, the Company has simultaneously acquired Infosys Germany GmBH (formerly known as Kristall 247. GmBH).

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, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). 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, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's Responsibilities for the Special Purpose Financial Statements

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

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the 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.

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: 22202841AIWIBE8250

Place: Bengaluru

Date: May 12, 2022

Balance Sheet

in ₹

Particulars	Note No.	As at December 31, 2021	As at December 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	3,05,226	5,47,957
Right-to-use of asset	2.19	2,52,24,450	27,24,555
Financial assets			
Loans	2.3	10,67,461	19,23,387
Income tax assets (net)	2.15	1,67,207	5,655
Total non-current assets		2,67,64,344	52,01,554
Current assets			
Financial assets			
Trade receivables	2.5	35,10,69,520	8,83,09,864
Cash and cash equivalents	2.6	13,62,16,159	1,87,27,973
Loans	2.3	–	62,78,524
Other financial assets	2.4	5,79,78,540	11,54,17,810
Other current assets	2.7	3,47,09,884	1,20,14,265
Total current assets		57,99,74,103	24,07,48,436
Total assets		60,67,38,447	24,59,49,990
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.9	3,44,75,106	3,44,75,106
Other equity		(11,96,63,888)	(18,76,76,305)
Total equity		(8,51,88,782)	(15,32,01,199)
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	2.10	16,48,96,856	17,52,66,463
Lease Liability	2.19	1,63,02,654	3,17,081
Other financial liabilities	2.11	1,59,71,131	62,78,524
Other non-current liabilities	2.13	17,14,685	–
Total non-current liabilities		19,88,85,326	18,18,62,068
Current liabilities			
Financial liabilities			
Trade payables	2.12	3,15,40,072	1,49,98,262
Lease Liability	2.19	92,77,651	23,27,649
Other financial liabilities	2.11	36,20,53,445	18,18,08,546
Other current liabilities	2.13	8,52,00,844	1,59,95,189
Provisions	2.14	49,69,891	19,37,891
Income tax liabilities (net)	2.15	–	2,21,584
Total current liabilities		49,30,41,903	21,72,89,121
Total equity and liabilities		60,67,38,447	24,59,49,990

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 Consulting (Belgium) N.V.	
For Shenoy & Kamath *Chartered Accountants* Firm registration number: 006673S		
M. Rathnakar Kamath *Partner* Membership Number: 202841	Andrew Duncan *Director*	Gopal Rao *Director*

Bengaluru

May 12, 2022

Statement of Profit and Loss

in ₹, except equity share and per equity share data

Particulars	Note No.	Year ended December 31,	
		2021	2020
Revenue from operations	2.16	66,59,55,760	53,84,63,008
Other income, net	2.17	78,89,034	2,97,726
Total income		67,38,44,794	53,87,60,734
Expenses			
Employee benefit expenses	2.18	16,70,08,429	20,37,41,163
Cost of technical sub-contractors		6,55,31,264	6,48,63,324
Travel expenses		1,15,34,917	1,36,19,153
Cost of software packages and others	2.18	31,43,03,864	14,53,92,244
Communication expenses		5,12,940	44,39,730
Consultancy and professional charges		2,38,69,250	2,36,46,850
Finance Cost		5,97,540	10,01,114
Depreciation and amortization expenses	2.1	69,50,333	33,87,410
Other expenses	2.18	2,56,63,736	1,95,73,435
Total expenses		61,59,72,273	47,96,64,423
Profit/(Loss) before tax		5,78,72,521	5,90,96,311
Tax expense			
Current tax	2.15	1,58,271	1,73,845
Profit/(Loss) for the Year		5,77,14,250	5,89,22,466
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		1,02,98,167	(2,10,22,019)
Total other comprehensive income / (loss), net of tax		1,02,98,167	(2,10,22,019)
Total comprehensive income / (loss) for the Year		6,80,12,417	3,79,00,447
Profit / (Loss) per equity share			
Equity shares of par value EUR 489.32/- each			
Basic and diluted (₹)		57,714.25	58,922.47
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

for and on behalf of the Board of Directors of Infosys Consulting (Belgium) N.V.

M. Rathnakar Kamath
Partner
Membership Number: 202841

Andrew Duncan
Director

Gopal Rao
Director

Bengaluru

May 12, 2022

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, 2020	3,44,75,106	(30,66,40,014)	1,72,355	8,12,85,349	(19,07,07,204)
Changes in equity for the year ended December 31, 2020					
Adjustments on adoption of Ind-AS 116	–	(3,94,442)	–	–	(3,94,442)
Currency translation	–	–	–	(2,10,22,019)	(2,10,22,019)
Profit for the year	–	5,89,22,466	–	–	5,89,22,466
Balance as of December 31, 2020	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)

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

May 12, 2022

for and on behalf of the Board of Directors of Infosys Consulting (Belgium) N.V.

Andrew Duncan
Director

Gopal Rao
Director

Statement of Cash Flows

in ₹

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Cash flows from operating activities		
Profit for the year	5,77,14,250	5,89,22,466
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation and amortization expense	69,50,333	33,87,410
Income tax expense	1,58,271	1,73,845
Allowance for credit losses on financial assets	(17,51,552)	51,53,567
Interest expense	5,97,540	10,01,114
Exchange differences on translation of assets and liabilities	1,02,65,551	(2,15,96,034)
Changes in assets and liabilities		
Trade receivables	(26,10,08,104)	(5,16,24,050)
Other financial assets and other assets	3,47,43,651	(11,82,73,973)
Trade payables	1,65,41,810	87,69,330
Other financial liabilities and other liabilities and provisions	24,79,18,715	11,94,83,857
Cash generated from operations	11,21,30,465	53,97,532
Income taxes paid	–	–
Net cash from / (used) in operating activities	11,21,30,465	53,97,532
Cash flow from investing activities		
Expenditure on property, plant and equipment net of sale proceeds	–	(6,51,560)
Loans to employees	71,34,450	22,43,822
Net cash from / (used) in investing activities	71,34,450	15,92,262
Cash flow from financing activities		
Loan taken / (repaid) from parent company	(1,03,69,607)	(2,02,95,899)
Receipts from revenue deals	1,59,71,131	–
Interest expense	(5,97,540)	(10,01,114)
Payment of lease liability	(67,80,713)	(33,39,756)
Net cash generated by financing activities	(17,76,729)	(2,46,36,769)
Net increase/ (decrease) in cash and cash equivalents	11,74,88,186	(1,76,46,975)
Cash and cash equivalents at the beginning of the year	1,87,27,973	3,63,74,948
Cash and cash equivalents at the end of the year	13,62,16,159	1,87,27,973

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

May 12, 2022

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 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 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

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.

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

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

1.5 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 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 Rupee.

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."

2.1 Property, plant and equipment

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	0	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

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

in ₹

Particulars	Leasehold Improvements	Office Equipment	Computer equipment	Furniture and fixtures	Total
Gross carrying value as of January 1, 2020	1,43,56,297	7,80,669	67,17,035	18,50,290	2,37,04,291
Additions	–	–	6,51,560	–	6,51,560
Deletions	–	–	–	–	–
Translation difference	17,27,774	93,953	8,24,996	2,22,682	28,69,405
Gross carrying value as of December 31, 2020	1,60,84,071	8,74,622	81,93,591	20,72,972	2,72,25,256
Accumulated depreciation as of January 1, 2020	(1,43,56,297)	(7,80,669)	(67,17,035)	(18,50,290)	(2,37,04,291)
Depreciation	–	–	(1,17,665)	–	(1,17,665)
Accumulated depreciation on deletions	–	–	–	–	–
Translation difference	(17,27,774)	(93,953)	(8,10,934)	(2,22,682)	(28,55,343)
Accumulated depreciation as of December 31, 2020	(1,60,84,071)	(8,74,622)	(76,45,634)	(20,72,972)	(2,66,77,299)
Carrying value as of December 31, 2020	–	–	5,47,957	–	5,47,957
Carrying value as of January 1, 2020	–	–	0	–	0

2.2 Intangible assets

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

in ₹

Particulars	Software	Total
Gross carrying value as of January 1, 2021	26,84,297	26,84,297
Additions/Adjustments	–	–
Deletions/Adjustments	–	–
Gross carrying value as of December 31, 2021	26,84,297	26,84,297
Accumulated amortization as of January 1, 2021	(26,84,297)	(26,84,297)
Amortization expense	–	–
Deletion	–	–
Accumulated amortization as of December 31, 2021	(26,84,297)	(26,84,297)
Carrying value as of December 31, 2021	–	–

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

in ₹

Particulars	Software	Total
Gross carrying value as of January 1, 2020	26,84,297	26,84,297
Additions/Adjustments	–	–
Deletions/Adjustments	–	–
Gross carrying value as of December 31, 2020	26,84,297	26,84,297
Accumulated amortization as of January 1, 2020	(26,84,297)	(26,84,297)
Amortization expense	–	–
Deletion	–	–
Accumulated amortization as of December 31, 2020	(26,84,297)	(26,84,297)
Carrying value as of December 31, 2020	–	–

2.3 Loans

in ₹

Particulars	As at December 31	
	2021	2020
Non-current		
Unsecured, considered good		
Loans to employees	10,67,461	19,23,387
	10,67,461	19,23,387
Less: Allowance for doubtful loans to employees	–	–
	10,67,461	19,23,387
Current		
Unsecured, considered good		
Loans to employees	–	62,78,524
	–	62,78,524
Total loans	10,67,461	82,01,911

2.4 Other financial assets

in ₹

Particulars	As at December 31	
	2021	2020
Current		
Rental deposits	14,27,529	15,21,093
Unbilled revenues [(1)]	2,33,09,514	11,34,84,319
Others [(1)]	3,32,41,497	4,12,398
	5,79,78,540	11,54,17,810
Total Current Other Financial Assets	5,79,78,540	11,54,17,810
Financial assets carried at amortized cost	5,79,78,540	11,54,17,810
[(1)] Includes dues from Related Parties (Refer to Note 2.19)	3,32,41,497	19,83,967

2.5 Trade receivables

in ₹

Particulars	As at December 31	
	2021	2020
Current		
Unsecured		
Considered good [(1)]	35,42,91,642	9,00,91,912
Considered doubtful		
	35,42,91,642	9,00,91,912
Less: Allowances for credit losses	32,22,122	17,82,048
Total trade receivables	35,10,69,520	8,83,09,864
[(1)] Includes dues from related parties (refer to Note 2.19)	1,95,63,592	3,06,90,269

2.6 Cash and cash equivalents

in ₹

Particulars	As at December 31	
	2021	2020
Balances with banks		
In current accounts	13,62,16,159	1,87,27,973
Total cash and cash equivalents	13,62,16,159	1,87,27,973

2.7 Other assets

in ₹

Particulars	As at December 31	
	2021	2020
Current		
Prepaid expenses [(1)]	42,86,680	62,735
Deferred contract cost	1,59,71,131	–
Advance for supply of goods and rendering of services	87,832	–
Withholding taxes and others	1,43,64,241	1,19,51,530
	3,47,09,884	1,20,14,265
Total current other assets	3,47,09,884	1,20,14,265
[(1)] Includes transactions with subsidiaries (Refer to Note 2.22)	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	
	2021	2020
Assets		
Cash and cash equivalents (Refer to Note 2.6)	13,62,16,159	1,87,27,973
Trade receivables (Refer to Note 2.5)	35,10,69,520	8,83,09,864
Loans (Refer to Note 2.3)	10,67,461	82,01,911
Other financial assets (Refer to Note 2.4)	5,79,78,540	11,54,17,810
Total	54,63,31,680	23,06,57,558
Liabilities		
Trade payables (Refer to Note 2.12)	3,15,40,072	1,49,98,262
Borrowings (Refer to Note 2.10)	16,48,96,856	17,52,66,463
Lease liabilities (Refer to Note 2.19)	2,55,80,305	26,44,730
Other financial liabilities (Refer to Note 2.11)	35,62,61,109	16,87,15,749
Total	57,82,78,342	36,16,25,204

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 ₹ 351,069,520 and ₹ 88,309,864 as of December 31, 2021 and December 31, 2020, 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 year ended December 31, 2021 and December 31, 2020 was ₹ 32,22,122 and ₹ 17,82,048.

in ₹

Particulars	For the year ended December 31,	
	2021	2020
Balance at the beginning	17,82,048	–
Impairment loss recognized / reversed	(17,51,552)	51,53,567
Translation differences	31,91,626	(33,71,519)
Balance at the end	32,22,122	17,82,048

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. The company has taken loan from its parent company to meet its working capital requirement.

As of December 31, 2021 and December 31, 2020, the Company had cash and cash equivalents of ₹ 13,62,16,159 and ₹ 1,87,27,973 respectively.

2.9 Equity

Equity share capital

in ₹, except as stated otherwise

Particulars	As at December 31,	
	2021	2020
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, 2021		As at December 31, 2020	
	Number of shares	% held	Number of shares	% held
Infosys Consulting Holding AG	999	99.90	999	99.90
(formerly Lodestone Holding AG)				

2.10 Borrowings

in ₹, except as otherwise stated

Particulars	As at December 31,	
	2021	2020
Non-current		
Unsecured loan from parent (refer to Note 2.20)	16,48,96,856	17,52,66,463
Total Borrowings	16,48,96,856	17,52,66,463

*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, 2021	As at December 31, 2020
Non-current		
Loans and advances to employees	–	62,78,524
Financial liability – under revenue deals	1,59,71,131	–
	1,59,71,131	62,78,524
Current		
Others		
Accrued compensation to employees	1,91,58,046	3,59,60,813
Accrued expenses [(1)]	30,23,15,937	13,07,22,501
Compensated absences	57,92,336	1,30,92,797
Other payables [(2)]	3,47,87,126	20,32,435
	36,20,53,445	18,18,08,546
Total financial liabilities	37,80,24,576	18,80,87,070
Financial liability carried at amortized cost	35,62,61,109	16,87,15,749
[(1)] Includes dues to related parties (Refer to Note 2.19)	2,38,538	1,85,590
[(2)] Includes dues to related parties (Refer to Note 2.19)	3,44,32,724	36,04,002

2.12 Trade payables

in ₹

Particulars	As at December 31, 2021	As at December 31, 2020
Trade payables [(1)]	3,15,40,072	1,49,98,262
Total trade payables	3,15,40,072	1,49,98,262
[(1)] Includes dues to related parties (Refer to Note 2.19)	21,54,590	6,16,602

2.13 Other liabilities

in ₹

Particulars	As at December 31, 2021	As at December 31, 2020
Non-current		
Accrued expenses	17,14,685	–
	17,14,685	–
Current		
Unearned revenue	1,45,94,052	–
Others		
Withholding taxes and others	7,06,06,792	1,59,95,189
Total current other liabilities	8,52,00,844	1,59,95,189

2.14 Provisions

in ₹

Particulars	As at December 31, 2021	As at December 31, 2020
Current		
Others		
Post-sales client support and warranties and others	49,69,891	19,37,891
	49,69,891	19,37,891

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	Year ended December 31, 2021	Year ended December 31, 2020
Balance at the beginning	19,37,891	–
Provision recognized / (reversed)	32,04,120	18,93,977
Provision utilized	–	–
Exchange difference	(1,72,120)	43,914
Balance at the end	49,69,891	19,37,891

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	Year ended December 31, 2021	Year ended December 31, 2020
Current taxes	1,58,271	1,73,845
Income tax expense	1,58,271	1,73,845

Current tax expense for the years ended December 31, 2021 and December 31, 2020 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	Year ended December 31,	
	2021	2020
Profit before income tax	5,78,72,521	5,90,96,311
Enacted tax rates (%)	25.00%	29.58%
Computed expected tax expense	1,44,68,130	1,74,80,689
Tax provisions / (reversals)	–	–
Minimum tax	2,68,794	–
Effect of unrecognized deferred tax assets	(34,03,707)	(1,74,80,690)
Effect of unrecognized deferred tax assets on loss	(1,36,56,190)	–
Others	24,81,244	1,73,846
Income tax expense	1,58,271	1,73,845

The applicable Belgium statutory tax rates for the year ended December 31, 2021 is 25% and for the year ended December 31, 2020 is 29.58%.

The details of income tax assets and income tax liabilities are as follows:

in ₹

Particulars	Year ended December 31,	
	2021	2020
Income tax assets	1,67,207	5,655
Current income tax liabilities	–	2,21,584
Net current income tax assets / (liability) at the end	1,67,207	(2,15,929)

The gross movement in the current income tax asset / (liability) is as follows:

in ₹

Particulars	Year ended December 31,	
	2021	2020
Net current income tax asset / (liability) at the beginning	(2,15,929)	(1,97,781)
Income tax paid	–	–
Current income tax expense (Refer to Note 2.15)	(1,58,271)	(1,73,845)
Translation difference	5,41,407	1,55,697
Net current income tax asset / (liability) at the end	1,67,207	(2,15,929)

2.16 Revenue from operations

in ₹

Particulars	Year ended December 31,	
	2021	2020
Income from consultancy services	66,59,55,760	53,84,63,008
Total revenue from operations	66,59,55,760	53,84,63,008

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by offerings for the year ended 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 ₹

Particulars	Year ended December 31,	
	2021	2020
Revenue by offerings		
Core	22,44,27,091	30,43,62,135
Digital	44,15,28,669	23,41,00,873
Total	66,59,55,760	53,84,63,008

Digital services

Digital services comprise 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, 2021, the Company recognized revenue of ₹ NIL arising from opening unearned revenue as of January 1, 2021.

During the year ended December 31, 2021 , ₹ 11.5 Crore of unbilled revenue as of January 1, 2021 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, 2021, other than those meeting the exclusion criteria mentioned above, is ₹5.4 crore. Out of this, the Group expects to recognize revenue of around 56.0% 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	Year ended December 31,	
	2021	2020
Rental income	16,12,118	–
Miscellaneous income, net	62,76,916	2,97,726
Total other income	78,89,034	2,97,726

2.18 Expenses

in ₹

Particulars	Year ended December 31,	
	2021	2020
Employee benefit expenses		
Salaries including bonus	16,54,56,170	20,21,94,388
Share-based payments to employees	40,600	16,632
Staff welfare	15,11,659	15,30,143
Total employee benefit expenses	16,70,08,429	20,37,41,163
Cost of software packages and others		
Third-party items bought for service delivery to clients	31,43,03,864	14,53,92,244
	31,43,03,864	14,53,92,244

in ₹

Particulars	Year ended December 31,	
	2021	2020
Other expenses		
Brand and marketing	6,200	13,180
Short-term lease payments	–	70,24,953
Rates and taxes	5,35,594	10,47,580
Rental charges	2,00,02,885	–
Repairs and maintenance	15,39,307	4,78,399
Insurance	2,66,057	5,48,669
Provision for post-sales client support and warranties	32,04,120	18,93,977
Allowances for credit losses on financial assets	(17,51,552)	51,53,567
Auditor's remuneration	7,93,472	7,34,635
Others	10,67,653	26,78,475
Total other expenses	2,56,63,736	1,95,73,435

2.19 Leases

Accounting Policy

The Company as a lessee

The Company's lease asset classes primarily consist of leases for computers 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 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:

in ₹

Particulars	Category of ROU asset		Total
	Computers	Vehicles	
Balance as of January 1, 2020	–	55,49,733	55,49,733
Additions	–	–	–
Deletion	–	–	–
Translation difference	–	4,44,567	4,44,567
Depreciation	–	(32,69,745)	(32,69,745)
Balance as of December 31, 2020	–	27,24,555	27,24,555
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

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:

in ₹

Particulars	As at December 31,	
	2021	2020
Current lease liabilities	92,77,651	23,27,649
Non-current lease liabilities	1,63,02,654	3,17,081
Total	2,55,80,305	26,44,730

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

in ₹

Particulars	As at December 31,	
	2021	2020
Balance at the beginning	26,44,730	59,44,175
Additions	2,98,80,092	–
Finance cost accrued during the period	8,159	23,143
Payment of lease liabilities	67,72,554	33,16,613
Translation difference	(1,63,804)	40,311
Balance at the end	2,55,80,305	26,44,730

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

in ₹

Particulars	As at December 31,	
	2021	2020
Less than one year	89,32,736	23,36,246
One to five years	1,63,02,654	4,39,990
More than five years		
Total	2,52,35,390	27,76,236

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 ₹20,002,885 for the year ended December 31,2021.

2.20Related party transactions

List of related parties:

Name of the holding company	Country	Holding as at	
		December 31, 2021	December 31, 2020
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)	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
Infosys Austria GmbH	Austria
Skava Systems Pvt. Ltd. (Skava Systems)[(41)]	India
Kallidus Inc, (Kallidus)[(42)]	U.S.
Infosys Chile SpA	Chile
Infosys Arabia Limited[(2)]	Saudi Arabia
Infosys Consulting Ltda.[(1)]	Brazil
Infosys CIS LLC[(1) (14)]	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[(19)(53)]	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

Name of fellow subsidiaries	Country
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)(52)]	Czech Republic
Infosys Consulting (Shanghai) Co., Ltd.[(4)(48)]	China
Infy Consulting Company Ltd[(4)]	U.K.
Infy Consulting B.V.[(4)]	The Netherlands
Infosys Consulting Sp. z.o.o[(20)(29)]	Poland
Lodestone Management Consultants Portugal, Unipessoal, Lda.[(4)(34)]	Portugal
Infosys Consulting S.R.L.[(4)]	Argentina
Panaya Inc. (Panaya)	U.S.
Panaya Ltd.[(5)]	Israel
Panaya GmbH[(5)]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)	U.K.
Brilliant Basics Limited[(6)]	U.K.
Brilliant Basics (MENA) DMCC[(6)(21)]	Dubai
Infosys Consulting Pte Limited (Infosys Singapore)	Singapore
Infosys Middle East FZ LLC[(7)]	Dubai
Fluido Oy[(7)]	Finland
Fluido Sweden AB (Extero)[(10)]	Sweden
Fluido Norway A/S[(10)]	Norway
Fluido Denmark A/S[(10)]	Denmark
Fluido Slovakia s.r.o[(10)]	Slovakia
Fluido Newco AB[(10)(36)]	Sweden
Infosys Compaz Pte. Ltd [(8)]	Singapore
Infosys South Africa (Pty) Ltd[(7)]	South Africa
WONGDOODY Holding Company Inc. (WONGDOODY)[(1)(54)]	U.S.
WDW Communications, Inc[(9)(55)]	U.S.
WONGDOODY, Inc[(9)(56)]	U.S.
HIPUS Co., Ltd (formerly Hitachi procurement Service Co. Ltd)[(8)]	Japan
Stater N.V.[(8)]	The Netherlands
Stater Nederland B.V.[(11)]	The Netherlands
Stater Duitsland B.V.[(11)(38)]	The Netherlands
Stater XXL B.V.[(11)]	The Netherlands
HypoCasso B.V.[(11)]	The Netherlands
Stater Participations B.V.[(11)]	The Netherlands
Stater Deutschland Verwaltungs-GmbH[(12)(37)]	Germany
Stater Deutschland GmbH & Co. KG[(12)(37)]	Germany
Stater Belgium N.V./S.A.[(13)(39)]	Belgium
Stater Gmbh[(11)(46)]	Germany
Outbox systems Inc. dba Simplus (US)[(15)]	U.S.
Simplus North America Inc.[(16)(45)]	Canada
Simplus ANZ Pty Ltd.[(16)]	Australia
Simplus Australia Pty Ltd[(17)]	Australia

Name of fellow subsidiaries	Country
Sqware Peg Digital Pty Ltd[(18)(49)]	Australia
Simplus Philippines, Inc.[(16)]	Philippines
Simplus Europe, Ltd.[(16)(47)]	U.K.
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)[(22)]	U.K.
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[(23)]	Ireland
Infosys Limited Bulgaria EOOD[(1)(24)]	Bulgaria
Kaleidoscope Animations, Inc.[(27)]	U.S.
Kaleidoscope Prototyping LLC[(28)]	U.S.
GuideVision s.r.o.[(25)]	Czech Republic
GuideVision Deutschland GmbH[(26)]	Germany
GuideVision Suomi Oy[(26)]	Finland
GuideVision Magyarország Kft[(26)]	Hungary
GuideVision Polska SP.Z.O.O[(26)]	Poland
GuideVision UK Ltd[(26)]	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[(30)]	U.S.
Beringer Capital Digital Group Inc[(30)]	U.S.
Mediotype LLC[(31)]	U.S.
Beringer Commerce Holdings LLC[(31)]	U.S.
SureSource LLC[(32)]	U.S.
Blue Acorn LLC[(32)]	U.S.
Simply Commerce LLC[(32)]	U.S.
iCiDIGITAL LLC[(33)]	U.S.
Infosys BPM UK Limited[(3)(35)]	U.K.
Infosys Turkey Bilgi Teknolojikeri Limited Sirketi[(1)(40)]	Turkey
Infosys Germany Holding Gmbh[(1)(43)]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[(1)(44)]	Germany
Infosys Green Forum[(1)(50)]	India
Global Enterprise International (Malaysia) Sdn. Bhd.[(7)(51)]	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) Wholly-owned subsidiary of Panaya Inc.
(6) Wholly-owned subsidiary of Brilliant Basics Holding Limited.
(7) Wholly-owned subsidiary of Infosys Consulting Pte Ltd
(8) Majority-owned and controlled subsidiary of Infosys Consulting Pte. Ltd
(9) Wholly-owned subsidiary of WONGDOODY Holding Company Inc. (WONGDOODY)
(10) Wholly-owned subsidiary of Fluido Oy
(11) Wholly-owned subsidiary of Stater N.V
(12) Wholly-owned subsidiary of Stater Duitsland B.V.
(13) Majority-owned and controlled subsidiary of Stater Participations B.V.
(14) Liquidated effective January 28, 2021.
(15) On March 13, 2020, Infosys Nova Holdings LLC, acquired 100% of the voting interests in Outbox Systems Inc.
(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) On February 20, 2020, Infosys Poland, Sp z.o.o, acquired 100% of the voting interests in Infosys Consulting Sp. z.o.o from Infosys Consulting Holding AG
(21) Liquidated effective July 17, 2020

[22] On June 1, 2020, Fluido Oy, acquired 100% of the voting interests in Infosys Fluido U.K,Ltd (formerly Simplus U.K, Ltd)

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

[24] Incorporated effective September 11, 2020.

[25] On October 1, 2020, Infy Consulting Company Limited acquired 100% of voting interests in GuideVision s.r.o

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

[27] On October 9, 2020, Infosys Nova Holdings LLC, acquired 100% voting interest in Kaleidoscope Animations, Inc.

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

[29] Merged with Infosys Poland Sp. z.o.o, effective October 21, 2020

[30] On October 27, 2020, Infosys Nova Holding LLC, a wholly–owned subsidiary of Infosys Limited, acquired 100% voting interest in Blue Acorn iCi Inc (formerly Beringer Commerce Inc) and Beringer Capital Digital Group Inc

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

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

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

[34] Liquidated effective November 19,2020

[35] Incorporated, effective December 9, 2020

[36] Merged into Fluido Sweden AB (Extero), effective December 18, 2020

[37] Merged into Stater Duitsland B.V., effective December 18, 2020

[38] Merged with Stater N.V., effective December 23, 2020

[39] On December 29, 2020, Stater Participation B.V acquired non-controlling interest of 28.01% of the voting interests in Stater Belgium NV/SA

[40] Incorporated on December 30, 2020.

[41] Under liquidation

[42] Liquidated effective March 9,2021

[43] Incorporated on March 23, 2021

[44] On March 28, 2021 Infosys Limited and Infosys Germany Holding Gmbh registered Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm.

[45] Liquidated effective April 27,2021

[46] Incorporated on August 4, 2021

[47] Liquidated effective July 20, 2021

[48] Liquidated effective September 1, 2021

[49] Liquidated effective September 2, 2021

[50] Incorporated on August 31, 2021

[51] On December 14, 2021, Infosys Consulting Pte Limited, a wholly owned subsidiary of Infosys Limited acquired 100% of voting interests in Global Enterprise International (Malaysia) Sdn. Bhd.

[52] Liquidated effective December 16, 2021

[53] Liquidated effective November 23, 2021

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

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

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

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

in ₹

Particulars	As at December 31	
	2021	2020
Trade receivables		
Infy Consulting B.V.	18,99,307	–
Infy Consulting Company Ltd.	1,76,64,285	3,06,90,269
	1,95,63,592	3,06,90,269
Loans[(1)]		
Infosys Consulting Holding AG	16,48,96,856	17,52,66,463
	16,48,96,856	17,52,66,463
Prepaid and other financial assets		
GuideVision, s.r.o.	12,85,629	–
	12,85,629	–
Trade payables		
Infosys Consulting AG	–	2,95,463
Infy Consulting Company Ltd.	17,56,362	2,51,602
Infy Consulting B.V.	3,98,228	69,537
	21,54,590	6,16,602
Other Payables		
Infosys Consulting GmbH	3,75,803	–
Infy Consulting B.V.	7,05,847	15,71,567
GuideVision, s.r.o.	17,11,729	–
Stater Belgium	–	17,85,296
Infosys Limited	3,16,39,345	2,47,139
	3,44,32,724	36,04,002
Other Receivables		
Infy Consulting B.V.	5,46,019	–
Infy Consulting Company Ltd.	3,57,831	1,47,070
Infosys Consulting GmbH	–	51,601
Infosys Limited	3,23,37,647	17,85,296
	3,32,41,497	19,83,967
Accrued expenses		
Infosys Limited	2,38,538	1,85,590
Infosys Technologies (China) Co. Limited	2,15,511	–
Infosys (Czech Republic) Limited s.r.o	6,96,435	–
	11,50,484	1,85,590

(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 year ended December 31	
	2021	2020
Capital transactions		
Financing transactions		
Loans (net of repayment)		
Infosys Consulting Holding AG	(1,07,95,023)	(2,12,68,699)
	(1,07,95,023)	(2,12,68,699)
Revenue transactions		
Purchase of shared services, facilities & personnel		
Infosys Consulting AG	9,53,510	7,52,684
GuideVision, s.r.o.	4,33,173	–
Infosys Limited	5,18,079	–
Infosys Technologies (China) Co. Limited	2,18,063	–
Infosys (Czech Republic) Limited s.r.o	7,04,679	–
Infy Consulting Company Ltd.	94,67,136	–
Infy Consulting B.V.	4,29,230	–
Stater Belgium	2,19,25,917	–
Infosys Poland Sp. Z.o.o.	1,05,449	1,05,449
	3,47,55,236	8,58,133
Interest expenses		
Infosys Consulting Holding AG	4,25,416	9,72,800
	4,25,416	9,72,800
Sale of services		
Infosys Consulting AG	–	(3,71,580)
Infosys Consulting GmbH	–	2,60,523
Infy Consulting Company Ltd.	31,74,56,344	34,91,76,315
	31,74,56,344	34,90,65,258
Other services provided to subsidiaries		
Infy Consulting B.V.	53,92,793	–
Infosys Limited	16,12,118	–
	70,04,911	–

2.21 Segment reporting

The Company is engaged in providing consultancy service in a single geography. Based on the 'management approach' 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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Panaya Inc

Independent Auditor's Report

To the Members of Panaya Inc

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Panaya Inc ("the Company"), which comprise the Balance Sheet as at December 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). 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, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's Responsibilities for the Special Purpose Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

For Shenoy & Kamath
Chartered Accountants,
Firm Registration Number: 006673S

(M Rathnakar Kamath)
Partner
Membership Number: 202841

UDIN: 22202841AIUIAY4356

Place: Bengaluru

Date: May 11, 2022

Balance Sheet

in US$

Particulars	Note No	As at December 31,	
		2021	2020
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	29,719	38,402
Financial Assets			
Investments	2.2	39,108,441	39,108,441
Defered tax aseets	2.12	420,777	450,845
Income tax assets	2.12	15,843	288,181
Total non-current assets		39,574,780	39,885,869
Current assets			
Financial assets			
Trade receivables	2.3	40,867,797	41,236,864
Cash and cash equivalents	2.4	1,529,552	1,060,380
Other financial assets	2.5	23,829,839	23,413,085
Other current assets	2.6	18,516	3,140
Total current assets		66,245,704	65,713,469
Total Assets		105,820,484	105,599,338
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.7	–	–
Other equity		64,035,143	63,889,920
Total equity		64,035,143	63,889,920
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	2.9	7,507,005	10,408,279
Deferred tax liabilities	2.12	7,683	9,842
Total non - current liabilities		7,514,688	10,418,121
Current liabilities			
Financial liabilities			
Trade payables	2.8	29,037,699	26,682,862
Other financial liabilities	2.10	514,708	570,404
Other current liabilities	2.11	4,718,246	4,033,931
Income tax liabilities	2.12	-	4,100
Total current liabilities		34,270,653	31,291,297
Total equity and liabilities		105,820,484	105,599,338

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 Inc

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

M. Rathnakar Kamath
Partner
Membership Number: 202841

David Binny
Director

Vibhuti Kumar Dubey
Director

Bengaluru

Date: May 11, 2022

Statement of Profit and Loss

In US$, except share and per share data

Particulars	Note No	Year ended December 31, 2021	Year ended December 31, 2020
Revenue from operations	2.13	8,312,100	8,603,389
Other income, net	2.14	2,679	–
Total income		8,314,779	8,603,389
Expenses			
Employee benefit expenses	2.15	5,137,727	4,955,143
Cost of technical sub-contractors	2.15	2,316,590	2,758,272
Travel expenses	2.15	21,700	71,911
Cost of software packages and others	2.15	166	1,500
Communication expenses	2.15	32,262	35,202
Consultancy and professional charges		67,277	(23,396)
Finance cost		101,606	179,452
Depreciation	2.1	35,258	42,131
Other expenses	2.15	377,765	412,181
Total expenses		8,090,352	8,432,395
Profit before tax		224,427	170,993
Tax expense:			
Current tax	2.12	51,295	(82,612)
Deferred tax	2.12	27,909	112,601
Profit for the year		145,223	141,004
Other comprehensive income			
Total other comprehensive income, net of tax		-	-
Total comprehensive income for the year		145,223	141,004
Earnings per equity share			
Equity shares of par value $0.01 each			
Basic & Diluted		72,612	70,502
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

Bengaluru

Date: May 11, 2022

Statements of Cash Flows

in US$

Particulars	Year ended December 31,	
	2021	2020
Cash flow from operating activities:		
Profit for the year	145,223	141,004
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation	35,258	42,131
Income tax expense	79,204	29,989
Interest expense on loan	101,606	179,452
Other adjustments	1,536	61,298
Changes in assets and liabilities		
Trade receivables	369,067	279,386
Other assets and other financial assets	(432,130)	(884,345)
Trade payables	2,354,837	2,715,577
Other financial liabilities and other liabilities	628,619	(1,595,741)
Cash generated from operations	3,283,222	968,753
Income taxes refund/(paid)	216,944	(12,851)
Net cash from operating activities	3,500,166	955,902
Cash flow from investing activities:		
Expenditure on property, plant and equipment	(28,112)	(533)
Net cash used in investing activities	(28,112)	(533)
Cash flow from financing activities:		
Borrowings	(3,002,881)	
Net cash used in financing activities	(3,002,881)	–
Effect of exchange differences on translation of foreign currency cash and cash equivalents	–	–
Net increase in cash and cash equivalents	469,172	955,369
Cash and cash equivalents at the beginning of the year	1,060,380	105,011
Cash and cash equivalents at the end of the year	1,529,552	1,060,380

As per our report of even date attached

for and on behalf of Board of Directors of Panaya Inc

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

M. Rathnakar Kamath
Partner
Membership Number: 202841

David Binny
Director

Vibhuti Kumar Dubey
Director

Bengaluru

Date: May 11, 2022

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, 2020	–	59,509,414	4,239,502	63,748,916
Changes in equity for the year ended December 31, 2020				
Changes during the year	–	–	–	–
Profit for the year	–	–	141,004	141,004
Balance as of December 31, 2020	–	59,509,414	4,380,507	63,889,920
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				
Profit for the year	–	–	145,223	145,223
Balance as of December 31, 2021	–	59,509,414	4,525,730	64,035,143

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

Bengaluru

Date: May 11, 2022

Significant Accounting Policies

Company overview

Panaya Inc ("the Company") was incorporated in USA. 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 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 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 circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

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

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

1.4 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.

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).

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, 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 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 are 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 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 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.

(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 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 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 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 that it is no longer probable that the related tax benefit will be 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 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.

1.13 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, 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	–	–	–	–	–
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

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

in US$

Particulars	Leasehold Improvements	Office Equipment	Computer equipment	Furniture and fixtures	Total
Gross carrying value as of January 1, 2020	120,950	29,278	244,938	99,231	494,397
Additions	–	533	–	–	533
Deletions	–	–	–	–	–
Gross carrying value as of December 31, 2020	120,950	29,811	244,938	99,231	494,930
Accumulated depreciation as of January 1, 2020	(86,475)	(20,466)	(243,438)	(64,018)	(414,397)
Depreciation	(19,014)	(4,174)	(1,352)	(17,591)	(42,131)
Accumulated depreciation on deletions	–	–	–	–	–
Accumulated depreciation as of December 31, 2020	(105,489)	(24,640)	(244,790)	(81,609)	(456,528)
Carrying value as of December 31, 2020	15,461	5,170	148	17,622	38,402
Carrying value as of January 1, 2020	34,475	8,811	1,500	35,213	79,999

2.2 Investments

in US$

Particulars	As at December 31, 2021	2020
Non-current investments		
Equity instruments of subsidiaries	39,108,441	39,108,441
Total carrying value	39,108,441	39,108,441

in US$

Particulars	As at December 31, 2021	2020
Non-current investments		
Unquoted		
Investment carried at cost		
Investments in equity instruments of subsidiaries		
Panaya Ltd, Israel	39,069,600	39,069,600
Panaya GmbH, Germany	38,841	38,841
Total non-current investments	39,108,441	39,108,441
Aggregate amount of Unquoted Investments	39,108,441	39,108,441
Investments carried at cost	39,108,441	39,108,441

2.3 Trade receivables

in US$

Particulars	As at December 31, 2021	2020
Current		
Unsecured		
Considered good [1]	40,875,169	41,244,236
Considered doubtful	–	–
	40,875,169	41,244,236
Less: Allowances for credit loss	7,372	7,372
Total trade receivables	40,867,797	41,236,864
(1) Includes dues from related parties (Refer to Note 2.17)	39,468,909	39,468,909

2.4 Cash and cash equivalents

in US$

Particulars	As at December 31, 2021	2020
Balances with banks		
In current and deposit accounts	1,529,552	1,060,380
Total cash and cash equivalents	1,529,552	1,060,380

2.5 Other financial assets

in US$

Particulars	As at December 31, 2021	2020
Current		
Rental deposits [1]	24,673	24,673
Others [1][2]	23,805,167	23,388,412
Total current other financial assets	23,829,839	23,413,085
[1] Financial assets carried at amortized cost	23,829,839	23,413,085
[2] Includes dues from related parties (Refer to Note 2.17)	23,805,167	23,388,412

2.6 Other assets

in US$

Particulars	As at December 31, 2021	2020
Current		
Prepaid expenses	18,516	3,140
Total current other assets	18,516	3,140

2.7 Equity

Equity share capital

in US$

Particulars	As at December 31, 2021	2020
Authorized		
Equity share capital (2 Equity shares of par value US $ 0.01 each)	0	0
Issued, Subscribed and Paid-Up		
Equity share capital (2 Equity shares of par value US $ 0.01 each)	0	0
Total Equity share Capital	0	0

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

in USD

Name of the shareholder	As at December 31 2021	2020
Infosys Ltd	100%	100%

2.8 Trade payables

in US$

Particulars	As at December 31, 2021	2020
Trade payables[1]	29,037,699	26,682,862
Total trade payables	29,037,699	26,682,862
[1] Includes dues to related parties (Refer to Note 2.17)	28,987,989	26,662,522

2.9 Borrowings

in US$

Particulars	As at December 31,	
	2021	2020
Non-Current		
Unsecured loan[(1)(2)]	7,507,005	10,408,279
Total Non-current borrowings	7,507,005	10,408,279
[(1)] Includes dues to related parties (Refer to note 2.17)	7,507,005	10,408,279
[(2)] The above loan carries an interest of 1.05% p.a.		

2.10 Other financial liabilities

in US$

Particulars	As at December 31,	
	2021	2020
Current		
Accrued compensation to employees [(1)]	451,444	495,849
Accrued expenses [(1)]	30,719	33,552
Compensated absences	26,173	35,005
Other payables [(1)]	6,372	5,998
Total current other financial liabilities	514,708	570,404
[(1)] Financial liability carried at amortized cost	488,535	535,399

2.11 Other liabilities

in US$

Particulars	As at December 31,	
	2021	2020
Current		
Unearned revenue	4,702,044	4,033,145
Others - Withholding taxes and others	16,203	785
Total current other liabilities	4,718,246	4,033,931

2.12 Income taxes

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

in US$

Particulars	Year ended December 31,	
	2021	2020
Current taxes	51,295	(82,612)
Deferred taxes	27,909	112,601
Income tax expense	79,204	29,989

Current tax expense for the years ended December 31, 2021 and December 31, 2020 includes provisions (net of reversals) amounting to reversal of $18,149 and provision of - $82,612 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 below:

in US$

Particulars	Year ended December 31,	
	2021	2020
Profit before income taxes	224,427	170,993
Enacted tax rates in USA	27.00%	27.00%
Computed expected tax expense	60,595	46,168
Effect of unrecognized deferred tax assets	(38,428)	48,598
Tax Provision / Reversals	51,295	(82,612)
Effect of non-deductible expenses	5,742	17,835
Income tax expense	79,204	29,989

The applicable statutory tax rate for year ended December 31, 2021 and December 31, 2020 is 27%.

The following table provides the details of income tax assets and income tax liabilities are as follows:

in US$

Particulars	Year ended December 31,	
	2021	2020
Income tax assets	15,843	288,181
Deferred tax assets	420,777	450,845
Deferred tax liabilities	(7,683)	(9,842)
Current income tax liabilities	–	(4,100)
Net current income tax assets / (liability) at the end	428,937	725,085

The gross movement in the current income tax asset / (liability) for the year ended are as follows:

in US$

Particulars	Year ended December 31,	
	2021	2020
Net current income tax asset / (liability) at the beginning	725,085	742,223
Income tax paid	(216,944)	12,851
Current income tax expense	(79,204)	(29,989)
Net current income tax asset / (liability) at the end	428,937	725,085

The gross movement in the deferred tax asset/ (liability) for the year ended are 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	133,880.0	(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)

The gross movement in the deferred tax asset/ (liability) for the year ended are as follows:

in US$

Particulars	Carrying Value as on Jan 1, 2020	Changes through Profit and Loss	Carrying Value as on Dec 31, 2020
Accrued compensation	130,149	3,731	133,880
Compensated absences	9,530	(79)	9,451
Deferred Revenue	137,231	(122,671)	14,560
Others	297,445	(4,491)	292,954
Total Deferred tax assets	574,355	(123,510)	450,845

in US$

Particulars	Carrying Value as on Jan 1, 2020	Changes through Profit and Loss	Carrying Value as on Dec 31, 2020
Property, plant and equipment	(20,751)	10,909	(9,842)
Total Deferred tax liabilities	(20,751)	10,909	(9,842)

2.13 Revenue from operations

in US$

Particulars	Year ended December 31,	
	2021	2020
Revenue from products and platforms	8,312,100	8,603,389
Total revenue from operations	8,312,100	8,603,389

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

During the year ended December 31, 2021 , the Company recognized revenue of $3,983,714 arising from opening unearned revenue as of January 1, 2021.

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, 2021, other than those meeting the exclusion criteria mentioned above, is $ 4,702,044 Out of this, the Group expects to recognize revenue of around 93% 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 table below presents disaggregated revenues from contracts with customers for the year ended December 31, 2021 and December 31, 2020 by geography.

in US$

Particulars	Year ended December 31, 2021	2020
Revenues by geography [(1)]		
North America	8,041,209	8,060,142
Rest of the World	270,892	543,247
Total Revenue	8,312,100	8,603,389

[(1)] Geographical revenue is based on the domicile of customer

2.14 Other income, net

in US$

Particulars	Year ended December 31, 2021	2020
Miscellaneous Income	2,679	–
Total other income, net	2,679	–

2.15 Expenses

in US$

Particulars	Year ended December 31, 2021	2020
Employee benefit expenses		
Salaries, including bonus	5,119,022	4,947,899
Staff welfare	18,705	7,244
Total employee benefit expenses	5,137,727	4,955,143
Cost of technical sub-contractors		
Technical sub-contractors - subsidiaries	2,316,590	2,758,272
Total cost of technical sub-contractors	2,316,590	2,758,272
Travel expenses		
Overseas travel expenses	8,130	31,153
Overseas boarding and lodging	11,365	34,842
Perdiem	2,205	5,917
Total travel expenses	21,700	71,911
Cost of software packages and others		
For own use	166	1,500
Total cost of software package and others	166	1,500
Communication expenses		
Telephone charges	32,262	35,202
Total communication expenses	32,262	35,202

Other expenses

in US$

Particulars	Year ended December 31, 2021	2020
Other expenses		
Repair and maintenance	24,674	129,868
Printing and stationery	1,600	11,101
Marketing expenses	107,851	20,782
Rent	162,888	121,927
Rates and taxes, excluding taxes on income	4,908	1,942
Postage and courier	3,182	1,486
Insurance charges	4,244	3,858
Provision for bad and doubtful debts	–	7,372
Consumables	31,751	32,501
Bank charges	8,033	7,221
Commission charges	24,300	12,540
Loss on sale of investment	–	61,298
Loss on sale of asset	1,536	–
Miscellaneous expenses	2,798	285
Total other expenses	377,765	412,181

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	
	2021	2020
Assets:		
Cash and cash equivalents (Refer to Note 2.4)	1,529,552	1,060,380
Trade receivables (Refer to Note 2.3)	40,867,797	41,236,864
Other financial assets (Refer to Note 2.5)[(1)]	23,829,839	23,413,085
Total	66,227,189	65,710,329
Liabilities:		
Trade payables (Refer to Note 2.8)	29,037,699	26,682,862
Borrowings (Refer to Note 2.9)	7,507,005	10,408,279
Other financial liabilities (Refer to Note 2.10)	488,535	535,399
Total	37,033,238	37,626,540

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 USD 40,867,797 and USD 41,236,864 as of December 31, 2021 and December 31, 2020, 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 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 table below gives details in respect of percentage of revenues generated from top customer and top five customers:

in %

Particulars	Year ended December 31,	
	2021	2020
Revenue from top customer	5.8%	3.9%
Revenue from top five customers	19.8%	17.3%

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended December 31, 2021 and December 31, 2020 was 7,372 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, 2021, the Company had a working capital of USD 31,975,051, including cash and cash equivalents of USD 1,529,552. As of December 31, 2020, the Company had a working capital of USD 34,422,331, including cash and cash equivalents of USD 1,060,380.

As of December 31, 2021 and December 31, 2020, the outstanding compensated absences were USD 26,173 and USD 35,005 respectively

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

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

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

in US$

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	26,682,862	–	–	–	26,682,862
Other financial liabilities	535,399	–	–	–	535,399

2.17 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)	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
Infosys Austria GmbH	Austria
Skava Systems Private Limited (Skava Systems)[42]	India
Kallidus Inc, (Kallidus)[43]	U.S.
Infosys Chile SpA	Chile
Infosys Arabia Limited[2]	Saudi Arabia
Infosys Consulting[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

Name of fellow subsidiaries	Country
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 Ltd.[(6)]	Israel
Panaya GmbH[(6)]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)	U.K.
Brilliant Basics Limited[(7)]	U.K.
Brilliant Basics (MENA) DMCC[(7)(22)]	Dubai
Infosys Consulting Pte. Ltd. (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

Name of fellow subsidiaries	Country
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.
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 Turkey Bilgi Teknolojikeri Limited Sirketi[1][41]	Turkey
Infosys Germany Holding Gmbh[1][44]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1][45]	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) Wholly-owned subsidiary of Stater Duitsland B.V.

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

(15) Liquidated effective January 28, 2021.

(16) On March 13, 2020, Infosys Nova Holdings LLC, acquired 100% of the voting interests in Outbox Systems Inc.

(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) On February 20, 2020, Infosys Poland, Sp z.o.o, acquired 100% of the voting interests in Infosys Consulting Sp. z.o.o from Infosys Consulting Holding AG

(22) Liquidated effective July 17, 2020

(23) On June 1, 2020, Fluido Oy, acquired 100% of the voting interests in Infosys Fluido U.K,Ltd (formerly Simplus U.K, Ltd)

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

(25) Incorporated effective September 11, 2020.

(26) On October 1, 2020, Infy Consulting Company Limited acquired 100% of voting interests in GuideVision s.r.o

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

(28) On October 9, 2020, Infosys Nova Holdings LLC, acquired 100% voting interest in Kaleidoscope Animations, Inc.

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

(30) Merged with Infosys Poland Sp. z.o.o, effective October 21, 2020

(31) On October 27, 2020, Infosys Nova Holding LLC, a wholly-owned subsidiary of Infosys Limited, acquired 100% voting interest in Blue Acorn iCi Inc (formerly Beringer Commerce Inc) and Beringer Capital Digital Group Inc

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

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

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

(35) Liquidated effective November 19,2020

[36] Incorporated, effective December 9, 2020

[37] Merged into Fluido Sweden AB (Extero), effective December 18, 2020

[38] Merged into Stater Duitsland B.V., effective December 18, 2020

[39] Merged with Stater N.V., effective December 23, 2020

[40] On December 29, 2020, Stater Participation B.V acquired non-controlling interest of 28.01% of the voting interests in Stater Belgium NV/SA

[41] Incorporated on December 30, 2020.

[42] Under liquidation

[43] Liquidated effective March 9,2021

[44] Incorporated on March 23, 2021

[45] On March 28, 2021 Infosys Limited and Infosys Germany Holding Gmbh registered Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm.

[46] Liquidated effective April 27,2021

[47] Incorporated on August 4, 2021

[48] Liquidated effective July 20, 2021

[49] Liquidated effective September 1, 2021

[50] Liquidated effective September 2, 2021

[51] Incorporated on August 31, 2021

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

[53] Liquidated effective December 16, 2021

[54] Liquidated effective November 23, 2021

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

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

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

in USD

Particulars	Year ended December 31	
	2021	2020
Trade receivables		
Panaya Ltd	39,468,909	39,468,909
	39,468,909	39,468,909
Other financial assets		
Panaya Ltd	23,805,167	23,388,412
	23,805,167	23,388,412
Trade payables		
Panaya Ltd.	28,979,113	26,662,522
Infosys Ltd	8,877	6,859
	28,987,989	26,669,381
Borrowings		
Infosys Public Services Inc	7,507,005	10,408,279
	7,507,005	10,408,279

The details of the related parties transactions entered into by the Company, for the year ended December 31, 2021 and December 31, 2020 are as follows:

in USD

Particulars	Year ended December 31	
	2021	2020
Revenue transactions:		
Purchase of services		
Panaya Ltd.	2,316,590	2,758,272
	2,316,590	2,758,272
Finance cost		
Infosys Public Services Inc	101,606	179,452
	101,606	179,452
Sale of services		
Panaya Ltd.	–	–
	–	–

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, 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.

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 Statements of Financial Position as of December 31, 2021 and 2020, and the Statements of Income, Comprehensive 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 the Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Infosys Chile SpA, as of December 31, 2021 and 2020, 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.

Fernando Landa E.
Partner

Date: April 26, 2022
Place: Santiago

Statements of Financial Position

in Th$

Particulars	Note No.	As at December 31, 2021	2020
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	995.936	609.525
Trade and other receivables	5	360.897	256.382
Trade receivables of related parties	6	619.988	246.749
Other non-financial assets	7	120.555	6.185
Current tax assets	9	46.487	22.182
TOTAL CURRENT ASSETS		2.143.863	1.141.023
NON-CURRENT ASSETS			
Property, plant and equipment		61.690	–
Deferred tax assets	11	77.179	41.035
TOTAL NON-CURRENT ASSETS		138.869	41.035
TOTAL ASSETS		2.282.732	1.182.058

Attached notes from 1 to 18 are an integral part of these financial statements.

Statements of Financial Position

in Th$

Particulars	Note	As at December 31, 2021	As at December 31, 2020
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	260.540	116.631
Trade payables of related parties	6	2.641	1.334
Current tax liabilities	9	255.480	54.412
Employee benefit liabilities	10	245.802	137.191
Other current liabilities		52.969	
TOTAL CURRENT LIABILITIES		817.433	309.568
NON-CURRENT LIABILITIES			
Deferred tax liabilities	11	–	2.998
TOTAL NON-CURRENT LIABILITIES		–	2.998
TOTAL LIABILITIES		817.433	312.566
EQUITY			
Share capital	12	604.310	604.310
Retained earnings		860.988	265.182
TOTAL EQUITY		1.465.298	869.492
TOTAL EQUITY AND LIABILITIES		2.282.732	1.182.058

Attached notes from 1 to 18 are an integral part of these financial statements.

Statements of Comprehensive Income

in Th$

Particulars	Note No.	Year ended December 31, 2021	Year ended December 31, 2020
CONTINUING OPERATIONS			
Revenues	13	3.144.563	2.722.834
Cost of sales	14	(1.926.450)	(1.805.487)
GROSS PROFIT		1.218.112	917.347
Administrative expenses	15	(407.164)	(457.142)
Other expenses		(4.082)	(6.822)
Financial expenses		(1.175)	(1.124)
Exchange difference		11.420	(54.814)
PROFIT / (LOSS) BEFORE TAXES		817.112	397.445
Income tax expense		(221.306)	(16.373)
PROFIT / (LOSS) FOR THE YEAR		595.806	381.072

Attached notes from 1 to 18 are an integral part of these financial statements.

Statement of Changes in Equity

Chart of equity movements

in Th$

2021	Share capital	Retained earnings	Total equity
Balance at January 1, 2021	604.310	265.182	869.492
Profit for period	–	595.806	595.806
Balance at December 31, 2021	604.310	860.988	1.465.298

in Th$

2020	Share capital	Retained earnings	Total equity
Balance as at January 1, 2020	604.310	(115.890)	488.420
Profit of period	–	381.072	381.072
Balance as at December 31, 2020	604.310	265.182	869.492

Attached notes from 1 to 18 are an integral part of these financial statements.

Statement of Cash Flows

in Th$

Particulars	Years ended December 31, 2021	2020
Profit (Loss) of period	595.806	381.072
Charges (credits) to results that do not represent cash flow:		
Exchange difference	(11.420)	101
Income tax expense	221.306	16.373
Operating activities:		
Decreases (increases) in other-non financial assets	(114.370)	5.485
Decreases (increases) in Trade and other receivables	(104.515)	(256.382)
Decreases (increases) in Trade receivables of related parties	(373.340)	(89.558)
Increases (decreases) in Trade and other payables	196.879	72.742
Increases (decreases) in Trade payables of related parties	1.307	(9.958)
Increases (decreases) in provisions	108.611	(27.770)
Current tax assets and liabilities adjustments	122.351	(10.445)
Decreases (increases) in other assets	(177.147)	-
Net cash used in operating activities	465.469	81.660
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	386.411	81.660
Cash and cash equivalents at beginning of year	609.525	527.865
Cash and cash equivalents at end of year	995.936	609.525

Attached notes from 1 to 18 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 20, 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,	
	2021	2020
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 31, 2021, 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 IFRS.

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 refer 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) Statement of cash flows

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 31, 2021 and 2020 are as follows:

Particulars	As at December 31,	
	2021	2020
US Dollar	844,69	710,95
Euros	955,64	873,30
UF	30.991,74	29.070,33

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 correspond 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, 2021, for which the Company has not made early adoption:

Standards	Subject
IFRS 17, Insurance Contracts	Issued in May 2017 by the IASB, IFRS 17, Insurance Contracts is a new comprehensive accounting standard for insurance contracts that covers recognition, measurement, presentation and disclosure. Once it enters into force, it will replace IFRS 4, Insurance Contracts, issued in 2005. The new standard applies to all types of insurance contracts, regardless of the type of Entity that issued them.
	IFRS 17 is required for periods beginning on or after January 1, 2023, with comparative figures required, early application is allowed, provided that the Entity also applies IFRS 9 and IFRS 15. Date of mandatory application: January 1, 2023.

Interpretations	Subject
There is not	

Amendments	Subject
Amendment IAS 1, Presentation of Financial Statements	Add new criteria regarding the classification of liabilities as 'Current' or 'Non-current'. Date of mandatory application: January 1, 2023.
Amendment to IFRS 3, Business combinations	It incorporates new concepts or definitions related to business combinations. Date of mandatory application: January 1, 2022.
Amendment to IAS 16, Property, Plant and Equipment	It proposes new accounting criteria for the income generated from the sale of items while the company prepares the Property, Plant and Equipment assets for their intended use. Date of mandatory application: January 01, 2022.
Amendment to IAS 37, 'Provisions, Assets and Contingent Liabilities	It modifies some measurement criteria regarding incremental costs and other costs that are directly related to fulfilling a contract. Date of mandatory application: January 1, 2022.

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 31, 2021 and 2020 are as follows:

in Th$

Particulars	As at December 31, 2021	As at December 31, 2020
Banks		
Santander Bank	995.936	609.525
Total	995.936	609.525

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 31, 2021 and 2020 is as follows:

in Th$

Particulars	As at December 31, 2021	2020
Trade receivables	392.442	216.638
Unbilled revenues	49.538	39.751
Debtor provisions	–	(7)
Customer on account	(81.083)	–
Total	360.897	256.382

Note 6 Trade receivables and payables of related parties

The composition of the item as of December 31, 2021 and 2020 is as follows:

a) Trade receivables, currents

in Th$

Particulars			As at December 31, 2021	2020
Tax ID	Related party	Nature		
O-E	Infosys Limited	Provision of services	614.910	234.185
O-E	Infosys Mexico	Provision of services	5.078	12.564
	Total		619.988	246.749

b) Trade payables, currents

in Th$

Particulars			As at December 31, 2021	2020
Tax ID	Related party	Nature		
O-E	Infosys Limited	Debt payments	2.641	1.334
	Total		2.641	1.334

Note 7 Other non-financial assets

The composition of the item as of December 31, 2021 and 2020 is as follows:

in Th$

Concept	As at December 31, 2021	2020
Guarantee of rental Wework	3.185	3.185
Guarantee of project tender	112.500	3.000
Staff Recovery	4.870	–
Total	120.555	6.185

Note 8 Trade and other payables

The composition of the item as of December 31, 2021 and 2020 is as follows:

in Th$

Concept	As at December 31, 2021	2020
Professional services and fees accrual	28.215	12.675
Social security, salaries and taxes payables	57.688	51.950
Subcontractor charges	143.843	44.781
Travel expenses	4.934	4.501
Communication expenses	9.094	–
Rental expenses accrual	–	878
IT services accrual	2.500	1.231
Provision for post sales client support	4.904	615
Capital vendors	9.041	–
Others	321	–
Total	260.540	116.631

Note 9 Current tax assets and liabilities

The composition of the items as of December 31, 2021 and 2020 is as follows:

a) Current tax assets

in Th$

Concept	As at December 31, 2021	2020
Income tax advances	46.487	22.182
Total	46.487	22.182

b) Current tax liabilities

in Th$

Concept	As at December 31, 2021	2020
Income tax payable	255.480	54.412
Total	255.480	54.412

Note 10 Employee benefit liabilities

The composition of the item as of December 31, 2021 and 2020 is as follows:

in Th$

Concept	As at December 31, 2021	2020
Perfomance bonus accrual	112.718	56.008
CFG variable pay accrual	21.677	7.772
Unavailed leave accrual	111.407	73.411
Total	245.802	137.191

Note 11 Income tax and deferred tax assets and liabilities

a) Income tax provision

The Company registered an income tax provision of Th$ 255.480 as of December 31, 2021 and Th$ 54.412 as of December 31, 2020.

b) Deferred tax assets

The composition of the item as of December 31, 2021 and 2020 is as follows:

in Th$

Deferred tax item	As at December 31,	
	2021	2020
Provision of unavailed leave	30.080	19.821
Accrued bonus	36.287	17.220
Provision of expenses	10.812	3.992
Provision for debtors	–	2
Total	77.179	41.035

c) Deferred tax liabilities

in Th$

Deferred tax item	As at December 31,	
	2021	2020
Unbilled revenues	–	2.998
Total	–	2.998

Note 12 Equity

As of December 31, 2021 the paid capital of the Company is Th$ 604.310.

Note 13 Revenues

The composition of the item as of December 31, 2021 and 2020 is as follows:

in Th$

Concept	As at December 31,	
	2021	2020
Intercompany services to Infosys Limited	1,721.653	1.720.216
Services to local customers	1.356.973	919.883
Intercompany services to Infosys Mexico	65.937	82.735
Total	3.144.563	2.722.834

Note 14 Cost of sales

The cost of sales generated during the period ended December 31, 2021 and 2020 are detailed as follows:

in Th$

Concept	As at December 31,	
	2021	2020
Salaries	1.854.649	1.735.490
Others	71.801	69.997
Total	1.926.450	1.805.487

Note 15 Administrative expenses

The administrative expenses generated during the period ended December 31, 2021 and 2020 are detailed as follows:

in Th$

Concept	Year ended December 31,	
	2021	2020
Legal and accountant professional services	163.038	284.002
Medical insurance	29.767	53.664
Rental office and related expenses	20.273	48.666
Subcontract charges	152.674	44.401
Insurances	2.277	11.378
Travel and related expenses	911	7.772
Datacom	25.892	–
Others	12.332	7.259
Total	407.164	457.142

Note 16 Contingencies and commitments

Infosys Chile SpA declares that there are no financial contingencies as of the financial statement closing date.

Note 17 Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of standalone 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, 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 standalone financial statements.

Note 18 Events after the reporting period

Between January 1, 2022 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 (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, 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 March 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 are responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

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

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

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

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

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

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

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

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

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

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 : 22202841AJDSSE9192

Place: Bengaluru.

Date: May 18, 2022

Balance Sheet

in RM

Particulars	Note No.	As at March 31	
		2022	2021
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	564,589	1,615,103
Right of Use Asset	2.2	4,854,102	1,893,066
Total non - current assets		5,418,691	3,508,169
Current assets			
Financial assets			
Trade receivables	2.3	8,837,547	57,376,773
Cash and cash equivalents	2.4	6,998,702	3,186,996
Other financial assets	2.5	4,070,286	823,057
Income tax assets (net)	2.11	4,043,914	4,069,622
Deferred tax assets (net)		–	1,046,907
Other current assets	2.6	300,225	257,309
Total current assets		24,250,674	66,760,663
Total Assets		29,669,366	70,268,832
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.7	16,172,100	16,172,100
Other equity		2,129,550	44,529,073
Total equity		18,301,650	60,701,173
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Lease liability	2.2	2,004,123	1,069,663
Total non - current liabilities		2,004,123	1,069,663
Current liabilities			
Trade Payables	2.8	678,473	1,325,178
Financial liabilities			
Other financial liabilities	2.9	5,994,197	6,148,190
Lease liability	2.2	2,690,923	1,024,628
Total current liabilities		9,363,593	8,497,996
Total equity and liabilities		29,669,366	70,268,832

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

Bengaluru

Date: May 18, 2022

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, except equity share

Particulars	Note No.	Year ended March 31 2022	Year ended March 31 2021
Revenue from operations	2.12	53,420,198	67,425,611
Other Income	2.13	123,518	(190,664)
Total income		53,543,716	67,234,947
Expenses			
Employee benefit expenses	2.14	38,281,781	45,088,130
Cost of technical sub-contractors		6,883,536	4,777,817
Depreciation and amortisation expense	2.1 & 2.2	2,367,342	2,706,441
Finance Costs	2.2	71,863	38,527
Other expenses	2.14	4,172,502	4,945,885
Total expenses		51,777,024	57,556,800
Profit before tax		1,766,691	9,678,147
Tax expense:			
Current tax		8,024	(1,808,200)
Profit for the year		1,758,667	11,486,347
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		1,758,667	11,486,347
Earnings per equity share			
Equity shares of par value RM 1/- each			
Basic (RM)		0.11	0.71
Diluted (RM)		0.11	0.71
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 No. 202841

Bengaluru

Date: May 18, 2022

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, 2020	16,172,100	33,510,186	49,682,286
Changes in equity for the period April 1, 2020 to March 31, 2021			
Profit for the period		11,486,347	11,486,347
ROU adjustment		(467,460)	(467,460)
Balance as of March 31, 2021	16,172,100	44,529,073	60,701,173
Changes in equity for the year ended 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	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	18,301,650

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

Bengaluru

Date: May 18, 2022

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, 2022	2021
Cash flow from operating activities:		
Profit for the period	1,766,691	9,678,147
Exchange differences on translation of assets and liabilities	–	3,972
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation	2,367,342	2,706,441
Plant and equipment written off	108,066	202,522
Other adjustment	(158,190)	–
Finance cost	48,469	38,527
Changes in assets and liabilities		
Other assets	46,295,987	(9,365,899)
Other liabilities	(800,698)	1,705,896
Cash used in operations	49,627,667	4,969,606
Income taxes paid	17,680	(1,658,173)
Net cash generated in operating activities	49,645,346	3,311,433
Cash flow from investing activities:		
Expenditure on property, plant and equipment	(86,493)	(675,033)
Net cash used in investing activities	(86,493)	(675,033)
Cash flow from financing activities:		
Dividend paid to Shareholders	(44,000,000)	–
Lease payouts	(1,747,147)	(1,679,866)
Net cash used in financing activities	(45,747,147)	(1,679,866)
Net increase in cash and cash equivalents	3,811,706	956,534
Cash and cash equivalents at the beginning of the period	3,186,996	2,230,462
Cash and cash equivalents at the end of the period	6,998,702	3,186,996

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

Bengaluru

Date: May 18, 2022

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.) is a wholly owned subsidiary of Infosys Consulting Pte Ltd.

The company was incorporated on July 17, 2013 and it became 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 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 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 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 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, 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 amortised cost

A financial asset is subsequently measured at amortised 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 recognised 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 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.

1.10 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 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 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.

1.12 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 is comprised primarily of 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 contract 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.

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.

2.1 Property, plant and equipment

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 and hardware	Furniture, fittings and office equipment	Total
Gross carrying value as of April 1, 2021	6,022,393	16,591,401	22,613,794
Additions	39,222	–	39,222
Deletions	(236,534)	(2,767)	(239,301)
Reclassification	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
Translation difference	–	–	–
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

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

In RM

Particulars	Computer equipment	Furniture and fixtures	Total
Gross carrying value as of April 1, 2020	6,690,733	23,430,298	30,121,031
Additions/ Adjustments	655,511	446,406	1,101,917
Deletions	(1,323,851)	(7,285,303)	(8,609,154)
Translation difference	–	–	–
Gross carrying value as of March 31, 2021	6,022,393	16,591,401	22,613,794
Accumulated depreciation as of April 1, 2020	(5,283,124)	(22,363,978)	(27,647,102)
Depreciation	(911,504)	(419,833)	(1,331,337)
Accumulated depreciation on deletions	1,262,710	6,717,038	7,979,748
Translation difference	–	–	–
Accumulated depreciation as of March 31, 2021	(4,931,918)	(16,066,773)	(20,998,691)
Carrying value as of March 31, 2021	1,090,475	524,628	1,615,103
Carrying value as of April 1, 2020	1,407,609	1,066,320	2,473,929

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,	
	2022	2021
Balance at the beginning	1,893,066	4,017,754
Additions	5,459,008	20,890
Deletions	(1,159,575)	(770,474)
Depreciation	(1,338,397)	(1,375,104)
Balance as of March 31,	4,854,102	1,893,066

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 liability

In RM

Particulars	Year ended March 31,	
	2022	2021
Non-current lease liability	2,004,123	1,069,663
Current lease liability	2,690,923	1,024,628
Total	4,695,046	2,094,291

The following is the movement in lease liability

In RM

Particulars	Year ended March 31,	
	2022	2021
Balance at the beginning	2,094,291	4,485,214
Additions	5,459,008	20,890
Deletions	(1,159,575)	(770,474)
Interest accrued during the period	48,469	38,527

Particulars	Year ended March 31,	
	2022	2021
Lease payments	(1,747,147)	(1,679,866)
Balance as of March 31,	4,695,046	2,094,291

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 March 31, 2021 and on an undiscounted basis:

In RM

Particulars	Year ended March 31,	
	2022	2021
Less than one year	2,133,258	2,094,291
One to five years	2,812,005	–
More than five years	–	–
Total	4,945,263	2,094,291

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 RM 953,991 and RM 1,178,520 for the year ended March 31,2022 and March 31,2021 respectively.

2.3 Trade receivables

In RM

Particulars	As at March 31,	
	2022	2021
Current		
Unsecured		
Considered good	8,837,547	57,376,773
Considered doubtful	–	–
Less: Allowances for credit losses	–	–
	8,837,547	57,376,773

2.4 Cash and cash equivalents

In RM

Particulars	As at March 31,	
	2022	2021
Balances with banks		
In current accounts	6,998,702	3,186,996
	6,998,702	3,186,996

2.5 Other financial assets

In RM

Particulars	As at March 31,	
	2022	2021
Current		
Security deposits	911,281	823,057
Unbilled Revenues	3,159,006	–
	4,070,286	823,057

2.6 Other assets

In RM

Particulars	As at March 31,	
	2022	2021
Current		
Others		–
Other receivables	–	76,115
Prepaid expenses	300,225	181,194
	300,225	257,309

2.7 Equity

Equity share capital

in RM, except as otherwise stated

Particulars	As at March 31,	
	2022	2021
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, 2022 and March 31, 2021 are set out below :

in No., except as stated otherwise

Name of the shareholder	Number of shares	As at March 31,	
		2022	2021
Infosys Consulting Pte Ltd	16,172,100	16,172,100	–
Singtel ICT Pte Ltd	16,172,100	–	1,61,72,100

2.8 Trade payables

In RM

Particulars	As at March 31,	
	2022	2021
Trade payables	678,473	1,325,178
	678,473	1,325,178

2.9 Other financial liablities

In RM

Particulars	As at March 31,	
	2022	2021
Current		
Accrued compensation to employees	5,203,712	4,569,271
Accrued expenses	790,484	1,578,918
	5,994,197	6,148,190
Financial liability carried at amortized cost	5,994,197	6,148,190

2.10 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,	
	2022	2021
Assets:		
Cash and cash equivalents (Refer Note 2.4)	6,998,702	3,186,996
Total	6,998,702	3,186,996
Liabilities:		
Other financial liabilities (Refer Note 2.9)	5,994,197	6,148,190
Total	5,994,197	6,148,190

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 8,837,547 and RM 57,376,773 as of March 31, 2022, and March 31, 2021, respectively and unbilled revenue amounting to RM 3,159,006 and RM 0 as of March 31, 2022, and March 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.

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, 2022, the Company had a working capital of RM 14,887,082 including cash and cash equivalents of RM 6,998,702. As of March 31, 2021, the Company had a working capital of RM 58,262,667 including cash and cash equivalents of RM 3,186,996.

2.11 Income taxes

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

In RM

Particulars	Year ended March 31,	
	2022	2021
Current taxes	8,024	(1,808,200)
Income tax expense	8,024	(1,808,200)

The gross movement in the current income tax asset/ (liability) is as follows:

In RM

Particulars	Year ended March 31,	
	2022	2021
Net current income tax asset/ (liability) at the beginning	4,069,618	635,322
Income tax paid/ (refund)	(17,680)	1,658,173
Current income tax expense	(8,024)	1,776,127
Net current income tax asset/ (liability) at the end	4,043,914	4,069,622

2.12 Revenue from operations

In RM

Particulars	Year ended March 31	
	2022	2021
Income from software services	53,420,198	67,425,611
Total revenue from operation	53,420,198	67,425,611

2.13 Other income

In RM

Particulars	Year ended March 31	
	2022	2021
Interest income of financial assets	–	21,015
Scrap Sales	60,804	–
Sales of Assets	(60,791)	(202,522)
Exchange gains/(losses) on translation of other assets and liabilities	123,504	(9,156)
Total other income	123,518	(190,664)

2.14 Expenses

In RM

Particulars	Year ended March 31	
	2022	2021
Employee benefit expenses		
Salaries including bonus	36,653,562	43,398,940
Staff welfare	1,628,219	1,689,191
	38,281,781	45,088,130

In RM

Particulars	Year ended March 31	
	2022	2021
Other expenses		
Audit Fees	37,713	42,358
Office Maintainance	1,589,592	1,869,363
Professional & Consultancy charges	400,450	410,128
Rental expenses	953,991	1,178,520
Telecom Charges	570,404	650,219
Others	620,353	795,297
Total Other expenses	4,172,502	4,945,885

2.15 Related party transactions

List of related parties:

Name of Holding Companies	Country	Holding as at March 31,	
		2022	2021
Infosys Consulting Pte Ltd	Singapore	100%	0%

Name of subsidiaries	Country	Holdings as at March 31,	
		2022	2021
Infosys Technologies (China) Co. Limited (Infosys China)[(1)]	China	100%	100%
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)[(1)]	Mexico	100%	100%
Infosys Technologies (Sweden) AB (Infosys Sweden)[(1)]	Sweden	100%	100%
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)[(1)]	China	100%	100%
Infosys Nova Holdings LLC. (Infosys Nova)[(1)]	U.S.	100%	100%
EdgeVerve Systems Limited (EdgeVerve)[(1)]	India	100%	100%
Infosys Austria GmbH[(1)]	Austria	100%	100%
Skava Systems Private Limited (Skava Systems)[(1)(41)]	India	100%	100%
Kallidus Inc, (Kallidus)[(42)]	U.S.	–	–
Infosys Chile SpA[(1)]	Chile	100%	100%
Infosys Arabia Limited[(2)]	Saudi Arabia	70%	70%
Infosys Consulting Ltda.[(1)]	Brazil	100%	100%
Infosys CIS LLC[(15)]	Russia	–	–
Infosys Luxembourg S.a.r.l[(1)]	Luxembourg	100%	100%
Infosys Americas Inc., (Infosys Americas)[(1)]	U.S.	100%	100%
Infosys Public Services, Inc. USA (Infosys Public Services)[(1)]	U.S.	100%	100%
Infosys Canada Public Services Inc[(20)(53)]	Canada	–	–
Infosys BPM Limited[(1)(61)]	India	100%	99.99%
Infosys (Czech Republic) Limited s.r.o.[(3)]	Czech Republic	100%	99.99%
Infosys Poland Sp z.o.o[(3)]	Poland	100%	99.99%
Infosys McCamish Systems LLC[(3)]	U.S.	100%	99.99%
Portland Group Pty Ltd[(3)]	Australia	100%	99.99%
Infosys BPO Americas LLC.[(3)]	U.S.	100%	99.99%
Infosys Consulting Holding AG (Infosys Lodestone)[(1)]	Switzerland	100%	100%
Infosys Management Consulting Pty Limited[(4)]	Australia	100%	100%
Infosys Consulting AG[(4)]	Switzerland	100%	100%
Infosys Consulting GmbH[(4)]	Germany	100%	100%
Infosys Consulting S.R.L.[(1)]	Romania	100%	100%
Infosys Consulting SAS[(4)]	France	100%	100%
Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.)[(4)(52)]	Czech Republic	–	100%
Infosys Consulting (Shanghai) Co., Ltd.[(4)(48)]	China	–	100%
Infy Consulting Company Ltd[(4)]	U.K.	100%	100%
Infy Consulting B.V.[(4)]	The Netherlands	100%	100%

Name of subsidiaries	Country	Holdings as at March 31,	
		2022	2021
Infosys Consulting Sp. z.o.o[29]	Poland	–	–
Lodestone Management Consultants Portugal, Unipessoal, Lda.[4][34]	Portugal	–	–
Infosys Consulting S.R.L.[4]	Argentina	100%	100%
Infosys Consulting (Belgium) NV[5]	Belgium	99.90%	99.90%
Panaya Inc. (Panaya)[1]	U.S.	100%	100%
Panaya Ltd.[6]	Israel	100%	100%
Panaya GmbH[6]	Germany	100%	100%
Brilliant Basics Holdings Limited (Brilliant Basics)[1][41]	U.K.	100%	100%
Brilliant Basics Limited[7][41]	U.K.	100%	100%
Brilliant Basics (MENA) DMCC[7][21]	Dubai	–	–
Infosys Middle East FZ LLC[8]	Dubai	100%	100%
Fluido Oy[8]	Finland	100%	100%
Fluido Sweden AB (Extero)[11]	Sweden	100%	100%
Fluido Norway A/S[11]	Norway	100%	100%
Fluido Denmark A/S[11]	Denmark	100%	100%
Fluido Slovakia s.r.o[11]	Slovakia	100%	100%
Fluido Newco AB[11][36]	Sweden	–	–
Infosys Compaz Pte. Ltd[9]	Singapore	60%	60%
Infosys South Africa (Pty) Ltd[8]	South Africa	100%	100%
WONGDOODY Holding Company Inc. (WONGDOODY)[1][54]	U.S.	–	100%
WDW Communications, Inc[10][55]	U.S.	–	100%
WONGDOODY, Inc[10][56]	U.S.	100%	100%
HIPUS Co., Ltd[9]	Japan	81%	81%
Stater N.V.[9]	The Netherlands	75%	75%
Stater Nederland B.V.[12]	The Netherlands	75%	75%
Stater Duitsland B.V.[12][38]	The Netherlands	–	–
Stater XXL B.V.[12]	The Netherlands	75%	75%
HypoCasso B.V.[12]	The Netherlands	75%	75%
Stater Participations B.V.[12]	The Netherlands	75%	75%
Stater Deutschland Verwaltungs-GmbH[13][37]	Germany	–	–
Stater Deutschland GmbH & Co. KG[13][37]	Germany	–	–
Stater Belgium N.V./S.A.[14][39]	Belgium	75%	75%
Stater Gmbh[12][46]	Germany	75%	–
Outbox systems Inc. dba Simplus (US)[16]	U.S.	100%	100%
Simplus North America Inc.[17][45]	Canada	–	100%
Simplus ANZ Pty Ltd.[17]	Australia	100%	100%
Simplus Australia Pty Ltd[18]	Australia	100%	100%
Sqware Peg Digital Pty Ltd[19][49]	Australia	–	100%
Simplus Philippines, Inc.[17]	Philippines	100%	100%
Simplus Europe, Ltd.[17][47]	U.K.	–	100%
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)[22]	U.K.	100%	100%
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[23]	Ireland	100%	100%
Infosys Limited Bulgaria EOOD[1][24]	Bulgaria	100%	100%
Kaleidoscope Animations, Inc.[27]	U.S.	100%	100%
Kaleidoscope Prototyping LLC[28]	U.S.	100%	100%
GuideVision s.r.o.[25]	Czech Republic	100%	100%
GuideVision Deutschland GmbH[26]	Germany	100%	100%
GuideVision Suomi Oy[26]	Finland	100%	100%
GuideVision Magyarország Kft[26]	Hungary	100%	100%
GuideVision Polska SP.Z.O.O[26]	Poland	100%	100%
GuideVision UK Ltd[26]	U.K.	100%	100%

Name of subsidiaries	Country	Holdings as at March 31,	
		2022	2021
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[30]	U.S.	100%	100%
Beringer Capital Digital Group Inc[30][59]	U.S.	–	100%
Mediotype LLC[31][59]	U.S.	–	100%
Beringer Commerce Holdings LLC[31][59]	U.S.	–	100%
SureSource LLC[32][57]	U.S.	–	100%
Blue Acorn LLC[32][57]	U.S.	–	100%
Simply Commerce LLC[32][57]	U.S.	–	100%
iCiDIGITAL LLC[33][58]	U.S.	–	100%
Infosys BPM UK Limited[3][35]	U.K.	–	–
Infosys Turkey Bilgi Teknolojikeri Limited Sirketi[1][40]	Turkey	100%	–
Infosys Germany Holding Gmbh[1][43]	Germany	100%	100%
Infosys Automotive and Mobility GmbH & Co. KG[1][44]	Germany	100%	–
Infosys Green Forum[1][50]	India	100%	–
Infosys Business Solutions LLC[1][60]	Qatar	–	–
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[62]	Germany	100%	–

(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) Wholly-owned subsidiary of Stater Duitsland B.V.
(14) Majority owned and controlled subsidiary of Stater Participations B.V.
(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) Liquidated effective July 17, 2020
(22) On June 1, 2020, Fluido Oy, acquired 100% of the voting interests in Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)
(23) Wholly-owned subsidiary of Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)
(24) Incorporated effective September 11, 2020.
(25) On October 1, 2020, Infy Consulting Company Limited acquired 100% of voting interests in GuideVision s.r.o
(26) Wholly-owned subsidiary of GuideVision s.r.o.
(27) On October 9, 2020, Infosys Nova Holdings LLC, acquired 100% voting interest in Kaleidoscope Animations, Inc.
(28) Wholly-owned subsidiary of Kaleidoscope Animations, Inc.
(29) Merged with Infosys Poland Sp. z.o.o, effective October 21, 2020
(30) On October 27, 2020, Infosys Nova Holding LLC, a wholly-owned subsidiary of Infosys Limited, acquired 100% voting interest in Blue Acorn iCi Inc (formerly Beringer Commerce Inc) and Beringer Capital Digital Group Inc
(31) Wholly-owned subsidiary of Blue Acorn iCi Inc
(32) Wholly-owned subsidiary of Beringer Commerce Holdings LLC
(33) Wholly-owned subsidiary of Beringer Capital Digital Group Inc.
(34) Liquidated effective November 19,2020
(35) Incorporated, effective December 9, 2020
(36) Merged into Fluido Sweden AB (Extero), effective December 18, 2020
(37) Merged into Stater Duitsland B.V., effective December 18, 2020
(38) Merged with Stater N.V., effective December 23, 2020

[39] On December 29, 2020, Stater Participation B.V acquired non-controlling interest of 28.01% of the voting interests in Stater Belgium NV/SA

[40] Incorporated on December 30, 2020.

[41] Under liquidation

[42] Liquidated effective March 9,2021

[43] Incorporated on March 23, 2021

[44] On March 28, 2021 Infosys Limited and Infosys Germany Holding Gmbh registered Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm.

[45] Liquidated effective April 27,2021

[46] Incorporated on August 4, 2021

[47] Liquidated effective July 20, 2021

[48] Liquidated effective September 1, 2021

[49] Liquidated effective September 2, 2021

[50] Incorporated on August 31, 2021

[52] Liquidated effective December 16, 2021

[53] Liquidated effective November 23, 2021

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

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

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

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

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

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

[60] Incorporated on February 20, 2022

[61] On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

[62] 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"))

2.16 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.

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Infosys Consulting S.R.L (Argentina)

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, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). 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, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's Responsibilities for the Special Purpose Financial Statements

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

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the 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.

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: 22202841AIWISX7874

Place: Bengaluru

Date: May 12, 2022

Balance Sheet

in ₹

Particulars	Note No.	As at December 31	
		2021	2020
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	6,34,107	27,55,317
Right to use of asset	2.19	66,57,925	37,78,019
Deferred tax assets, net	2.15	3,13,51,744	2,82,51,196
Income tax assets, net	2.15	1,22,37,506	1,68,56,803
Other non-current assets	2.6	9,40,06,027	–
Total non-current assets		14,48,87,309	5,16,41,335
Current assets			
Financial assets			
Trade receivables	2.4	7,57,13,802	7,62,57,423
Cash and cash equivalents	2.5	21,38,75,121	2,81,80,489
Loans	2.2	30,240	36,540
Other financial assets	2.3	2,91,12,333	69,93,651
Other current assets	2.6	8,70,74,866	2,20,83,387
Total current assets		40,58,06,362	13,35,51,490
Total assets		55,06,93,671	18,51,92,825
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.8	10,51,81,200	10,51,81,200
Other equity		(11,76,41,929)	(5,62,44,786)
Total equity		(1,24,60,729)	4,89,36,414
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	2.9	27,46,42,746	–
Other financial liabilities	2.10	11,41,13,946	–
Deferred tax liabilities, net	2.15	–	1,68,385
Total non-current liabilities		38,87,56,692	1,68,385
Current liabilities			
Financial liabilities			
Trade payables	2.11	8,19,20,921	7,89,62,199
Lease liabilities	2.19	62,35,184	64,99,732
Other financial liabilities	2.12	7,74,06,472	2,55,55,459
Other current liabilities	2.13	88,35,131	2,47,74,360
Provisions	2.14	–	2,96,276
Income tax liabilities, net	2.15	–	–
Total current liabilities		17,43,97,708	13,60,88,026
Total equity and liabilities		55,06,93,671	18,51,92,825

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 12, 2022

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	
		2021	2020
Revenue from operations	2.16	15,48,53,069	17,17,94,701
Other income, net	2.17	(2,51,14,217)	–
Total income		12,97,38,852	17,17,94,701
Expenses			
Employee benefit expenses	2.18	11,06,27,554	9,62,66,859
Cost of technical sub-contractors		1,95,88,924	42,18,075
Travel expenses		25,05,799	16,19,946
Communication expenses		11,62,049	10,93,520
Consultancy and professional charges		1,38,02,969	1,60,98,121
Depreciation expense	2.1	67,80,316	88,07,735
Finance cost		42,77,666	9,73,603
Other expenses	2.18	2,55,33,774	6,98,01,672
Total expenses		18,42,79,051	19,88,79,531
Profit/ (loss) before tax		(5,45,40,199)	(2,70,84,830)
Tax expense			
Current tax	2.15	99,52,896	(85,65,928)
Deferred tax	2.15	(90,04,576)	(1,32,43,653)
Profit/ (loss) for the year		(5,54,88,519)	(52,75,249)
Other comprehensive income / (loss)			
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation		(59,08,624)	37,10,145
Total other comprehensive income / (loss), net of tax		(59,08,624)	37,10,145
Total comprehensive income / (loss) for the year		(6,13,97,143)	(15,65,104)
Earnings per equity share			
Equity shares of par value ARS 100/- each			
Basic and diluted (₹)		(220.55)	(20.97)
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

Date: May 12, 2022

for and on behalf of the Board of Directors of Infosys Consulting S.R.L

Martin De Pablo
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	
		Securities premium reserve	Retained earnings	Exchange difference on translation	
Balance as of January 1, 2020	7,43,28,400	–	(6,99,47,307)	1,09,88,092	1,53,69,185
Adjustments on adoption of Ind-AS 116	–	–	70,99,830	–	70,99,830
	7,43,28,400	–	(6,28,47,477)	1,09,88,092	2,24,69,015
Changes in equity for the year ended December 31, 2020					
Equity share capital infused	3,08,52,800	1,46,59,703	(1,74,80,000)	–	2,80,32,503
Exchange differences on translation	–	–	–	37,10,145	37,10,145
Profit for the year	–	–	(52,75,249)	–	(52,75,249)
Balance as of December 31, 2020	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					
Equity share capital infused	–	–	–	–	–
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)

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 Consulting S.R.L

For Shenoy & Kamath
Chartered Accountants
Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Martin De Pablo
Director

Place: Bengaluru

Date: May 12, 2022

Statements of Cash Flows

in ₹

Particulars	Note No.	Year ended December 31	
		2021	2020
Cash flows from operating activities			
Profit / (loss) for the year		(5,54,88,519)	(52,75,249)
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation and amortization expense	2.1 & 2.19	67,80,316	88,07,735
Income tax expense	2.15	9,48,320	(2,18,09,581)
Impairment loss recognized / (reversed) under expected credit loss model		(10,807)	4,24,687
Finance cost		42,77,666	9,73,603
Provision for post-sales client support and warranties		(2,79,106)	1,34,681
Exchange differences on translation of assets and liabilities		19,04,387	2,57,95,458
Changes in assets and liabilities			
Trade receivables and unbilled revenue		5,54,428	(6,83,729)
Other financial assets and other assets		(18,11,16,188)	1,30,86,968
Trade payables		29,58,722	86,86,916
Other financial liabilities, other liabilities and provisions		(1,58,54,202)	(1,94,19,498)
Cash generated from operations		(23,53,24,983)	1,07,21,991
Income taxes (paid) / refunded	2.15	(53,33,599)	(1,02,59,980)
Net cash generated by operating activities		(24,06,58,582)	4,62,011
Cash flow from investing activities			
Proceeds on sale of property, plant and equipment		–	6,85,589
Loans recovered from employees		6,300	13,860
Net cash from / (used in) investing activities		6,300	6,99,449
Cash flow from financing activities			
Receipts from revenue deals		16,58,79,932	–
Payment of lease liabilities		(1,00,35,718)	(1,03,06,053)
Proceeds from loans		27,46,42,746	–
Interest and finance expenses paid		(41,40,046)	(5,80,434)
Net cash from financing activities		42,63,46,914	(1,08,86,487)
Net increase / (decrease) in cash and cash equivalents		18,56,94,632	(97,25,027)
Cash and cash equivalents at the beginning of the year	2.5	2,81,80,489	3,79,05,516
Cash and cash equivalents at the end of the year	2.5	21,38,75,121	2,81,80,489

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 Consulting S.R.L

M. Rathnakar Kamath
Partner
Membership Number: 202841

Martin De Pablo
Director

Place: Bengaluru

Date: May 12, 2022

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 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 catchup transition method, applied to contracts that were not completed as at Jan 1, 2019. In accordance with the cumulative catchup 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 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 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 catchup 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 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 5 years	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 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 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.

1.14 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 Estimation of uncertainties relating to the global health pandemic from 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 nonfinancial 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 related information and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements

2.1 Property, plant and equipment

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	–	–	–	–	–	–
Deletions	–	–	–	–	–	–
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

The changes in the carrying value of property, plant and equipment for the year ended December 31, 2020 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, 2020	21,672	1,46,789	14,31,889	17,66,728	75,82,818	1,09,49,896
Additions/ adjustments	–	–	–	–	–	–
Deletions	(28,806)	–	(5,78,875)	(77,908)	–	(6,85,589)
Translation difference	22,846	(40,367)	8,10,702	(4,42,881)	(20,85,275)	(17,34,975)
Gross carrying value as of December 31, 2020	15,712	1,06,422	16,63,716	12,45,939	54,97,543	85,29,332
Accumulated depreciation as of January 1, 2020	(3,020)	(41,596)	(9,60,599)	(5,89,089)	(28,64,316)	(44,58,620)
Depreciation	(3,846)	(26,036)	(3,94,136)	(2,96,306)	(24,44,826)	(31,65,150)
Accumulated depreciation on deletions	–	–	–	32,606	–	32,606
Translation difference	1,526	16,147	3,30,353	2,39,333	12,29,790	18,17,149
Accumulated depreciation as of December 31, 2020	(5,340)	(51,485)	(10,24,382)	(6,13,456)	(40,79,352)	(57,74,015)
Carrying value as of December 31, 2020	10,372	54,937	6,39,334	6,32,483	14,18,191	27,55,317
Carrying value as of January 1, 2020	18,652	1,05,193	4,71,290	11,77,639	47,18,502	64,91,276

2.2 Loans

in ₹

Particulars	As at December 31	
	2021	2020
Current		
Loans to employees	30,240	36,540
Total current loans	30,240	36,540

2.3 Other financial assets

in ₹

Particulars	As at December 31	
	2021	2020
Current		
Security deposits [(1)]	9,11,218	9,15,424
Unbilled Revenues[(1)]	2,65,70,749	57,98,801
Others [(1)(2)]	16,30,366	2,79,426
Total current other financial assets	2,91,12,333	69,93,651
[(1)] Financial assets carried at amortized cost	2,91,12,333	69,93,651
[(2)] Includes dues from related party (Refer to Note 2.20)	8,97,292	-

2.4 Trade receivables

in ₹

Particulars	As at December 31	
	2021	2020
Current		
Unsecured		
Considered good [(1)]	7,57,13,802	7,62,57,423
Considered doubtful	2,10,563	3,26,877
	7,59,24,365	7,65,84,300
Less: Allowances for credit losses	(2,10,563)	(3,26,877)
Total trade receivables	7,57,13,802	7,62,57,423
[(1)] Includes dues from related parties (Refer to Note No.2.20)	5,82,96,560	3,11,89,157

2.5 Cash and cash equivalents

in ₹

Particulars	As at December 31	
	2021	2020
Balances with banks		
In current and deposit accounts	21,38,33,537	2,81,36,573
Cash on hand	41,584	43,916
Total cash and cash equivalents	21,38,75,121	2,81,80,489

2.6 Other assets

in ₹

Particulars	As at December 31	
	2021	2020
Current		
Others		
Prepaid expenses	25,352	30,363
Deferred contract cost	5,63,69,679	–
Advance for supply of goods and rendering of services	1,07,095	–
Unbilled revenues	638	771
Withholding taxes and others	3,05,72,102	2,20,52,253
Total current other assets	8,70,74,866	2,20,83,387
Non-current		
Others		
Deferred contract cost	9,40,06,027	–
Total Non-current other assets	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, 2021 and December 31, 2020 were as follows:

in ₹

Particulars	As at December 31	
	2021	2020
Assets		
Cash and cash equivalents (Refer to Note 2.5)	21,38,75,121	2,81,80,489
Trade receivables (Refer to Note 2.4)	7,57,13,802	7,62,57,423
Loans (Refer to Note 2.2)	30,240	36,540
Other financial assets (Refer to Note 2.3)	2,91,12,333	69,93,651
Total	31,87,31,496	11,14,68,103
Liabilities		
Trade payables (Refer to Note 2.11)	8,19,20,921	7,89,62,199
Borrowings (Refer to Note 2.9)	27,46,42,746	–
Lease Liability (Refer to Note 2.19)	62,35,184	–
Other financial liabilities (Refer to Note 2.12)	6,76,16,289	1,83,29,165
Total	43,04,15,140	9,72,91,364

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 ₹ 75,713,802 and ₹ 76,257,423 as of December 31, 2021 and December 31, 2020, and unbilled revenue amounting to ₹ 26,571,387 and ₹ 57,99,572 as of December 31, 2021 and December 31, 2020. 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, 2021, was (₹ 10,807) and allowance for year ended December 31, 2020, was ₹424,687.

in ₹

Particulars	Year ended December 31,	
	2021	2020
Balance at the beginning	(3,26,877)	(13,009)
Impairment loss recognized / (reversed)	(10,807)	4,24,687
Translation differences	1,27,121	(7,38,555)
Balance at the end	(2,10,563)	(3,26,877)

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, 2021, the Company had a working capital of ₹231,545,855 including cash and cash equivalents of ₹ 213,875,121. As of December 31, 2020, the Company had a negative working capital of ₹ 25,36,536 including cash and cash equivalents of ₹ 28,180,488. As of December 31, 2021 and December 31, 2020, the outstanding compensated absences were ₹ 9,790,183 and ₹ 7,226,294 respectively.

The details regarding the contractual maturities of significant financial liabilities as at December 31, 2021 are as follows:

in ₹

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade Payables (Refer to Note 2.11)	8,19,20,921	–	–	–	8,19,20,921
Other financial liabilities (Refer to Note 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 2.12)	45,82,228	–	–	–	45,82,228
Accrued compensation to employees (Refer to Note 2.12)	89,94,316	–	–	–	89,94,316
Other payables (Refer to Note 2.12)	22,73,759	–	–	–	22,73,759

The details regarding the contractual maturities of significant financial liabilities as at December 31, 2020 are as follows:

in ₹

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade Payables (Refer to Note 2.11)	7,89,62,199	–	–	–	7,89,62,199
Accrued expenses (Refer to Note 2.12)	99,95,464	–	–	–	99,95,464
Accrued compensation to employees (Refer to Note 2.12)	54,47,476	–	–	–	54,47,476
Other payables (Refer to Note 2.12)	28,86,225	–	–	–	28,86,225

2.8 Equity

Equity share capital

Particulars	As at December 31,	
	2021	2020
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, 2021 and December 31, 2020 are as follows:

in ₹, except as otherwise stated

Name of the shareholder	As at December 31, 2021		As at December 31, 2020	
	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, 2021 and December 31, 2020 is as follows:

in ₹, except as otherwise stated

Particulars	As at December 31, 2021		As at December 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Number of shares at the beginning of the period	3,00,000	10,51,81,200	88,600	7,43,28,400
Issue of Shares during the year [(1)]	–	–	2,11,400	3,08,52,800
Number of shares at the end of the period	3,00,000	10,51,81,200	3,00,000	10,51,81,200

(1) Shares issued during the year 2020 include 119,400 shares on conversion of loan (Refer to Note 2.9) and 92,000 shares against share application money which was pending for allotment in the previous year.

2.9 Borrowings

in ₹

Particulars	As at December 31,	
	2021	2020
Non Current		
Unsecured Loan from Parent Company (refer to note 2.20)*	27,46,42,746	–
Total current borrowings	27,46,42,746	–

During the year ended December 31, 2020, loan of ₹ 28,032,503 was converted into equity shares.

* Unsecured loan of US$ 3,700,000 (December 31, 2021: equivalent to ₹ 27,50,58,000) from Infosys Consulting Holding AG in 2021 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 1.25% Per annum).

2.10 Non- current liabilities - other financial liabilities

in ₹

Particulars	As at December 31,	
	2021	2020
Financial liability – under revenue deals	11,41,13,946	–
Total current other financial liabilities	11,41,13,946	–
Financial liability carried at amortized cost	11,41,13,946	–

2.11 Trade payables

in ₹

Particulars	As at December 31,	
	2021	2020
Trade payables *	8,19,20,921	7,89,62,199
Total trade payables	8,19,20,921	7,89,62,199
*Includes dues to related parties (Refer to Note 2.20)	8,16,07,780	7,77,21,781

2.12 Other financial liabilities

in ₹

Particulars	As at December 31,	
	2021	2020
Current		
Others		
Accrued compensation to employees	89,94,316	54,47,476
Accrued expenses [1]	45,82,228	99,95,464
Compensated absences	97,90,183	72,26,294
Financial liability – under revenue deals	5,17,65,986	–
Other payables [2]	22,73,759	28,86,225
Total current other financial liabilities	7,74,06,472	2,55,55,459
Financial liability carried at amortized cost	6,76,16,289	1,83,29,165
[2] Includes dues to related parties (Refer to Note 2.20)	22,73,759	28,74,904

2.13 Other liabilities

in ₹

Particulars	As at December 31,	
	2021	2020
Current		
Unearned revenue	16,23,569	1,24,08,161
Others		
Withholding taxes and others	72,11,562	1,23,66,199
Total current other liabilities	88,35,131	2,47,74,360

2.14 Provisions

in ₹

Particulars	As at December 31,	
	2021	2020
Current		
Others		
Post-sales client support	–	2,96,276
Total current provisions	–	2,96,276

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,	
	2021	2020
Balance at the beginning	2,96,276	1,78,982
Provision recognized / (reversed)	(2,79,106)	1,34,681
Exchange difference	(17,170)	(17,387)
Balance at the end	–	2,96,276

Provision for post-sales client support 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	Year ended December 31,	
	2021	2020
Current taxes	99,52,896	(85,65,928)
Deferred taxes	(90,04,576)	(1,32,43,653)
Income tax expense	9,48,320	(2,18,09,581)

Current tax expense for the years ended December 31, 2021 and December 31, 2020 includes provisions (net of reversals) amounting to provision of ₹6,815,580 and reversal of ₹ 9,846,645 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,	
	2021	2020
Profit / (loss) before income tax	(5,45,40,199)	(2,70,84,830)
Enacted tax rates in Argentina (%)	25.00%	30.00%
Computed expected tax expense	(1,36,35,050)	(81,25,449)
Tax provisions / (reversals)	68,15,580	(98,46,645)
Minimum tax (includes tax on equity)	–	2,39,560
Overseas taxes	26,79,607	–
Effect of unrecognized deferred tax assets	67,76,400	(40,60,320)
Effect of non-deductible expenses	(14,10,738)	(3,25,861)
Others	(2,77,479)	3,09,134
Income tax expense	9,48,320	(2,18,09,581)

The applicable Argentina statutory tax rate for year ended December 31, 2021 is 25% and tax rate for the year ended December 31, 2020 is 30%.

The details of income tax assets and income tax liabilities are as follows :

in ₹

Particulars	Year ended December 31,	
	2021	2020
Income tax assets	1,22,37,506	1,68,56,803
Current income tax liabilities	–	–
Net current income tax assets / (liability) at the end	1,22,37,506	1,68,56,803

The gross movement in the current income tax asset / (liability) is as follows:

in ₹

Particulars	Year ended December 31,	
	2021	2020
Net current income tax asset / (liability) at the beginning	1,68,56,803	(19,69,105)
Income tax paid	53,33,599	1,02,59,980
Current income tax expense (Refer to Note 2.15)	(99,52,896)	85,65,928
Net current income tax asset / (liability) at the end	1,22,37,506	1,68,56,803

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,	
	2021	2020
Deferred income tax assets		
Accrued compensation to employees	22,48,579	16,34,243
Trade receivables	52,641	98,063
Others	2,90,50,524	2,65,18,890
Total deferred income tax assets	3,13,51,744	2,82,51,196
Deferred income tax liabilities		
Others	–	1,68,385
Total deferred income tax liabilities	–	1,68,385
Deferred income tax assets after set off	3,13,51,744	2,80,82,811

The gross movement in the deferred income tax account for the year(s) ended December 31, 2021 and December 31, 2020, are (is) as follows:

in ₹

Particulars	As at December 31,	
	2021	2020
Net deferred income tax asset at the beginning	2,80,82,811	2,29,64,796
Translation differences	(57,35,643)	(81,25,638)
Credits / (charge) relating to temporary differences	90,04,576	1,32,43,653
Net deferred income tax asset at the end	3,13,51,744	2,80,82,811

The charge relating to temporary differences during the year ended December 31, 2021 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, 2020 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.

2.16 Revenue from operations

in ₹

Particulars	Year ended December 31,	
	2021	2020
Income from consultancy services	15,48,53,069	17,17,94,701
Total revenue from operations	15,48,53,069	17,17,94,701

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by offerings for the year ended 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 ₹

Particulars	Year ended December 31,	
	2021	2020
Revenue by offerings		
Core	14,33,93,942	17,17,94,701
Digital	1,14,59,127	–
Total	15,48,53,069	17,17,94,701

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, 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, 2020, the Company recognized revenue of ₹21,240,115 arising from opening unearned revenue as of January 1, 2020.

During the year ended December 31, 2021, ₹780 of unbilled revenue pertaining to fixed price development contracts as of January 1, 2021, 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, 2021, 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.

2.17 Other income

in ₹

Particulars	Year ended December 31,	
	2021	2020
Interest received on financial assets carried at amortized cost		
Interest income on prepaid contract cost	30,97,291	–
Exchange gains / (losses) on translation of assets and liabilities	(2,82,11,508)	–
	(2,51,14,217)	–

2.18 Expenses

in ₹

Particulars	Year ended December 31,	
	2021	2020
Employee benefit expenses		
Salaries including bonus	11,06,17,182	9,62,66,859
Staff welfare	10,372	–
Total employee benefit expenses	11,06,27,554	9,62,66,859

in ₹

Particulars	Year ended December 31,	
	2021	2020
Other expenses		
Brand and marketing	9,359	14,929
Operating lease payments	6,08,149	3,47,695
Rates and taxes	1,37,17,834	66,59,086
Repairs and maintenance	6,79,971	3,08,907
Insurance	12,46,177	45,39,267
Provision / (reversal) for post-sales client support and warranties	(2,79,106)	1,34,681
Cost of software packages and others	22,56,667	–
Allowances for credit losses on financial assets (reversals)	(10,807)	4,24,687
Statutory audit fees	–	(94,500)
Bank charges	38,80,557	12,11,540
Others	34,24,973	5,62,55,380
Total other expenses	2,55,33,774	6,98,01,672

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 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.

Transition

Effective January 1, 2020, the Company adopted Ind-AS 116, Leases and applied the standard to all lease contracts existing on January 1, 2020 using the modified retrospective method. On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 11,316,627, and a lease liability of ₹18,416,457. The cumulative effect of applying the standard, amounting to ₹70,99,830 was debited to retained earnings, net of taxes. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share.

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

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
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

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

in ₹

Particulars	Category of ROU asset	Total
	Buildings	
Balance as of January 1, 2020	1,13,16,627	1,13,16,627
Translation difference	(18,63,417)	(18,63,417)
Depreciation	(56,75,191)	(56,75,191)
Balance as of December 31, 2020	37,78,019	37,78,019

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:

in ₹

Particulars	As at December 31	
	2021	2020
Current lease liabilities	62,35,184	64,99,732
Non-current lease liabilities	–	–
Total	62,35,184	64,99,732

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

in ₹

Particulars	For the year ended December 31,	
	2021	2020
Balance at the beginning	64,99,732	1,84,16,457
Additions	85,00,061	–
Finance cost accrued during the period	1,37,620	3,93,169
Payment of lease liabilities	(1,00,35,718)	(1,03,06,053)
Translation Difference	11,33,489	(20,03,841)
Balance at the end	62,35,184	64,99,732

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

in ₹

Particulars	As at December 31,	
	2021	2020
Less than one year	64,76,501	78,59,332
One to five years	–	–
More than five years	–	–
Total	64,76,501	78,59,332

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 ₹608,149 and ₹347,695 for the year ended December 31,2021 and December 31,2020

2.20Related party transactions

List of holding companies

Name of the holding company	Country	Holding as at December 31,	
		2021	2020
Infosys Consulting Holding AG (Infosys Lodestone)	Switzerland	98.17%	98.17%

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)	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
Infosys Austria GmbH	Austria
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 (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.
Brilliant Basics (MENA) DMCC(7)(22)	Dubai
Infosys Consulting Pte Limited (Infosys Singapore)	Singapore

Name of fellow 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
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 fellow 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 Turkey Bilgi Teknolojikeri Limited Sirketi[(1)(41)]	Turkey
Infosys Germany Holding Gmbh[(1)(44)]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[(1)(45)]	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) Wholly-owned subsidiary of Stater Duitsland B.V.

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

(15) Liquidated effective January 28, 2021.

(16) On March 13, 2020, Infosys Nova Holdings LLC, acquired 100% of the voting interests in Outbox Systems Inc.

(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) On February 20, 2020, Infosys Poland, Sp z.o.o, acquired 100% of the voting interests in Infosys Consulting Sp. z.o.o from Infosys Consulting Holding AG

(22) Liquidated effective July 17, 2020

(23) On June 1, 2020, Fluido Oy, acquired 100% of the voting interests in Infosys Fluido U.K,Ltd (formerly Simplus U.K, Ltd)

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

(25) Incorporated effective September 11, 2020.

(26) On October 1, 2020, Infy Consulting Company Limited acquired 100% of voting interests in GuideVision s.r.o

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

(28) On October 9, 2020, Infosys Nova Holdings LLC, acquired 100% voting interest in Kaleidoscope Animations, Inc.

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

(30) Merged with Infosys Poland Sp. z.o.o, effective October 21, 2020

(31) On October 27, 2020, Infosys Nova Holding LLC, a wholly-owned subsidiary of Infosys Limited, acquired 100% voting interest in Blue Acorn iCi Inc (formerly Beringer Commerce Inc) and Beringer Capital Digital Group Inc

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

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

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

(35) Liquidated effective November 19,2020

(36) Incorporated, effective December 9, 2020

(37) Merged into Fluido Sweden AB (Extero), effective December 18, 2020

(38) Merged into Stater Duitsland B.V., effective December 18, 2020

(39) Merged with Stater N.V., effective December 23, 2020

(40) On December 29, 2020, Stater Participation B.V acquired non-controlling interest of 28.01% of the voting interests in Stater Belgium NV/SA

(41) Incorporated on December 30, 2020.

(42) Under liquidation

(43) Liquidated effective March 9,2021

(44) Incorporated on March 23, 2021

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

(46) Liquidated effective April 27,2021

(47) Incorporated on August 4, 2021

(48) Liquidated effective July 20, 2021

(49) Liquidated effective September 1, 2021

(50) Liquidated effective September 2, 2021

(51) Incorporated on August 31, 2021

(52) On December 14, 2021, Infosys Consulting Pte Limited, a wholly owned subsidiary of Infosys Limited acquired 100% of voting interests in Global Enterprise International (Malaysia) Sdn. Bhd.

(53) Liquidated effective December 16, 2021

(54) Liquidated effective November 23, 2021

(55) Wholly-owned subsidiary of Infosys Limited, merged with WONGDOODY Inc, effective December 31, 2021

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

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

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

in ₹

Particulars	As at December 31	
	2021	2020
Trade receivables		
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)	36,56,438	11,81,319
Infy Consulting Company Limited	5,36,18,486	2,43,66,301
Infosys Consulting Ltda	10,21,636	56,41,537
	5,82,96,560	3,11,89,157
Borrowings		
Infosys Consulting Holding AG	27,46,42,746	–
	27,46,42,746	–
Trade payables		
Infosys Consulting Ltda.	1,995	2,125
Infosys Consulting AG	2,00,15,883	1,69,84,177
Infosys Consulting GmbH	1,41,096	1,51,677
Infosys Technologies S. de R. L. de C. V.	67,54,396	69,06,200
Infy Consulting B.V	22,78,890	14,57,404
Infy Consulting Company Limited	5,24,15,520	5,22,20,198
	8,16,07,780	7,77,21,781
Other Financial Liabilities		
Infosys Consulting AG	–	6,07,528
Infosys Consulting Holding AG	45,782	46,961
Infy Consulting B.V.	–	92,379
Infosys Limited	22,27,977	21,28,036
	22,73,759	28,74,904
Other Financial assets		
Infosys Consulting AG	60,071	–
Infy Consulting B.V.	8,37,221	–
	8,97,292	–

The details of related party transactions, entered into by the Company, are as follows:

in ₹

Particulars	For the year ended December 31	
	2021	2020
Capital transactions		
Financing transactions		
Borrowings, net of repayment		
Infosys Consulting Holding AG[(1)]	27,41,76,755	(2,80,32,503)
	27,41,76,755	(2,80,32,503)
Revenue transactions		
Purchase of services, shared facilities and personnel		
Infosys Consulting AG	28,01,895	32,94,095
Infy Consulting B.V.	1,246	11,17,555
Infosys Limited	1,09,953	–
Infy Consulting Company Limited	1,35,850	1,33,931
	30,48,944	45,45,581
Sale of services		
Infosys Technologia DO Brasil LTDA	1,88,14,743	2,15,15,912
Infosys Technologies S. de R. L. de C. V.	30,06,411	12,22,054
Infy Consulting Company Limited	2,98,84,518	1,67,09,720
	5,17,05,672	3,94,47,686

[(1)] Includes interest.

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.

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Panaya GmbH

Independent Auditor's Report

To the Members of Panaya GmbH

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Panaya GmbH ("the Company"), which comprise the Balance Sheet as at December 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). 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, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's Responsibilities for the Special Purpose Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

M Rathnakar Kamath
Partner
Membership Number: 202841

UDIN: 22202841AIUHKJ7149

Place: Bengaluru

Date: May 11, 2022

Balance Sheet

in ₹

Particulars	Note No.	As at December 31	
		2021	2020
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	921	982
Total non-current assets		921	982
Current assets			
Financial assets			
Trade receivables	2.2	56,95,97,513	62,03,95,917
Cash and cash equivalents	2.3	9,04,59,945	3,13,28,866
Other financial assets	2.4	7,38,49,297	8,53,62,244
Other current assets	2.5	5,19,540	7,55,813
Total current assets		73,44,26,295	73,78,42,840
Total assets		73,44,27,216	73,78,43,822
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.6	18,12,750	18,12,750
Other equity		(1,38,29,362)	(1,70,33,730)
Total equity		(1,20,16,612)	(1,52,20,980)
LIABILITIES			
Current liabilities			
Financial liabilities			
Trade payables	2.7	64,71,69,705	67,75,17,165
Other financial liabilities	2.8	1,17,04,416	1,15,19,918
Other liabilities	2.9	8,75,69,707	6,40,27,719
Total current liabilities		74,64,43,828	75,30,64,802
Total equity and liabilities		73,44,27,216	73,78,43,822

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 11,2022

for and on behalf of Board of Directors of Panaya GmbH

David Binny
Director

Statement of Profit and Loss

in ₹

Particulars	Note No	Year ended December 31	
		2021	2020
Revenue from operations	2.11	8,71,34,971	8,18,55,534
Total income		8,71,34,971	8,18,55,534
Expenses			
Employee benefit expenses	2.12	6,83,23,622	5,87,59,229
Cost of technical sub-contractors		1,18,55,946	1,40,82,730
Travel expenses		28,785	16,81,009
Communication expenses		2,81,290	3,15,592
Consultancy and professional charges		30,53,465	16,14,318
Depreciation expense	2.1	–	43,973
Other expenses	2.12	10,81,273	29,35,151
Total expenses		8,46,24,382	7,94,32,002
Profit before tax		25,10,589	24,23,532
Tax expense:			
Current tax	2.10	–	–
Profit for the year		25,10,589	24,23,532
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation		6,93,779	(21,03,118)
Total other comprehensive income / (loss), net of tax		6,93,779	(21,03,118)
Total comprehensive income for the year		32,04,368	3,20,414
Earnings per equity share			
Equity shares of par value € 25,000/- each			
Basic & Diluted		3,204,368	320,414
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 Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

for and on behalf of Board of Directors of Panaya GmbH

David Binny
Director

Place: Bengaluru

Date: May 11,2022

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, 2020	18,12,750	5,21,612	(1,28,82,008)	(49,93,748)	(1,55,41,394)
Changes in equity for the year ended December 31, 2020					
Profit for the year	–	–	24,23,532	–	24,23,532
Exchange differences on translation	–	–	–	(21,03,118)	(21,03,118)
Balance as of December 31, 2020	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)

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 11,2022

for and on behalf of Board of Directors of Panaya GmbH

David Binny
Director

Statement of Cash Flows

in ₹

Particulars	Year ended December 31	
	2021	2020
Cash flow from operating activities:		
Profit for the year	25,10,589	24,23,532
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation	–	43,973
Other adjustments	60	(984)
Exchange differences on translation of assets and liabilities	6,93,779	(21,03,118)
Changes in assets and liabilities		
Trade receivables	5,07,98,404	(7,82,45,712)
Other financial assets and other assets	1,17,49,220	2,24,55,917
Trade payables	(3,03,47,460)	8,54,54,455
Other financial liabilities and other liabilities	2,37,26,486	(58,79,965)
Net cash generated by operating activities	5,91,31,078	2,41,48,096
Cash flow from investing activities:		
Net cash from investing activities	–	–
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	5,91,31,078	2,41,48,096
Cash and cash equivalents at the beginning of the year	3,13,28,867	71,80,770
Cash and cash equivalents at the end of the year	9,04,59,945	3,13,28,867

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 11,2022

for and on behalf of Board of Directors of Panaya GmbH

David Binny
Director

Significant Accounting Policies

Company overview

Panaya GmbH ('the Company') 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.

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 nonfinancial 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, used related information and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

1.5 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 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 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 catchup 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 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, 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

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

in ₹

Particulars	Computer equipment	Furniture and fixtures	Total
Gross carrying value as of January 1, 2020	21,15,528	1,01,767	22,17,295
Additions	–	–	–
Deletions	–	–	–
Translation Differences	2,54,603	12,248	2,66,850
Gross carrying value as of December 31, 2020	23,70,130	1,14,015	24,84,145
Accumulated depreciation as of January 1, 2020	(20,71,798)	(1,01,527)	(21,73,324)
Depreciation	(43,973)	–	(43,973)
Accumulated depreciation on deletions	–	–	–
Translation Differences	(2,53,647)	(12,219)	(2,65,866)
Accumulated depreciation as of December 31, 2020	(23,69,418)	(1,13,745)	(24,83,163)
Carrying value as of December 31, 2020	713	269	982
Carrying value as of January 1, 2020	43,730	240	43,970

2.2 Trade receivables

in ₹

Particulars	As at December 31, 2021	2020
Current		
Unsecured		
Considered good [1]	56,95,97,513	62,03,95,917
Total trade receivables	56,95,97,513	62,03,95,917
[1] Includes dues from related parties (Refer to Note 2.15)	56,95,97,513	54,17,33,089

2.3 Cash and cash equivalents

in ₹

Particulars	As at December 31, 2021	2020
Balances with banks		
In current accounts	9,04,59,945	3,13,28,866
Total cash and cash equivalents	9,04,59,945	3,13,28,866

2.4 Other financial assets

in ₹

Particulars	As at December 31, 2021	2020
Current		
Others [1]	7,38,49,297	8,53,62,244
Total current other financial assets	7,38,49,297	8,53,62,244
Financial assets carried at amortized cost	7,38,49,297	8,53,62,244
[1] Includes dues from related parties (Refer to Note 2.15)	7,38,49,297	8,53,62,244

2.5 Other assets

in ₹

Particulars	As at December 31, 2021	2020
Current		
Withholding taxes and others	519,540	755,813
Total current other assets	519,540	755,813

2.6 Equity

Equity share capital

in ₹

Particulars	As at December 31, 2021	2020
Authorized		
Equity share capital (1 Equity share of par value € 25,000 each)	1,812,750	1,812,750
Issued, Subscribed and Paid-Up (wholly owned by Panaya Inc.)		
Equity share capital (1 Equity share of par value € 25,000 each)	1,812,750	1,812,750
Total Equity share capital	1,812,750	1,812,750

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

Name of the shareholder	As at December 31 2021	2020
Panaya Inc	100%	100%

2.7 Trade payables

in ₹

Particulars	As at December 31, 2021	2020
Trade payables [1]	64,71,69,705	67,75,17,165
Total trade payables	64,71,69,705	67,75,17,165
[1] Includes dues to related parties (Refer to Note 2.15)	64,71,69,705	67,75,03,571

2.8 Other financial liabilities

in ₹

Particulars	As at December 31, 2021	2020
Current		
Accrued compensation to employees[1]	67,11,686	78,01,012
Accrued expenses[1]	14,10,348	9,45,501
Compensated absences	35,82,382	27,53,133
Other payables[1]	–	20,272
Total current other financial liabilities	1,17,04,416	1,15,19,918
[1] Financial liability carried at amortized cost	81,22,034	87,66,785

2.9 Other liabilities

in ₹

Particulars	As at December 31, 2021	2020
Current		
Withholding and other taxes payable	5,50,029	15,41,757
Unearned revenue	8,70,19,678	6,24,85,962
Total current other liabilities	8,75,69,707	6,40,27,719

2.10 Income taxes

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

in ₹

Particulars	As at December 31, 2021	2020
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 summarized as follows:

in ₹

Particulars	As at December 31,	
	2021	2020
Profit before income taxes	25,10,589	24,23,532
Enacted tax rates in Germany	32.50%	32.50%
Computed expected tax expense	8,15,941	7,87,648
Effect of unrecognized deferred tax assets	(8,15,941)	(7,87,648)
Income tax expense	–	–

The applicable statutory tax rate in Germany for years ending December 31, 2021, and December 31, 2020, is 32.50%.

2.11 Revenue from operations

in ₹

Particulars	Year ended December 31	
	2021	2020
Revenue from products and platforms	8,71,34,971	8,18,55,534
Total revenue from operations	8,71,34,971	8,18,55,534

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, 2021, the Company recognized revenue of ₹ 5,08,64,222 arising from opening unearned revenue as of January 1, 2021.

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, 2021, other than those meeting the exclusion criteria mentioned above, is ₹6,20,10,967. Out of this, the Group expects to recognize revenue of around 48% 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 table below presents disaggregated revenues from contracts with customers for the year ended December 31, 2021 and December 31, 2020 by geography.

in ₹

Particulars	Year ended December 31,	
	2021	2020
Revenues by geography [1]		
EMEA	8,71,34,971	8,18,55,534
Total revenue	8,71,34,971	8,18,55,534

[1] Geographical revenue is based on the domicile of customer

2.12 Expenses

in ₹

Particulars	Year ended December 31	
	2021	2020
Employee benefit expenses		
Salaries including bonus	6,82,10,433	5,85,67,473
Staff welfare	1,13,190	1,91,757
Total employee benefit expenses	6,83,23,622	5,87,59,229

in ₹

Particulars	Year ended December 31	
	2021	2020
Other expenses		
Repairs and maintenance	39,508	9,627
Brand and marketing	2,61,660	6,16,039
Operating lease payments	35,702	16,49,415
Rates and taxes	6,976	–
Insurance	2,06,596	1,58,326
Others	5,30,832	5,01,744
Total other expenses	10,81,273	29,35,151

2.14 Financial instruments

Financial instruments by category

The carrying value of financial instruments as of December 31, 2021, and December 31, 2020, are as follows:

in ₹

Particulars	Carrying value as on December 31	
	2021	2020
Assets:		
Cash and cash equivalents (Refer to Note 2.3)	9,04,59,945	3,13,28,866
Trade receivables (Refer to Note 2.2)	56,95,97,513	62,03,95,917
Other financial assets (Refer to Note 2.4)	7,38,49,297	8,53,62,244
Total	73,39,06,755	73,70,87,027
Liabilities:		
Trade payables (Refer to Note 2.7)	64,71,69,705	67,75,17,165
Other financial liabilities (Refer to Note 2.8)	81,22,034	87,66,785
Total	65,52,91,739	68,62,83,950

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 ₹ 569,597,513 and ₹ 620,395,917 as of December 31, 2021, and December 31, 2020, 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	Year ended December 31,	
	2021	2020
Revenue from top customer	15.5%	14.6%
Revenue from top five customers	53.7%	52.5%

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended December 31, 2021 and December 31, 2020 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 ₹ -1,20,17,534 including cash and cash equivalents of ₹ 9,04,59,947. As of December 31, 2020, the Company had a working capital of ₹ -1,52,21,963 including cash and cash equivalents of ₹ 3,13,28,866.

As of December 31, 2021, and December 31, 2020, the outstanding compensated absences were ₹ 35,82,382 and ₹ 27,53,133 respectively.

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

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

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

in ₹

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	67,75,17,165	–	–	–	67,75,17,165
Other financial liabilities	87,66,785	–	–	–	87,66,785

2.15 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)	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)	US
EdgeVerve Systems Limited (EdgeVerve)	India
Infosys Austria GmbH	Austria
Skava Systems Private Limited (Skava Systems)[42]	India
Kallidus Inc, (Kallidus)[43]	US
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)	US
Infosys Public Services, Inc. USA (Infosys Public Services)	US
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]	US
Portland Group Pty Ltd[3]	Australia
Infosys BPO Americas LLC.[3]	US
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

Name of fellow subsidiaries	Country
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]	UK
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)	US
Panaya Ltd.[6]	Israel
Panaya GmbH[6]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)	UK
Brilliant Basics Limited[7]	UK
Brilliant Basics (MENA) DMCC[7][22]	Dubai
Infosys Consulting Pte. Ltd. (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]	US
WDW Communications, Inc[10][56]	US
WONGDOODY, Inc[10][57]	US
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]	US
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]	UK

Name of fellow subsidiaries	Country
Infosys Fluido UK, Ltd. (formerly Simplus UK, Ltd)[23]	UK
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[24]	Ireland
Infosys Limited Bulgaria EOOD[1][25]	Bulgaria
Kaleidoscope Animations, Inc.[28]	US
Kaleidoscope Prototyping LLC[29]	US
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]	UK
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[31]	US
Beringer Capital Digital Group Inc[31]	US
Mediotype LLC[32]	US
Beringer Commerce Holdings LLC[32]	US
SureSource LLC[33]	US
Blue Acorn LLC[33]	US
Simply Commerce LLC[33]	US
iCiDIGITAL LLC[34]	US
Infosys BPM UK Limited[3][36]	UK
Infosys Turkey Bilgi Teknolojikeri Limited Sirketi[1][41]	Turkey
Infosys Germany Holding Gmbh[1][44]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1][45]	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) Wholly-owned subsidiary of Stater Duitsland B.V.
(14) Majority-owned and controlled subsidiary of Stater Participations B.V.
(15) Liquidated effective January 28, 2021
(16) On March 13, 2020, Infosys Nova Holdings LLC, acquired 100% of the voting interests in Outbox Systems Inc.
(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) On February 20, 2020, Infosys Poland, Sp z.o.o, acquired 100% of the voting interests in Infosys Consulting Sp. z.o.o from Infosys Consulting Holding AG
(22) Liquidated effective July 17, 2020
(23) On June 1, 2020, Fluido Oy, acquired 100% of the voting interests in Infosys Fluido U.K,Ltd (formerly Simplus U.K, Ltd)
(24) Wholly-owned subsidiary of Infosys Fluido U.K,Ltd (formerly Simplus U.K, Ltd)
(25) Incorporated effective September 11, 2020

[26] On October 1, 2020, Infy Consulting Company Limited acquired 100% of voting interests in GuideVision s.r.o

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

[28] On October 9, 2020, Infosys Nova Holdings LLC, acquired 100% voting interest in Kaleidoscope Animations, Inc.

[29] Wholly owned subsidiary of Kaleidoscope Animations, Inc.

[30] Merged with Infosys Poland Sp. z.o.o, effective October 21, 2020

[31] On October 27, 2020, Infosys Nova Holding LLC, a wholly-owned subsidiary of Infosys Limited, acquired 100% voting interest in Blue Acorn iCi Inc (formerly Beringer Commerce Inc) and Beringer Capital Digital Group Inc.

[32] Wholly-owned subsidiary of Blue Acorn iCi Inc.

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

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

[35] Liquidated effective November 19,2020

[36] Incorporated, effective December 9, 2020

[37] Merged into Fluido Sweden AB (Extero), effective December 18, 2020

[38] Merged into Stater Duitsland B.V., effective December 18, 2020

[39] Merged with Stater N.V., effective December 23, 2020

[40] On December 29, 2020, Stater Participation B.V acquired non-controlling interest of 28.01% of the voting interests in Stater Belgium NV/SA

[41] Incorporated on December 30, 2020

[42] Under liquidation

[43] Liquidated effective March 9, 2021

[44] Incorporated on March 23, 2021

[45] On March 28, 2021, Infosys Limited and Infosys Germany Holding Gmbh registered Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm.

[46] Liquidated effective April 27, 2021

[47] Incorporated on August 4, 2021

[48] Liquidated effective July 20, 2021

[49] Liquidated effective September 1, 2021

[50] Liquidated effective September 2, 2021

[51] Incorporated on August 31, 2021

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

[53] Liquidated effective December 16, 2021

[54] Liquidated effective November 23, 2021

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

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

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

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

in ₹

Particulars	As at December 31	
	2021	2020
Trade receivables		
Panaya Ltd	56,95,97,513	54,17,33,089
	56,95,97,513	54,17,33,089
Other financial assets		
Panaya Ltd	7,38,49,297	8,53,62,244
	7,38,49,297	8,53,62,244
Trade payables		
Panaya Ltd.	64,71,69,705	67,75,03,571
	64,71,69,705	67,75,03,571

The details of the related parties' transactions entered into by the Company, for the year ended December 31, 2021, and December 31, 2020, are as follows:

in ₹

Particulars	As at December 31	
	2021	2020
Revenue transactions:		
Purchase of services		
Panaya Ltd.	1,18,55,946	1,40,82,730
	1,18,55,946	1,40,82,730
Sale of services		
Panaya Ltd	–	–
	–	–

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.

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, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). 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, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's Responsibilities for the Special Purpose Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

UDIN : 222 028 41 AIK RPR 4967

For Shenoy & Kamath
Chartered accountants,
Firm Registration Number: 006673S

(M Rathnakar Kamath)
Partner
Membership Number: 202841

Place: Bengaluru

Date: 5 May, 2022

Balance Sheet

in EUR

Particulars	Note No.	As at December 31, 2021	As at December 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	5,694	–
Right-of-use asset	2.2	6,449	9,316
Income tax assets, (net)	2.14	39,465	8,750
Other non-current assets	2.3	95,244	–
Total non-current assets		146,852	18,066
Current assets			
Financial assets			
Trade receivables	2.4	162,683	4,634
Cash and cash equivalents	2.5	537,235	704,660
Loans	2.6	838	–
Other financial assets	2.7	509,493	–
Other current assets	2.3	153,634	96,266
Total current assets		1,363,883	805,560
Total assets		1,510,735	823,626
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.9	80,000	80,000
Other equity		276,161	202,281
Total equity		356,161	282,281
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	2.10	18,172	414,259
Lease Liabilities	2.2	3,356	7,180
Other financial liabilities	2.11	119,580	–
Total non-current liabilities		141,108	421,439
Current liabilities			
Financial liabilities			
Borrowings	2.10	434,760	–
Trade payables	2.12	25,244	12,148
Lease Liabilities	2.2	2,868	2,868
Other financial liabilities	2.11	387,635	25,916
Other current liabilities	2.13	160,860	61,896
Income tax liabilities, (net)	2.14	2,099	17,078
Total current liabilities		1,013,466	119,906
Total equity and liabilities		1,510,735	823,626

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 Number: 202841

Place: Bengaluru

Date: 5 May, 2022

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.	Year ended December 31, 2021	Year ended December 31, 2020
Revenue from operations	2.15	479,674	453,458
Other income, net	2.16	(32,736)	41,205
Total income		446,939	494,663
Expenses			
Employee benefit expenses	2.17	98,473	110,039
Cost of technical sub-contractors	2.17	236,825	557,792
Finance costs	2.18	4,906	6,938
Travel expenses	2.17	1,845	12,760
Communication expenses	2.17	7,065	–
Consultancy and professional charges	2.17	15,317	34,960
Depreciation and amortization expense	2.2 & 2.1	3,817	3,118
Other expenses	2.17	2,955	2,014
Total expenses		371,203	727,621
Profit / (loss) before tax		75,736	(232,958)
Tax expense			
Current tax	2.14	1,856	(49,588)
Profit / (loss) for the year		73,880	(183,370)
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		73,880	(183,370)

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: 5 May, 2022

for and on behalf of the Board of Directors of Infosys Austria GmbH

Lilly Vasanthini
Director

Roberto Busin
Director

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, 2020	80,000	385,894	–	465,894
Changes in equity for the year ended December 31, 2020				
Impact on adoption of IND AS 116	–	(243)	–	(243)
Profit / (Loss) for the year	–	(183,370)	–	(183,370)
Balance as of December 31, 2020	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

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: 5 May, 2022

for and on behalf of the Board of Directors of Infosys Austria GmbH

Lilly Vasanthini
Director

Roberto Busin
Director

Statement of Cash Flows

in EUR

Particulars	Note No.	Year ended December 31, 2021	2020
Cash flow from operating activities:			
Profit / (loss) for the year		73,880	(183,370)
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation	2.1 & 2.2	3,817	3,118
Income tax expense	2.14	1,856	(49,588)
Finance cost	2.18	4,906	6,938
Changes in assets & liabilities			
Other assets		(820,154)	56,404
Other liabilities		627,126	(209,761)
Cash generated from / (used in) operations		(108,569)	(376,259)
Income tax paid		47,550	1,750
Net cash generated from / (used in) operating activities		(156,119)	(378,009)
Cash flow from investing activities:			
Expenditure on property, plant and equipment		(6,644)	–
Other Current Assets		–	–
Net cash generated from / (used in) investing activities		(6,644)	–
Cash flow from financing activities:			
Lease payments		(3,824)	(2,629)
Finance cost		–	(6,938)
Net cash generated from / (used in) financing activities		(3,824)	(9,567)
Net increase / (decrease) in cash and cash equivalents		(166,587)	(387,576)
Cash and cash equivalents at the beginning of the year		704,660	1,092,236
Cash and cash equivalents at the end of the year	2.5	538,073	704,660

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 Austria GmbH

M. Rathnakar Kamath
Partner
Membership Number: 202841

Lilly Vasanthini
Director

Roberto Busin
Director

Place: Bengaluru

Date: 5 May, 2022

Company Overview and 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.

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

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

1.5 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 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 Property, plant and equipment

The changes in the carrying value of property, plant and equipment for the year ended December 31, 2021 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	–	–

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, 2020	892	892
Additions	–	–
Deletions	–	–
Gross carrying value as of December 31, 2020	892	892
Accumulated depreciation as of January 1, 2020	892	892
Depreciation	–	–
Accumulated depreciation on deletions	–	–
Accumulated depreciation as of December 31, 2020	892	892
Carrying value as of December 31, 2020	–	–
Carrying value as of January 1, 2020	–	–

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 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.

Transition

Effective January 1, 2020, the Company adopted Ind-AS 116 “Leases” using the modified retrospective method. On transition, the adoption of the new standard resulted in recognition of ‘Right-of-Use’ asset of EUR 12,434 and a lease liability of EUR 12,677. The cumulative effect of applying the standard, amounting to EUR 243 was debited to retained earnings, net of taxes.

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	
Balance as of January 1, 2021	9,316	9,316
Depreciation	(2,867)	(2,867)
Balance as of December 31, 2021	6,449	6,449

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

in EUR

Particulars	Category of ROU asset	Total
	Buildings	
Balance as of January 1, 2020	12,434	12,434
Depreciation	(3,118)	(3,118)
Balance as of December 31, 2020	9,316	9,316

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, 2021 and December 31, 2020 is as follows:

in EUR

Particulars	As at December 31,	
	2021	2020
Current lease liabilities	2,868	2,868
Non-current lease liabilities	3,356	7,180
Total	6,224	10,048

The movement in lease liabilities during the year ended December 31, 2021 and December 31, 2020 is as follows:

in EUR

Particulars	For the year ended December 31,	
	2021	2020
Balance at the beginning	10,048	12,677
Payment of lease liabilities	(3,824)	(2,629)
Balance at the end	6,224	10,048

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

in EUR

Particulars	As at December 31,	
	2021	2020
Less than one year	2,868	2,868
One to five years	3,356	7,180
Total	6,224	10,048

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 EUR

Particulars	As at December 31,	
	2021	2020
Non-current		
Deferred contract cost [(1)]	95,244	–
	95,244	
Current		
Others		
Unbilled Revenue	–	28,458
Loans to Employees	–	838
Withholding taxes and others	96,488	66,970
Deferred Contract cost [(1)]	57,146	–
Total current other assets	153,634	96,266
Total Other Assets	248,878	96,266

(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 2.11)

2.4 Trade receivables

in EUR

Particulars	As at December 31, 2021	2020
Current		
Unsecured		
Considered good [(1)]	162,683	4,634
Considered doubtful	25	–
	162,708	4,634
Less: Allowances for credit losses	25	–
Total Trade Receivables	162,683	4,634
[(1)] Includes dues from Holding Company and other fellow subsidiaries (refer note 2.19)	98,170	–

2.5 Cash and Cash Equivalents

in EUR

Particulars	As at December 31, 2021	2020
Balances with banks		
In current accounts	537,235	704,660
Total cash and cash equivalents	537,235	704,660

2.6 Loans

in EUR

Particulars	As at December 31, 2021	2020
Current		
Other loans		
Loans to employees	838	–
Total current loans	838	–
Total loans	838	–

2.7 Other Financial Assets

Particulars	As at December 31, 2021	2020
Current		
Unbilled revenue [(1)]	297,174	–
Others[(1)(2)]	212,320	–
Total Other Financial Assets	509,493	–
[(1)] Financial assets carried at amortized cost	509,493	–
[(2)] Includes dues from Holding Company and other fellow subsidiaries (refer note 2.19)	212,320	–

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, 2021	2020
Assets:		
Cash and cash equivalents (Refer to Note 2.5)	537,235	704,660
Trade receivables (Refer to Note 2.4)	162,683	4,634
Loans (Refer to Note 2.6)	838	–
Other financial assets (Refer to Note 2.7)[(1)]	509,493	–
Total	1,210,249	709,294
Liabilities:		
Trade payables (Refer to Note 2.12)	25,244	12,148
Borrowings (Refer to Note 2.10)	452,932	–
Other financial liabilities (Refer to Note 2.11)	497,306	25,916
Total	975,482	38,064

(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 162,683 and EUR 4,634 as at December 31, 2021 and December 31, 2020. 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, 2021 and December 31, 2020, the Company had cash and cash equivalents of EUR 537,235 and EUR 704,660.

2.9 Equity

Equity share capital

in EUR

Particulars	As at December 31, 2021	As at December 31, 2020
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, 2021 and December 31, 2020 are set out below:

Name of the shareholder	As at December 31, 2021	As at December 31, 2020
Infosys Limited	100%	100%

2.10 Borrowings

in EUR

Particulars	As at December 31, 2021	As at December 31, 2020
Non-current		
Unsecured Loan from Fellow subsidiary (Refer to Note 2.19)	18,172	414,259
	18,172	414,259
Current		
Unsecured Loan from Fellow subsidiary (Refer to Note 2.19)	434,760	–
	434,760	–
Total Borrowings	452,932	414,259

2.11 Other financial liabilities

in EUR

Particulars	As at December 31, 2021	As at December 31, 2020
Non-current		
Other payables (1)(3)	119,580	–
	119,580	–
Current		
Others		
Compensated absences	9,909	–
Other payables (1)(2)(3)	377,726	25,916
	387,635	25,916
Total financial liabilities	507,215	25,916
(1) Financial liability carried at amortized cost	497,306	25,916
(2) Includes dues from Holding Company and other fellow subsidiaries (Refer to Note 2.19)	310,177	528

(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. 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.

2.12 Trade payables

Particulars	As at December 31, 2021	As at December 31, 2020
Trade payables (1)	25,244	12,148
	25,244	12,148
(1) Includes dues from Holding Company and other fellow subsidiaries	–	–

2.13 Other liabilities

in EUR

Particulars	As at December 31, 2021	As at December 31, 2020
Current		
Unearned revenue	61,229	–
Others		
Withholding taxes and others	99,631	61,896
	160,860	61,896
	160,860	61,896

2.14 Income taxes

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

in EUR

Particulars	Year ended December 31, 2021	2020
Current taxes	1,856	(49,588)
Income tax expense	1,856	(49,588)

Income tax expense for the year ended December 31, 2021 and December 31, 2020 includes provisions (net of reversal) of EUR 1,856 and reversal (net of provisions) of EUR 51,583, respectively. The reversals pertaining to prior periods on account of filing of return.

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 EUR

Particulars	Year ended December 31, 2021	2020
Profit before income taxes	75,736	(232,958)
Enacted tax rates in Austria	25.00%	25.00%
Computed expected tax expense	18,934	(58,240)
Tax Provision / Reversals	1,856	(51,583)
Effect of unrecognized deferred tax assets	(18,934)	58,240
Others	–	1,995
Income tax expense	1,856	(49,588)

The applicable Austria statutory tax rate for years ended December 31, 2021 and December 31, 2020 is 25% each.

The details of income tax assets and income tax liabilities are as follows:

in EUR

	As at December 31, 2021	2020
Income tax assets	39,465	8,750
Current income tax liabilities	2,099	17,078
Net current income tax assets / (liability) at the end	37,366	(8,328)

The gross movement in the current income tax asset / (liability) for the year ended are as follows:

in EUR

	Year ended December 31, 2021	2020
Net current income tax asset / (liability) at the beginning	(8,328)	(59,666)
Income tax paid	47,550	1,750
Current income tax expense	(1,856)	49,588
Net current income tax asset / (liability) at the end	37,366	(8,328)

2.15 Revenue from operations

in EUR

Particulars	Year ended December 31, 2021	2020
Income from software services	479,674	453,458
Total revenue from operation	479,674	453,458

2.16 Other income

in EUR

Particulars	Year ended December 31, 2021	2020
Miscellaneous income, net	1224	–
Exchange gains / (losses) on translation of other assets and liabilities	(33,960)	41,205
Total other income	(32,736)	41,205

2.17 Expenses

in EUR

Particulars	Year ended December 31,	2020
Employee benefit expenses		
Salaries, including bonus	97,869	109,709
Contribution to provident and other funds	145	–
Staff welfare	460	330
	98,473	110,039
Other expenses		
Cost of technical subcontractors	236,825	557,792
Legal and professional charges	15,317	34,960
Communication expenses	7,065	–
Rates and taxes	1,798	1,867
Travel expenses	1,845	12,760
Provision for post-sales client support and warranties	587	–
Others	571	147
	264,007	607,526

2.18 Finance costs

in EUR

Particulars	Year ended December 31, 2021	2020
Interest expense on loan from fellow subsidiary	3,681	6,938
Others	1,224	–
Total finance costs	4,906	6,938

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)	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 fellow 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 fellow 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 Turkey Bilgi Teknolojikeri Limited Sirketi[1][41]	Turkey
Infosys Germany Holding Gmbh[1][44]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1][45]	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) Wholly-owned subsidiary of Stater Duitsland B.V.
(14) Majority-owned and controlled subsidiary of Stater Participations B.V.
(15) Liquidated effective January 28, 2021.
(16) On March 13, 2020, Infosys Nova Holdings LLC, acquired 100% of the voting interests in Outbox Systems Inc.
(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) On February 20, 2020, Infosys Poland, Sp z.o.o, acquired 100% of the voting interests in Infosys Consulting Sp. z.o.o from Infosys Consulting Holding AG
(22) Liquidated effective July 17, 2020
(23) On June 1, 2020, Fluido Oy, acquired 100% of the voting interests in Infosys Fluido U.K,Ltd (formerly Simplus U.K, Ltd)
(24) Wholly-owned subsidiary of Infosys Fluido U.K,Ltd (formerly Simplus U.K, Ltd)
(25) Incorporated effective September 11, 2020.
(26) On October 1, 2020, Infy Consulting Company Limited acquired 100% of voting interests in GuideVision s.r.o
(27) Wholly-owned subsidiary of GuideVision s.r.o.
(28) On October 9, 2020, Infosys Nova Holdings LLC, acquired 100% voting interest in Kaleidoscope Animations, Inc.
(29) Wholly-owned subsidiary of Kaleidoscope Animations, Inc.
(30) Merged with Infosys Poland Sp. z.o.o, effective October 21, 2020
(31) On October 27, 2020, Infosys Nova Holding LLC, a wholly-owned subsidiary of Infosys Limited, acquired 100% voting interest in Blue Acorn iCi Inc (formerly Beringer Commerce Inc) and Beringer Capital Digital Group Inc
(32) Wholly-owned subsidiary of Blue Acorn iCi Inc
(33) Wholly-owned subsidiary of Beringer Commerce Holdings LLC
(34) Wholly-owned subsidiary of Beringer Capital Digital Group Inc.
(35) Liquidated effective November 19,2020
(36) Incorporated, effective December 9, 2020
(37) Merged into Fluido Sweden AB (Extero), effective December 18, 2020
(38) Merged into Stater Duitsland B.V., effective December 18, 2020
(39) Merged with Stater N.V., effective December 23, 2020
(40) On December 29, 2020, Stater Participation B.V acquired non-controlling interest of 28.01% of the voting interests in Stater Belgium NV/SA
(41) Incorporated on December 30, 2020.
(42) Under liquidation

[43] Liquidated effective March 9,2021

[44] Incorporated on March 23, 2021

[45] On March 28, 2021 Infosys Limited and Infosys Germany Holding GMBH registered Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm.

[46] Liquidated effective April 27,2021

[47] Incorporated on August 4, 2021

[48] Liquidated effective July 20, 2021

[49] Liquidated effective September 1, 2021

[50] Liquidated effective September 2, 2021

[51] Incorporated on August 31, 2021

[52] On December 14, 2021, Infosys Consulting Pte Limited, a wholly owned subsidiary of Infosys Limited acquired 100% of voting interests in Global Enterprise International (Malaysia) Sdn. Bhd.

[53] Liquidated effective December 16, 2021

[54] Liquidated effective November 23, 2021

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

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

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

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,	
	2021	2020
Trade Receivable		
Infosys Limited	98,170	–
	98,170	–
Other financial assets		
Infosys Limited	212,320	–
	212,320	–
Other financial liabilities		
Infosys Limited	310,177	–
	310,177	–
Borrowings [1]		
Infosys Consulting Pte Ltd.	452,932	414,259
	452,932	414,259

[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 year ended December 31, 2021 and December 31, 2020 are as follows:

in EUR

Particulars	As at December 31,	
	2021	2020
Revenue transactions:		
Purchase of Services		
Infosys Limited	84,221	–
Infosys China	2,671	–
Infosys BPM limited	2,108	–
Infosys (Czech Republic) Ltd	8,634	–
	97,634	–
Sale of services		
Infosys Limited	98,170	–
	98,170	–
Interest expense		
Infosys Consulting Pte Ltd.	4,906	6,938
	4,906	6,938

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.

Infosys Limited Bulgaria EOOD

Independent Auditor's report

To the Members of 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 comprises the Balance sheet as at 31st December, 2021, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirement of section 129(3) of the Companies Act 2013.

In our opinion and to the best of our information and according to the explanation 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 affairs of the company as at December 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in 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 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 basis for our audit opinion on the special purpose financial statements.

Responsibilities of Management's for the Special Purpose Financial Statements:

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

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 misstatements, 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 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 also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements:

Our objective is to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatements, 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 decision of users taken on the basis of these special purpose financial statements.

As a part of an Audit in accordance with SAs, we exercise professional judgement 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 : 22202841AIKROY2684

Place: Bengaluru.

Date: May 5, 2022

Balance Sheet

in BGN

Particulars	Note No.	As at December 31, 2021	As at December 31, 2020
ASSETS			
Current assets			
Financial assets			
Trade receivables	2.1	57,413	–
Cash and cash equivalents	2.2	351,993	457,116
Other financial assets	2.3	62,456	–
Total current assets		471,862	457,116
Total assets		471,862	457,116
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.4	458,000	458,000
Other equity		(115,057)	(884)
Total equity		342,943	457,116
LIABILITIES			
Current liabilities			
Financial liabilities			
Trade payables	2.5	2,062	–
Other financial liabilities	2.6	113,668	–
Other current liabilities	2.7	13,190	–
Total current liabilities		128,919	–
Total equity and liabilities		471,862	457,116

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 5, 2022

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.	Year ended December 31, 2021	Year ended December 31, 2020
Revenue from operations		628,929	–
Other income, net	2.8	(364)	80
Total income		628,565	80
Expenses			
Employee benefit expenses	2.9	682,393	–
Consultancy and professional charges		53,145	–
Other expenses	2.10	7,200	964
Total expenses		742,738	964
Profit / (loss) before tax		(114,174)	(884)
Tax expense			
Profit / (loss) for the year		(114,174)	(884)
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		(114,174)	(884)

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 5, 2022

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	
Changes in equity for the year ended December 31, 2020	–	–	–	–
Increase in equity share capital on account of fresh issue	458,000	–	–	458,000
Profit / (loss) for the year			(884)	(884)
Balance as at December 31, 2020	458,000	–	(884)	457,116
Balance as at January 01, 2021	458,000	–	(884)	457,116
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

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 5, 2022

for and on behalf of the Board of Directors of Infosys Limited Bulgaria EOOD

Lilly Vasanthini
Director

Statement of Cash Flows

in BGN

Particulars	Year ended December 31, 2021	2020
Cash flow from operating activities:		
Profit / (loss) for the year	(114,174)	(884)
Adjustments to reconcile net profit to net cash provided by operating activities:		
Change in assets and liabilities		
Trade receivables	(57,413)	
Other financial assets and other assets	(62,456)	
Trade payables	2,062	
Other financial liabilities, other liabilities and provisions	126,858	–
Net cash used in operating activities	(105,123)	(884)
Cash flow from financing activities:		
Proceed from issue of share capital	–	458,000
Net cash used in financing activities	–	458,000
Net decrease in cash and cash equivalents	(105,123)	457,116
Cash and cash equivalents at the beginning of the year	457,116	–
Cash and cash equivalents at the end of the year	351,993	457,116

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 5, 2022

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.

1Significant 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 the Bulgarian Lev (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.

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 nonfinancial 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, used related information and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

1.5 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.

1.5 Foreign currency

Functional currency

The functional currency of the Company is the Bulgarian Lev. 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.

1.6 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.

2.1 Trade Receivables

in BGN

Particulars	As at December 31, 2021	2020
Current		
Unsecured		
Considered good	57,413	–
		–
Total trade receivables	57,413	–

2.2 Cash and cash equivalents

in BGN

Particulars	As at December 31, 2021	2020
Balances with banks		
In current and deposit accounts	351,993	457,116
	351,993	457,116

2.3 Other financial assets

in BGN

Particulars	As at December 31, 2021	2020
Current	–	–

2.4 Equity

in BGN

Particulars	As at December 31, 2021	2020
Equity share capital		
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, 2021 and 2020 are as follows :

Name of the shareholder

Particulars	As at December 31, 2021	2020
Infosys Limited	100%	100%

2.5 Trade payables

in BGN

Particulars	As at December 31, 2021	2020
Current		
Trade payable	2,062	–
	2,062	–

2.6 Other financial liabilities

in BGN

Particulars	As at December 31, 2021	2020
Current		
Others		
Accrued compensation to employees	101,418	–
Provision for expenses	12,250	–
	113,668	–

2.7 Other liabilities

in BGN

Particulars	As at December 31, 2021	2020
Current		
Others		–
SS contribution payable	6,866	–
Withholding tax-salary	6,668	–
VAT Account	(344)	–
Total other liabilities	13,190	–

2.8 Other income

in BGN

Particulars	Year ended December 31, 2021	2020
Miscellaneous Income	(364)	80
Total other income	(364)	80

2.9 Employee benefit expenses

in BGN

Particulars	Year ended December 31, 2021	2020
Overseas salary	677,093	–
Overseas group and medical insurance	5,300	–
Total employee benefit expenses	682,393	–

2.10 Expenses

in BGN

Particulars	Year ended December 31, 2021	2020
Other expenses		
Bank charges	3,225	964
Insurance charges	3,970	–
Others	4	–
Total other expenses	7,200	964

2.11 Related party transactions

Name of holding company	Country	Holding As on December 31	
		2021	2020
Infosys Limited	India	100%	100%

List of related parties

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)	US
EdgeVerve Systems Limited (EdgeVerve)	India
Infosys Austria GmbH	Austria
Skava Systems Pvt. Ltd. (Skava Systems)(42)	India
Kallidus Inc, (Kallidus)(43)	US
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)	US
Infosys Public Services, Inc. USA (Infosys Public Services)	US
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)	US
Portland Group Pty Ltd(3)	Australia
Infosys BPO Americas LLC.(3)	US
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)	UK
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)	US
Panaya Ltd.(6)	Israel
Panaya GmbH(6)	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)	UK
Brilliant Basics Limited(7)	UK
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]	US
WDW Communications, Inc[10][56]	US
WONGDOODY, Inc[10][57]	US
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]	US
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]	UK
Infosys Fluido UK, Ltd. (formerly Simplus UK, Ltd)[23]	UK
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[24]	Ireland
Kaleidoscope Animations, Inc.[28]	US
Kaleidoscope Prototyping LLC[29]	US
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]	UK
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[31]	US
Beringer Capital Digital Group Inc[31]	US
Mediotype LLC[32]	US
Beringer Commerce Holdings LLC[32]	US
SureSource LLC[33]	US
Blue Acorn LLC[33]	US
Simply Commerce LLC[33]	US
iCiDIGITAL LLC[34]	US
Infosys BPM UK Limited[3][36]	UK
Infosys Turkey Bilgi Teknolojikeri Limited Sirketi[1][41]	Turkey
Infosys Germany Holding Gmbh[1][44]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1][45]	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] Wholly-owned subsidiary of Stater Duitsland B.V.
[14] Majority-owned and controlled subsidiary of Stater Participations B.V.
[15] Liquidated effective January 28, 2021.
[16] On March 13, 2020, Infosys Nova Holdings LLC, acquired 100% of the voting interests in Outbox Systems Inc.
[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] On February 20, 2020, Infosys Poland, Sp z.o.o, acquired 100% of the voting interests in Infosys Consulting Sp. z.o.o from Infosys Consulting Holding AG
[22] Liquidated effective July 17, 2020
[23] On June 1, 2020, Fluido Oy, acquired 100% of the voting interests in Infosys Fluido U.K,Ltd (formerly Simplus U.K, Ltd)
[24] Wholly-owned subsidiary of Infosys Fluido U.K,Ltd (formerly Simplus U.K, Ltd)
[25] Incorporated effective September 11, 2020.
[26] On October 1, 2020, Infy Consulting Company Limited acquired 100% of voting interests in GuideVision s.r.o
[27] Wholly-owned subsidiary of GuideVision s.r.o.
[29] Wholly-owned subsidiary of Kaleidoscope Animations, Inc.
[30] Merged with Infosys Poland Sp. z.o.o, effective October 21, 2020
[31] On October 27, 2020, Infosys Nova Holding LLC, a wholly-owned subsidiary of Infosys Limited, acquired 100% voting interest in Blue Acorn iCi Inc (formerly Beringer Commerce Inc) and Beringer Capital Digital Group Inc
[32] Wholly-owned subsidiary of Blue Acorn iCi Inc
[33] Wholly-owned subsidiary of Beringer Commerce Holdings LLC
[34] Wholly-owned subsidiary of Beringer Capital Digital Group Inc.
[35] Liquidated effective November 19,2020
[36] Incorporated, effective December 9, 2020
[37] Merged into Fluido Sweden AB (Extero), effective December 18, 2020
[38] Merged into Stater Duitsland B.V., effective December 18, 2020
[39] Merged with Stater N.V., effective December 23, 2020
[40] On December 29, 2020, Stater Participation B.V acquired non-controlling interest of 28.01% of the voting interests in Stater Belgium NV/SA
[41] Incorporated on December 30, 2020.
[42] Under liquidation
[43] Liquidated effective March 9,2021
[44] Incorporated on March 23, 2021
[45] On March 28, 2021 Infosys Limited and Infosys Germany Holding Gmbh registered Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm.
[46] Liquidated effective April 27,2021
[47] Incorporated on August 4, 2021
[48] Liquidated effective July 20, 2021
[49] Liquidated effective September 1, 2021
[50] Liquidated effective September 2, 2021
[51] Incorporated on August 31, 2021
[52] On December 14, 2021, Infosys Consulting Pte Limited, a wholly owned subsidiary of Infosys Limited acquired 100% of voting interests in Global Enterprise International (Malaysia) Sdn. Bhd.
[53] Liquidated effective December 16, 2021
[54] Liquidated effective November 23, 2021
[55] Wholly-owned subsidiary of Infosys Limited, merged with WONGDOODY Inc, effective December 31, 2021
[56] Wholly-owned subsidiary of WONGDOODY Holding Company Inc. (WONGDOODY), merged with WONGDOODY Inc, effective December 31, 2021
[57] Wholly-owned subsidiary of Infosys Limited, effective December 31, 2021

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, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). 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, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's Responsibilities for the Special Purpose Financial Statements

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

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the 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.

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 : 22202841AJEQFP2105

Place: Bengaluru.

Date: May 18, 2022

Balance Sheet

in TRY

Particulars	Note No.	As at December 31, 2021
ASSETS		
Non-current assets		
Right-of-Use Asset	2.1	669,380
Other non-current assets	2.3	31,754
Total non - current assets		701,134
Current assets		
Financial assets		
Cash and cash equivalents	2.5	276,176
Other financial assets	2.7	4,482,683
Other current assets	2.3	33,504
Total current assets		4,792,363
Total Assets		5,493,497
EQUITY AND LIABILITIES		
Equity		
Equity share capital	2.8	–
Other equity		1,509,827
Total equity		1,509,827
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Borrowings	2.9	829,504
Lease Liabilities	2.1	651,341
Total non - current liabilities		1,480,845
Current liabilities		
Financial liabilities		
Trade payables	2.11	110,930
Other financial liabilities	2.10	1,845,691
Other current liabilities	2.12	42,928
Income tax liabilities (net)	2.17	503,276
Total current liabilities		2,502,825
Total equity and liabilities		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

for and on behalf of the Board of Directors of
Infosys Turkey Bilgi Teknolojileri Limited Şirketi

A.G.S. Manikantha
Authorised Signatory

Bengaluru

Date: May 18, 2022

Statement of Profit and Loss

in TRY

Particulars	Note No.	Year ended December 31 2021
Revenue from operations	2.13	2,392,683
Other income, net	2.14	988,485
Total income		3,381,167
Expenses		
Employee benefit expenses	2.15	265,479
Cost of technical sub-contractors	2.15	829,200
Finance Costs	2.16	56,756
Consultancy and professional charges	2.15	26,257
Depreciation and amortisation expense	2.1	177,156
Other expenses	2.15	13,217
Total expenses		1,368,064
Profit/(loss) before tax		2,013,103
Tax expense	2.17	
Current tax		503,276
Profit/(loss) for the year		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		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

Bengaluru

Date: May 18, 2022

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.	Year ended December 31, 2021
Cash flow from operating activities:		
Profit/(loss) for the year		1,509,827
Adjustments to reconcile net profit to net cash provided by operating activities:		
Income tax expense	2.17	503,276
Depreciation & Amortization	2.1	177,156
Finance cost	2.16	56,756
Changes in assets & liabilities		
Trade receivables		–
Other financial and other assets		(4,547,941)
Trade payables		110,930
Other financial and other liabilities		1,888,619
Cash generated from / (used in) operations		(301,377)
Income tax paid		–
Net cash generated from /(used in) operating activities		(301,377)
Cash flow from investing activities:		
Expenditure on property, plant and equipment		(846,536)
Net cash generated from/(used in) investing activities		(846,536)
Cash flow from financing activities:		
Lease payments		651,341
Proceeds from borrowings		829,504
Finance cost		(56,756)
Net cash generated from/(used in) financing activities		1,424,089
Net increase/(decrease) in cash and cash equivalents		276,176
Cash and cash equivalents at the beginning of the year		–
Cash and cash equivalents at the end of the year	2.5	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

Bengaluru

Date: May 18, 2022

Statement of changes in Equity

in TRY

Particulars	Equity Share Capital	Other Equity	Total equity attributable to equity holders of the Company
		Reserves & Surplus	
		Retained earnings	
Balance as of January 1, 2021	–	–	–
Equity share capital			–
Profit/(Loss) for the year	–	1,509,827	1,509,827
Balance as of December 31, 2021	–	1,509,827	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

Bengaluru

Date: May 18, 2022

for and on behalf of the Board of Directors of
Infosys Turkey Bilgi Teknolojileri Limited Şirketi

A.G.S. Manikantha
Authorised Signatory

Company Overview and Significant Accounting Policies

Company overview

Infosys Turkey Bilgi Teknolojileri Limited Şirketi 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.

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

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

1.5 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 amortised cost

A financial asset is subsequently measured at amortised 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 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 recognised 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."

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

in TRY

Particulars	Category of ROU asset	Total
	Buildings	
Balance as of January 1, 2021	–	–
Additions	846,536	846,536
Deletion	–	–
Depreciation	(177,156)	(177,156)
Balance as of December 31, 2021	669,380	669,380

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, 2021

in TRY

Particulars	As at December 31, 2021
Current lease liabilities	
Non-current lease liabilities	651,341
Total	651,341

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

in TRY

Particulars	As at December 31, 2021
Less than one year	–
One to five years	651,341
Total	651,341

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, 2021
Non-current	
Deferred contract cost [(1)]	31,754
	31,754
Current	
VAT receivable	33,485
Deferred Contract cost [(1)]	19
Total current other assets	33,504
Total Other Assets	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. 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)

2.3 Cash and Cash Equivalents

in TRY

Particulars	As at December 31, 2021
Balances in current accounts and cash in hand	276,176
Total cash and cash equivalents	276,176
Total Cash and cash equivalents	276,176

2.4 Other Financial Assets

in TRY

Particulars	As at December 31, 2021
Current	
Unbilled Revenue [(1)]	3,525,498
Other depoists [(1)]	84,052
Other receivables [(2)]	873,133
Total Other Financial Assets	4,482,683
(1) Financial assets carried at amortized cost	
(2) Includes dues from Holding Company and other fellow subsidiaries (refer note 2.19)	873,133

2.5 Market Risk Disclosure

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 and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the Turkish Lira 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 Turkish Lira appreciates/ depreciates against these currencies.

2.6 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, 2021
Assets:	
Cash and cash equivalents (Refer note 2.5)	276,176
Trade receivables (Refer note 2.4)	–
Other financial assets (Refer Note 2.6)[(1)]	4,482,683
Total	4,758,859
Liabilities:	
Trade payables (Refer note 2.11)	110,930
Borrowings (Refer note 2.9)	829,504
Other financial liabilities (Refer note 2.11)	1,830,318
Total	2,770,753

[(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, 2021, the Company had cash and cash equivalents of TRY 276,176

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

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years
Trade payables	110,930	–	–	–
Other financial liabilities	1,830,318	–	–	–
Borrowings	829,504			

2.7 Equity

Equity share capital

in TRY

Particulars	As at December 31, 2021
Authorized	
Equity share capital, TRY 10000 par value	10,000
1 equity share	
Issued, Subscribed and Paid-Up	–
	–
	–

The details of shareholder holding more than 5% shares as at December 31, 2021 and December 31, 2020 are set out below :

in TRY

Name of the shareholder	As at December 31, 2021
Infosys Limited	100%

2.8 Borrowings

in TRY

Particulars	As at December 31, 2021
Non-current	
Unsecured Loan	829,504
Total Borrowings	829,504

Interest rate is 0.25% p.a. and maturity date is 31.08.2022 (Loan to be repaid within one year of receipt of first remittance of loan)

2.9 Other financial liablities

in TRY

Particulars	As at December 31, 2021
Current	
Financial liability on revenue deals	
Others	
Accrued compensation to employees	15,373
Other payables [1]	1,830,318
	1,845,691
Total financial liabilities	1,845,691
(1) Includes dues from Holding Company and other fellow subsidiaries (Refer note 2.19)	22,172,192

2.10 Trade payables

in TRY

Particulars	As at December 31, 2021
Trade payables	51,074
Add- negative trade receivables	59,856
	110,930

2.11 Other liabilities

in TRY

Particulars	As at December 31, 2021
Current	
Provision for expenses	25,447
Withholding taxes and other	17,480
	42,928
	42,928

2.12 Revenue from operations

in TRY

Particulars	Year ended December 31, 2021
Income from software services	2,392,683
Total revenue from operation	2,392,683

2.13 Other income

in TRY

Particulars	Year ended December 31, 2021
Exchange gains/(losses) on translation of other assets and liabilities	988,485
Total other income	988,485

2.14 Expenses

in TRY

Particulars	Year ended December 31, 2021
Employee benefit expenses	
Salaries including bonus	265,479
	265,479
Other expenses	
Cost of technical subcontractors	829,200
Legal & Professional Charges	26,257
Others	13,217
	868,673

2.15 Finance costs

in TRY

Particulars	Year ended December 31, 2021
Interest expense on loan from fellow subsidiary	597
Interest expense on lease liabilities	56,159
Total finance costs	56,756

2.16 Income taxes

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

in TRY

Particulars	Year ended December 31, 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 503276

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	Year ended December 31, 2021
Profit before income taxes	2,013,103
Enacted tax rates in Turkey	25.00%
Computed expected tax expense	503,276
Tax Provision / Reversals	503,276
Effect of unrecognized deferred tax assets	(503,276)
Others	–
Income tax expense	503,276

The applicable Turkey statutory tax rate for year ended December 31, 2021 is 25%

The gross movement in the current income tax asset/ (liability) for the year ended are as follows:

in TRY

Particulars	Year ended December 31, 2021
Current income tax expense	(503,276)
Net current income tax asset/ (liability) at the end	(503,276)

2.17 Related party transactions

List of related parties:

Name of Holding Companies	Country	Holding as at December 31, 2021
Infosys Ltd	India	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

Name of subsidiaries	Country
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.
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

Name of subsidiaries	Country
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.
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) Wholly-owned subsidiary of Stater Duitsland B.V.

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

(15) Liquidated effective January 28, 2021.

(16) On March 13, 2020, Infosys Nova Holdings LLC, acquired 100% of the voting interests in Outbox Systems Inc.

(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] On February 20, 2020, Infosys Poland, Sp z.o.o, acquired 100% of the voting interests in Infosys Consulting Sp. z.o.o from Infosys Consulting Holding AG

[22] Liquidated effective July 17, 2020

[23] On June 1, 2020, Fluido Oy, acquired 100% of the voting interests in Infosys Fluido U.K,Ltd (formerly Simplus U.K, Ltd)

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

[25] Incorporated effective September 11, 2020.

[26] On October 1, 2020, Infy Consulting Company Limited acquired 100% of voting interests in GuideVision s.r.o

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

[28] On October 9, 2020, Infosys Nova Holdings LLC, acquired 100% voting interest in Kaleidoscope Animations, Inc.

[29] Wholly owned subsidiary of Kaleidoscope Animations, Inc.

[30] Merged with Infosys Poland Sp. z.o.o, effective October 21, 2020

[31] On October 27, 2020, Infosys Nova Holding LLC, a wholly-owned subsidiary of Infosys Limited, acquired 100% voting interest in Blue Acorn iCi Inc (formerly Beringer Commerce Inc) and Beringer Capital Digital Group Inc

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

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

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

[35] Liquidated effective November 19,2020

[36] Incorporated, effective December 9, 2020

[37] Merged into Fluido Sweden AB (Extero), effective December 18, 2020

[38] Merged into Stater Duitsland B.V., effective December 18, 2020

[39] Merged with Stater N.V., effective December 23, 2020

[40] On December 29, 2020, Stater Participation B.V acquired non-controlling interest of 28.01% of the voting interests in Stater Belgium NV/SA

[41] Incorporated on December 30, 2020.

[42] Under liquidation

[43] Liquidated effective March 9,2021

[44] Incorporated on March 23, 2021

[46] Liquidated effective April 27,2021

[47] Incorporated on August 4, 2021

[48] Liquidated effective July 20, 2021

[49] Liquidated effective September 1, 2021

[50] Liquidated effective September 2, 2021

[51] Incorporated on August 31, 2021

[52] On December 14, 2021, Infosys Consulting Pte Limited, a wholly owned subsidiary of Infosys Limited acquired 100% of voting interests in Global Enterprise International (Malaysia) Sdn. Bhd.

[53] Liquidated effective December 16, 2021

[54] Liquidated effective November 23, 2021

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

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

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

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

in TRY

Particulars	As at December 31 2021
Other financial assets	
Infosys Limited	827,706
Infosys Middle East FZ LLC	45,427
	873,133
Other financial liabilities	
Infosys Limited	1,655,413
Infosys Middle East FZ LLC	174,906
	1,830,318
Borrowings [1]	
Infosys Consulting Holding AG (Infosys Lodestone)	829,504
	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

in TRY

Particulars	As at December 31 2021
Revenue transactions:	
Purchase of Services	
Infosys Limited	829,200
	829,200
Interest expense	
Infosys Consulting Holding AG (Infosys Lodestone)	597
	597

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.

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

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

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

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

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

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

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

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

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

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

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

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

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

For Shenoy & Kamath
Chartered Accountants,

Firm Registration Number. 006673S

(M RATHNAKAR KAMATH)
PARTNER

Membership Number. 202841

UDIN : 22202841AIVVTT5535

Place: Bengaluru.

Date: May 12, 2022

Balance Sheet

in US$

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Current assets			
Financial assets			
Cash and cash equivalents	2.1	73,334	77,231
Total current assets		73,334	77,231
Total assets		73,334	77,231
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.2	100,000	100,000
Other equity		(29,116)	(25,219)
Total equity		70,884	74,781
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		73,334	77,231

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

Bengaluru
May 12, 2022

for and on behalf of the Board of Directors of Infosys Americas Inc

Mohit Joshi
Authorized Signatory

Statement of Profit and Loss

in US$, except equity share and per equity share data

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
Other Income	2.4	–	13
Total income		–	13
Expenses			
Consultancy and professional charges	2.5	2,667	2,320
Other expenses	2.5	1,230	871
Total expenses		3,897	3,191
Profit / (loss) before tax		(3,897)	(3,178)
Tax expense:			
Profit / (loss) for the year		(3,897)	(3,178)
Total other comprehensive income, net of tax		–	–
Total comprehensive income / (loss) for the period		(3,897)	(3,178)
Earnings per equity share			
Equity shares of par value USD 10/- each			
Basic (US$)		(0.39)	(0.32)
Diluted (US$)		(0.39)	(0.32)
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
Chartered Accountants

Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner

Membership No. 202841

for and on behalf of the Board of Directors of Infosys Americas Inc

Mohit Joshi
Authorized Signatory

Bengaluru

May 12, 2022

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 March 31, 2020	100,000	(22,041)	77,959
Changes in equity for the year ended March 31, 2020			
Loss for the year		(3,178)	(3,178)
Balance as of March 31, 2021	100,000	(25,219)	74,781
Changes in equity for the year ended March 31, 2021			
Loss for the year		(3,897)	(3,897)
Balance as of March 31, 2022	100,000	(29,116)	70,884

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 Americas Inc

Mohit Joshi
Authorized Signatory

Bengaluru

May 12, 2022

Statement of Cash Flows

in US$

Particulars	Year ended March 31, 2022	2021
Cash flow from operating activities:		
Loss for the year	(3,897)	(3,178)
Adjustments to reconcile net profit to net cash provided by operating activities:		
Interest from Bank	–	(13)
Cash used in operations	(3,897)	(3,191)
Income taxes paid / refunded	–	216
Net cash used in operating activities	(3,897)	(2,975)
Cash flow from investing activities:		
Interest from Bank	–	13
Net cash used / generated in investing activities	–	13
Net decrease in cash and cash equivalents	(3,897)	(2,962)
Cash and cash equivalents at the beginning of the year	77,231	80,193
Cash and cash equivalents at the end of the year	73,334	77,231
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 No. 202841

for and on behalf of the Board of Directors of Infosys Americas Inc

Mohit Joshi
Authorized Signatory

Bengaluru
May 12, 2022

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.

1.3 Presentation currency

The Company's presentation currency is US$.

1.4 Use of estimates

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

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

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 US$

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks		
In current accounts	73,334	77,231
	73,334	77,231

2.2 Equity

Equity share capital

in US$ except as otherwise stated

Particulars	As at March 31, 2022	As at March 31, 2021
Authorized		
Equity shares		
10,000 (10,000) equity shares of US$ 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 US$ 10 par value		
	100,000	100,000

The details of shareholder holding more than 5% shares as at March 31, 2022 and March 31, 2021 are set out below:

in No., except as stated otherwise

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares	% held	Number of shares	% held
Infosys Limited	10,000	100	10,000	100

2.3 Other financial liabilities

in US$

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Others		
Accrued expenses	2,450	2,450
Total financial liabilities	2,450	2,450

2.4 Other income

in US$

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Other Income		
Interest from bank	–	13
	–	13

2.5 Expenses

in US$

Particulars	Year ended March 31, 2022	2021
Consultancy and professional charges		
Professional charges	2,667	2,320
	2,667	2,320
Other expenses		
Rates and taxes	808	300
Bank Charges	422	571
	1,230	871

2.6 Financial instruments

Financial instruments by category

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

in US$

Particulars	As at March 31, 2022	2021
Assets:		
Cash and cash equivalents (Refer to Note 2.1)	73,334	77,231
Total	73,334	77,231
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 70,884 and USD 74,781 as of March 31, 2022 and March 31, 2021 respectively, which includes cash and cash equivalents of USD 73,334 and USD 77,231 as of March 31, 2022 and March 31, 2021 respectively.

2.7 Related party transactions

List of related parties:

Name of Holding Company	Country	Holding as at March 31, 2022	2021
Infosys Ltd	India	100%	100%

List of related parties:

Name of fellow subsidiaries	Country	Holdings as at March 31, 2022	2021
Infosys Technologies (China) Co. Limited (Infosys China)[1]	China	100%	100%
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)[1]	Mexico	100%	100%
Infosys Technologies (Sweden) AB (Infosys Sweden)[1]	Sweden	100%	100%
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)[1]	China	100%	100%
Infosys Nova Holdings LLC. (Infosys Nova)[1]	U.S.	100%	100%
EdgeVerve Systems Limited (EdgeVerve)[1]	India	100%	100%
Infosys Austria GmbH[1]	Austria	100%	100%
Skava Systems Private Limited (Skava Systems)[1][41]	India	100%	100%
Kallidus Inc, (Kallidus)[42]	U.S.	–	–
Infosys Chile SpA[1]	Chile	100%	100%

Name of fellow subsidiaries	Country	Holdings as at March 31,	
		2022	2021
Infosys Arabia Limited[2]	Saudi Arabia	70%	70%
Infosys Consulting Ltda.[1]	Brazil	100%	100%
Infosys CIS LLC[15]	Russia	–	–
Infosys Luxembourg S.a.r.l[1]	Luxembourg	100%	100%
Infosys Public Services, Inc. USA (Infosys Public Services)[1]	U.S.	100%	100%
Infosys Canada Public Services Inc[20][53]	Canada	–	–
Infosys BPM Limited[1][61]	India	100%	99.99%
Infosys (Czech Republic) Limited s.r.o.[3]	Czech Republic	100%	99.99%
Infosys Poland Sp z.o.o[3]	Poland	100%	99.99%
Infosys McCamish Systems LLC[3]	U.S.	100%	99.99%
Portland Group Pty Ltd[3]	Australia	100%	99.99%
Infosys BPO Americas LLC.[3]	U.S.	100%	99.99%
Infosys Consulting Holding AG (Infosys Lodestone)[1]	Switzerland	100%	100%
Infosys Management Consulting Pty Limited[4]	Australia	100%	100%
Infosys Consulting AG[4]	Switzerland	100%	100%
Infosys Consulting GmbH[4]	Germany	100%	100%
Infosys Consulting S.R.L.[1]	Romania	100%	100%
Infosys Consulting SAS[4]	France	100%	100%
Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.)[4][52]	Czech Republic	–	100%
Infosys Consulting (Shanghai) Co., Ltd.[4][48]	China	–	100%
Infy Consulting Company Ltd[4]	U.K.	100%	100%
Infy Consulting B.V.[4]	The Netherlands	100%	100%
Infosys Consulting Sp. z.o.o[29]	Poland	–	–
Lodestone Management Consultants Portugal, Unipessoal, Lda.[4][34]	Portugal	–	–
Infosys Consulting S.R.L.[4]	Argentina	100%	100%
Infosys Consulting (Belgium) NV[5]	Belgium	99.90%	99.90%
Panaya Inc. (Panaya)[1]	U.S.	100%	100%
Panaya Ltd.[6]	Israel	100%	100%
Panaya GmbH[6]	Germany	100%	100%
Brilliant Basics Holdings Limited (Brilliant Basics)[1][41]	U.K.	100%	100%
Brilliant Basics Limited[7][41]	U.K.	100%	100%
Brilliant Basics (MENA) DMCC[7][21]	Dubai	–	–
Infosys Consulting Pte. Ltd. (Infosys Singapore)[1]	Singapore	100%	100%
Infosys Middle East FZ LLC[8]	Dubai	100%	100%
Fluido Oy[8]	Finland	100%	100%
Fluido Sweden AB (Extero)[11]	Sweden	100%	100%
Fluido Norway A/S[11]	Norway	100%	100%
Fluido Denmark A/S[11]	Denmark	100%	100%
Fluido Slovakia s.r.o[11]	Slovakia	100%	100%
Fluido Newco AB[11][36]	Sweden	–	–
Infosys Compaz Pte. Ltd[9]	Singapore	60%	60%
Infosys South Africa (Pty) Ltd[8]	South Africa	100%	100%
WONGDOODY Holding Company Inc. (WONGDOODY)[1][54]	U.S.	–	100%
WDW Communications, Inc[10][55]	U.S.	–	100%
WONGDOODY, Inc[10][56]	U.S.	100%	100%
HIPUS Co., Ltd[9]	Japan	81%	81%
Stater N.V.[9]	The Netherlands	75%	75%
Stater Nederland B.V.[12]	The Netherlands	75%	75%
Stater Duitsland B.V.[12][38]	The Netherlands	–	–
Stater XXL B.V.[12]	The Netherlands	75%	75%
HypoCasso B.V.[12]	The Netherlands	75%	75%
Stater Participations B.V.[12]	The Netherlands	75%	75%
Stater Deutschland Verwaltungs-GmbH[13][37]	Germany	–	–

Name of fellow subsidiaries	Country	Holdings as at March 31,	
		2022	2021
Stater Deutschland GmbH & Co. KG[13][37]	Germany	–	–
Stater Belgium N.V./S.A.[14][39]	Belgium	75%	75%
Stater Gmbh[12][46]	Germany	75%	–
Outbox systems Inc. dba Simplus (US)[16]	U.S.	100%	100%
Simplus North America Inc.[17][45]	Canada	–	100%
Simplus ANZ Pty Ltd.[17]	Australia	100%	100%
Simplus Australia Pty Ltd[18]	Australia	100%	100%
Sqware Peg Digital Pty Ltd[19][49]	Australia	–	100%
Simplus Philippines, Inc.[17]	Philippines	100%	100%
Simplus Europe, Ltd.[17][47]	U.K.	–	100%
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)[22]	U.K.	100%	100%
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[23]	Ireland	100%	100%
Infosys Limited Bulgaria EOOD[1][24]	Bulgaria	100%	100%
Kaleidoscope Animations, Inc.[27]	U.S.	100%	100%
Kaleidoscope Prototyping LLC[28]	U.S.	100%	100%
GuideVision s.r.o.[25]	Czech Republic	100%	100%
GuideVision Deutschland GmbH[26]	Germany	100%	100%
GuideVision Suomi Oy[26]	Finland	100%	100%
GuideVision Magyarország Kft[26]	Hungary	100%	100%
GuideVision Polska SP.Z.O.O[26]	Poland	100%	100%
GuideVision UK Ltd[26]	U.K.	100%	100%
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[30]	U.S.	100%	100%
Beringer Capital Digital Group Inc[30][59]	U.S.	–	100%
Mediotype LLC[31][59]	U.S.	–	100%
Beringer Commerce Holdings LLC[31][59]	U.S.	–	100%
SureSource LLC[32][57]	U.S.	–	100%
Blue Acorn LLC[32][57]	U.S.	–	100%
Simply Commerce LLC[32][57]	U.S.	–	100%
iCiDIGITAL LLC[33][58]	U.S.	–	100%
Infosys BPM UK Limited[3][35]	U.K.	–	–
Infosys Turkey Bilgi Teknolojikeri Limited Sirketi[1][40]	Turkey	100%	–
Infosys Germany Holding Gmbh[1][43]	Germany	100%	100%
Infosys Automotive and Mobility GmbH & Co. KG[1][44]	Germany	100%	–
Infosys Green Forum[1][50]	India	100%	–
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[51]	Malaysia	100%	–
Infosys Business Solutions LLC[1][60]	Qatar	–	–
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[62]	Germany	100%	–

[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] Wholly-owned subsidiary of Stater Duitsland B.V.

[14] Majority-owned and controlled subsidiary of Stater Participations B.V.

[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] Liquidated effective July 17, 2020

[22] On June 1, 2020, Fluido Oy, acquired 100% of the voting interests in Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)

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

[24] Incorporated effective September 11, 2020.

[25] On October 1, 2020, Infy Consulting Company Limited acquired 100% of voting interests in GuideVision s.r.o

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

[27] On October 9, 2020, Infosys Nova Holdings LLC, acquired 100% voting interest in Kaleidoscope Animations, Inc.

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

[29] Merged with Infosys Poland Sp. z.o.o, effective October 21, 2020

[30] On October 27, 2020, Infosys Nova Holding LLC, a wholly-owned subsidiary of Infosys Limited, acquired 100% voting interest in Blue Acorn iCi Inc (formerly Beringer Commerce Inc) and Beringer Capital Digital Group Inc

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

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

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

[34] Liquidated effective November 19,2020

[35] Incorporated, effective December 9, 2020

[36] Merged into Fluido Sweden AB (Extero), effective December 18, 2020

[37] Merged into Stater Duitsland B.V., effective December 18, 2020

[38] Merged with Stater N.V., effective December 23, 2020

[39] On December 29, 2020, Stater Participation B.V acquired non-controlling interest of 28.01% of the voting interests in Stater Belgium NV/SA

[40] Incorporated on December 30, 2020.

[41] Under liquidation

[42] Liquidated effective March 9,2021

[43] Incorporated on March 23, 2021

[44] On March 28, 2021 Infosys Limited and Infosys Germany Holding Gmbh registered Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm.

[45] Liquidated effective April 27,2021

[46] Incorporated on August 4, 2021

[47] Liquidated effective July 20, 2021

[48] Liquidated effective September 1, 2021

[49] Liquidated effective September 2, 2021

[50] Incorporated on August 31, 2021

[51] 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.)

[52] Liquidated effective December 16, 2021

[53] Liquidated effective November 23, 2021

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

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

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

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

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

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

[60] Incorporated on February 20, 2022

[61] On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

[62] 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”))

Infosys Nova Holdings LLC

Independent Auditor's report

To the Members of Infosys Nova Holdings LLC

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Infosys Nova Holdings LLC ("the Company"), which comprise the Balance Sheet as at December 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). 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, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

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

Management's Responsibilities for the Special Purpose Financial Statements

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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 : 22202841AIMNKK9847

For SHENOY & KAMATH
Chartered Accountants

(Firm Registration No: 006673S)

M Rathnakar Kamath
(Partner)
(Membership No. 202841)

Place: Bengaluru

Date: May 12, 2022

Balance Sheet

in US$

Particulars	Note No.	As at December 31, 2021	As at December 31, 2020
ASSETS			
Non-current assets			
Financial assets			
Investments	2.1	36,17,59,929	35,21,77,685
Loans	2.2	-	50,35,911
Total non - current Assets		36,17,59,929	35,72,13,596
Current assets			
Financial assets			
Cash and cash equivalents	2.3	1,16,43,264	42,67,152
Other current assets	2.4	13,92,446	18,65,279
Total current assets		1,30,35,710	61,32,431
Total Assets		37,47,95,639	36,33,46,027
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.7	37,20,00,010	35,60,00,010
Other equity		(56,21,260)	(39,86,055)
Total equity		36,63,78,750	35,20,13,955
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	2.5	15,35,696	15,16,063
Other financial liabilities	2.6	28,03,829	53,09,833
Total non - current liabilities		43,39,525	68,25,896
Current liabilities			
Financial liabilities			
Other financial liabilities	2.6	40,77,364	45,06,176
Total current liabilities		40,77,364	45,06,176
Total equity and liabilities		37,47,95,639	36,33,46,027

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 6, 2022

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.	Years ended December 31	
		2021	2020
Other income, net	2.8	2,64,468	505,476
Total income		264,467	505,476
Expenses			
Finance cost	2.9	946,282	928,475
Insurance expenses		474,836	269,720
Consultancy and professional charges		47,384	75,000
Fair Value changes to contingent consideration	2.11	396,886	(11,781,665)
Other expenses	2.12	34,284	–
Total expenses		1,899,673	(10,508,470)
Profit/(loss) before tax		(1,635,206)	11,013,946
Profit/(loss) for the year		(1,635,206)	11,013,946
Total other comprehensive income, net of tax		–	–
Total comprehensive income for the period		(1,635,206)	11,013,946

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

Place: Bengaluru

Date: May 6, 2022

for and on behalf of the Board of Directors of Infosys Nova Holdings LLC

Inderpreet Sawhney
Authorized Signatory

Statement of Cash Flows

in US$

Particulars	Years ended December 31,	
	2021	2020
Cash flow from operating activities:		
Profit / (loss) for the year	(1,635,205)	11,013,945
Adjustments to reconcile net profit to net cash provided by operating activities:		
Interest income on loan	(7,984)	–
Interest expense on Loan	19,633	–
Changes in FV of contingent consideration	396,886	(11,781,665)
Interest on contingent consideration	926,649	912,413
Cash flow before working capital changes	(300,021)	144,693
Prepaid expense	472,835	(1,865,280)
Net cash flow from operating activities	172,814	(1,720,587)
Cash flow from investing activities:		
Investment in equity instruments of Subsidiaries		
Outbox Systems Inc. dba Simplus	(9,000,000)	(179,351,205)
Kaleidoscope Animations Inc.	(4,712,713)	(30,829,525)
Beringer Commerce Inc	–	(72,834,668)
Beringer Capital Digital Group Inc	(1,27,884.00)	(48,477,025)
Net cash used in investing activities	(1,38,40,597)	(331,492,423)
Cash flow from financing activities:		
Equity infusion	16,000,000	341,000,010
Loan given to Outbox Systems LLC	5,043,895	(5,035,911)
Loan taken from IPS	0	1,516,063
Net cash used in financing activities	21,043,895	337,480,162
Net decrease in cash and cash equivalents	7,376,112	4,267,152
Cash and cash equivalents at the beginning of the year	4,267,152	–
Cash and cash equivalents at the end of the year	11,643,264	4,267,152
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 6, 2022

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, 2020	15,000,000	(15,000,000)	–
Changes in equity for the year ended December 31, 2020			
Increase in share capital	341,000,010		341,000,010
Profit for the year	–	11,013,945	11,013,945
Balance as of December 31, 2020	356,000,010	(3,986,055)	352,013,955
Changes in equity for the year ended December 31, 2020	–		
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

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 6, 2022

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 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 the US Dollar.

1.4 Use of estimates and judgements

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, used related information and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

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 the 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 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 Investments

in US$

Particulars	As at December 31, 2021	2020
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	190,509,943
Kaleidoscope Animations Inc. (429150 shares of voting common capital stock)	40,368,762	40,356,049
Beringer Commerce Inc. (100 equity shares fully paid up, par value $ 1 each	73,315,000	72,834,668
Beringer Capital Digital Group Inc. (100 equity shares fully paid up, par value $ 1 each)	48,566,224	48,477,025
Total non-current investments	361,759,929	352,177,685

2.2 Loans

in US$

Particulars	As at December 31, 2021	2020
Loan to Outbox Systems	–	5,035,911
	–	5,035,911

2.3 Cash and cash equivalents

in US$

Particulars	As at December 31,	
	2021	2020
Balances with banks		
In current and deposit accounts	11,643,264	4,267,152
	11,643,264	4,267,152
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.

2.4 Other assets

in US$

Particulars	As at December 31,	
	2021	2020
Current		
Prepaid expenses	1,390,441	1,865,279
Advance tax	2,001	–
	1,392,446	1,865,279
Total other assets	1,392,446	1,865,279

2.5 Borrowings

in US$

Particulars	As at December 31,	
	2021	2020
Loan from IPS	1,535,696	1,516,063
	1,535,696	1,516,063

2.6 Other financial liabilities

in US$

Particulars	As at December 31,	
	2021	2020
Non-current		
Contingent consideration	2,803,829	5,309,833
Total non-current other financial liabilities	2,803,829	5,309,833
Current		
Contingent consideration	3,635,716	4,506,176
Others	441,648	
Total current other financial liabilities	4,077,364	4,506,176

2.7 Equity

Equity share capital

in US$

Particulars	As at December 31,	
	2021	2020
Equity shares		
Authorized share capital	372,000,010	356,000,010
Issued, subscribed and paid-up	372,000,010	356,000,010

The details of shareholder holding more than 5% shares as at December 31, 2021 and December 31, 2020 are as follows :

Name of the shareholder	As at December 31,	
	2021	2020
Infosys Limited	100%	100%

2.8 Other income

in US$

Particulars	Years ended December 31,	
	2021	2020
Interest on loan to Simplus	7,984	35,911
Miscellaneous income	256,484	469,565
Total other income	264,468	505,476

2.9 Finance cost

in US$

Particulars	Years ended December 31,	
	2021	2020
Interest on contingent consideration	926,649	912,413
Interest expense on Loan	19,633	16,063
Total finance cost	946,282	928,476

2.10 Fair value changes in contingent consideration

in US$

Particulars	Years ended December 31,	
	2021	2020
Fair value changes in contingent consideration	396,886	(11,781,665)
Total	396,886	(11,781,665)

2.11 Expenses

in US$

Particulars	Years ended December 31,	
	2021	2020
Other expenses	33,557	–
Bank charges	50	–
Rates and taxes	678	–
Total expenses	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, 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 2.3)	11,643,264	–	–	–	–	11,643,264	11,643,264
Total	11,643,264	–	–	–	–	11,643,264	11,643,264
Liabilities:							
Borrowings (Refer to Note 2.5)	1,535,696	–	–	–	–	1,535,696	1,535,696
Other financial liabilities (Refer to Note 2.6)	–	–	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,	
		2021	2020
Infosys Limited	India	70%	70%

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
EdgeVerve Systems Limited (EdgeVerve)	India
Infosys Austria GmbH	Austria
Skava Systems Pvt. Ltd. (Skava Systems)[42]	India
Kallidus Inc, (Kallidus)[43]	US
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)	US
Infosys Public Services, Inc. USA (Infosys Public Services)	US
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]	US
Portland Group Pty Ltd[3]	Australia
Infosys BPO Americas LLC.[3]	US
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]	UK
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)	US
Panaya Ltd.[6]	Israel
Panaya GmbH[6]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)	UK
Brilliant Basics Limited[7]	UK
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]	US
WDW Communications, Inc[10][56]	US
WONGDOODY, Inc[10][57]	US
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]	US
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]	UK
Infosys Fluido UK, Ltd. (formerly Simplus UK, Ltd)[23]	UK
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[24]	Ireland
Infosys Limited Bulgaria EOOD[1][25]	Bulgaria
Kaleidoscope Animations, Inc.[28]	US
Kaleidoscope Prototyping LLC[29]	US
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]	UK
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[31]	US
Beringer Capital Digital Group Inc[31]	US
Mediotype LLC[32]	US
Beringer Commerce Holdings LLC[32]	US
SureSource LLC[33]	US
Blue Acorn LLC[33]	US
Simply Commerce LLC[33]	US
iCiDIGITAL LLC[34]	US
Infosys BPM UK Limited[3][36]	UK
Infosys Turkey Bilgi Teknolojikeri Limited Sirketi[1][41]	Turkey
Infosys Germany Holding Gmbh[1][44]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1][45]	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) Wholly-owned subsidiary of Stater Duitsland B.V.

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

(15) Liquidated effective January 28, 2021.

(16) On March 13, 2020, Infosys Nova Holdings LLC, acquired 100% of the voting interests in Outbox Systems Inc.

(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) On February 20, 2020, Infosys Poland, Sp z.o.o, acquired 100% of the voting interests in Infosys Consulting Sp. z.o.o from Infosys Consulting Holding AG

(22) Liquidated effective July 17, 2020

(23) On June 1, 2020, Fluido Oy, acquired 100% of the voting interests in Infosys Fluido U.K,Ltd (formerly Simplus U.K, Ltd)

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

(25) Incorporated effective September 11, 2020

(26) On October 1, 2020, Infy Consulting Company Limited acquired 100% of voting interests in GuideVision s.r.o

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

(28) On October 9, 2020, Infosys Nova Holdings LLC, acquired 100% voting interest in Kaleidoscope Animations, Inc.

(29) Wholly owned subsidiary of Kaleidoscope Animations, Inc.

(30) Merged with Infosys Poland Sp. z.o.o, effective October 21, 2020

(31) On October 27, 2020, Infosys Nova Holding LLC, a wholly-owned subsidiary of Infosys Limited, acquired 100% voting interest in Blue Acorn iCi Inc (formerly Beringer Commerce Inc) and Beringer Capital Digital Group Inc.

(32) Wholly-owned subsidiary of Blue Acorn iCi Inc.

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

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

(35) Liquidated effective November 19, 2020

(36) Incorporated, effective December 9, 2020

(37) Merged into Fluido Sweden AB (Extero), effective December 18, 2020

(38) Merged into Stater Duitsland B.V., effective December 18, 2020

(39) Merged with Stater N.V., effective December 23, 2020

(40) On December 29, 2020, Stater Participation B.V acquired non-controlling interest of 28.01% of the voting interests in Stater Belgium NV/SA

(41) Incorporated on December 30, 2020

(42) Under liquidation

(43) Liquidated effective March 9, 2021

(44) Incorporated on March 23, 2021

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

(46) Liquidated effective April 27, 2021

(47) Incorporated on August 4, 2021

(48) Liquidated effective July 20, 2021

(49) Liquidated effective September 1, 2021

(50) Liquidated effective September 2, 2021

(51) Incorporated on August 31, 2021

(52) On December 14, 2021, Infosys Consulting Pte Limited, a wholly owned subsidiary of Infosys Limited acquired 100% of voting interests in Global Enterprise International (Malaysia) Sdn. Bhd.

(53) Liquidated effective December 16, 2021

(54) Liquidated effective November 23, 2021

(55) Wholly-owned subsidiary of Infosys Limited, merged with WONGDOODY Inc, effective December 31, 2021

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

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

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

in US$

Particulars	As at December 31	
	2021	2020
Loan taken		
Infosys Public Services, Inc (Refer to Note 2.5)	1,535,696	1,516,063
	1,535,696	1,516,063
Loan given		
Outbox Systems Inc. dba Simplus (Refer to Note 2.2)	7,984	5,035,911
	7,984	5,035,911

The details of the related party transaction entered into by the Company for the years ended December 31, 2021 and December 31, 2020 are as follows:

in US$

Particulars	As at December 31	
	2021	2020
Capital transactions		
Financing transaction		
Equity [1]		
Outbox Systems Inc. dba Simplus	9,000,000	190,509,943
Kaleidoscope Animations Inc.	12,713	40,356,049
Beringer Commerce Inc	480,332	72,834,668
Beringer Capital Digital Group Inc	89,199	48,477,025
	9,582,244	352,177,685
Loan (Net of Repayment)		
Outbox Systems Inc. dba Simplus (Refer to Note 2.2)	(5,035,911)	5,035,911
Infosys Public Services, Inc. (Refer to Note 2.5)	–	(1,516,063)
	(5,035,911)	3,519,848
Revenue transaction		
Interest Income		
Outbox Systems Inc. dba Simplus (Refer to Note 2.2)	7,984	35,911
	7,984	35,911
Interest Expense		
Infosys Public Services, Inc (Refer to Note 2.5)	19,633	16,063
	19,633	16,063

(1) Refer to Note 2.1 on Investments for details

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Infosys Consulting Holding AG

Independent Auditor's Report

To the General Meeting of Infosys Consulting Holding AG, Kloten

Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the accompanying financial statements of Infosys Consulting Holding AG, which comprise the balance sheet as at 31 December 2021, and the income statement and notes for the year then ended.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of these financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation 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 system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, 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 for the year ended 31 December 2021 comply with Swiss law and the company's articles of incorporation.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 Code of Obligations (CO)) and that there are no circumstances incompatible with our independence.

In accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further 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

Fabien Lussu
Licensed Audit Expert
Auditor in Charge

Claudia Schmid
Licensed Audit Expert

Zurich, 12 May 2022

FLU/CSC/jba

Balance Sheet

in CHF

Particulars	Notes	As at December 31, 2021	As at December 31, 2020
Assets			
Cash and cash equivalents		8,781,533.41	15,500,036.87
Other short-term receivables from third parties		222,796.28	84,588.35
Other short-term receivables from subsidiaries		182,022.10	565.73
Other short-term receivables		0.00	13,666.15
Total current assets		9,186,351.79	15,598,857.10
Loans to subsidiaries		5,410,728.88	2,113,426.54
Loans to affiliates		20,158,167.06	20,031,561.64
Investments	2.1	28,264,508.80	29,872,226.97
Total non-current assets		53,833,404.74	52,017,215.15
TOTAL ASSETS		63,019,756.53	67,616,072.25
Liabilities and equity			
Trade accounts payable to third parties		51.00	654.68
Other short-term liabilities to third parties		2.48	137.69
Other short-term liabilities to subsidiaries		5,559.78	1,978.79
Accrued expenses and deferred income		85,890.97	64,831.13
Total short-term liabilities		91,504.23	67,602.29
Loans from subsidiaries		6,224,254.64	18,181,153.67
Total long-term liabilities		6,224,254.64	18,181,153.67
Total liabilities		6,315,758.87	18,248,755.96
Share capital	2.2	25,696,000.00	25,696,000.00
Statutory retained earnings		2,638,751.07	1,521,200.00
Voluntary retained earnings / (accumulated losses)		21,032,565.22	(200,905.17)
Net result for the year		7,336,681.37	22,351,021.46
Total equity		56,703,997.66	49,367,316.29
TOTAL LIABILITIES AND EQUITY		63,019,756.53	67,616,072.25

Income Statement

in CHF

Particulars	Notes	Years ended December 31, 2021	2020
Dividends		9,000,000.00	12,534,638.55
Gross profit		9,000,000.00	12,534,638.55
Office and administration expenses		(24,211.50)	(25,259.64)
Consulting expenses		(17,090.53)	(115,662.58)
Depreciation	2.3	(1,627,231.33)	(2,195,932.58)
Operating expenses		(1,668,533.36)	(2,336,854.80)
Earnings before interest and tax (EBIT)		7,331,466.64	10,197,783.75
Financial expenses		(657,608.75)	(4,515,099.08)
Financial income		249,688.47	2,562,567.86
Net financial result		(407,920.28)	(1,952,531.22)
Extraordinary expenses		0.00	0.00
Extraordinary income	2.4	459,689.02	14,123,121.41
Net extraordinary result		459,689.02	14,123,121.41
Earnings before tax (EBT)		7,383,235.38	22,368,373.94
Tax expenses		(46,554.01)	(17,352.48)
Net result for the year		7,336,681.37	22,351,021.46

Notes to the Financial Statements

1. 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. It is furthermore noted that to ensure the long-term prosperity of the Company, these financial statements may be influenced by the creation and release of hidden reserves.

The Company's ultimate parent, Infosys Ltd. incorporated in India, prepares consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), 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 or grouped basis as appropriate.

2. Information on balance sheet and income statement items

2.1 Investments

Particulars	Currency	Years ended December 31,	
		2021	2020
Company: Infosys Consulting GmbH			
Location: Garching b. München, Germany			
Share capital:	€	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:	A$	3,500,300.00	3,500,300.00
Directly held percentage of ownership and voting rights:		100.00%	100.00%
Company: Infy 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:	€	489,326.00	489,326.00
Directly held percentage of ownership and voting rights:		100.00%	100.00%

Particulars	Currency	Years ended December 31,	
		2021	2020
Company: Infosys Consulting s.r.o.			
Location: Prag, Czech Republic			
Share capital:	Kč	0.00	200,000.00
Directly held percentage of ownership and voting rights:		0.00%	100.00%
Company: Infy Consulting B.V.			
Location: 's-Gravenhage, Netherlands			
Share capital:	€	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:	€	80,000.00	80,000.00
Directly held percentage of ownership and voting rights:		100.00%	100.00%
Company: Lodestone Management Consultants China Co., Ltd.			
Location: Shanghai, China			
Share capital:	US$	0.00	8,990,000.00
Directly held percentage of ownership and voting rights:		0.00%	100.00%
Company: Infosys Consulting S.R.L.			
Location: Buenos Aires, Argentina			
Share capital:	AR$	30,000,000.00	30,000,000.00
Directly held percentage of ownership and voting rights:		98.17%	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 2021, 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

Certain prior year figures have been reclassified due to comparison reason.

2.4 Extraordinary income

Prior year figures have been reclassified due to comparison reason.

in CHF

Particulars	Years ended December 31,	
	2021	2020
Profit on Sales of investment	389,624.26	14,123,121.41
Refund of taxes for expatriates	70,064.76	–

2.5 Leasing liabilities

Particulars	Years ended December 31,	
	2021	2020
Off-balance leasing liabilities	–	–

2.6 Guarantees

in CHF

Particulars	Years ended December 31,	
	2021	2020
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 (2020: no employees).

2.8 Estimation of uncertainties relating to the global health pandemic from 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 nonfinancial 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 related information and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements

Proposal on the appropriation of voluntary retained earnings

The Board of Directors proposes to appropriate the voluntary retained earnings as follows:

in CHF

Particulars	Year ended December 31, 2021
Voluntary retained earnings (brought forward)	21,032,565.22
Net profit for the year	7,336,681.37
Total voluntary retained earnings	28,369,246.59
Allocation to statutory retained earnings (5 %)	366,834.07
Dividend	0.00
To be carried forward	28,002,412.52

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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 comprises the Balance sheet as at 31st December, 2021, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (herein after 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 explanation 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, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

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

Management's Responsibilities for the Special Purpose Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

For SHENOY & KAMATH
Chartered Accountants
(Firm Registration Number. 006673S)

M Rathnakar Kamath
(Partner)
(Membership No. 202841)

UDIN : 22202841AIMNGY6596

Place: Bengaluru

Date: May 6, 2022

Balance Sheet

in SAR

Particulars	Note No.	As at December 31, 2021	As at December 31, 2020
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

Place: Bengaluru

Date: May 6, 2022

for and on behalf of the Board of Directors of Infosys Arabia Ltd.

Balakrishna Doddaballapur
Authorized Signatory

Statement of Profit and Loss

in SAR

Particulars	Note No.	Year ended December 31	
		2021	2020
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 6, 2022

for and on behalf of the Board of Directors of Infosys Arabia Ltd.

Balakrishna Doddaballapur
Authorized Signatory

Statement of changes in equity

in SAR

Particulars	Equity Share Capital	Other Equity Reserves & Surplus Retained earnings	Total equity attributable to equity holders of the Company
Balance as of January 1, 2020	–	–	–
Changes in equity for the year ended December 31, 2020			
Equity share capital	1,678,751	–	1,678,751
Balance as of December 31, 2020	1,678,751	–	1,678,751
Balance as of January 1, 2021	1,678,751	–	1,678,751
Changes in equity for the year ended December 31, 2021			
Equity share capital	–	–	–
Balance as of December 31, 2021	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 6, 2022

for and on behalf of the Board of Directors of Infosys Arabia Ltd.

Balakrishna Doddaballapur
Authorized Signatory

Statement of Cash Flows

in SAR

Particulars	Year ended December 31,	
	2021	2020
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 6, 2022

for and on behalf of the Board of Directors of Infosys Arabia Ltd.

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 Kingdon 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, 2021 to December 31, 2021.

1.2 Basis of preparation of financial statements

These special purpose financial statements are prepared for inclusion in the Annual Report of the holding company Infosys 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 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.

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

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

1.5 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, 2021	As at December 31, 2020
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, 2021	As at December 31, 2020
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, 2021 and December 31, 2020 are set out below:

Name of the shareholder	As at December 31, 2021	As at December 31, 2020
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, 2021 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 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,	
		2021	2020
Infosys Limited	India	70%	70%

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
Infosys Austria GmbH	Austria
Skava Systems Pvt. Ltd. (Skava Systems)[42]	India
Kallidus Inc, (Kallidus)[43]	U.S.
Infosys Chile SpA	Chile
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

Name of subsidiaries	Country
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.
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.
Beringer Commerce Holdings LLC[32]	U.S.

Name of subsidiaries	Country
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 Turkey Bilgi Teknolojikeri Limited Sirketi[1][41]	Turkey
Infosys Germany Holding Gmbh[1][44]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1][45]	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) Wholly-owned subsidiary of Stater Duitsland B.V.

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

(15) Liquidated effective January 28, 2021.

(16) On March 13, 2020, Infosys Nova Holdings LLC, acquired 100% of the voting interests in Outbox Systems Inc.

(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) On February 20, 2020, Infosys Poland, Sp z.o.o, acquired 100% of the voting interests in Infosys Consulting Sp. z.o.o from Infosys Consulting Holding AG

(22) Liquidated effective July 17, 2020

(23) On June 1, 2020, Fluido Oy, acquired 100% of the voting interests in Infosys Fluido U.K,Ltd (formerly Simplus U.K, Ltd)

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

(25) Incorporated effective September 11, 2020.

(26) On October 1, 2020, Infy Consulting Company Limited acquired 100% of voting interests in GuideVision s.r.o

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

(28) On October 9, 2020, Infosys Nova Holdings LLC, acquired 100% voting interest in Kaleidoscope Animations, Inc.

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

(30) Merged with Infosys Poland Sp. z.o.o, effective October 21, 2020

(31) On October 27, 2020, Infosys Nova Holding LLC, a wholly-owned subsidiary of Infosys Limited, acquired 100% voting interest in Blue Acorn iCi Inc (formerly Beringer Commerce Inc) and Beringer Capital Digital Group Inc

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

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

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

(35) Liquidated effective November 19,2020

(36) Incorporated, effective December 9, 2020

(37) Merged into Fluido Sweden AB (Extero), effective December 18, 2020

(38) Merged into Stater Duitsland B.V., effective December 18, 2020

(39) Merged with Stater N.V., effective December 23, 2020

(40) On December 29, 2020, Stater Participation B.V acquired non-controlling interest of 28.01% of the voting interests in Stater Belgium NV/SA

(41) Incorporated on December 30, 2020.

(42) Under liquidation

(43) Liquidated effective March 9,2021

(44) Incorporated on March 23, 2021

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

[46] Liquidated effective April 27,2021

[47] Incorporated on August 4, 2021

[48] Liquidated effective July 20, 2021

[49] Liquidated effective September 1, 2021

[50] Liquidated effective September 2, 2021

[51] Incorporated on August 31, 2021

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

[53] Liquidated effective December 16, 2021

[54] Liquidated effective November 23, 2021

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

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

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

Blue Acorn iCi Inc.

Independent Auditor's Report

To the Board of Directors of Blue Acorn iCi Inc.

Opinion

We have audited the consolidated financial statements of Blue Acorn iCi Inc. and subsidiaries (the 'Company'), which comprise the Consolidated Balance Sheets as of December 31, 2021 and 2020, and the related Consolidated Statements of Operations, 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, 2021 and 2020, 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.

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, 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 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 audit.

May 12, 2022

Consolidated Balance Sheets

in US$

Particulars	Notes	As at December 31, 2021	As at December 31, 2020
Assets			
Current assets:			
Cash and cash equivalents		8,913,110	4,021,807
Accounts receivable, net		5,263,523	2,609,871
Inventories, net		–	61,403
Unbilled receivables		2,033,579	2,056,571
Prepaid expenses and other current assets		560,265	573,754
Due from affiliates	10	1,054,374	–
Total current assets		17,824,851	9,323,406
Noncurrent assets:			
Property and equipment, net	3	380,972	230,497
Goodwill, net	4	9,909,011	18,716,720
Intangible asset, net	5	81,535	244,003
Lease deposits		404,212	417,336
Total noncurrent assets		10,775,730	19,608,556
Total assets		28,600,581	28,931,962
Liabilities and shareholder's equity			
Current liabilities:			
Accounts payable and accrued expenses		7,494,999	4,404,956
Income taxes payable	8	355,694	–
Deferred revenue		618,776	522,796
Sublease liability—current portion	9	152,428	147,083
Due to affiliate	10	1,427,105	389,158
Total current liabilities		10,049,002	5,463,993
Noncurrent liabilities:			
Sublease deposit and liability	9	295,995	448,423
Deferred rent		51,424	62,273
Total noncurrent liabilities		347,419	510,696
Total liabilities		10,396,421	5,974,689
Commitments and contingencies	9		
Shareholder's equity:			
Common stock—US$1 par; 1,000 shares authorized, 100 shares issued and outstanding		100	100
Contributed surplus		57,870,774	57,870,774
Accumulated deficit		(39,666,714)	(34,913,601)
Total shareholder's equity		18,204,160	22,957,273
Total liabilities and shareholder's equity		28,600,581	28,931,962

See accompanying notes to consolidated financial statements.

Consolidated Statement of Operations

in US$

Particulars	Years ended December 31, 2021	2020
Revenue	45,567,669	34,135,130
Cost of revenue	28,048,364	20,476,156
Gross profit	17,519,305	13,658,974
Expenses:		
Selling, general and administrative	12,641,675	10,988,684
Amortization and depreciation	9,102,491	8,983,979
Provision for bad debt	110,636	116,284
Total expenses	21,854,802	20,088,947
Loss from operations	(4,335,497)	(6,429,973)
Interest, net	17,330	566,598
Other expense	–	324,550
Loss before income taxes	(4,352,827)	(7,321,121)
Income tax expense	400,286	59,550
Consolidated net loss	(4,753,113)	(7,380,671)
Less: net loss attributable to non-controlling interest	–	(2,541,372)
Net loss attributable to parent	(4,753,113)	(4,839,299)

See accompanying notes to consolidated financial statements.

Consolidated Statement of Equity

For the years ended December 31, 2021 and 2020.

in US$

Particulars	Common stock	Contributed surplus	Accumulated deficit	Total Shareholder's equity	Non-controlling interest	Total
BALANCE—January 1, 2020	100	28,705,646	(18,120,914)	10,584,832	683,454	11,268,286
Net loss	–	–	(4,839,299)	(4,839,299)	(2,541,372)	(7,380,671)
Recapitalization, October 27, 2020	–	19,069,658	–	19,069,658	–	19,069,658
Contribution of non-controlling interest	–	10,095,470	(11,953,388)	(1,857,918)	1,857,918	–
BALANCE—December 31, 2020	100	57,870,774	(34,913,601)	22,957,273	–	22,957,273
Net loss	–	–	(4,753,113)	(4,753,113)	–	(4,753,113)
BALANCE—December 31, 2021	100	57,870,774	(39,666,714)	18,204,160	–	18,204,160

See accompanying notes to consolidated financial statements.

Consolidated Statement of Cash Flows

in US$

Particulars	Years ended December 31,	
	2021	2020
Operating activities:		
Net loss	(4,753,113)	(7,380,671)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Amortization and depreciation	9,102,491	8,983,979
Provision for doubtful accounts	110,636	116,284
Gain on the disposal of property and equipment	(6,226)	–
Changes in operating assets and liabilities:		
Accounts receivable	(2,764,288)	3,504,924
Unbilled revenue	22,992	(1,895,674)
Prepaid expense and other current assets	26,613	108,249
Inventories, net	61,403	92,705
Accounts payable and accrued expenses	2,942,959	(1,408,714)
Income taxes payable	355,694	–
Deferred revenue	95,980	(1,377,890)
Deferred rent	(10,849)	(926,732)
Due to affiliate	1,037,948	274,849
Due from affiliate	(1,054,374)	–
Net cash provided by operating activities	5,167,866	91,309
Cash flows from investing activities:		
Purchase of property and equipment	(292,973)	(72,647)
Proceeds from the sales of property and equipment	16,410	–
Net cash used in investing activities	(276,563)	(72,647)
Cash flows from financing activities:		
Proceeds from notes issued under SBA Payroll Protection Program	–	2,889,887
Proceeds advanced from related party under common control	–	250,000
Payment to related party under common control	–	(250,000)
Repayment of obligation under capital lease obligation	–	(2,010)
Net cash provided by financing activities	–	2,887,877
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,891,303	2,906,539
CASH AND CASH EQUIVALENTS—Beginning of year	4,021,807	1,115,268
CASH AND CASH EQUIVALENTS—End of year	8,913,110	4,021,807
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION—Cash paid during the period for income taxes	86,315	–
NON-CASH ACTIVITIES CONNECTED WITH RECAPITALIZATION UPON ACQUISITION:		
Conversion of convertible notes payable and related accrued interest at acquisition	–	4,912,219
Conversion of demand notes payable to parent company at acquisition	–	4,480,809
Conversion of promissory notes and related accrued interest at acquisition	–	2,700,000
Conversion of demand note payable to a noncontrolling member at acquisition	–	580,000
Conversion of note payable to company under common control and related accrued interest at acquisition	–	3,951,704
Conversion of term notes issued by SBA under Payroll Protection Program and related accrued interest at acquisition	–	2,903,935
Conversion of select accounts receivable at acquisition	–	(459,009)
	–	19,069,658

See accompanying notes to consolidated financial statements.

Notes to consolidated financial statements

As of and for the years ended December 31, 2021 and 2020.

1. Nature of business

Blue Acorn iCi Inc., formerly known as Beringer Commerce Inc. (the 'Company'), provides digital commerce services via its operating subsidiaries, Blue Acorn, LLC (Blue Acorn), SureSource LLC and Mediotype, LLC (Mediotype). The Company was incorporated on September 13, 2017 in the state of Delaware.

SureSource LLC, doing business as BrandShop (BrandShop) is a leading provider of branded digital commerce solutions offering everything from site design to package delivery based in Shelton, Connecticut. Blue Acorn is a digital commerce agency based in Charleston, South Carolina. Mediotype is a digital commerce agency based in Superior, Colorado.

Previously, Beringer Capital Fund III, L.P. owned 100% shares of common stock of Beringer Commerce Inc. On October 8, 2020, Beringer Capital Fund III, L.P. (the 'Seller') entered into an Equity Purchase Agreement with Infosys Nova Holdings, LLC (the 'Purchaser'), a Delaware limited liability partnership, whereby the Purchaser was to acquire all outstanding equity interests of Beringer Commerce, Inc. and related minority interests, free and clear of any, and all liens. The transaction (Infosys transaction) was consummated on October 27, 2020 at which time the Purchaser became the owner, directly or indirectly, of all issued and outstanding equity interests of Beringer Commerce, Inc. All debt, related interest accruals, and select accounts receivable discharged or converted at the Infosys transaction date are reflected as recapitalization in the consolidated statement of equity.

The Company has considered the possible effects that may result from the pandemic relating to the Coronavirus disease (COVID-19) in the preparation of these consolidated 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 used internal and external sources of information. The impact of COVID-19 on the Company's consolidated financial statements may differ from that estimated as of May 12, 2022, the date on which the consolidated financial statements were available to be issued.

2. Summary of significant accounting policies

Basis of presentation

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles for the United States of America (US GAAP).

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries as of and for the years ended December 31, 2021 and 2020. All intercompany balances and transactions have been eliminated in consolidation.

Correction of error

The prior year Consolidated Balance Sheet and Consolidated Statement of Equity reported non-controlling interest of US$1,857,918 that should have been eliminated as of the Infosys transaction date. The Management corrected this error by reclassifying the noncontrolling interest as a component of shareholders' equity.

Reclassifications

Deferred tax assets as of December 31, 2020, are presented by separate components within Note 8 to the consolidated financial statements to conform to the current year presentation.

Use of estimates

The preparation of these consolidated financial statements requires the 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 consolidated 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, goodwill, and deferred revenue.

Credit risk

The Company is exposed to credit risk with respect to collectability of customer accounts receivable and unbilled revenue. Management 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 the 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 or accounts receivable nor with respect to any vendors.

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 US$250,000. At December 31, 2021 and 2020, the Company had balances in excess of insured limits totaling US$7,609,451 and US$2,621,152, respectively.

Accounts receivable

Accounts receivables are generated from service agreements for information technology solutions, consulting, and business process 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. Unbilled receivables represent revenues earned on contracts to be billed, in subsequent periods, as per terms of the related contracts.

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 receivables are written off when they are deemed to be uncollectible. The allowance for doubtful accounts was US$65,154 and US$32,734 at December 31, 2021 and 2020, respectively.

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.

Inventories

Inventories consisted of purchased products for a single customer related to its owned-inventory business which was discontinued in 2019. Inventories are valued at the lower of cost or net realizable value. Provisions are made for slow moving or obsolete inventory based upon historical usage and the Management's estimate of expected recovery. The Company uses the first-in, first-out method of valuing inventory. The inventory reserve at December 31, 2020 was NIL. No owned inventory existed at December 31, 2021.

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

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset 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 net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. 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 related party, 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.

Goodwill

Goodwill is recorded at the excess of the purchase price of an acquired subsidiary over the fair value of the net assets acquired.

The Company has 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 over a period of 10 years or less than 10 years if the Company demonstrates that another useful life is more appropriate. As of January 1, 2019, the Company revised the estimate of the useful life of goodwill from 10 years to a remaining useful life of 4 years to reflect a change in the strategic direction of the Company.

The Company evaluates goodwill for impairment at the entity level at the end of the annual reporting period. Specifically, the Company determines whether or not a triggering event(s) occurred during the reporting period that would indicate the fair value of the Company may be below its carrying amount. At December 31, 2021 and 2020, no goodwill impairment was recorded.

Intangible asset

The intangible asset represents internally-developed software, which is amortized on a straight-line basis over its estimated useful life of two years. Amortization expense is included in amortization and depreciation expense reported on the consolidated statement of operations.

Leases

Rent under operating leases is charged to expenses on a straight-line basis over the lease term. Any difference between the straight-line rent and the rent payable under the escalating lease term is reflected as deferred rent liability on the Consolidated Balance Sheets. Rental expense is recorded as a component of Selling, General and Administrative Expenses within the Consolidated Statement of Operations.

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 consolidated financial statements. Under this method, deferred tax assets and liabilities are determined on the basis of the differences between the consolidated 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 comprises 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.

Affiliate revenue

The Company has entered into contractual agreements with affiliated entities under common control and Infosys Limited, parent company of Infosys Nova Holdings, ('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 once the performance obligation has been satisfied.

Cost of revenue

Cost of revenue consists primarily of contractor services, labor incurred, and fulfillment costs.

Recently issued accounting standards not yet adopted

The Financial Accounting Standards Board has issued the following standards.

Standard		Effective Date
2016-02	Leases (Topic 842)	January 1, 2022
2016-13	Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments	January 1, 2023

The Company is still assessing the impact on the consolidated financial statements.

3. Property and equipment

Property and equipment consists of the following:

in US$

Particulars	2021		
	Cost	Accumulated Depreciation	Net Book Value
Leasehold improvements	1,440,956	1,352,371	88,585
Machinery and equipment	4,447,871	4,444,710	3,161
Computer equipment and software	3,324,502	3,251,837	72,665
Furniture and fixtures	935,662	719,101	216,561
Total property and equipment—net	10,148,991	9,768,019	380,972

in US$

Particulars	2020		
	Cost	Accumulated Depreciation	Net Book Value
Leasehold improvements	1,365,704	1,327,828	37,876
Machinery and equipment	4,447,871	4,443,478	4,393
Computer equipment and software	3,188,931	3,028,884	160,047
Furniture and fixtures	987,123	958,942	28,181
Total property and equipment—net	9,989,629	9,759,132	230,497

Depreciation expense for the years ended December 31, 2021 and 2020 was US$132,315 and US$95,124, respectively.

4. Goodwill

Goodwill consists of the following:

in US$

Particulars	Cost	Accumulated amortization	Net book value
Year			
2021	40,203,387	30,294,376	9,909,011
2020	40,203,387	21,486,667	18,716,720

Amortization expense for the years ended December 31, 2021 and 2020 was US$8,807,708 and US$8,807,708, respectively. Amortization expense for goodwill for its remaining useful life is as follows:

	in US$
2022	8,807,708
2023	1,101,303
Total	9,909,011

5. Intangible asset

Intangible assets consisting of internally developed software are as follows:

in US$

Particulars	Cost	Accumulated Amortization	Net Book Value
Year			
2021	325,150	243,615	81,535
2020	325,150	81,147	244,003

Amortization expense for the years ended December 31, 2021 and 2020 was US$162,468 and US$81,147, respectively. The remaining net book value for the intangible assets will be amortized in full during the year ending December 31, 2022.

6. Notes payable and term debt

Convertible Notes

On June 30, 2017, the Company issued a convertible note payable of US$2,000,000 to a third-party investment group that, if not converted, was due and payable after the third anniversary of its issuance being June 30, 2020. The convertible note payable accrued interest at a rate of 8% per annum that was payable upon the earlier of (i) payment in full of the entire outstanding balance or (ii) conversion of the note. The note was extended by the investment group through the Infosys transaction date. From inception through December 31, 2019, the Company accrued interest of US$400,000 which was added to the principal balance. During the period January 1, 2020 to the Infosys transaction date, the Company accrued interest of US$129,096 which was added to the principal balance.

On May 29, 2018, the Company issued a convertible note payable of US$2,000,000 to a third-party investment group that, if not converted, was due and payable after the third anniversary of its issuance being May 29, 2021. The convertible note payable accrues interest at a rate of 8% per annum that was payable upon the earlier of (i) payment in full of the entire outstanding balance or (ii) conversion of the note. From inception through December 31, 2019, the Company accrued interest of US$253,328 which was been added to the principal balance. During the period January 1, 2020 to the Infosys transaction date, the Company accrued interest of US$129,795, which was added to the principal balance.

As of the Infosys transaction date, the convertible notes and related accrued interest totaling US$4,912,219 were assumed by the Seller, paid in full with transactions proceeds, and are included as part of the recapitalization balance included in the consolidated statement of equity. There were no amounts outstanding with respect to the convertible notes as of December 31, 2021 and 2020.

Notes payable

The Company had notes payable outstanding to its former parent company, Beringer Capital Fund III, LP. The notes payable was non-interest bearing, unsecured and had no established maturity date. These notes payable totaling US$4,480,809 were assumed by the Seller, paid in full with transactions proceeds, and included as part of the recapitalization balance included in the consolidated statement of equity. There were no amounts outstanding with respect to the notes payable as of December 31, 2021 and 2020.

The Company had a demand note from a non-controlling member which was non-interest bearing, unsecured and had no established maturity date. As of the Infosys transaction date, the outstanding balance of US$580,000 for the demand note was assumed by the Seller, paid in full with transactions proceeds, and included as part of the recapitalization balance included in the consolidated statement of equity. There were no amounts outstanding with respect to the demand note as of December 31, 2021 and 2020.

In March 2019, the Company received US$4,000,000 in funding from a related company under common control in exchange for a promissory note payable. The promissory note bears interest calculated based on LIBOR rate plus 3.25% adjusted monthly and was due on demand. Interest expense recognized on the promissory note totaled US$133,462 for the year ended December 31 2020. No payments were made on the promissory note during the period January 1, to October 26, 2020. As of the Infosys transaction date, the loan and related accrued interest totaling US$3,951,704 were assumed by the Seller, paid in full with transactions proceeds, and included as part of the recapitalization balance included in the consolidated statement of equity. There were no amounts outstanding with respect to the loan as of December 31, 2021 and 2020.

On September 13, 2019, the Company issued a promissory note of US$3,000,000 in connection with its acquisition of Mediotype, LLC. The promissory note was discounted at a rate of 8% per annum resulting in a present value of US$2,621,982 and accrued interest at a rate of 3% per annum compounded annually. The note was due at the earlier of (i) a disposition by the Company of substantially all its assets; (ii) a direct or indirect sale of more than 50% of membership interests; or (iii) as of June 30, 2021. As of the Infosys transaction date, the promissory note plus accrued interest totaling US$2,700,000 were assumed by the Seller, paid in full with transaction proceeds, and are included as part of the recapitalization balance included in the consolidated statement of equity. There were no amounts outstanding with respect to the promissory note as of December 31, 2021 and 2020.

Term Debt—On April 21, 2020, Blue Acorn received a US$1,869,800 Small Business Administration (SBA) loan under the Paycheck Protection Program ("PPP") of the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act). The loan bears interest at 1% per annum and matures on April 21, 2022.

On May 1, 2020, BrandShop received a US$610,587 SBA loan under the PPP of the CARES Act. The loan bears interest at 1% per annum and matures on May 1, 2022.

On May 2, 2020, Mediotype received a US$409,500 SBA loan under the PPP of the CARES Act. The loan bears interest at 1% per annum and matures on May 2, 2022.

The Company filed applications for forgiveness with the SBA for each of the respective loans. The applications were still pending at the date of the Infosys transaction. In accordance with the SBA Procedural Notice dated October 2, 2020, the Company provided written notice to the respective PPP lenders and established interest-bearing escrow accounts controlled by the respective PPP lenders with funds equal to the outstanding balance of the loans plus accrued interest totaling US$2,903,935. As of the Infosys transaction date, the escrow accounts were funded by the Seller with transaction proceeds and are included as part of the recapitalization balance included in the consolidated statement of equity. There were no amounts outstanding for these SBA loans as of December 31, 2021 and 2020.

7. Revenue recognition

For the years ended December 31, 2021 and 2020, revenue was disaggregated into the following categories:

in US$

Particulars	Commerce Services	Analytics Services	Experience-Driven Commerce Services	Affiliate Revenue	Other	Total
2021						
Time and materials	27,846,995	1,972,914	420,523	4,993,338	–	35,233,770
Fixed price	2,842,872	1,925	2,113,065	–	–	4,957,862
Service unit	–	–	5,124,348	–	–	5,124,348
Partner rebates	–	–	–	–	251,689	251,689
Total Revenue	30,689,867	1,974,839	7,657,936	4,993,338	251,689	45,567,669
2020						
Time and materials	15,231,865	100,837	–	912,394	–	16,245,096
Fixed price	9,073,978	1,376,922	–	–	–	10,450,900
Service unit	–	–	7,042,854	–	–	7,042,854
Partner rebates	43,234	21,000	–	–	332,047	396,281
Total revenue	24,349,077	1,498,759	7,042,854	912,394	332,047	34,135,131

8. Income taxes

The provision for income taxes for the years ended December 31, 2021 and 2020 are as follows:

in US$

Particulars	Years ended December 31,	
	2021	2020
Current:		
Federal	284,321	–
State	115,965	59,550
Total current	400,286	59,550
Deferred—		
Federal	–	–
Provision for income taxes	400,286	59,550

The effective income tax rates for 2021 and 2020 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, 2021 and 2020 are as follows:

in US$

Particulars	As at December 31,	
	2021	2020
Goodwill amortization	6,361,811	4,834,185
Property and equipment depreciation	(99,053)	(59,929)
Accrued expenses and allowances	428,907	115,722
Deferred rent	13,370	16,191
Net operating loss	3,083,438	3,426,835
Valuation allowance	(9,788,473)	(8,333,004)
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, 2021 and 2020. The valuation allowance increased by US$1,455,469 and US$683,231, respectively, during the years ended December 31, 2021 and 2020.

As of December 31, 2021, the Company had federal operating loss ('NOL') carryforwards of approximately US$11,859,376. For the federal NOLs, US$308,916 expire in 2037 and the remaining US$11,550,460 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 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 years ended December 31, 2021 and 2020. The Company recognizes interest and penalties accrued related to any unrecognized tax benefits in interest within the consolidated statement of operations. As of December 31, 2021 and 2020, the Company had no accrued interest and penalties related to unrecognized tax benefits. Tax years 2017–2021 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 the 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 consolidated statement of operations.

Brandshop leases its administrative and distribution facility in Shelton under an operating lease that expires on June 2024. The initial lease commenced on January 1, 2005, required monthly rent payments of US$100,000 for the first year with annual escalations of 3% and expired on January 31, 2019. The lease was subsequently amended in 2007 which reset the monthly base rent for 2007 to US$138,113 with annual escalations of 3% to continue for the remaining lease term. On February 4, 2014, a second amendment to the lease was executed which extended the lease term to June 30, 2024 and fixed the monthly rent to US$126,777 through December 31, 2018 and US$133,116 for the period January 2019 through the remaining lease term. In January 2018, the Company signed a third amendment to the lease agreement under which the landlord granted the Company a rent deferral in the amount of US$60,000 per month for a total of 10 months commencing February 2018. As consideration for the deferral of the base rent, the Company was obligated to pay the landlord a fee equal to 13% of the aggregate deferred amount. This consideration amounting to US$78,000 was also permitted to be deferred. The aggregate deferred balance was not payable until the earlier of (i) January 2020 or (ii) the date of any default. Interest on the deferred balance accrued at a rate of 10% per annum, compounded monthly. In September 2020, the Company paid the deferred base rent, accrued consideration, and interest due totaling US$912,528 which was recorded within selling, general and administrative expenses within the consolidated statement of operations.

Brandshop entered into a sublease agreement for the warehouse portion of the administrative and distribution facility in Shelton representing 70% of the total leased space. The sublease dated April 1, 2019 with Fulfillment Works LLC requires monthly sublease payments of US$51,850 with annual escalations approximating 6.5%. The sublease agreement was amended in January of 2022 to extend the sublease term from March 31, 2022 to May 31, 2022. Sublease payments during the additional two-month period will be made at 150% of the current contractual rate. The income generated from the sublease is less than the minimum rental payments required and as such, the Company recognized a loss on the sublease as of the sublease inception date totaling US$756,834. Amortization of the related sublease loss liability, net of related interest, for the years ended December 31, 2021 and 2020 totaled US$147,083 and US$137,645, respectively. As of December 31, 2021 and 2020, the sublease liability was US$391,783 and US$538,865 and sublease deposits was US$56,641 and US$56,641, respectively.

The future minimum lease income projected from the sublease of these premises over the next five years are as follows:

	in US$
2022	627,397
2023	699,822
2024	349,911
Total	1,677,130

Mediotype leases an administrative facility in Colorado under an operating lease that expires in August 2024. The lease dated April 5, 2018 provided three months' rent abatement, initial monthly rent payments of US$3,965 and annual escalations of US$0.25 per square.

Blue Acorn leases an administrative facility in Charleston, South Carolina under an operating lease that expires in August 2025. The lease required initial monthly rent payments totaling US$29,653 with annual escalations of 3%.

Future minimum lease obligations under the terms of these operating leases (exclusive of sublease income), which is a component of selling, general and administrative expense within the consolidated statement of operations, are as follows:

	in US$
2022	1,895,544
2023	1,904,575
2024	1,096,549
2025	155,091
Total	5,051,759

Rental expense was US$1,158,288, net of sub-lease income of US$661,732, for the year ended December 31, 2021. Rental expense was US$2,101,470, net of sub-lease income of US$654,308, for the year ended December 31, 2020.

10. Related party transactions

During the years ended December 31, 2021 and 2020 the Company recognized both revenue and expenses related to services provided to/from related parties as follows:

in US$

2021	Revenue	Expenses
Entities under common control	1,640,304	2,173,601
Parent company	3,353,034	367,750
Total	4,993,338	2,541,351

in US$

2020	Revenue	Expenses
Entities under common control	912,415	2,017,176
Parent company	–	–
Total	912,415	2,017,176

Due from and to affiliates reflect payments due to/from related parties under common control and Parent Company. These amounts are non-interest bearing, due on demand, and measured at the exchange amount. At December 31, 2021 and 2020, the related party balances were as follows:

in US$

2021	Due from affiliate	Due to affiliate
Entities under common control	–	1,381,091
Parent company	1,054,374	46,014
Total	1,054,374	1,427,105

in US$

2020	Due from affiliate	Due to affiliate
Entities under common control	–	389,158
Parent company	–	–
Total	–	389,158

In January 2020, the Company was advanced US$250,000 from a related party under common control. The advance was non-interest bearing and payable on demand. The advance was paid in full on June 5, 2020.

11. Retirement plans

The Company sponsors 401K plans which cover all employees of each of its operating subsidiaries. The plans provide for safe harbor employer matching contributions. Employer matching contributions to the retirement plans for the years ended December 31, 2021 and 2020 were US$427,920 and US$423,973, respectively and are included as a component of selling, general and administrative expenses within the consolidated statement of operations.

12. Subsequent events

Infosys Nova Holdings, LLC, owns all the issued and outstanding shares of the Company and Beringer Capital Digital Group Inc., collectively 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.

Management has evaluated subsequent events through May 12, 2022, the date on which the consolidated financial statements were available to be issued and no other events were noted.

Beringer Digital Capital Group Inc

Independent Auditor's Report

To the Board of Directors of Beringer Digital Capital Group Inc.

Opinion

We have audited the consolidated financial statements of Beringer Digital Capital Group Inc. and its subsidiary (the 'Company'), which comprise the Consolidated Balance Sheets as of December 31, 2021 and 2020, and the related Consolidated Statements of Operations, 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, 2021 and 2020, 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 (US).

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

Date: May 12, 2022

Consolidated Balance Sheets

in US$

Particulars	Note	As of December 31, 2021	2020
ASSETS			
Current assets:			
Cash and cash equivalents		4,579,245	5,459,348
Restricted cash		34,607	34,826
Accounts receivable, net		1,814,617	2,003,292
Unbilled receivables		1,011,974	1,065,116
Prepaid expenses		64,728	57,611
Due from affiliate	11	2,848,709	389,158
Income tax receivable		129,742	444
Total current assets		10,483,622	9,009,795
Non-current assets:			
Property and equipment, net	3	988,622	1,036,086
Lease deposit		42,658	42,658
Goodwill, net	4	2,813,107	5,626,215
Total non-current assets		3,844,387	6,704,959
Total assets		14,328,009	15,714,754
LIABILITIES AND SHAREHOLDER'S EQUITY			
Current liabilities:			
Accounts payable and accrued expenses		2,779,514	1,727,336
Due to affiliate	11	20,767	–
Capital lease obligations—current portion		39,555	37,523
Total current liabilities		2,839,836	1,764,859
Non-current liabilities:			
Capital lease obligations		52,053	91,608
Deferred rent		848,904	937,548
Total non-current liabilities		900,957	1,029,156
Total liabilities		3,740,793	2,794,015
Commitments and contingencies	10		
Shareholder's equity:			
Common stock, US$1 par value—authorized, 1,000 shares; issued and outstanding, 100 shares		100	100
Contributed surplus		15,406,240	15,406,240
Accumulated deficit		(4,819,124)	(2,485,601)
Total shareholder's equity		10,587,216	12,920,739
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		14,328,009	15,714,754

See accompanying notes to consolidated financial statements.

Consolidated Statement of Operations

in US$

Particulars	Years ended December 31, 2021	2020
Revenue	24,480,245	21,383,487
Cost of revenue	16,681,097	12,457,612
Gross profit	7,799,148	8,925,875
Expenses:		
Selling, general and administrative	6,999,836	6,020,262
Management fees	–	450,000
Amortization and depreciation	3,059,963	3,029,894
Total expenses	10,059,799	9,500,156
Loss from operations	(2,260,651)	(574,281)
Interest, net	1,227	138,668
Loss before income taxes	(2,261,878)	(712,949)
Income tax expense (benefit)	71,645	(17,954)
Consolidated net loss	(2,333,523)	(694,995)
Less: Net loss attributable to non-controlling interest	–	(42,801)
Net loss attributable to parent	(2,333,523)	(652,194)

See accompanying notes to consolidated financial statements.

Consolidated Statement of Equity

For the year ended December 31,2021 and 2022

in US$

Particulars	Common stock	Contributed surplus	Accumulated deficit	Total Shareholder's equity	Non-controlling interest	Total
BALANCE—January 1, 2020	100	10,838,504	(1,369,408)	9,469,196	512,984	9,982,180
Net loss	–	–	(652,194)	(652,194)	(42,801)	(694,995)
Distributions	–	–	–	–	239	239
Conversion of equity incentive units—October 27, 2020	–	287,418	–	287,418	–	287,418
Recapitalization—October 27, 2020	–	3,345,897	–	3,345,897	–	3,345,897
Contribution of non-controlling interest	–	934,421	(463,999)	470,422	(470,422)	–
BALANCE—December 31, 2020	100	15,406,240	(2,485,601)	12,920,739	–	12,920,739
Net loss	–	–	(2,333,523)	(2,333,523)	–	(2,333,523)
BALANCE—December 31, 2021	100	15,406,240	(4,819,124)	10,587,216	–	10,587,216

See accompanying notes to consolidated financial statements.

Consolidated Statement of Cash Flow

in US$

Particulars	Years ended December 31, 2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	(2,333,523)	(694,995)
Adjustments to reconcile net loss to net cash provided by operating activities		
Amortization and depreciation	3,059,963	2,813,208
Loss on disposal of property and equipment	(5,831)	956
Deferred income taxes	–	431,581
Changes in operating assets and liabilities		
Accounts receivable	188,675	1,492,455
Unbilled revenue	53,142	(1,065,116)
Prepaid expenses	(7,117)	54,726
Income tax receivable	(129,298)	(336,466)
Accounts payable and accrued expenses	1,052,178	1,194,375
Deferred revenue	–	(13,105)
Deferred rent	(88,644)	976,523
Due to affiliate	20,767	–
Due from affiliate	(2,459,551)	(367,607)
Net cash (used in) provided by operating activities	(649,239)	4,703,221
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(193,560)	(18,660)
Leasehold improvements funded by Landlord	–	(800,104)
Funds advanced to related party under common control	–	(250,000)
Funds received from related party under common control	–	250,000
Net cash used in investing activities	(193,560)	(818,764)
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings under line of credit agreement	–	300,000
Online payments of credit agreement	–	(1,200,000)
Proceeds from note issued under SBA Payroll Protection Program	–	2,048,100
Payments on term debt	–	(466,667)
Distribution to non-controlling interest	–	239
Repayment of obligation under capital lease obligation	(37,523)	(43,443)
Net cash (used in) provided by financing activities	(37,523)	638,229
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	(880,322)	4,522,686
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH—Beginning of year	5,494,174	971,488
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH—End of year	4,613,852	5,494,174
CASH AND CASH EQUIVALENTS	4,579,245	5,459,348
RESTRICTED CASH	34,607	34,826
TOTAL CASH AND CASH EQUIVALENTS	4,613,852	5,494,174
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the period for interest	5,925	251,835
Cash paid during the period for income taxes	619,823	–
NON-CASH ACTIVITIES		
Discharge of debt outstanding and related accrued interest under credit agreement	–	5,239,536
Discharge of term loan issued by SBA under Payroll Protection Program and related accrued interest	–	2,058,065
Conversion of note receivable from the Company under common control	–	(3,951,704)
Conversion of liability for bonus compensation related to equity incentive units	–	287,418
Obligation under capital lease	–	158,025
TOTAL NON-CASH ACTIVITIES	–	3,791,340

See accompanying notes to consolidated financial statements.

Notes to consolidated financial statements

As of and for the years ended December 31, 2021 and 2020.

1. Nature of business

Beringer Capital Digital Group Inc. (the 'Company' or 'Beringer Digital') is a Delaware C Corporation. Beringer Digital owns 100% of its subsidiary, iCiDIGITAL, LLC doing business as iCiDIGITAL. Collectively, Beringer Digital and iCiDIGITAL are referred to as the 'Company'. iCiDIGITAL is a provider of information technology solutions, consulting, and business process services with specialization in web experience management and managed services. The Company engages with its customers to accelerate and optimize their use of business-critical technology systems. The Company's core competencies include data migrations, software deployment, system integrations, data and system assessments and business analytics.

Beringer Capital Fund III, L.P. owned 100% shares of common stock of Beringer Digital. On October 8, 2020 Beringer Capital Fund III, L.P. (the 'Seller') entered into an Equity Purchase Agreement with Infosys Nova Holdings, LLC ('the Purchaser'), a Delaware limited liability partnership, whereby the Purchaser was to acquire all outstanding equity interests of Beringer Digital and related minority interests, free and clear of any, and all liens. The transaction ('Infosys transaction') was consummated on October 27, 2020 at which time the Purchaser became the owner, directly or indirectly, of all issued and outstanding equity interests of Beringer Digital. All debt discharged, related interest accruals, and transaction related compensation funded at the Infosys transaction date are reflected as recapitalization in the consolidated statement of equity.

The Company has considered the possible effects that may result from the pandemic relating to the Coronavirus disease ('COVID-19') in the preparation of these consolidated 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 used internal and external sources of information. The impact of COVID-19 on the Company's consolidated financial statements may differ from that estimated as of __________, 2022, the date on which the consolidated financial statements were available to be issued.

2. Summary of significant accounting policies

Basis of Presentation

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles for US ('US GAAP').

Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its subsidiary as of and for the years ended December 31, 2021 and 2020. All intercompany balances and transactions have been eliminated in consolidation.

Correction of Error

The prior year Consolidated Balance Sheet and Consolidated Statement of Equity previously reported noncontrolling interest of US$470,422 that should have been eliminated as of the Infosys transaction date. The Management corrected this error by reclassifying the noncontrolling interest as a component of shareholder's equity.

Reclassifications

Deferred tax assets as of December 31, 2020, are presented by separate components within Note 9 to the consolidated financial statements to conform to the current year presentation.

Use of estimates

The preparation of the consolidated 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 consolidated 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 goodwill.

Credit risk

The Company is exposed to credit risk with respect to collectability of customer accounts receivable and unbilled revenue. The Management provides for probable uncollectible 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

For the year ended December 31, 2021, two customers accounted for approximately 69% of the Company's revenue and approximately 53% of accounts receivable as of December 31, 2021. For the year ended December 31, 2020, three customers accounted for approximately 72% of the Company's revenue and approximately 72% of accounts receivable as of December 31, 2020.

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 which, at times, may exceed federally insured limits. The balances are insured by the Federal Deposit Insurance Corporation up to US$250,000. At December 31, 2021 and 2020, the Company had balances more than insured limits totaling US$4,076,246 and US$4,709,174, respectively.

Restricted cash

Restricted cash is held in a separate account as collateral for a corporate credit card agreement.

Accounts receivable and unbilled receivables

Accounts receivable are generated from service agreements for information technology solutions, consulting, and business process services. Billed amounts represent invoices that have been prepared and sent to the customer. Unbilled receivables represent revenues earned on contracts to be billed, in subsequent periods, as per terms of the related contracts.

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 ongoing basis. Accounts receivable are written off when they are deemed to be uncollectible. The allowance for doubtful accounts was US$0 at December 31, 2021 and 2020, respectively.

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 or lease term, if shorter:

Estimated useful lives are as follows:

Computer equipment and software	2–3 years
Leasehold improvements	Shorter of estimated useful life or lease term
Furniture and fixtures	5 years

The Company reviews long lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset 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 net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets held for disposal are reported at the lower of the carrying amount or 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 amount due from related party, 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.

Goodwill

Goodwill is recorded as the excess of the purchase price of an acquired subsidiary over the fair value of the net assets acquired.

The Company has 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 over a period of 10 years or less than 10 years if the Company demonstrates that another useful life is more appropriate. At January 1, 2019, the Company revised the estimate of the useful life of goodwill from 10 years to a remaining useful life of 4 years to reflect a change in the strategic direction of the Company.

The Company evaluates goodwill for impairment at the entity level at the end of the reporting period. Specifically, the Company determines whether or not a triggering event(s) occurred during the reporting period that would indicate that the fair value of the Company may be below its carrying amount. At December 31, 2021 and 2020, no goodwill impairment was recorded.

Leases

Rent under operating leases is expensed on a straight-line basis over the lease term. Any difference between the straight-line rent and the rent payable under the escalating lease term is reflected as deferred rent liability on the Consolidated Balance Sheets. Lease incentives in the form of tenant improvement allowances are recorded as deferred rent and amortized on a straight-line basis over the lease term. Rental expense is recorded as a component of selling, general and administrative expense within the consolidated statement of operations.

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 consolidated financial statements. Under this method, deferred tax assets and liabilities are determined on the basis of the differences between the consolidated 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'), and data driven strategic services ('Analytic Services'), such as, design, strategic analysis, process reviews, data research and optimization.

In accordance with ASC 606, Revenue from Contracts with Customers, revenue is recognized when, or as, 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 using 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.

Time and materials and fixed price

Retainer 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—Milestone 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 services;
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 and Fixed Priced—Retainer). 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 Milestone 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.

Affiliate revenue

The Company has entered into contractual agreements with affiliated entities under common control and Infosys Limited, parent company of Infosys Nova Holdings, ('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 versus a principal. 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 once the performance obligation has been satisfied.

Cost of revenue

Cost of revenue consists primarily of costs related to contractor services and labor incurred to satisfy the various revenue streams.

Share-based compensation

The Company participated in an Equity Incentive Plan (the 'Plan'). Pursuant to the Plan, certain employees receive remuneration in the form of stock incentive unit representing profits interests. The Company accounts for profit interests in accordance with ASC 710, Compensation, which requires all employee share awards to be recognized as compensation expense and a liability when payment is probable and reasonably estimable.

Recently issued Accounting Standards not yet adopted

The Financial Accounting Standards Board issued the following standards in which the Company is still assessing the impact on the consolidated financial statements.

Standard		Adoption Date
2019-01	Leases (Topic 842): Codification Improvements	January 1, 2022
2016-13	Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments	January 1, 2023

3. Property and equipment

Property and equipment consist of the following:

in US$

	2021		
	Cost	Accumulated Depreciation	Net Book Value
Property and equipment:			
Computer equipment and software	437,361	257,373	179,988
Leasehold improvements	865,750	195,493	670,257
Furniture and fixtures	413,103	274,726	138,377
Total property and equipment, net	1,716,214	727,592	988,622

in US$

	2020		
	Cost	Accumulated Depreciation	Net Book Value
Property and equipment:			
Computer equipment and software	252,681.00	205,351.00	47,330.00
Leasehold improvements	871,970.00	89,527.00	782,443.00
Furniture and fixtures	445,088.00	238,775.00	206,313.00
Total property and equipment—net	1,569,739.00	533,653.00	1,036,086.00

The Company has a capital lease obligation for furniture and fixtures that expires in 2024. The related liability as of December 31, 2021 and 2020 of US$91,608 and US$129,131 reported on the Balance Sheets is secured by the related assets, which are included in property and equipment and have a cost of US$158,025 and net book value as of December 31, 2021 and 2020 of US$95,473 and US$134,980.

Depreciation expense for the years ended December 31, 2021 and 2020 totaled US$246,855 and US$216,686, respectively.

4. Goodwill

Goodwill consists of the following:

in US$

Year	Cost	Accumulated amortization	Net Book Value
2021	13,456,037	10,642,930	2,813,107
2020	13,456,037	7,829,822	5,626,215

Amortization expense for the years ended December 31, 2021 and 2020 was US$2,813,108 and US$2,813,208, respectively. The remaining net book value of goodwill will be amortized in full during the year ending December 31, 2022.

5. Credit agreement

In March 2019 the Company entered into a credit agreement with a commercial banking institution, which included the following facilities:

- Master Revolving Note Agreement in the amount of US$3,000,000, which acted as a line of credit. Draws under the Master Revolving Note were limited to 85% of eligible accounts receivable as defined by the Advance Formula Agreement. The Master Revolving Note bears interest computed based on the daily adjusting LIBOR rate.
- Installment Note in the amount of US$4,000,000. The Installment Note bore interest based on LIBOR rate plus 3% adjusted monthly. Payments of interest only were made for the six months commencing April 1, 2019 with monthly principal and interest payment of US$66,667 commencing on October 1, 2019. The credit agreements required the Company to meet a fixed coverage ratio defined by the agreement at the end of each calendar quarter.

On February 14, 2020, the Company executed a First Amendment to Credit Agreements and Waiver (the 'Amendment'). The Amendment provided for the following changes with respect to the existing credit facilities:

- Availability under the Master Revolving Note was increased from US$3,000,000 to US$4,000,000. The advance formula for borrowing under the Master Revolving Note was modified to allow for over formula funding up to US$750,000 through May 31, 2020; and
- The Amendment provided a waiver to the Company for non-compliance with the stated debt covenant for the three-month periods ended September 30, 2019 and December 31, 2019. In addition, the Amendment modified the measurement for the debt covenants on a prospective basis.

As of the Infosys transaction date, the amounts outstanding under these facilities and the related accrued interest totaling US$5,239,537 were assumed by the Seller, paid in full with transaction proceeds, and are included as part of the recapitalization balance included in the consolidated statement of equity. These facilities are no longer available for use as of December 31, 2020.

On April 28, 2020, the Company received a US$2,048,100 Small Business Administration ('SBA') loan under the Paycheck Protection Program ('PPP') of the Coronavirus Aid, Relief, and Economic Security Act ('the CARES Act'). The SBA loan bore interest at 1% per annum and was scheduled to mature on April 28, 2022.

The Company filed an application for forgiveness with the SBA on October 2, 2020. The application was still pending at the date of the Infosys transaction. In accordance with the SBA Procedural Notice dated October 2, 2020, the Company provided written notice to the PPP lender and established an interest-bearing escrow account controlled by the PPP lender with funds equal to the outstanding balance of the loan plus accrued interest totaling US$2,058,065. As of the Infosys transaction date, the escrow account was funded by the Seller with transaction proceeds which is included as part of the recapitalization balance included in the consolidated statement of equity. There were no amounts outstanding for the SBA loan as of December 31, 2021 and 2020.

6. Revenue recognition

For the years ended December 31, 2021 and 2020, revenue was disaggregated into the following categories:

in US$

2021	Commerce services	Analytics services	Affiliate revenue	Partner referral program	Total
Time and materials	12,733,995	974,522	9,340,886	–	23,049,403
Fixed price	1,142,227	75,333	–	–	1,217,560
Partner referral program	–	–	–	213,282	213,282
Total revenue	13,876,222	1,049,855	9,340,886	213,282	24,480,245

in US$

2020	Commerce services	Analytics services	Affiliate revenue	Partner referral program	Total
Time and materials	15,140,344	945,453	1,784,356	–	17,870,153
Fixed price	2,733,799	384,590		–	3,118,389
Partner referral program	–	–	–	394,945	394,945
Total revenue	17,874,143	1,330,043	1,784,356	394,945	21,383,487

7. Incentive unit award agreement

The Company signed an Incentive Unit Award Agreement with an employee on July 25, 2018 which granted a total of 6,005 incentive units to the employee pursuant to the terms of the Equity Incentive Plan. There were performance conditions specific to a change of control which must be met prior to vesting. The Equity Incentive Plan defines change of control, as the sale of all or substantially all the Company's assets to a person or a group of persons acting in concert, sale or transfer, merger or consolidation, or an initial public offering of the Company's units. Upon consummation of the Infosys transaction, the change in control condition was met and 1,212 incentive units vested. Expense of US$287,418 was recognized and based upon the fair value of the incentive units at the date of the Infosys transaction and recorded as selling, general and administrative expense within the consolidated statement of operations for the year ended December 31, 2020. The related liability was assumed by the Seller, paid in full with transactions proceeds, and is included as part of the recapitalization balance included in the consolidated statement of equity.

8. Retirement plan

The Company sponsors a 401(k) plan (the 'Plan') which covers all employees over the age of 21. The contributions made by the Company are discretionary. All contributions are participant directed. The Company did not contribute to the Plan for the years ended December 31, 2021 and 2020.

9. Income taxes

The provision for income taxes for the years ended December 31, 2021 and 2020 is as follows:

in US$

Particulars	Years ended December 31,	
	2021	2020
Current		
Federal	–	388,103.00
State	71,645.00	25,524.00
Total current	71,645.00	413,627.00
Deferred		
Federal	–	(431,581.00)
Provision for income taxes	71,645.00	(17,954.00)

The effective income tax rates for 2021 and 2020 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, 2021 and 2020 are as follows:

in US$

Particulars	As of December 31,	
	2021	2020
Goodwill and intangibles amortization	2,077,212.00	1,600,986.00
Property and equipment depreciation	(257,042.00)	(269,382.00)
Accrued expenses	49,748.00	68,085.00
Deferred rent	220,715.00	40,451.00
Net operating loss	157,721.00	–
Valuation allowance	(2,248,354.00)	(1,440,140.00)
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 than 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, 2021 and 2020. The valuation allowance increased by US$808,214 and US$173,978, respectively, during the years ended December 31, 2021 and 2020.

The Company has determined that there are no significant tax positions that result in uncertainty requiring recognition as at and for the years ended December 31, 2021 and 2020. The Company recognizes interest and penalties accrued related to any unrecognized tax benefits in interest and bank charges. During the year, the Company recognized no interest and penalties related to unrecognized tax benefits. Tax years 2017–2021 remain subject to examination by the federal and state jurisdictions in which the Company operates.

On March 27, 2020, the US Government signed into law the CARES Act. The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of the employer's share of socials security payments, net operating loss carrybacks, alternative minimum tax credit refunds, modification to the net interest expense deduction limitation and technical correction to the tax depreciation methods for qualified improvement property. Under the CARES Act, the Company filed refund claims based on the carryback of US$1,750,972 of net operating losses to tax years 2018 and 2017. The refund of US$431,581, reflected as a deferred tax benefit in the prior year, was recorded as an income tax receivable within the Consolidated Balance Sheets as of 2020. The refund was received by the Company in 2021.

10. 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 expenses as incurred and included in selling, general and administrative expenses within the consolidated statement of operations.

The Company leases office space in Raleigh. The lease commenced on April 3, 2020 and expires on October 31, 2027. The Company also leases office equipment under multiple operating leases. The office equipment leases commenced in May of 2015 and expire through the period of December 31, 2022. Minimum rental commitments under the terms of these operating leases are scheduled as follows:

in US$

2022	546,144
2023	551,423
2024	566,637
2025	582,278
2026	598,299
2027 and thereafter	614,698
Total	3,459,478

Rental expense for the years ended December 31, 2021 and 2020 was US$434,580 and US$566,744, respectively.

11. Related party transactions

During the years ended December 31, 2021 and 2020, the Company recognized both revenue and expenses related to services provided to/from related parties as follows:

in US$

2021	Revenue	Expenses
Entities under common control	2,011,753	1,478,455
Parent company	7,329,133	112,007
Total	9,340,886	1,590,462

in US$

2020	Revenue	Expenses
Entities under common control	1,784,356	912,415
Parent company	–	–
Total	1,784,356	912,415

Due from and to affiliates reflect payments due to/from related parties under common control and the Parent Company. These amounts are non-interest bearing, due on demand, and measured at the exchange amount.

At December 31, 2021 and 2020, the related party balances were as follows:

in US$

2021	Due from Affiliate	Due to Affiliate
Entities under common control	1,381,091	–
Parent company	1,467,618	20,767
Total	2,848,709	20,767

in US$

2020	Due from affiliate	Due to affiliate
Entities under common control	389,158	–
Parent company	–	–
Total	389,158	–

On August 25, 2021, the Company entered into a loan agreement with its Parent Company to provide funding up to US$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. No disbursements of funds were made under the loan agreement during the year ended December 31, 2021.

During the year ended December 31, 2020, the Company paid US$450,000 to Beringer Capital Fund III, L.P. for management and advisory services.

In March 2019, the Company provided funding in the amount of US$4,000,0000 to a related company under common control in exchange for a promissory note receivable. The promissory note bore interest based on LIBOR rate plus 3.25% adjusted monthly and was due on demand. Interest income recognized on the promissory note totaled US$133,462 for the year ended December 31, 2020, and is included in interest expense, net within the consolidated statement of operations. No payments were made on the promissory note during the period January 1 to October 26, 2020. As of the Infosys transaction date, the loan and related accrued interest totaling US$3,951,704 was assumed by the Seller, paid in full with transaction proceeds, and is included as part of the recapitalization balance included in the consolidated statement of equity.

In January 2020, the Company advanced US$250,000 to a related party under common control. The advance was non-interest bearing and payable on demand. The advance was paid in full on June 5, 2020.

12. Subsequent events

Infosys Nova Holdings, LLC, owns all the issued and outstanding shares of the Company and Blue Acorn iCi Inc., collectively doing business as Blue Acorn iCi. On January 1, 2022, the Company entered into a merger agreement whereby the Company and Blue Acorn iCi Inc. were consolidated into one company with Blue Acorn iCi, Inc. being the surviving company.

The Management has evaluated subsequent events through May 12, 2022 , the date on which the consolidated financial statements were available to be issued and no other events were noted.

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, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). 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, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's Responsibilities for the Special Purpose Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

For SHENOY & KAMATH
Chartered Accountants,

Firm Registration Number. 006673S

(M RATHNAKAR KAMATH)
Partner

Membership Number. 202841

UDIN : 22202841AIMODT1963

Place: Bengaluru.

Date: May 06, 2022

Balance Sheet

in €

Particulars	Note No.	As at December 31, 2021
ASSETS		
Current assets		
Financial assets		
Cash and cash equivalents	2.1	199,051
Total current assets		199,051
Total assets		199,051
EQUITY AND LIABILITIES		
Equity		
Equity share capital	2.3	200,000
Other equity		(949)
Total equity		199,051
Total equity and liabilities		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 06, 2022

for and on behalf of the Board of Directors of Infosys Germany Holding GmBH

Florian Lorenz
Director

Statement of Profit and Loss

in €

Particulars	Note No.	Year ended December 31, 2021
Revenue		–
Expenses		
Other expense	2.4	949
Total expenses		949
Profit / (loss) before tax		(949)
Profit / (loss) for the year		(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 income, net of tax		–
Total comprehensive income / (loss) for the year		(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

for and on behalf of the Board of Directors of Infosys Germany Holding GmBH

Florian Lorenz
Director

Place: Bengaluru

Date: May 06, 2022

Statement of Changes in Equity

in €

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 at January 1, 2021				
Changes in equity for the year ended December 31, 2021	200,000		–	–
Increase in equity share capital on account of fresh issue	200,000	–	–	200,000
Profit / (loss) for the year			(949)	(949)
Balance as at December 31, 2021	200,000	–	(949)	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

for and on behalf of the Board of Directors of Infosys Germany Holding GmBH

M. Rathnakar Kamath
Partner
Membership Number: 202841

Florian Lorenz
Director

Place: Bengaluru
Date: May 06, 2022

Statement of Cash Flows

in €

Particulars	Year ended December 31, 2021
Cash flow from operating activities:	
Profit / (loss) for the period	(949)
Adjustments to reconcile net profit to net cash provided by operating activities	–
Cash generated from operations	(949)
Income tax paid	–
Net cash generated from operating activities	(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	199,051
Cash and cash equivalents at the beginning of the period	–
Cash and cash equivalents at the end of the period	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

for and on behalf of the Board of Directors of Infosys Germany Holding GmBH

Florian Lorenz
Director

Place: Bengaluru

Date: May 06, 2022

Company Overview and Significant Accounting Policies

Company overview

Infosys Germany Holding GmbH is a wholly-owned subsidiary of Infosys Limited incorporated on March 23, 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 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 Reporting currency

The Company's reporting currency is EURO (€).

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.

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 nonfinancial 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, used related information and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

1.5 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.

1.6 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

1.8.1 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, 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.

1.8.2 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 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.

1.8.3 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.

2.1. Cash and cash equivalents

in €

Particulars	As at December 31, 2021
Balance with banks	
In current and deposit accounts	199,051
Total cash and cash equivalents	199,051

2.2 Financial instruments

Financial instruments by category

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

in €

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	199,051	–	–	–	–	199,051	199,051
Total	199,051	–	–	–	–	199,051	

2.3 Equity

Equity share capital

in €

Particulars	As at December 31, 2021
Authorized share capital	200,000
Issued, subscribed and paid-up	200,000

The details of shareholder holding more than 5% shares as at December 31, 2021 are as follows :

Name of the shareholder	As at December 31, 2021
Infosys Limited	100%

2.4 Other expenses

in €

Particulars	Year ended December 31, 2021
Bank charges	949
Total	949

2.5 Related party transactions

List of holding companies

Name of the holding company	Country	Holding as at December 31, 2021
Infosys Limited	India	100.00%

List of related parties

Name of fellow 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
Infosys Austria GmbH	Austria
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

Name of fellow subsidiaries	Country
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 (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.
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

Name of fellow subsidiaries	Country
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.
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 Turkey Bilgi Teknolojikeri Limited Sirketi[1](41)	Turkey
Infosys Germany Holding Gmbh[1](44)	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1](45)	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) Wholly-owned subsidiary of Stater Duitsland B.V.
(14) Majority-owned and controlled subsidiary of Stater Participations B.V.
(15) Liquidated effective January 28, 2021
(16) On March 13, 2020, Infosys Nova Holdings LLC, acquired 100% of the voting interests in Outbox Systems Inc.
(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) On February 20, 2020, Infosys Poland, Sp z.o.o, acquired 100% of the voting interests in Infosys Consulting Sp. z.o.o from Infosys Consulting Holding AG
(22) Liquidated effective July 17, 2020
(23) On June 1, 2020, Fluido Oy, acquired 100% of the voting interests in Infosys Fluido U.K,Ltd (formerly Simplus U.K, Ltd)
(24) Wholly-owned subsidiary of Infosys Fluido U.K,Ltd (formerly Simplus U.K, Ltd.)
(25) Incorporated effective September 11, 2020
(26) On October 1, 2020, Infy Consulting Company Limited acquired 100% of voting interests in GuideVision s.r.o
(27) Wholly-owned subsidiary of GuideVision s.r.o.
(28) On October 9, 2020, Infosys Nova Holdings LLC, acquired 100% voting interest in Kaleidoscope Animations, Inc.
(29) Wholly owned subsidiary of Kaleidoscope Animations, Inc.
(30) Merged with Infosys Poland Sp. z.o.o, effective October 21, 2020
(31) On October 27, 2020, Infosys Nova Holding LLC, a wholly-owned subsidiary of Infosys Limited, acquired 100% voting interest in Blue Acorn iCi Inc (formerly Beringer Commerce Inc) and Beringer Capital Digital Group Inc
(32) Wholly-owned subsidiary of Blue Acorn iCi Inc.
(33) Wholly-owned subsidiary of Beringer Commerce Holdings LLC
(34) Wholly-owned subsidiary of Beringer Capital Digital Group Inc.
(35) Liquidated effective November 19, 2020
(36) Incorporated, effective December 9, 2020
(37) Merged into Fluido Sweden AB (Extero), effective December 18, 2020
(38) Merged into Stater Duitsland B.V., effective December 18, 2020

[39] Merged with Stater N.V., effective December 23, 2020

[40] On December 29, 2020, Stater Participation B.V acquired non-controlling interest of 28.01% of the voting interests in Stater Belgium NV / SA

[41] Incorporated on December 30, 2020

[42] Under liquidation

[43] Liquidated effective March 9, 2021

[44] Incorporated on March 23, 2021

[45] On March 28, 2021 Infosys Limited and Infosys Germany Holding Gmbh registered Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm.

[46] Liquidated effective April 27, 2021

[47] Incorporated on August 4, 2021

[48] Liquidated effective July 20, 2021

[49] Liquidated effective September 1, 2021

[50] Liquidated effective September 2, 2021

[51] Incorporated on August 31, 2021

[52] On December 14, 2021, Infosys Consulting Pte Limited, a wholly owned subsidiary of Infosys Limited acquired 100% of voting interests in Global Enterprise International (Malaysia) Sdn. Bhd.

[53] Liquidated effective December 16, 2021

[54] Liquidated effective November 23, 2021

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

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

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

The details of the related parties' transactions entered into by the Company for the year ended December 31, 2021 is as follows:

Particulars	Year ended December 31, 2021
Capital transactions	
Financing transactions	
Equity	
Infosys Limited	200,000

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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, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the special purpose financial statements'). 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, 2021, the profit and total comprehensive income, changes in equity, and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's Responsibilities for the Special Purpose Financial Statements

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

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

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

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

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

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

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

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

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

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

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, 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 : 22202841AIMOMQ6496

for Shenoy & Kamath
Chartered Accountants

Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner

Membership Number: 202841

Place: Bengaluru

Date: May 6, 2022

Balance Sheet

in R

Particulars	Notes	As at December 31, 2021	As at December 31, 2020
ASSETS			
Current assets			
Financial assets			
Cash and cash equivalents	2.1	76,045	92,842
Total current assets		76,045	92,842
Total assets		76,045	92,842
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.2	154,860	154,860
Other equity		(85,999)	(69,202)
Total equity		68,861	85,658
LIABILITIES			
Current liabilities			
Financial liabilities			
Other financial liabilities	2.3	7,184	7,184
Total current liabilities		7,184	7,184
Total equity and liabilities		76,045	92,842

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 South Africa (Pty) Ltd

Arul S.
Authorized Signatory

Place: Bengaluru
Date: May 6, 2022

Statement of Profit and Loss

in R

Particulars	Notes	Years ended December 31, 2021	2020
Other income, net	2.4	-	736
Total income		-	736
Expenses			
Consultancy and professional charges	2.5	10,059	38,197
Other expenses	2.5	6,738	10,018
Total expenses		16,797	48,215
Profit / (loss) before tax		(16,797)	(47,479)
Tax expense			
Profit / (loss) for the year		(16,797)	(47,479)
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		(16,797)	(47,479)

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 6, 2022

for and on behalf of the Board of Directors of Infosys South Africa (Pty) Ltd

Arul S.
Authorized Signatory

Statement of Changes in Equity

in R

Particulars	Equity Share Capital	Other Equity – Reserves & Surplus – Retained earnings	Total equity attributable to equity holders of the Company
Balance as at January 1, 2020	7,100	(21,724)	(14,624)
Changes in equity for the year ended December 31, 2020			-
Increase in equity share capital on account of fresh issue	147,760	-	147,760
Profit / (loss) for the year		(47,479)	(47,479)
Balance as at December 31, 2020	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

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 6, 2022

for and on behalf of the Board of Directors of Infosys South Africa (Pty) Ltd

Arul S.
Authorized Signatory

Statement of Cash Flows

in R

Particulars	Years ended December 31,	
	2021	2020
Cash flow from operating activities:		
Profit / (loss) for the year	(16,797)	(47,479)
Change in Asset & Liabilities		
Other financial liabilities	-	(7,816)
Net cash generated by operating activities	(16,797)	(55,295)
Cash flow from financing activities:		
Proceed from issue of share capital	-	147,760
Net cash used in financing activities	-	147,760
Net decrease in cash and cash equivalents	(16,797)	92,465
Cash and cash equivalents at the beginning of the year	92,842	376
Cash and cash equivalents at the end of the year	76,045	92,842

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 South Africa (Pty) Ltd

Arul S.
Authorized Signatory

Place: Bengaluru
Date: May 6, 2022

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 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 South African Rand (R).

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.

Estimation of uncertainties relating to the global health pandemic from 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 nonfinancial 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 related information and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

1.5 Foreign currency

Functional currency

The functional currency of the Company is the South African Rand R. These financial statements are presented in R.

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 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 Cash and cash equivalents

in R

Particulars	As at December 31,	
	2021	2020
Balances with banks		
Current and deposit accounts	76,045	92,842
	76,045	92,842

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.

2.2 Equity

Equity share capital

in R

Particulars	As at December 31,	
	2021	2020
Authorized equity shares, R 10 par value		
100,000 (100,000) equity shares	1,000,000	1,000,000
Issued, subscribed and paid-up equity shares, R 10 par value 15,486 (15,486) equity shares	154,860	154,860

The details of shareholder holding more than 5% shares as at December 31, 2021 and December 31, 2020 are as follows :

Name of the shareholder	As at December 31,	
	2021	2020
Infosys Consulting Pte Limited	100%	100%

2.3 Other financials liabilities

In R

Particulars	As at December 31,	
	2021	2020
Current		
Financial liabilities		
Accrued expenses	7,184	7,184
Total financial liabilities	7,184	7,184

2.4 Other income

in R

Particulars	Years ended December 31,	
	2021	2020
Interest income on deposits with bank	-	736
Total other income	-	736

2.5 Expenses

in R

Particulars	Years ended December 31,	
	2021	2020
Consultancy and professional charges		
Registration and filling fees	10,059	38,197
Total consultancy and professional charges	10,059	38,197
Other expenses		
Bank charges	6,738	10,018
Total other expenses	6,738	10,018

2.6 Related party transactions

Name of holding company	Country	As at December 31,	
		2021	2020
Infosys Consulting Pte. Ltd. (Infosys Singapore)	Singapore	100%	100%

Name of Ultimate holding company	Country	As at December 31,	
		2021	2020
Infosys Limited	India	100%	100%

List of related parties

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)	US
EdgeVerve Systems Limited (EdgeVerve)	India
Infosys Austria GmbH	Austria
Skava Systems Private Limited (Skava Systems)[42]	India
Kallidus Inc, (Kallidus)[43]	US
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)	US
Infosys Public Services, Inc. USA (Infosys Public Services)	US
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]	US
Portland Group Pty Ltd[3]	Australia
Infosys BPO Americas LLC.[3]	US
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
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Infy Consulting Company Ltd[4]	UK
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)	US
Panaya Ltd.[6]	Israel
Panaya GmbH[6]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)	UK
Brilliant Basics Limited[7]	UK
Brilliant Basics (MENA) DMCC[7][22]	Dubai

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
Fluido Newco AB[11](37)	Sweden
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Stater Belgium N.V./S.A.[14][40]	Belgium
Stater Gmbh[12][47]	Germany
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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]	UK
Infosys Fluido UK, Ltd. (formerly Simplus UK, Ltd)[23]	UK
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[24]	Ireland
Infosys Limited Bulgaria EOOD[1][25]	Bulgaria
Kaleidoscope Animations, Inc.[28]	US
Kaleidoscope Prototyping LLC[29]	US
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]	UK
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[31]	US
Beringer Capital Digital Group Inc[31]	US
Mediotype LLC[32]	US
Beringer Commerce Holdings LLC[32]	US
SureSource LLC[33]	US
Blue Acorn LLC[33]	US
Simply Commerce LLC[33]	US
iCiDIGITAL LLC[34]	US
Infosys BPM UK Limited[3][36]	UK
Infosys Turkey Bilgi Teknolojikeri Limited Sirketi[1][41]	Turkey
Infosys Germany Holding Gmbh[1][44]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1][45]	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) Wholly-owned subsidiary of Stater Duitsland B.V.

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

(15) Liquidated effective January 28, 2021.

(16) On March 13, 2020, Infosys Nova Holdings LLC, acquired 100% of the voting interests in Outbox Systems Inc.

(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) On February 20, 2020, Infosys Poland, Sp z.o.o, acquired 100% of the voting interests in Infosys Consulting Sp. z.o.o from Infosys Consulting Holding AG

(22) Liquidated effective July 17, 2020

(23) On June 1, 2020, Fluido Oy, acquired 100% of the voting interests in Infosys Fluido UK,Ltd (formerly Simplus UK, Ltd)

(24) Wholly-owned subsidiary of Infosys Fluido UK,Ltd (formerly Simplus UK, Ltd)

(25) Incorporated effective September 11, 2020.

(26) On October 1, 2020, Infy Consulting Company Limited acquired 100% of voting interests in GuideVision s.r.o

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

(28) On October 9, 2020, Infosys Nova Holdings LLC, acquired 100% voting interest in Kaleidoscope Animations, Inc.

(29) Wholly owned subsidiary of Kaleidoscope Animations, Inc.

(30) Merged with Infosys Poland Sp. z.o.o, effective October 21, 2020

(31) On October 27, 2020, Infosys Nova Holding LLC, a wholly-owned subsidiary of Infosys Limited, acquired 100% voting interest in Blue Acorn iCi Inc (formerly Beringer Commerce Inc) and Beringer Capital Digital Group Inc

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

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

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

(35) Liquidated effective November 19,2020

(36) Incorporated, effective December 9, 2020

(37) Merged into Fluido Sweden AB (Extero), effective December 18, 2020

(38) Merged into Stater Duitsland B.V., effective December 18, 2020

(39) Merged with Stater N.V., effective December 23, 2020

(40) On December 29, 2020, Stater Participation B.V acquired non-controlling interest of 28.01% of the voting interests in Stater Belgium NV/SA

(41) Incorporated on December 30, 2020

(42) Under liquidation

(43) Liquidated effective March 9, 2021

(44) Incorporated on March 23, 2021

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

(46) Liquidated effective April 27, 2021

(47) Incorporated on August 4, 2021

(48) Liquidated effective July 20, 2021

(49) Liquidated effective September 1, 2021

(50) Liquidated effective September 2, 2021

(51) Incorporated on August 31, 2021

(52) On December 14, 2021, Infosys Consulting Pte Limited, a wholly owned subsidiary of Infosys Limited acquired 100% of voting interests in Global Enterprise International (Malaysia) Sdn. Bhd.

(53) Liquidated effective December 16, 2021

(54) Liquidated effective November 23, 2021

(55) Wholly-owned subsidiary of Infosys Limited, merged with WONGDOODY Inc, effective December 31, 2021

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

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

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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, 2022, the Statement of Income and expenditure, the Statement of Changes in Equity and the Statement of Cash Flows for the period beginning August 31, 2021 (date of incorporation) and ending on March 31, 2022, 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, 2022 and its excess of income over expenditure, changes in equity and its cash flows for the period beginning August 31, 2021 and ending on March 31, 2022.

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 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.

Management's Responsibilities 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, the Income and expenditure, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those 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 system 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 relevant 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 over financial reporting 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 over financial reporting.

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.

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.(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.

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: 22110128AKJSMR7776

Place: Bengaluru

Date: June 6, 2022

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 GREEN FORUM 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 GREEN FORUM ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the period beginning August 31, 2021 (date of incorporation) and ending on March 31, 2022.

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 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 ("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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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. 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 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 over financial reporting 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting 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: 22110128AKJSMR7776

Place: Bengaluru

Date: June 6, 2022

Balance Sheet

in ₹ lakh

Balance Sheet as at	Note No.	March 31, 2022
ASSETS		
Non-current assets		
Property, plant and equipment	2.1	26,133
Right-of-use assets	2.2	3,224
Other financial assets	2.5	190
Income tax assets (net)		-
Total non - current Assets		29,547
Current assets		
Financial assets		
Investments	2.3	2,293
Cash and cash equivalents	2.4	29
Other financial assets	2.5	502
Total current assets		2,824
Total Assets		32,371
EQUITY AND LIABILITIES		
Equity		
Equity share capital	2.7	100
Other equity		28,856
Total equity		28,956
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Lease liabilities	2.2	3,118
Total non - current liabilities		3,118
Current liabilities		
Financial liabilities		
Lease liabilities	2.2	189
Other financial liabilities	2.6	108
Total current liabilities		297
Total equity and liabilities		32,371

The accompanying notes form an integral part of the standalone 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 Infosys Green Forum

Gurvinder Singh
Partner
Membership No. 110128

Niladri Prasad Mishra
Director

Nanjappa B S
Director

Yogesh Goel
Director

Bengaluru

June 6, 2022

Statement of Income and Expenditure

in ₹ lakh

Statement of Income and Expenditure for the	Note No.	From August 31, 2021 to March 31, 2022
Revenue from operations	2.9	502
Other income, net	2.10	638
Total income		1,140
Expenses		
Depreciation and amortization expense	2.1 & 2.2	427
Finance cost	2.2	47
Other expenses	2.11	108
Total expenses		582
Excess of income over expenditure		558
Earnings per equity share		
Equity shares of par value ₹10/- each		
Basic (₹)		55.79
Diluted (₹)		55.79

The accompanying notes form an integral part of the standalone 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 Infosys Green Forum

Gurvinder Singh
Partner
Membership No. 110128

Niladri Prasad Mishra
Director

Nanjappa B S
Director

Yogesh Goel
Director

Bengaluru

June 6, 2022

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 31st Aug, 2021	100	-	-	100
Changes in equity for the year ended March 31, 2022				
Excess of income over expenditure	-	558	-	558
Total comprehensive income for the year	-	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

*Reserve created on receipts of CSR assets as donation from the parent company

The accompanying notes form an integral part of the standalone 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 Infosys Green Forum

Gurvinder Singh
Partner
Membership No. 110128

Niladri Prasad Mishra
Director

Nanjappa B S
Director

Yogesh Goel
Director

Bengaluru

June 6, 2022

Statement of Cash Flows

Accounting Policy

Cash flows are reported using the indirect method, whereby excess of income over expenditure 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 ₹ lakh

Particulars	Note No.	From August 31, 2021 to March 31, 2022
Cash flow from operating activities:		
Excess of income over expenditure after tax for the year		558
Adjustments to reconcile excess of income to net cash provided by operating activities:		
Depreciation and amortization	2.1 & 2.2	427
Finance cost	2.2	47
Interest and dividend income	2.10	(2)
Profit on sale of property, plant and equipment	2.10	(618)
Other adjustments	2.10	(18)
Changes in assets and liabilities		
Loans, other financial assets and other assets		(692)
Other financial liabilities, other liabilities and provisions		108
Cash generated from operations		(190)
Income taxes paid		-
Net cash generated by operating activities		(190)
Cash flow from investing activities:		
Expenditure on property, plant and equipment		(71)
Proceeds from sale of property, plant and equipment		2,470
Payments to acquire investments		
Liquid mutual fund units		(2,475)
Proceeds on sale of investments		
Liquid mutual fund units		200
Interest received on bank deposits	2.11	2
Net cash (used in) / from investing activities		126
Cash flow from financing activities:		
Equity Capital	2.8	100
Payment of lease liabilities		(7)
Net cash used in financing activities		93
Net increase / (decrease) in cash and cash equivalents		29
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period		29
Supplementary information:		
Restricted cash balance		-

The accompanying notes form an integral part of the standalone 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 Infosys Green Forum

Gurvinder Singh
Partner
Membership No. 110128

Niladri Prasad Mishra
Director

Nanjappa B S
Director

Yogesh Goel
Director

Bengaluru
June 6, 2022

Notes to the Standalone Financial Statements

1. Overview

1.1 Company overview

Infosys Green Forum ('the Company') was incorporated on August 31, 2021as 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 standalone financial statements are approved for issue by the Company's Board of Directors on May 12, 2022.

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 filing application for final registration before appropriate tax authority.

1.2 Basis of preparation of financial statements

These standalone financial statements are prepared in accordance with Generally Accepted Accounting Principles in India ('Indian GAAP'). 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 there after.

These financial statements have been prepared in Indian rupee (₹) which is the functional currency of the Company.

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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.

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 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 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 standalone financial statements.

Previous year figures

The Company was incorporated on August 31, 2021 and these financial statements are prepared for the period August 31, 2021 to March 31, 2022 are the first financial statements of the Company. Hence, there are no corresponding amounts for the previous year."

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 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.

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.

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]	20 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.

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

in ₹ lakh

Particulars	Solar Plant	Computer equipment	Total
Additions*	28,364	5	28,369
Deletions(Refer to note 2.13)	(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

* Primarily 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.

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 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 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 summarised are as follows:

For the Period ended	March 31, 2022
Plant load factor	20.50%
Degradation of solar modules	0.50%
Discount rate	11.50%

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, 2022. 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 consist of leases for land, buildings, plant & machinery, furnitures 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 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 March 31, 2022:

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

in ₹ lakh

Particulars	As at March 31, 2022
Current lease liabilities	189
Non-current lease liabilities	3,118
Total	3,307

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

in ₹ lakh

Particulars	As at March 31, 2022
Additions	3,267
Finance cost accrued during the period	47
Payment of lease liabilities	(7)
Balance at the end	3,307

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

in ₹ lakh

Particulars	As at March 31, 2022
Less than one year	449
One to five years	1,490
More than five years	3,738
Total	5,677

2.3 Investments

in ₹ lakh

Particulars	As at March 31, 2022
Unquoted Current investments	
Investments carried at fair value through profit or loss	
Liquid mutual fund units	2,293
Total current investments	2,293

2.4 Cash and cash equivalents

in ₹ lakh

Particulars	As at March 31, 2022
Balances with banks	
In current and deposit accounts	29
Total Cash and cash equivalents	29

2.5 Other financial assets

in ₹ lakh

Particulars	As at March 31, 2022
Non-current	
Rental deposits [(1)]	190
Total non-current other financial assets	190
Current	
Unbilled Revenue [(1)(2)]	502
Total current other financial assets	502
Total other financial assets	692
[(1)] Financial assets carried at amortized cost	692
[(2)] Includes dues from parent company	502

2.6 Other financial liabilities

in ₹ lakh

Particulars	As at March 31, 2022
Current	
Accrued expenses [(1)]	8
Other payables [(1)(2)]	100
Total current other financial liabilities	108
Total other financial liabilities	108
[(1)] Financial liability carried at amortized cost	108
[(2)] Includes dues from parent company	100

2.7 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

2.7.1 Equity share capital

(In ₹ lakh, except as otherwise stated)

Particulars	As at March 31, 2022
Authorized	
Equity shares, ₹10/- par value	
10,00,000 equity shares	100
Issued, Subscribed and Paid-Up	
Equity shares, ₹10/- par value	
10,00,000 equity shares	100
	100

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 a winding up or dissolution of the Company, there 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, 2022 is as follows :

Name of the shareholder	As at March 31, 2022	
	Number of Shares	% Held
Infosys Limited, holding company	10,00,000	100%

The details of Shareholding of Promoters as at March 31, 2022 is set out below:

Promoter Name	As at March 31, 2022	
	Number of Shares	% Held
Infosys Limited, holding company	10,00,000	100%

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 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. 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, 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 2.4)	29	-	-	-	-	29	29
Other financial assets (Refer to Note 2.5)	692	-	-	-	-	692	692
Investments (Refer to note 2.3)							
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 2.7)	108	-	-	-	-	108	108
Total	3,415	-	-	-	-	3,415	3,415

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 liquid mutual fund units are valued using quoted prices and accordingly will be classified under level 1 in the fair value hierachy.

2.9 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, 2022 is as follows:

in ₹ lakh

Particulars	Year ended March 31, 2022
Revenue from supply of power	502
Total revenue from operations	502

2.10 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. Interest income is recognized using the effective interest method.

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

in ₹ lakh

Particulars	From August 31, 2021 to March 31, 2022
Interest income on financial assets carried at amortized cost	
Deposit with Bank and others	2
Income on investments carried at fair value through profit or loss	
Gain / (loss) on liquid mutual funds and other investments	18
Profit on sale of property, plant and equipment (Refer to note 2.12)	618
Total other income	638

2.11 Expenses

in ₹ lakh

Particulars	From August 31, 2021 to March 31, 2022
Other expenses	
Repairs and maintenance	87
Power and fuel	2
Insurance	8
Rates and taxes	3
Auditor's remuneration	
Statutory audit fees	8
Tax matters	-
Other services	-
Others	-
	108

2.12 Related party transactions

Name of the holding company	Country	Holding as at March 31, 2022
Infosys Limited	India	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)(41)	India
Kallidus Inc, (Kallidus)(42)	U.S.
Infosys Chile SpA(1)	Chile
Infosys Arabia Limited(2)	Saudi Arabia
Infosys Consulting Ltda.(1)	Brazil
Infosys CIS LLC(15)	Russia
Infosys Luxembourg S.a.r.l(1)	Luxembourg

Name of fellow subsidiaries	Country
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][52]	Canada
Infosys BPM Limited[1][60]	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][51]	Czech Republic
Infosys Consulting (Shanghai) Co., Ltd.[4][48]	China
Infy Consulting Company Ltd[4]	U.K.
Infy Consulting B.V.[4]	The Netherlands
Infosys Consulting Sp. z.o.o[29]	Poland
Lodestone Management Consultants Portugal, Unipessoal, Lda.[4][34]	Portugal
Infosys Consulting S.R.L.[4]	Argentina
Infosys Consulting (Belgium) NV[5]	Belgium
Panaya Inc. (Panaya)[1]	U.S.
Panaya Ltd.[6]	Israel
Panaya GmbH[6]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[1][41]	U.K.
Brilliant Basics Limited[7][41]	U.K.
Brilliant Basics (MENA) DMCC[7][21]	Dubai
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
Fluido Newco AB[11](36)	Sweden
Infosys Compaz Pte. Ltd[9]	Singapore
Infosys South Africa (Pty) Ltd[8]	South Africa
WongDoody Holding Company Inc. (WongDoody)[1][53]	U.S.
WDW Communications, Inc[10][54]	U.S.
WongDoody, Inc[10][55]	U.S.
HIPUS Co., Ltd[9]	Japan
Stater N.V.[9]	The Netherlands
Stater Nederland B.V.[12]	The Netherlands
Stater Duitsland B.V.[12][38]	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 Deutschland Verwaltungs-GmbH[13][37]	Germany
Stater Deutschland GmbH & Co. KG[13][37]	Germany
Stater Belgium N.V./S.A.[14][39]	Belgium
Stater Gmbh[12][46]	Germany
Outbox systems Inc. dba Simplus (US)[16]	U.S.
Simplus North America Inc.[17][45]	Canada
Simplus ANZ Pty Ltd.[17]	Australia
Simplus Australia Pty Ltd[18]	Australia
Sqware Peg Digital Pty Ltd[19][49]	Australia
Simplus Philippines, Inc.[17]	Philippines
Simplus Europe, Ltd.[17][47]	U.K.
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)[22]	U.K.
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[23]	Ireland
Infosys Limited Bulgaria EOOD[1][24]	Bulgaria
Kaleidoscope Animations, Inc.[27]	U.S.
Kaleidoscope Prototyping LLC[28]	U.S.
GuideVision s.r.o.[25]	Czech Republic
GuideVision Deutschland GmbH[26]	Germany
GuideVision Suomi Oy[26]	Finland
GuideVision Magyarország Kft[26]	Hungary
GuideVision Polska SP.Z.O.O[26]	Poland
GuideVision UK Ltd[26]	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[30]	U.S.
Beringer Capital Digital Group Inc[30][58]	U.S.
Mediotype LLC[31][58]	U.S.
Beringer Commerce Holdings LLC[31][58]	U.S.
SureSource LLC[32][56]	U.S.
Blue Acorn LLC[32][56]	U.S.
Simply Commerce LLC[32][56]	U.S.
iCiDIGITAL LLC[33][57]	U.S.
Infosys BPM UK Limited[3][35]	U.K.
Infosys Turkey Bilgi Teknolojikeri Limited Sirketi[1][40]	Turkey
Infosys Germany Holding Gmbh[1][43]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1][44]	Germany
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[50]	Malaysia
Infosys Business Solutions LLC[1][59]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[61]	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) Wholly-owned subsidiary of Stater Duitsland B.V.

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

(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) Liquidated effective July 17, 2020

(22) On June 1, 2020, Fluido Oy, acquired 100% of the voting interests in Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)

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

(24) Incorporated effective September 11, 2020.

(25) On October 1, 2020, Infy Consulting Company Limited acquired 100% of voting interests in GuideVision s.r.o

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

(27) On October 9, 2020, Infosys Nova Holdings LLC, acquired 100% voting interest in Kaleidoscope Animations, Inc.

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

(29) Merged with Infosys Poland Sp. z.o.o, effective October 21, 2020

(30) On October 27, 2020, Infosys Nova Holding LLC, a wholly-owned subsidiary of Infosys Limited, acquired 100% voting interest in Blue Acorn iCi Inc (formerly Beringer Commerce Inc) and Beringer Capital Digital Group Inc

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

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

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

(34) Liquidated effective November 19,2020

(35) Incorporated, effective December 9, 2020

(36) Merged into Fluido Sweden AB (Extero), effective December 18, 2020

(37) Merged into Stater Duitsland B.V., effective December 18, 2020

(38) Merged with Stater N.V., effective December 23, 2020

(39) On December 29, 2020, Stater Participation B.V acquired non-controlling interest of 28.01% of the voting interests in Stater Belgium NV/SA

(40) Incorporated on December 30, 2020.

(41) Under liquidation

(42) Liquidated effective March 9,2021

(43) Incorporated on March 23, 2021

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

(45) Liquidated effective April 27,2021

(46) Incorporated on August 4, 2021

(47) Liquidated effective July 20, 2021

(48) Liquidated effective September 1, 2021

(49) Liquidated effective September 2, 2021

(50) 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.)

(51) Liquidated effective December 16, 2021

(52) Liquidated effective November 23, 2021

(53) Wholly-owned subsidiary of Infosys Limited, merged with WongDoody Inc, effective December 31, 2021

(54) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody), merged with WongDoody Inc, effective December 31, 2021

(55) Wholly-owned subsidiary of Infosys Limited, effective December 31, 2021

(56) Merged with Beringer Commerce Holdings LLC, effective January 1, 2022

(57) Merged with Beringer Capital Digital Group Inc, effective January 1, 2022

(58) Merged with Blue Acorn iCi Inc, effective January 1, 2022

(59) Incorporated on February 20, 2022

(60) On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

(61) 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"))

Non-whole-time directors

Niladri Prasad Mishra

Nanjappa B S

Yogesh Goel

The details of amounts due to or due from related parties as at March 31, 2022 are as follows:

in ₹ lakh

Particulars	As at March 31, 2022
Other financial assets	
Rental Deposit	190
Infosys Limited	190
Unbilled revenue	
Infosys Limited	502
	502
	692
Lease installments payabale	
Infosys Limited	63
	63
Other financial liabilities	
Other payables	
Infosys Limited	100
	100

The details of the related parties transactions entered into by the Company for the year ended March 31, 2022 are as follows:

Particulars	Year ended 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	502
	502
Lease installment	
Infosys Limited	70
	70
Cross charge/Reimbursement of expenses	
Infosys Limited	100
	100

2.13 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.

2.14 Ratios

The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021

Particulars	Numerator	Denominator	Year ended March 31, 2022
Current Ratio	Current assets	Current liabilities	9.5
Debt – Equity Ratio	Total Debt (1)	Shareholder's Equity	0.1
Debt Service Coverage Ratio	Earnings available for debt service(2)	Debt Service(3)	14.7
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	1.9%
Trade receivables turnover ratio	Revenue	Average Trade Receivable	NA
Trade payables turnover ratio	Purchases of services and other expenses	Average Trade Payables	NA
Net capital turnover ratio	Revenue	Working Capital	0.2
Net profit ratio	Net Profit	Revenue	111.2%
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed(4)	1.9%
Return on Investment(ROI)	Income generated from investments	Time weighted average investments	3.6%

(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

For and on behalf of the Board of Directors of Infosys Green Forum

Niladri Prasad Mishra
Director

Nanjappa B S
Director

Yogesh Goel
Director

Bengaluru

June 6, 2022

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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

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Infosys Technologies, S. de R. L. de C. V. ("the Company"), which comprise the statements of financial position as of December 31 2021, and 2020, and the statements of income, statements changes in partner's equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.(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 Note 2(a) of the special purpose financial statements, comprise the statements of financial position as of December 31 2021, and 2020, and the statements of income, statements changes in partner's equity and statements of cash flows for the year then ended.

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

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 changes in partner's equity and statements of cash flows of the Company in accordance with the basis described in Note 2 (a) of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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 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 2(a) 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

The report is issued to Those charged with governance 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: 22110128AKBGSN1794

Place: Bengaluru

Date: June 1, 2022

Statements of Financial Position

in MXN

	Notes	As at December 31,	
		2021	2020
Assets			
Current assets:			
Cash		585,304,440	464,661,228
Accounts receivable, net	5	376,193,412	294,248,503
Related parties	6	35,508,580	48,639,621
Other receivables		5,117,604	5,686,559
Prepayments	3g	10,662,182	6,941,630
Current portion of the deferred contract cost	3h	15,574,897	–
Total current assets		1,028,361,115	820,177,541
Computers and furniture and equipment, net	7	18,635,677	15,498,481
Lease right-of-use assets	8	82,521,339	98,559,506
Deferred statutory employee profit sharing	12	12,340,606	13,013,516
Deferred income taxes	14	39,501,097	38,772,573
Guarantee deposits		2,356,992	2,303,837
Deferred contract cost	3h	25,958,161	–
Total assets		1,209,674,987	988,325,454
Liabilities and Partner's Equity			
Current liabilities:			
Lease liabilities	9	16,530,748	15,541,019
Trade accounts payable		4,346,670	2,466,608
Direct employee benefits and accruals	11	32,957,316	41,210,511
Related parties	6	2,542,635	10,568,170
Taxes payable	10	68,284,503	44,552,278
Statutory employee profit sharing	3m	20,604,872	19,430,976
Deferred revenue	3h	29,832,194	25,576,179
Current portion of the financial liability under revenue contracts	3k	8,455,072	–

	Notes	As at December 31,	
		2021	2020
Total current liabilities		183,554,010	159,345,741
Employee benefits	3m	21,763,225	15,047,477
Lease liabilities	9	79,327,660	93,628,781
Financial liability under revenue contracts	3k	33,903,258	–
Total liabilities		318,548,153	268,021,999
Partner's equity	13		
Contributed capital		175,000,000	175,000,000
Retained earnings		716,126,834	545,303,455
Total partner's equity		891,126,834	720,303,455
Total Liabilities and Partners' Equity		1,209,674,987	988,325,454
Commitments and contingent liabilities	15		

See accompanying notes to financial statements.

As per our report of even date attached

for Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration Number: 117366W/ W-100018

Gurvinder Singh
Partner

Membership Number: 110128

Place: Bengaluru

Date: June 1, 2022

for and on behalf of the Board of Managers and Partners of Infosys Technologies, S. de R. L. de C. V

Ravi Arcot
Operations Expediting Leader

Place: Mexico

Date: June 1, 2022

Statements of Income

in MXN

	Notes	Year ended December 31, 2021	2020
Service revenues		$1,221,967,723	$1,123,951,119
Operating expenses:			
Salaries and related costs		705,235,696	545,368,119
Services		191,290,473	320,460,373
Depreciation		7,011,111	6,877,614
Depreciation of lease right-of-use assets	8	18,397,331	17,282,719
Statutory employee profit sharing		20,143,443	16,510,929
Other		55,511,986	48,240,198
Total operating expenses		997,590,040	954,739,952
Income from operations		224,377,683	169,211,167
Comprehensive financial income (cost):			
Foreign exchange (loss)– net		(6,203,481)	(7,857,216)
Interest attributable to lease liabilities	9	(6,931,819)	(8,958,555)
Interest income		14,411,030	12,090,721
Comprehensive financial results, net		1,275,730	(4,725,050)
Income before income taxes		225,653,413	164,486,117
Income taxes	14	54,830,034	50,762,441
Net income		$170,823,379	$113,723,676

See accompanying notes to financial statements.

As per our report of even date attached

for Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration Number: 117366W/ W-100018

Gurvinder Singh
Partner

Membership Number: 110128

Place: Bengaluru

Date: June 1, 2022

for and on behalf of the Board of Managers and Partners of Infosys Technologies, S. de R. L. de C. V

Ravi Arcot
Operations Expediting Leader

Place: Mexico

Date: June 1, 2022

Statements of Changes in Partner's Equity

in MXN

	Contributed capital	Retained earnings	Total partner's equity
Balances as of January 1, 2020	$175,000,000	$431,579,779	$606,579,779
Net comprehensive income (Note 13 b)	–	113,723,676	113,723,676
Balances as of December 31, 2020	175,000,000	545,303,455	720,303,455
Net comprehensive income (Note 13 b)	–	170,823,379	170,823,379
Balances as of December 31, 2021	$175,000,000	$716,126,834	$891,126,834

See accompanying notes to financial statements.

As per our report of even date attached

for Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration Number: 117366W/ W-100018

Gurvinder Singh
Partner

Membership Number: 110128

Place: Bengaluru

Date: June 1, 2022

for and on behalf of the Board of Managers and Partners of Infosys Technologies, S. de R. L. de C. V

Ravi Arcot
Operations Expediting Leader

Place: Mexico

Date: June 1, 2022

Statements of Cash Flows

in MXN

	Year ended December 31, 2021	2020
Cash flows from operating activities:		
Income before income taxes	225,653,413	164,486,117
Items relating to investing activities:		
Depreciation	7,011,111	6,877,614
Depreciation of lease right-of-use assets	18,397,331	17,282,719
Interest income	(14,411,030)	(12,090,721)
Lease interest	6,931,819	8,958,555
	243,582,644	185,514,284
Accounts receivable and deferred revenue	(77,688,894)	(114,848,401)
Related parties	5,105,506	(23,427,848)
Other receivables and prepayments	(3,151,597)	(3,164,484)
Guarantee deposits	(53,154)	(63,083)
Trade accounts payable	1,880,061	260,739
Direct employee benefits and accruals	(8,253,195)	12,603,609
Income tax and other taxes paid	(31,826,332)	(84,661,346)
Statutory employee profit sharing	1,846,805	(3,022,679)
Employee benefits	6,715,748	3,677,116
Deferred contract assets	(41,533,058)	–
Net cash provided by (used in) operating activities	96,624,534	(27,132,093)
Cash flows from investing activities		
Interest received	14,411,030	12,090,721
Related parties	–	117,435,077
Acquisition of computer equipment, and furniture and equipment	(10,148,307)	(16,562,964)
Net cash provided by investing activities	4,262,723	112,962,834
Cash flows from financing activities		
Lease liability payments	(22,602,375)	(27,161,593)
Financial liability under revenue contracts	42,358,330	–
Net cash provided by (used in) financing activities	19,755,955	(27,161,593)
Net increase in cash	120,643,212	58,669,148
Cash at beginning of year	464,661,228	405,992,080
Cash at end of year	$585,304,440	$464,661,228

See accompanying notes to financial statements.

As per our report of even date attached

for Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration Number: 117366W/ W-100018

Gurvinder Singh
Partner

Membership Number: 110128

Place: Bengaluru

Date: June 1, 2022

for and on behalf of the Board of Managers and Partners of Infosys Technologies, S. de R. L. de C. V

Ravi Arcot
Operations Expediting Leader

Place: Mexico

Date: June 1, 2022

Notes to the Financial Statements

For the years ended December 31, 2021 and 2020

(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 Entity's address is Boulevard Gustavo Díaz Ordaz 130 Oeste, piso 16, Santa María, Monterrey, Nuevo León. The Entity is a subsidiary of Infosys Limited, and its main activity is the provisions of advisory services, operational support to trained personnel in the area of design, development, implementation and adaptation of business solutions related to information technology.

Relevant event 2020

COVID-19 Impacts

Derived from the outbreak of the Coronavirus (COVID-19) in January 2020 and its recent global expansion to a large number of countries, it has led to the viral outbreak being classified as a pandemic by the World Health Organization since March 11, 2020.

Sanitary measures have been taken in Mexico to stop the spread of this virus, which include among others, social isolation and the closure of educational centers (schools and universities), commercial establishments and non-essential businesses. During the year, the Entity made important decisions to safeguard the integrity and health of its personnel, implementing hygiene measures and sanitary protocols in the facilities.

Nonetheless, the financial positions and results of operations of the Entity as of December 31, 2021 and 2020 were not affected by the pandemic.

2. Basis of preparation

a. Statement of Compliance

The accompanying Special purpose financial statements (Financial statement) have been translated from Spanish into English for use outside of Mexico. 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.

The financial statements as of December 31, 2021 and 2020, and for the years then ended, were prepared using the currency in which transactions are recorded rather than the Entity's functional currency. Therefore, according to Mexican Financial Reporting Standards, they can only be used for only for legal and tax purposes.. The Entity did not translate the recording currency to the functional currency, in accordance with INIF 15, Financial statements whose reporting currency is equal to the reporting currency but different from the functional currency.

These 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.

b. Monetary unit of the financial statements

The financial statements and notes as of December 31, 2021 and 2020 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, 2021 and 2020 were 13.86% and 11.19%, 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, 2021 and 2020 were 7.35% and 3.15%, 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. Comprehensive income

The Entity presents comprehensive income in a single statement of income or loss entitled "Statement of Income" since the Entity did not generate Other Comprehensive Income (OCI) during the current year or the preceding year, which is presented for comparative purposes.

e. Classification of costs and expenses

Since the Entity is a service entity, ordinary costs and expenses are presented based on their nature, in order to present the information more clearly.

f. Income (loss) from operations

Income (loss) from operations is the result of subtracting expenses from service revenue. This line item has been included for 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, 2022, although early adoption is permitted during 2021:

NIF C-17 Investment properties (NIF C-17) – Given the absence of a NIF establishing the bases used for the accounting recognition of investment properties (held to obtain rental income or for capital appreciation purposes), entities have applied the guidance set forth in Circular 55 issued by the Accounting Principles Commission of the Mexican Institute of Public Accountants, which only allows the use of the acquisition cost model for valuation purposes. The main change detailed in NIF C-17 involves the option to account for investment properties held for capital appreciation purposes at their acquisition cost or fair value. If the Entity opts to apply the fair value model, at each financial statement closing date, investment properties shall be valued at their fair value determined in accordance with NIF B-17, Determination of fair value. The losses or gains derived from valuation adjustments must be recognized in comprehensive income or other comprehensive income (OCI) of the period in which they arise. When the entity disposes of the asset in question, OCI must be recycled to results.

This NIF establishes that investment properties must be recognized in the consolidated statement of financial position when asset definitions are fulfilled; i.e., when, for the entity, investment properties:

a) are an economic resource to which it is entitled;

b) have the potential to generate economic benefits;

c) are under its control; i.e., when it is able to manage its utilization and obtain the respective future economic benefits, while restricting third-party access to this control and economic benefits; and

d) arose as a result of past events that affected the entity economically.

NIF, which took effect as of January 1, 2022, although early adoption in 2021 was permitted:

Improvements to the 2022 NIF that generate accounting changes:

NIF C-19, Payable financial instruments and NIF C-20, Financial instruments for the collection of principal and interest – a) An entity must separately present the profits or losses derived from the elimination of liabilities and the effects of renegotiating a financial instrument for the collection of principal and interest as part of the results associated with operating activities; b) It is clarified that interest, commissions and other prepaid expenses do not form part of transition costs, and eliminates this item from the standard.

NIF C-5 Leases – a) Specifies the differences between disclosures of the expense related to short-term and low-cost leases and for which a right-of-use asset has not been recognized; b) Given that NIF C-17, Investment properties, establishes that a right-of-use asset does not fulfill the definition of an investment property, NIF C-5 eliminates the disclosure in this regard; c) clarifies that the lease liability derived from a sales transaction with a leaseback agreement must include the fixed payments and any estimated variable payments; d) mentions that lease payments must be included in the initial recognition of the net lease investment.

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 income (cost) 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. Computers and furniture and equipment, net

Furniture and equipment are recorded at acquisition cost. Depreciation of furniture and equipment is calculated using the straight-line method based on the estimated useful lives of the assets as determined by the Entity's management. The total useful lives and annual depreciation rates for the main asset classes are as follows:

	Years	Rates
Furniture and equipment	5	20%
Computers	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 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

Include mainly prepayments for the purchase of services received after the statement of financial position date and in the ordinary course of business.

h. Deferred contract cost

Includes technology assets acquired by the Entity from a customer as a part of transformation project that are not considered as distinct goods or services and the control related to the assets is not transferred to the Entity. Accordingly, they have been considered as a reduction to the total contract value and accounted for as deferred contract cost. In addition, as of December 31, 2021, the Entity has entered into a financing arrangement with a third party for these assets which has been considered as financial liability.

i. 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.

j. 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.

k. Financial liability under revenue contracts

The financial liability arises from the sale and leaseback (for previous assets acquired, see note 3h) to buyer-lessor. The lease period of the asset is for 36 months and the discount rate is 10.75% per year.

l. 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.

m. 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 but to make the payments or is unable to withdraw the offer of such benefits, or when it meets the conditions for recognizing restructuring costs, whichever occurs first.

Defined Contribution Plans

Obligations for contributions to defined contribution plans are recognized in the Statement of Income 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

Defined benefit plan obligations are calculated 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 from the plan or reductions in future contributions to the plan. In calculating the present value of economic benefits, any minimum funding requirement must be considered.

The labor cost of the current service, which represents the cost of the employee's benefit period for having completed one more year of service based on the benefit plans, is recognized in operating costs and expenses. Net interest is recognized in "Comprehensive financial result, net."

Changes in 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 to subsequent years. Likewise, the effects of settlement 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 results of operations.

Corrections (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.

n. Income Tax

Income tax ("ISR", for its acronym in Spanish) is recorded in results of the year in which it is 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.

o. 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.

p. Business and credit concentration

Administrative services expenses with related parties as of December 31, 2021, and 2020 amount to 15% and 26%, respectively, of total operating expenses. In addition, balances receivable from related parties as of December 31, 2021, and 2020 represent 3% and 5%, respectively, of total assets and balances payable to related parties as December 31, 2021, and 2020 represent 1% and 4% of total liabilities.

q. Comprehensive financial income (cost)

Includes foreign exchange gains/losses and interest income. Foreign currency transactions are recorded at the exchange rate in effect at the date of execution or settlement. Foreign currency assets and liabilities are translated at the exchange rate in effect at the statement of financial position date. Exchange differences arising from assets and liabilities denominated in foreign currencies are recognized in the statement of income.

r. 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 estimate cannot be made, it is disclosed in the notes to the financial statements. Contingent revenues, benefits or assets are not recognized until their 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, 2021 and 2020, were as follows:

in MXN

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

in MXN

As at December 31, 2020	Pound sterling	Dollars	Euros
Assets:			
Assets	$ 752,840	$294,358,528	$8,180,351
Liabilities	–	12,612,445	–
Net (liability) assets	$ 752,840	$281,746,083	$8,180,351

As of December 31, 2021 and 2020, the amounts recorded for foreign exchange loss are $(6,203,481) and $(7,857,216), respectively.

The exchange rates used in the different translation processes to the reporting currency are as follows:

in MXN

		Exchange Rate	
Country	Currency	2021	2020
United States of America	Dollars	20.4793	19.8600
European Union	Euros	23.2011	24.3900
England	Pound Sterling	27.6639	27.1300

At December 31, 2021, the Entity did not have foreign exchange hedging instruments.

5. Accounts receivable

Accounts receivable as of December 31, 2021 and 2020, consist of the following:

in MXN

	As at December 31,	
	2021	2020
Billed accounts receivable	181,248,393	167,452,641
Unbilled receivables	233,101,507	160,973,043
	414,349,900	328,425,684
Less:		
Provision for discount to customers	(36,899,930)	(33,155,999)
Allowance for doubtful accounts	(1,256,558)	(1,021,182)
	(38,156,488)	(34,177,181)
	376,193,412	294,248,503

6. Related parties

Transactions carried out with related parties, during the years ended December 31, 2021 and 2020, were as follows:

in MXN

	Year ended December 31,	
	2021	2020
Revenues for consulting and implementation provided to customers on behalf of its related party. (1)	$378,123,106	$193,511,005
Interest income(2)	–	2,140,086
Expenses for specialized personnel services in project implementation. (3)	$143,984,843	$248,518,168
License (4)	8,382,537	4,009,803

(1) Infosys Limited in 2021, EdgeVerve Systems Limited in 2021 and 2020.

(2) Kallidus Inc, Lodestone Brazil in 2020.

(3) EdgeVerve Systems Limited, Infosys Limited, Infosys BPM Limited, Infosys Chile SpA, Infosys Technologies (Shanghai) Company Limited, Infosys Technologies (China) Company Limited and Infosys Consulting S.R.L in 2021 and 2020.

(4) Panaya Limited in 2021 and 2020.

Due from related parties:

in MXN

	As at December 31,	
	2021	2020
Infosys Limited	$ 34,639,571	$ 26,844,744
Infosys Consulting S.R.L.	869,009	1,555,282
Panaya Limited	–	20,239,595
	$35,508,580	$48,639,621

Due to related parties:

in MXN

	As at December 31,	
	2021	2020
Infosys BPM Limited	–	125,999
Edgeverve Systems Limited	1,292,322	3,805,096
Infosys Technologies (China) Co. Limited	836,720	1,966,951
Infosys Technologies (Shanghai) Co. Limited	287,654	4,328,718
Infosys Chile SpA	125,939	341,406
	2,542,635	10,568,170

7. Computers, furniture and equipment

Furniture and equipment as of December 31, 2021 and 2020, consist of the following:

in MXN

	As at December 31,	
	2021	2020
Furniture and equipment	$ 53,547,864	$ 52,570,852
Computers	84,349,131	75,275,644
	137,896,995	127,846,496
Less: accumulated depreciation	(119,261,318)	(112,348,015)
	$ 18,635,677	$ 15,498,481

8. Right-of-use-assets

in MXN

Buildings	As at December 31,	
	2021	2020
Initial recognition at January 1,	98,559,506	110,482,556
Additions	2,359,164	5,359,669
Depreciation (amortization) of the year	(18,397,331)	(17,282,719)
Balances at December 31,	82,521,339	98,559,506

9. Lease liabilities

in MXN

	As at December 31,	
	2021	2020
Initial recognition as of January 1,	**109,169,800**	122,013,168
Additions	**2,359,164**	5,359,669
Financial expenses	**6,931,819**	8,958,555
Payments	**(22,602,375)**	(27,161,593)
Balance as of December 31,	**95,858,408**	109,169,800
Lease current liabilities	**16,530,748**	15,541,019
Liabilities for long-term leases	**79,327,660**	93,628,781

As of December 31, 2021, the maturity of the liabilities for long-term leased assets is as follows:

in MXN

Year	Amount
2023	17,420,697
2024	7,787,589
2025	4,703,866
2026	5,092,765
2027 and thereafter	44,322,743
Total	$79,327,660

10. Taxes payable

As of December 31, taxes payable consists of the following:

in MXN

	As at December 31,	
	2021	2020
Income tax withheld from third parties	**20,365,311**	14,725,634
Value added tax	**30,168,565**	18,066,764
Other tax payments and social security contributions	**17,750,627**	11,759,880
	68,284,503	44,552,278

11. Direct employee benefits and accruals

Accruals as of December 31, 2021 and 2020, include the following:

in MXN

2021	Outsourcing 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

in MXN

2020	Outsourcing and others	Other personnel benefits	Total
Balances at December 31, 2019	12,513,091	16,093,811	28,606,902
Increases recorded in earnings	421,637,777	1,400,071,247	1,821,709,024
Payments	(421,688,702)	(1,387,416,713)	(1,809,105,415)
Balances at December 31, 2020	12,462,166	28,748,345	41,210,511

12. Deferred PTU

The deferred PTU expense (benefit) is as follows:

in MXN

	As at December 31,	
	2021	2020
Deferred PTU	**(672,910)**	(3,777,606)

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

	As at December 31,	
	2021	2020
Deferred tax assets:		
Allowance for doubtful accounts	163,546	251,074
Provisions for accounts receivable	3,625,196	3,206,663
Furniture and equipment	–	918,346
Accruals	3,310,959	2,949,550
Deferred revenues	2,995,554	2,570,053
Lease right -f-use asset	1,333,707	2,307,245
Provisions for vacations	2,176,323	1,504,748
Total gross deferred tax assets	13,605,285	13,707,679
Deferred tax liabilities:		
Furniture and equipment	198,461	–
Prepayments	1,066,218	694,163
Total gross deferred tax liabilities	1,264,679	694,163
Net deferred tax asset	12,340,606	13,013,516

13. Partners' equity

The principal characteristics of partner's equity are described below:

a) Structure of contributed capital

The Entity's contributed capital as of December 31, 2021 and 2020 is composed of two partnership interests, fixed and variable. The fixed portion has a value of 10,000,000 and variable portion of 165,000,000.

b) Comprehensive income

During the years ended December 31, 2021 and 2020, there were no items that, in accordance with applicable MFRS, have to be taken directly to equity; therefore, comprehensive income is equal to net income for the year, as presented in statements of income.

c) Restrictions on partners' equity

The General Corporate Law requires that at least 5% of net income of the year be transferred to the legal reserve until the reserve equals 20% of the contributed capital. As of December 31, 2021 and 2020, the legal reserve amounts to $21,944,525, which has not reached the required amount.

Partners' contributions restated in accordance with tax legislation may be refunded to the partner tax-free, to the extent that such contributions equal or exceed partner's equity.

Retained earnings on which no ISR has been paid are subject to income tax in case of distribution at the rate of 30% payable by the Entity, consequently, the partner's may only receive 70% of such amounts.

14. 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

	As at December 31,	
	2021	2020
Income tax:		
Current	55,558,558	60,669,580
Deferred	(728,524)	(9,907,139)
	54,830,034	50,762,441

b. The reconciliation of the statutory and effective ISR rates, expressed in amounts of income before income taxes, are:

in MXN

	As at December 31,	
	2021	2020
Expected" tax expense computed	67,696,023	49,345,835
Increase (decrease) resulting from:		
Effects of inflation, net	(21,609,015)	(5,726,480)
Non-deductible expenses	9,143,529	7,869,434
Other, net	(400,503)	(726,348)
	54,830,034	50,762,441

c. The main items that give rise to a deferred ISR asset (liability) are:

in MXN

	As at December 31,	
	2021	2020
Deferred tax assets:		
Allowance for doubtful receivables	490,637	753,222
Provisions for accounts receivable	10,875,588	9,619,989
Furniture and equipment	–	2,755,037
Accruals	9,932,880	8,848,649
Deferred revenues	8,986,663	7,710,158
Lease right -of-use asset	4,001,121	6,921,738
Deferred statutory employee profit sharing	6,181,460	3,636,080
Provisions for vacations	6,528,968	4,514,244
Total gross deferred tax assets	46,997,317	44,759,117
Deferred tax liabilities		
Prepayments	3,198,654	2,082,489
Furniture and equipment	595,384	–
Deferred PTU	3,702,182	3,904,055
Total gross deferred tax liabilities	7,496,220	5,986,544
Net deferred tax asset	39,501,097	38,772,573

15. Commitments and contingent liabilities

a) In accordance with the Mexican Income 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 regarding the determination of prices, which must 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's prices, they could impose additional taxes plus the corresponding adjustment for inflation and interest, in addition to penalties of up to 100% of the omitted taxes.

c) The Entity entered into a service contract with its parent company, in which it undertakes to provide services necessary for its operation. These contracts are for an indefinite period. The total payments for this concept were $143,984,843 for 2021 and $248,518,168 for 2020 and are included in operating expenses in the statement of income.

d) There is a contingent liability arising from the labor obligations mentioned in Note 3(l).

16. New accounting principles

As of December 31, 2021, 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 2022 NIF that generate accounting changes and are effective for fiscal years starting as of January 1, 2022, although early application is permitted in 2021:

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, 2022 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, 2022. If lease payment reductions extend beyond June 30, 2022, 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 2022 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 modified 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.

17. 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, 2021 and until May 20, 2022 (date on which the financial statements were authorized for issuance), and has concluded that there are no subsequent events.

18. Authorization to issue the financial statements

On May 20, 2022, Ravi Arcot, Operations Expediting Leader, and Miguel Ulises Hernández Rodríguez, Finance Officer, authorized the issuance of the accompanying financial statements and related notes thereto.

In accordance with the Mexican General Corporate Law and the Entity's bylaws, 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.

for and on behalf of the Board of Managers and Partners of Infosys Technologies, S. de R. L. de C. V

Ravi Arcot
Operations Expediting Leader

Place: Mexico

Date: June 1, 2022

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Infosys Consulting SAS

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COFFRA

Paris, March 14, 2022

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, 2021.

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, 2021 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, 2021 to the date of our report.

Justification of assessments

Due to the global crisis related to the COVID-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, 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
Membre de la Compagnie Régionale de Paris

represented by

sign. Christoph Schlotthauer
Partner

sign. Franz-Josef Töcker
Partner

Appendices

The financial statements are numbered from page C1 to page C18

2021 Annual Financial Statements

Financial year from 01/01/2021 to 31/12/2021

SAS INFOSYS CONSULTING

77 Esplanade Gal. de Gaulle
92800 PUTEAUX
Siret : 52414413600032

Balance sheet and Income statement

Balance sheet assets

	Gross	Depreciation Amortisation	Net 31/12/2021	Net 31/12/2020
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	48 072	43 910	4 162	9 351
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	**48 072**	**43 910**	**4 162**	**9 351**
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	**765**		**765**	
Receivables				
Trade and related receivables	3 665 357	17 545	3 647 811	701 160
Other receivables	704 878		704 878	356 554
Called, subscribed capital, not paid up				
Miscellaneous				
Short- term investments				
Cash	1 218 667		1 218 667	2 130 393
Prepaid expenses (3)	1 318		1 318	462
TOTAL CIRCULATING ASSETS	**5 590 984**	**17 545**	**5 573 439**	**3 188 570**
Loan issue costs				
Bond redemption premiums				
Translation adjustment (assets)	33 622		33 622	56
TOTAL	**5 672 678**	**61 455**	**5 611 223**	**3 197 977**

Balance sheet liabilities

	31/12/2021	31/12/2020
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		
Retained earnings	1 227 717	850 061
PROFIT/ (LOSS) FOR THE PERIOD	**1 099 894**	**377 656**
Investment grants		
Regulated provisions		
TOTAL EQUITY	**2 415 612**	**1 315 717**
OTHER EQUITY		
Income from issues of equitty interests		
Conditional advances		
TOTAL OTHER EQUITY		
PROVISIONS		
Provisions for risks		15 000
Provisions for charges		
TOTAL CONTINGENT LIABILITIES		**15 000**
LIABILITIES (1)		
Convertible bonds		
Other bonds		
Bank borrowings and other liabilities to banks		
Other borrowings and finanancial liabilities	66 913	14 400
Advances and down- payments received on orders in process		
Trade and related payables	2 757 205	1 307 189
Tax and social security payables	367 249	545 671
Debts on capital assets and related payables		
Other payables		
Prepaid income		
TOTAL LIABILITIES	**3 191 367**	**1 867 260**
Translation adjustment (liabilities)	4 244	
TOTAL	**5 611 223**	**3 197 977**

Income statement - I

	France	Exports	31/12/2021	31/12/2020
Operating income				
Sales of goods				
Products sold (goods)				
Products sold (services)	1 737 514	9 258 496	10 996 009	5 229 940
Net revenue	**1 737 514**	**9 258 496**	**10 996 009**	**5 229 940**
Production in inventory				
Capitalised production				
Operating grants				
Reversals of provisions (and amortisation) and transfers of charges			15 237	2 435
Other income			71 201	1 809
Total operating income			**11 082 446**	**5 234 184**
Operating expenses				
Purchase of goods				
Changes in inventory				
Purchase of raw materials and other supplies				
Changes in inventory				
Other purchases and external charges			8 696 669	2 941 539
Taxes and similar charges			27 730	41 854
Wages and salaries			880 009	1 244 236
Social charges			312 116	534 230
Depreciation expense and allowance for impairement:				
- On non- current assets: depreciation expense			5 189	4 913
- On non- current assets: allowance for impairment				
- On circulating assets: allowance for impairement			17 241	237
- Contingent liabilities: provisions				15 000
Other charges			17 931	71 654
Total operating expenses			**9 956 885**	**4 853 663**
OPERATING PROFIT/ (LOSS) (I-II)			**1 125 561**	**380 521**
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				1 233
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)				**1 233**
Financial expense				
Amortisation expense, allowance for impairement and provisions				
Interest and similar expenses (4)			9 213	3 195
Negative foreign exchange differences				
Net loss on disposals of securities				
Total financial expenses (VI)			**9 213**	**3 195**
FINANCIAL PROFIT/(LOSS) (V-VI)			**-9 213**	**-1 962**
PRE- TAX EARNINGS (I-II+III-IV+V-VI)			**1 116 348**	**378 559**

Income statement - II

	31/12/2021	31/12/2020
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		903
On capital transactions		
Amortisation expense, allowance for impairment and provisions		
Total extraordinary expenses (VIII)		**903**
EXTRAORDINARY PROFIT/(LOSS) (VII-VIII)	**1 000**	**-903**
Employee profit- sharing (IX)		
Income tax (X)	17 454	
Total income (I+III+V+VII)	**11 083 446**	**5 235 417**
Total expenses (II+IV+VI+VIII+IX+X)	**9 983 552**	**4 857 761**
PROFIT OR (LOSS)	**1 099 894**	**377 656**

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 31/12/2021, for a total of 5 611 223 €
and notes to the income statement for the financial year presented in list form, showing a profit of 1 099 894 €.

The financial year runs for 12 months, from 01/01/2021 to 31/12/2021.

The notes or tables presented below form an integral part of the annual financial statements.

These annual financial statements were approved on 11/03/2022 by the company's directors.

General accounting rules

The annual financial statements of financial year ended on 31/12/2021 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.

Provisions

A provision is recognised for all company's current obligations resulting from a past event vis-a-vis third parties, that can be estimated with sufficient reliability, and covering identified risks.

Exceptional income and expenses

Exceptional income and expenses include items not related to the company's usual business.

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			48 072
- Recoverable packaging and miscellaneous				
- Property, plant and equipment under construction				
- Advances and down- payments				
Property, plant and equipment	**48 072**			**48 072**
- 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**			**48 072**

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	38 721	5 189		43 910
- Recoverable packaging and miscellaneous				
Property, plant and equipment	**38 721**	**5 189**		**43 910**
CAPITAL ASSETS	**38 721**	**5 189**		**43 910**

Notes to the balance sheet

Current assets

Schedule of receivables

On the closing date, receivables totalled 4 371 552 €. 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	3 665 357	3 665 357	
Other receivables	704 878	704 878	
Prepaid expenses	1 318	1 318	
Total	**4 371 552**	**4 371 552**	
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	791 730
Other receivables	
Cash	
Total	**791 730**

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		

Provisions

Statement of provisions

	Provisions at period start	Additions of the period	Reversals used during the period	Reversals unused of the period	Provisions at period end
Disputes					
Guarantees given to customers					
Losses on forward markets					
Fines and penalties					
Foreign exchange losses					
Pensions and similar obligations					
For taxes					
Capital asset renewals					
Major maintenance and overhauls					
Taxes and benefits on paid leave due					
Other provisions for contingent liabilities	15 000		15 000		
Total	**15 000**		**15 000**		
Breakdown of provisions and reversals for the period:					
Operations			15 000		
Financial					
Exceptional					

Notes to the balance sheet

Debts

Statement of liabilities

On the closing date, liabilities totalled 3 191 367 €. 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	2 757 205	2 757 205		
Tax and social security related payables	367 249	367 249		
Debts on capital assets and related payables				
Other payables	66 913	66 913		
Deferred income				
Total	**3 191 367**	**3 191 367**		
(*) Loans taken out during the period				
(*) Loans repaid during the period, of which:				

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	2 213 233
Tax and social security payables	279 054
Debts on capital assets and related payables	
Other payables	
Total	**2 492 287**

Notes to the balance sheet

Prepaid expenses, deferred income

Prepaid expenses

	Amount
Operating expenses	1 318
Financial expenses	
Exceptional expenses	
Total	**1 318**

Other Information

Total employees

Average workforce : 8 employees.

	On payroll personnel	Temporary personnel
Executives	8	
Lower management and technicians		
Office workers		
Workers		
Total	**8**	

Stater N.V.

FINANCIAL REPORT
from:
Stater N.V.

CONTENTS

FINANCIAL REPORT

1 MANAGEMENT REPORT

Like 2020, the year 2021 was also worldwide dominated by the COVID-19 virus. Because of this the Dutch government continued the extensive package of measures, which among other things, had a substantial impact on Stater. Some examples of the other circumstances which impacted Stater where carefulness with our clients to invest and pressure on margins. The Stater Management Board, together with the Stater Crisis Management Team (CMT), headed by the CEO of Stater took the right actions which insured the health and safety of the Stater staff and guaranteed the services to its clients.

Despite of this, Stater was able to take the next steps in fulfilling the strategy of growth. The strategy of increasing the market share in the Netherlands, Belgium and Germany. Growth fulfilled by excellent services, optimal assurance and competitive process. All accommodated by digitization. Besides the investments in the platform to remain frontrunner in the Netherlands, we invested in the German and Belgian market.

Our vision is that scale is a prerequisite for success. All actions mentioned contribute to realize the necessary economies of scale.

Important growth market for Stater is Germany. In our view, the German financial market will change substantially. The traditional German Banks face cost challenges, market behavior is changing and new type of originators is entering the market.

Stater is well positioned to be successful in Germany and preparations for a restart in this interesting market are on schedule. We expect to bring a launching client live in 2022. Furthermore, in 2022 Stater GmbH will prepare for the larger go to market and possible conversions of existing portfolios. Also, in Belgium, we see a change in financial markets and the mortgage value chain. Also there, banks are struggling with their costs and customer experience. Also new type of originators is entering the market. Stater is well positioned in Belgium to support originators, existing and new, in their goals.

In the Netherlands, the situation is different. The opportunity we see in the German and Belgium market took place in the Netherlands a few years ago. On the other hand, also Dutch originators need to adapt to changing consumer behavior, law and regulative changes and increase of the speed of technological developments.

Currently, the Dutch mortgage market is overheated. This is mainly due to the low interest rates and the reduced supply of (new) homes. Direct consequence is a substantial rise in house prices. Result of the low interest rates is also a substantial group of current house owners transfer the existing mortgage to a new mortgage with a lower interest rate (the so called "transfer-market"). This led to higher Mortgage Processing sales volumes than in 2020.

In general, digitization in the financial sector is an indispensable development. Consumers and our clients expect more digital and straight through processes. In addition, there is the development regarding data. Faster and wider access to data is important to be and remain successful. Anticipation towards legislative and regulatory developments also play an important role in this respect. In recent years substantial investments have been made to deliver on the Stater strategy. One of the most important programs to realize this, is the digitization program. Stater will continue to work on this in the future. In 2021 the program led to several deliverables, resulting in additional turnover and cost savings. Performance and stability issues were a topic in the 1st quarter of 2021. A limited period, our clients experienced a services level below expectations and our own standard. Direct measures were taken, and this led to substantial improvements in stability. We will continue to invest, both in the systems and in our processes and competences. A multiyear "roadmap" has been drawn up for this. This "roadmap" provided for several short-term improvements to ensure fundamental stability and provides for the creation of a plan to achieve our long-term ambitions.

This long-term plan is divided in several streams. The main streams are: Stable and futureproof IT-platform, governance adjustments, investing in staff, multicounty platform and in-conversion of clients.

1.1 Organisational structure

In the beginning of 2021, the new management top structure is fully implemented and formalized. Where in the past Stater was organized in capabilities, beginning 2021 we centralized the value chain per country and centralized cross-country capabilities.

Further there have been two changes in Stater's management in the recent period. As of December 1st, the new CTO, Erik Hamoen, started at Stater. Recently the Chief Financial & Risk Officer (CFRO) decided to leave Stater due to other ambitions.

The CFRO is currently ad interim fulfilled by the CEO. Permanent fulfillment is expected in the coming months.

The management of Stater consists of the CEO (Erwin Dreuning), CFRO (vacancy, Erwin Dreuning a.i.), CTO (Erik Hamoen), MD Netherlands (Mario Menheere), MD Belgium (Thomas Bardram) and Arjan Hessels (MD New Business & Innovation). This board is responsible for all Stater activities in the Netherlands, Belgium and Germany.

1.2 Financial developments 2021

Profit after tax
The net result of Stater for the financial year 2021 is €10.9 million (2020: €17.9 million). Net profit amounted to 6.6% of turnover (2020: 10.7%). 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) and lower project revenues.

Liquidity position
Stater's liquidity position still is very good. In 2021 a large part of the excess liquidity of €27.5 million was lent to Infosys. These funds are structured in a flexible loan, withdrawable within 14 days. The liquidity coverage ratio in 2021 is 1.51 (2020: 1.57) and Stater is well capable of meeting short-term obligations.
In addition, solvency is also still very good. Group equity is 52% (2020: 51%) of the balance sheet total, which makes Stater very solvent.

Revenue
Revenue for Stater Netherlands has decreased with 0.8% from €145.6 million in 2020 to €144.5 million in 2021. This is mainly caused by the 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. On the other hand, by the thriving mortgage market in the Netherlands, which was better than 2020, this resulted in higher Mortgage Processing revenue mainly for system use, passing deeds, building deposits, handling loans and termination of loans.
The revenue of Hypocasso is also in 2021 lower than previous year due to payment breaks, packages from the government, rise in house prices, low unemployment and the saving behavior of consumers.
Due to COVID-19 and lockdown period, Stater Belgium experienced a slight decrease in revenue (2.3%). As a result of cost awareness and cost savings Stater Belgium has been able to increase the result before tax from €0.3 million to €1.2 million.

Operating expenses
The operating expenses increased with 6% from €143.3 million in 2020 to €152 million in 2021. This is mainly the result of extra costs made to solve IT stability and performance issues and higher costs per fte for hiring personnel due to the stressed labor market in the Netherlands.

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 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.

Stater is convinced that the quality and continuity of our services are extremely important. In Stater's strategic risk assessment, strategic risks are defined. Most prominent are "information security", "(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. 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, from 2020, ISAE3000 statements.

Stater takes information security extremely seriously. Stater takes a critical look at its own processes and is in constant dialogue with its clients about their needs in this respect. The wishes of the clients are increasing, as are the prudential requirements. As proof that Stater wants to continue to lead the way in this area, Stater was one of the first financial organizations in the Netherlands to obtain the ISO/ICE 27001 certificate.

Stater also has a Business Continuity Management certificate issued by BSI. BSI is the market leader in the field of auditing, certification and standardization for companies. 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.

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 high-net-worth 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. The market risks for Stater are a result of macro economic market developments. In order to manage these risks Stater, together with its clients, invests in developing future proof services. With respect to price risk, Stater faces seeking market share, which puts pressure on rates. Stater mitigates this risk by being innovative and distinctive compared to its competitors. In addition, Stater has economies of scale due to its high market share. Management estimates currency and interest risks to be very limited.

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. Partly because of this and in view of the size, the interest rate, market and credit risks are marginal.

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

The average number of employed FTEs slightly increased from 921 in 2020 to 927 in 2021. The overall increase is the result of a bigger increase in the Netherlands than the decrease in Belgium. The average number of external staff grew to 436 FTEs in 2021 (2020: 405 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.

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.

Stater has laid down terms of employment arrangements in the collective labor agreement (CLA). This CLA applies to all staff in the Netherlands, except for the Managing Board members, whose employment contracts incorporate several arrangements that take precedence over the CLA. In 2021 the CLA scales were increased by 6.75% starting from the 1st of January. This is including 5.00% increase for the movement of the variable remuneration to the standard CLA scales. In 2021 total amount of variable income paid to staff in the Netherland amounts € 2.6M (787 employees).

In the past years Stater always have had a good relationship with the Works Council and the Unions. In this way we can strengthen each other and achieve higher goals. Currently Stater is having conversations with the unions to renew the current CLA (duration until 1/1/2022). These conversations are going well and besides salary regarding matters we also discuss the opportunities and possibilities about development of and for employees. We are confident in a good result in the short term.

In Belgium salaries have been increased by 1.35% and a 13th month's salary is paid annually. In addition, it is possible to award a bonus to several employees during the annual appraisal round. In 2021 total bonus paid to staff in Belgium amounts € 109,000 (55 employees). Stater's remuneration falls within the statutory frameworks of the Remuneration Policy (Financial Enterprises) Act.

The formed workgroup further rolled out the ''working from home'' policy in 2021. This process is final, and people are encouraged to work from home, with providing desks and chairs.

In 2021 "The Stater Competence Program" was redesigned. In this program, employees are encouraged and facilitated to develop their competences. In 2022, this program will be further expanded with the mental side of leadership. This program is initiated for our leadership team. Goals of the program are better way of working together, improving communication and leading teams.

1.7 Codes of conduct

As an organisation, we have laid down a number of general principles for our conduct. Based on these principles, Stater has developed a general code of conduct for its employees.
There are codes of conduct for different themes:

- Mutual contact
- Dealing with business information resources
- Dealing with your work environment
- Dealing with conflicts of interest and dilemmas

Everyone at Stater is expected to know and comply with the guidelines of the Code of Conduct, regardless of rank, position or circumstances. Also, Stater employees are obliged to take the bankers oath.

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.

1.8 Environmental, Social and Governance (ESG) aspects of entrepreneurship.

Stater is aware of and pays attention to its environmental, social and governance (ESG) responsibilities. All business decisions seek a balance between a better business return, Stater's footprint and the well-being of staff and society, particularly within the mortgage chain.

Stater's ESG related activities go further than what is required by law, out of social involvement and a forward-looking vision. Stater recognizes the increased attention for ESG considerations from the society and regulators. In this respect, Stater has installed a Working Group Sustainability and taken among others the initiatives described below.

Stater is a member of the Energy Efficient Mortgages NL Hub (EEM NL HUB) to promote the acceleration of energy efficient housing in the Dutch market together with the partners of the mortgage chain.

Stater continued its cooperation with JINC, an organization that helps young people with a distance to the labor market between the ages of 8 and 16 to get a good start on the labor market. The JINC program introduces them to various professions, helps them to find out what kind of work suits their talents, and learns them how to apply for a job. Also, social competences are explained which are needed in a professional environment. These kind of competences and skills are mostly new to these young people and in this way, we can help them decreasing the gap to the labor market.

Stater is always looking for opportunities to help the local community and charities (e.g. Serious Request). We have a working group who oversees the activities and is an ambassador for this topic within the organization.

A safe and healthy work environment is very important for Stater. In this matter there is a lot of attention (particularly during onboarding) for the Code of Conduct and risk management. These topics describe the desired behavior of employees within Stater regarding to contact with customers and other colleagues. Stater pursues awareness of risks among employees, but also wants to create a safe work environment. As Stater we want to have an open feedback culture were, we discuss all the matters with each other. We encourage this behavior by having structural conversations with our employees regarding the performance management, providing Q&A session with the management team and other offside meetings.

Stater is a professional organization with an informal culture. We work as a team and are able to combine our strengths for the short and long-term. We celebrate our success and after reach for higher results. Development of our employees is always a topic and education is on top of mind. Stater wants to invest in his employees for continuous development. For example, in 2021 Stater started the leadership program for all managers to further develop the management skills. All employees have access to an education platform which withholds numerous of development programs. An education budget is available within Stater, but employees also have the possibility to subscribe for other programs from their PDI (Personal sustainable employability budget), which is an element of the working conditions.

1.9 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.

1.10 Outlook 2022

Last year Stater again saw an increase of 1.9% 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 +6.8%). 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 2022 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 forefront of developments in the mortgage market, in terms of digitization, further efficiency improvements and stable & future proof IT Platform.

Stater believes that the changes in the top structure will lead to the right focus and optimum efficiency. This will support the strategy to our home market the Netherlands and 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 Russia-Ukraine conflict, Stater has taken additional technical and organizational measures to address in particularly the increased risk of cyber incidents.

The high inflation, possible increase interest rates mortgages, the worldwide political situation and the aftermath of the coronavirus will probably have a major impact on economic developments worldwide and will have an impact on Stater's turnover and profit development in 2022. Though this will be limited because our regular work in the back office brings stability, but the turnover from mid-office and change projects of clients might come under pressure depending on the mortgage market situation and its mutual sensitivity. On the other hand, thanks to its flexible shell, Stater can gear its workforce to the work on offer. In addition, in the event of an economic downturn, Hypocasso's turnover likely will increase. 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. Because of external developments mentioned above we anticipate if necessary additional measures need to be taken. We will closely monitor the situation and evaluate different scenarios on solvency, liquidity and operations.

Amersfoort, April 12, 2022

E.R. Dreuning CEO

CONSOLIDATED ANNUAL ACCOUNTS 2021

1 CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2021

(before appropriation of results)

		2021		2020	
		x €1,000	x €1,000	x €1,000	x €1,000
ASSETS					
Fixed assets					
Intangible fixed assets	(1)		23,746		18,286
Tangible fixed assets	(2)		20,461		25,161
Financial fixed assets	(3)				
Receivables from participants and from companies in which participation takes place		27,500		30,000	
Other receivables		1,280		1,408	
			28,780		31,408
			72,987		74,855
Current assets	(4)				
Trade receivables		3,966		4,262	
Receivables from other related parties		166		1,622	
Taxes and social securities		5,770		1,519	
Other receivables		933		1,053	
Prepayments and accrued income		19,960		16,396	
			30,795		24,851
Cash and cash equivalents	(5)		17,044		32,367
			120,826		132,074

		2021		2020	
		x €1,000	x €1,000	x €1,000	x €1,000
EQUITY AND LIABILITIES					
Group equity	(6)		62,619		67,365
Provisions	(7)				
Deferred tax liability		4,916		2,848	
Other provisions		6,889		5,509	
			11,805		8,357
Long-term liabilities	(8)		14,814		20,017
Current liabilities, accruals and deferred income	(9)				
Trade creditors		1,740		3,756	
Payables to other related parties		352		373	
Taxes and social securities		9,163		9,335	
Pension premiums		935		763	
Accruals and deferred income		19,398		22,108	
			31,588		36,335
			120,826		132,074

2 CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR 2021

		2021		2020	
		x €1,000	x €1,000	x €1,000	x €1,000
Net turnover	(10)		166,477		168,121
Cost of subcontracted work and other external charges	(11)	39,492		32,730	
Wages and salaries	(12)	62,797		61,714	
Social security charges		9,804		9,847	
Pension costs		9,351		7,719	
Amortisation and depreciation	(13)	9,629		9,070	
Other operating expenses	(14)	20,889		22,218	
Total operating expenses			151,962		143,298
Operating result			14,515		24,823
Interest income and expenses	(15)		-50		-212
Result before taxation			14,465		24,611
Taxes	(16)		-3,561		-6,670
Result after tax			10,904		17,941
Minority interest	(17)		0		-13
Result of the legal entity			10,904		17,928

3 CONSOLIDATED CASH FLOW STATEMENT 2021

The cash flow statement has been prepared using the indirect method.

	2021		2020	
	x €1,000	x €1,000	x €1,000	x €1,000
Cash flow from operating activities				
Operating result	14,515		24,823	
Adjustments for:				
Amortisation and depreciation	9,622		9,036	
Movement of provisions	1,380		-640	
Movement of working capital:				
Movement of long-term liabilities	-841		-	
Movements of receivables and prepaid costs	-1,699		4,355	
Movement of short-term liabilities	-4,780		-3,265	
Cash flow from business activities		18,198		34,310
Interest paid	-293		-440	
Corporate income tax	-5,705		-9,388	
Interest and similar income	243		228	
		-5,755		-9,600
Cash flow from operating activities		12,443		24,710
Cash flow from investing activities				
Investments in intangible fixed assets	-9,024		-10,565	
Investments in tangible fixed assets	-2,598		-3,094	
Investments in participating interests	-		-5,500	
Valuation differences tangible fixed assets	-1,232		897	
Disposal of intangible fixed assets	6		24	
Disposal of tangible fixed assets	1		10	
Cash flow from investing activities		-12,847		-18,228
Transport		-404		6,482

	2021		2020	
	x €1,000	x €1,000	x €1,000	x €1,000
Transport		-404		6,482
Cash flow from financing activities				
Movement of new consolidations for fixed assets	1,232		-897	
Other receivables (additional funding)	-371		-385	
Increase in receivable shareholders and associates	-		-30,000	
Decrease in receivable shareholders and associates	2,500		-	
Other receivables (repayments)	499		601	
Dividend paid	-15,650		-8,700	
Lease liabilities (long-term)	-3,130		-2,086	
Cash flow from financing activities		-14,919		-41,468
		-15,323		-34,986

	Cash and cash equivalents
	x €1,000
Compilation cash	
Compilation cash at January 1, 2020	67,354
Movement 2020	-34,986
Compilation cash December 31, 2020	32,367
Compilation cash at January 1, 2021	32,367
Movement 2021	-15,323
Compilation cash December 31, 2021	17,044

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, 2021 to December 31, 2021.

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 Netherlands Civil Code. The company have voluntarily adopted IFRS 16 in 2019. The annual accounts were authorised for issue by the Management Board on April 12, 2022.

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. Despite Covid-19 net 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 (2020 : 100%)
- Stater Belgium N.V./S.A. in Brussels: 100% participation of Stater Participations B.V. (2020 : 100%)
- Stater Participations B.V. in Amersfoort: 100% participation (2020 : 100%)
- HypoCasso B.V. in Amersfoort: 100% participation (2020 : 100%)
- Stater XXL B.V. in Amersfoort: 100% participation (2020 : 100%)
- Stater G.m.b.H. in Düsseldorf: 100% participation (2020: -)

In 2021 Stater N.V. established Stater G.m.b.H. and paid € 25,000 for capital and € 400,000 for a loan.

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 (2020:100%)
- Stater XXL B.V. in Amersfoort: 100% participation (2020:100%)
- HypoCasso B.V. in Amersfoort: 100% participation (2020:100%)

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.

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 1.26% (2020 1.18%). 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.

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 recognized 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.

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.

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.

Share of legal entity in the group equity

The share of third parties in the group equity concerns the minority interest of third parties in the shareholders' equity of consolidated companies. In the profit and loss account the share of third parties in the result of consolidated companies is deducted from the group result.

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.

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 2020) 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 2020).

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 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.

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.

Employee benefits

Staff emoluments are recognized 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 recognized 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.

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..

NOTES TO THE CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2021

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, 2021			
Purchase price	88,107	21,535	109,642
Cumulative amortisation and impairment	-73,686	-17,671	-91,357
	14,421	3,864	18,285
Movement			
Investments	8,764	260	9,024
Disposals	0	-456	-456
Amortisation disposal	0	450	450
Amortisation	-2,291	-1,266	-3,557
	6,473	-1,012	5,461
Carrying amount as of December 31, 2021			
Purchase price	96,871	21,339	118,210
Cumulative amortisation and impairment	-75,977	-18,487	-94,464
	20,894	2,852	23,746

Amortisation rates

	%
Internally developed software	14
Purchased software	20-33

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 € 75,566,000 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 (2020: € 0).

The company has the full ownership of the intangible fixed assets as disclosed. As of December 31, 2021 the intangible fixed assets are not pledged as security for liabilities, nor are there any pending commitments regarding the acquisition of intangible fixed assets.

	2021	2020
	x €1,000	x €1,000
Internally developed software		
Purchase price	88,107	77,861
Cumulative amortisation and impairment	-73,686	-71,393
Carrying amount as of January 1	14,421	6,467
Movement		
Investments	8,764	9,436
Reclassification purchase price	0	811
Amortisation	-2,291	-1,534
Reversal of impairment	0	-757
	6,473	7,955
Purchase price	96,871	88,107
Cumulative amortisation and impairment	-75,977	-73,685
Carrying amount as of December 31	20,894	14,422

	2021	2020
	x €1,000	x €1,000
Purchased software		
Purchase price	21,535	21,945
Cumulative amortisation and impairment	-17,671	-17,774
Carrying amount as of January 1	3,864	4,171
Movement		
Investments	260	1,130
Disposals	-456	-729
Amortisation disposal	450	706
Reclassification purchase price	0	-811
Amortisation	-1,266	-1,359
Reversal of impairment	0	757
	-1,012	-306
Purchase price	21,339	21,535
Cumulative amortisation and impairment	-18,487	-17,670
Carrying amount as of December 31	2,852	3,864

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, 2021					
Purchase price	4,678	17,869	5,647	24,290	52,484
Cumulative depreciation and impairment	-3,922	-11,753	-5,015	-6,634	-27,324
	756	6,116	632	17,656	25,160
Movement					
Additions	0	1,982	22	594	2,598
Disposals	-169	-479	-8	0	-656
Depreciation disposal	169	479	8	0	656
Reassessment/modification	0	0	0	-1,232	-1,232
Depreciation	-97	-2,422	-256	-3,290	-6,065
	-97	-440	-234	-3,928	-4,699

	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, 2021					
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
Carrying amount as of December 31, 2021	659	5,676	398	13,728	20,461

The company has the full ownership of the tangible fixed assets as disclosed. As of December 31, 2021 the tangible fixed assets are not pledged as security for liabilities. The investment commitments in respect of tangible fixed assets as per December 31, 2021 amount to € 1,287,000 (2020: € 0).

The right of use assets include Stater's leased premises in Amersfoort and Brussels amounting to € 12,448,000 (2020 € 16,183,000), as well as the lease cars amounting to € 1,280,000 (2020 € 1,473,000).

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, 2016 and ends by operation of law on November 30, 2025. Taking into account a notice period of 6 months, notice can be given upon the expiry of the first six-year period and this has been included in the IFRS 16 calculation.

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

	2021	2020
	x €1,000	x €1,000
Leasehold improvements		
Purchase price	4,678	4,640
Cumulative depreciation and impairment	-3,922	-3,825
Carrying amount as of January 1	756	815
Movement		
Investments	0	38
Disposals	-169	0
Depreciation disposal	169	0
Depreciation	-97	-97
	-97	-58
Purchase price	4,509	4,678
Cumulative depreciation and impairment	-3,850	-3,922
Carrying amount as of December 31	659	757
Hardware		
Purchase price	17,869	17,192
Cumulative depreciation and impairment	-11,753	-10,616
Carrying amount as of January 1	6,116	6,575
Movement		
Investments	1,982	1,808
Disposals	-479	-1,131
Depreciation disposal	479	1,123
Depreciation	-2,422	-2,260
	-440	-460
Purchase price	19,372	17,869
Cumulative depreciation and impairment	-13,696	-11,753
Carrying amount as of December 31	5,676	6,116

	2021	2020
	x €1,000	x €1,000
Equipment		
Purchase price	5,647	5,627
Cumulative depreciation and impairment	-5,015	-4,723
Carrying amount as of January 1	632	904
Movement		
Investments	22	34
Disposals	-8	-14
Depreciation disposal	8	14
Depreciation	-256	-306
	-234	-272
Purchase price	5,661	5,647
Cumulative depreciation and impairment	-5,263	-5,015
Carrying amount as of December 31	398	632

	2021	2020
Right of use assets		
Purchase price	24,290	22,179
Cumulative depreciation and impairment	-6,634	-3,154
Carrying amount as of January 1	17,656	19,026
Movement		
Investments	594	1,214
Reassessment/modification	-1,232	897
Depreciation	-3,290	-3,481
	-3,928	-1,370
Purchase price	23,652	24,291
Cumulative depreciation and impairment	-9,924	-6,635
Carrying amount as of December 31	13,728	17,656

3. Financial fixed assets

	12/31/2021	12/31/2020
	x €1,000	x €1,000
Receivables from participants and from companies in which participation takes place		
Loan Infosys Consulting Pte. Ltd.	27,500	30,000

Interest rate is considered as market related and is equal to 12 months EURIBOR +0.83 per annum (0.488% 2020: 0.5%), 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.

	2021	2020
	x €1,000	x €1,000
Carrying amount as of January 1	30,000	0
Loan granted	5,000	30,000
Repayment	-7,500	0
Carrying amount as of December 31	27,500	30,000

	12/31/2021	12/31/2020
	x €1,000	x €1,000
Other receivables		
Other receivables	1,280	1,408

Other receivabes relate to a loan granted to the leasing company. The interest rate is 0% (2020 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.

	2021	2020
	x €1,000	x €1,000
Other receivables		
Carrying amount as of January 1	1,408	1,624
Loans granted	371	385
Repayments	-499	-601
Carrying amount as of December 31	1,280	1,408

4. Current assets

	12/31/2021	12/31/2020
	x €1,000	x €1,000
Trade receivables		
Debtors	3,974	4,289
Allowance for doubtful debt	-8	-27
	3,966	4,262

	2021	2020
	x €1,000	x €1,000
Allowance for doubtful debt		
Carrying amount as of January 1	27	64
Reversal	-19	-33
Withdrawal	0	-4
Carrying amount as of December 31	8	27

	12/31/2021	12/31/2020
	x €1,000	x €1,000
Receivables from other related parties		
ABN AMRO Hypotheken groep B.V.	113	1,593
Infosys Consulting Pte. Ltd.	53	29
	166	1,622

	12/31/2021	12/31/2020
	x €1,000	x €1,000
Taxes and social securities		
Corporate income tax	4,515	271
VAT	436	407
Deferred tax	819	841
	5,770	1,519
Other receivables		
Volume discount suppliers	890	1,028
Grants	43	24
	933	1,053
Prepayments and accrued income		
Services to be invoiced	14,068	11,654
Prepaid costs	5,892	4,742
	19,960	16,396

The prepaid costs mainly refer to software maintenance and software licence fees.

5. Cash and cash equivalents

Bank	17,044	32,367

An amount of € 350,000 (2020: € 350,000) is not freely disposable.

EQUITY AND LIABILITIES

6. Group equity

Please refer to the notes to the non-consolidated balance sheet on page 67 of this report for an explanation of the equity.

Proposed appropriation of profit

The annual accounts for 2020 were adopted by the General Meeting held on April 19, 2021. The General Meeting has determined the appropriation of the result as it was proposed. So the dividend of € 3.23 for each share was paid.

It is proposed to the General Meeting that the result after taxes for 2021 be appropriated as follows. An amount of € 10,000,000 (€ 2.06 for each share) of the profit for 2021 will be distributed as dividend and the remaining amount will be added to the other reserves.

	2021	2020
	x €1,000	x €1,000
Share of legal entity in the group equity		
Carrying amount as of January 1	0	2,402
Minority interest	0	-13
Movement	0	-2,389
Carrying amount as of December 31	0	0

The movement is a result of the 28% shares of Stater Belgium N.V./S.A. acquired and paid by Stater Participations B.V. in 2020.

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.

	2021	2020
Carrying amount as of January 1	2,848	507
Allocation	2,403	2,436
Withdrawal	-335	-95
Carrying amount as of December 31	4,916	2,848

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.

	12/31/2021	12/31/2020
	x €1,000	x €1,000
Other provisions		
Claim provision	2,302	1,449
Other long-term employee benefits	4,422	3,894
Other	165	166
	6,889	5,509

	2021	2020
	x €1,000	x €1,000
Claim provision		
Carrying amount as of January 1	1,449	1,612
Allocation	1,503	488
Withdrawal	-277	-242
Reversal	-373	-409
Carrying amount as of December 31	2,302	1,449

Provisions for legal claims are recognized 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	3,894	3,293
Allocation	922	942
Withdrawal	-394	-341
Carrying amount as of December 31	4,422	3,894

The provision for other long-term employee benefits has a predominantly long-term character.

	2021	2020
	x €1,000	x €1,000
Other		
Carrying amount as of January 1	165	221
Allocation	48	0
Withdrawal	-48	-56
Carrying amount as of December 31	165	166

The other provision has a predominantly long-term character.

	12/31/2021	12/31/2020
	x €1,000	x €1,000

8. Long-term liabilities

	12/31/2021	12/31/2020
Lease liabilities	14,485	18,847
Advanced payment received on orders	329	1,170
	14,814	20,017

Lease liabilities

	2021	2020
	x €1,000	x €1,000
Lease liabilities		
Carrying amount as of January 1	18,847	21,173
Reversal	-1,232	897
Funds withdrawn	538	1,121
Interest added	241	302
Repayment	-3,909	-4,645
Long-term part as at December 31	14,485	18,847

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:

	12/31/2021 x € 1,000	12/31/2020 x € 1,000
Particulars		
Less than one year	3,325	3,325
One to five years	11,549	12,807
More than five years	3,516	6,969
Total	18,390	23,101

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

	12/31/2021	12/31/2020
	x €1,000	x €1,000
Taxes and social securities		
Corporate income tax	32	0
VAT	5,065	5,727
Transport	5,097	5,727

	12/31/2021	12/31/2020
	x €1,000	x €1,000
Transport	5,097	5,727
Payroll tax	4,066	3,608
	9,163	9,335

Accruals and deferred income

Holiday bonus	1,475	1,558
Holiday accruals	1,916	2,040
Variable pay	226	3,171
Prepaid amount	4,585	3,900
Accruals other costs	4,249	5,030
Accruals external staff	3,818	3,084
Lease liabilities	3,129	3,325
	19,398	22,108

In 2021, variable pay as part of the CLA in the Netherlands was abolished in consultation with unions. To compensate, the fixed salary was increased for this purpose.

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

	12/31/2021	12/31/2020
	x €1,000	x €1,000
Less than one year	80	70
One to five years	362	284
	442	354

Other long-term financial obligations

	12/31/2021	12/31/2020
	x €1,000	x €1,000
Less than one year	2,431	1,892
One to five years	2,042	2,354
	4,473	4,246

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.

Tax claim

Since 1998, there has been a difference of opinion between Stater and the Dutch tax authorities about Stater's liability for VAT in respect of mortgage payment transactions and ancillary services. As no agreement could be reached, it was decided, in consultation with the Dutch tax authorities, to submit the dispute to the competent court. The parties have litigated up to the Dutch Supreme Court. On October 11, 2013, the Supreme Court ruled in its judgment on appeal that the services of Stater are liable for VAT. No further legal remedies are available against this judgment.

In Belgium, legal proceedings are still pending in relation to the VAT issue. In 2015, the court of first instance ruled that the services of Stater are liable for VAT. Stater appealed this judgment in Belgium. In the Belgium proceedings, Stater aims to have the preliminary questions submitted before the European Court of Justice. It may be the case that through the preliminary questions, the VAT exemption for payment transactions will be deemed to apply to the services provided by Stater Belgium. However, it remains to be seen whether such a judgment would also have consequences for Stater in the Netherlands. We expect these proceedings will take years to complete.

In connection with the proceedings in Belgium and the potential resulting judgment of the European Court of Justice, Stater has concluded a tax ruling with the tax authorities in order to safeguard the rights of Stater's customers as much as possible.

The annual accounts do not include a provision for this claim.

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.

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.

6 NOTES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR 2021

10. Net turnover

	2021	2020
	x €1,000	x €1,000
Business segments		
Mortgage processing	134,871	132,659
Projects	16,997	21,763
Other	14,609	13,699
	166,477	168,121

Geographical segments		
Netherlands	144,534	145,643
Belgium	21,943	22,478
	166,477	168,121

11. Cost of subcontracted work and other external charges

Total cost of subcontracted work	39,492	32,730

Personeelsbeloningen

12. *Wages and salaries*

Salaries and wages	58,962	57,650
Other	3,835	4,064
	62,797	61,714

Emoluments of directors and supervisory directors

The emoluments (including pension obligations) which were charged in 2021 amount to € 2,046,000 (2020: € 1,580,000) for (former) directors and € 75,000 (2020: € 45,000) for supervisory directors.

Staff

At the company during 2021, on average FTE 927 employees were employed (2020: 921).

	2021	2020
The breakdown is as follows:		
Netherlands	752	739
Belgium	173	182
Germany	2	-
	927	921

	2021	2020
	x €1,000	x €1,000
13. Amortisation and depreciation		
Intangible fixed assets	3,557	2,893
Tangible fixed assets	6,065	6,143
Loss on disposals	7	34
	9,629	9,070
14. Other operating expenses		
Housing	1,575	2,413
Office expenses	4,677	5,326
IT costs	8,406	7,668
VAT (non-refundable portion)	96	83
Marketing & Communication	298	404
Third party costs	4,040	5,370
Other operating costs	1,797	954
	20,889	22,218

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

2020

	Auditors	Other network	Total network
	x € 1,000	x € 1,000	x € 1,000
Audit of the annual accounts *1)	136	22	158
Other audit engagements	240	93	333
Tax advisory services	-	-	-
Other non-audit services	-	-	-
	376	115	491

Auditors are Deloitte for audit of the annual accounts and EY for other audit engagements. The other audit engagements mainly refer to the ISAE 3402 audit.

*1) Audit of the annual accounts included additional fees charged as part of the 2019 audit. This relates to services rendered in 2020 financial year and as such is disclosed as part of 2020.

	2021	2020
	x €1,000	x €1,000
15. Interest income and expenses		
Interest and similar income	243	228
Interest and similar expenses	-293	-440
	-50	-212

	2021	2020
	x €1,000	x €1,000

16. Taxes

	2021	2020
Corporate income tax	1,399	4,409
Corporate income tax prior periods	-488	327
Movement of deferred tax assets	24	-663
Movement of deferred tax liabilities	2,068	2,341
Corporate income taxes in foreign jurisdictions	558	256
	3,561	6,670

Reconciliation of the effective tax rate and the applicable tax rate for the consolidated annual accounts is as follows:

	2021	2020
	%	%
Applicable rate	25.00	25.00
Deferred tax	0.81	-0.03
Tax on non-deductible amounts	2.18	0.80
Prior years	-3.37	1.33
Effective tax rate	24.62	27.10

	2021	2020
	x €1,000	x €1,000

17. Minority interest

	2021	2020
Minority interests Stater Belgium N.V./S.A.	0	-13

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	2020 Receivables x € 1,000	2020 Payables x € 1,000
Infosys Limited	0	352	0	298
Infosys Consulting Pte. Ltd.	27,553	0	30,029	0
Infosys BPM Limited	0	0	0	16
Brilliant Basics Limited	0	0	0	59
Infosys Belgium	0	0	0	0
ABN AMRO Hypotheken Groep B.V.	113	0	1,593	0
	27,666	352	31,622	373

Related parties	2021 Revenues x € 1,000	2021 Costs x € 1,000	2020 Revenues x € 1,000	2020 Costs x € 1,000
Infosys Limited	0	5,716	0	6,347
Infosys Consulting Pte. Ltd.	233	0	150	0
Infosys BPM Limited	0	182	0	277
Brilliant Basics Limited	0	274	0	559
Infosys Belgium	93	0	0	0
ABN AMRO Hypotheken Groep B.V.	78,854	0	81,067	0
ABN AMRO Bank N.V.	0	118	0	98
	79,180	6,290	81,217	7,281

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 deliveries to ABN AMRO Hypotheken Groep B.V. relate to the care and support of the entire mortgage process.

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. (2020: 75%).

ABN AMRO Bank N.V. holds a 25% stake since May 23, 2019 in Stater N.V. (2020:25%).

7 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT 2021

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

	2021	2020
	x €1,000	x €1,000
Compilation cash at January 1	32,367	67,354
Movement of cash and cash equivalents	-15,323	-34,986
Cash and cash equivalents December 31	17,044	32,367

8 OTHER DISCLOSURE

Subsequent events

Russian invasion of Ukraine

Russian began an invasion of Ukraine on 24 February 2022. Stater assessed the potential implications of this invasion on its business operations and financial situation and concluded such implications, based on information currently available, to be minor. Stater has taken additional technical and organizational measures to address in particularly the increased risk of cyber incidents.

Loan Infosys Consulting Pte. Ltd.

To finance the cash out due to investments, € 6M of the loan with Infosys Consulting Pte. Ltd. was called for and received in January. On request of Infosys Consulting Pte. Ltd. and in connexion with excess cash equivalents, Stater N.V. has granted an additonal loan of € 4M and agreed by an addendum on the existing loan agreement.

Appropriation of the result for the 2020 financial year

The annual accounts for 2020 were adopted by the General Meeting held on April 19, 2021. The General Meeting has determined the appropriation of the result as it was proposed.

COMPANY ANNUAL ACCOUNTS 2021

9 COMPANY-ONLY BALANCE SHEET AS AT DECEMBER 31, 2021

(before appropriation of results)

		2021		2020	
		x €1,000	x €1,000	x €1,000	x €1,000
ASSETS					
Fixed assets					
Intangible fixed assets	(18)		19,879		13,357
Tangible fixed assets	(19)		13,874		17,525
Financial fixed assets	(20)				
Participations in group companies		15,053		27,725	
Receivables from group companies		400		0	
Receivables from participants and from companies in which participation takes place		27,500		30,000	
Other receivables		1,280		1,408	
			44,233		59,132
Current assets	(21)				
Receivables from group companies		3,185		1,622	
Receivables from other related parties		53		29	
Taxes and social securities		15,189		8,413	
Other receivables		556		705	
Prepayments and accrued income		209		383	
			19,192		11,152
Cash and cash equivalents	(22)		452		7,048
TOTAL OF ASSETS			97,630		108,215

		2021		2020	
		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		21,051		14,539	
Other reserves		17,527		21,761	
Result for the year		10,904		17,928	
			62,619		67,365
Provisions	(24)				
Deferred tax liability		4,916		2,848	
Other provisions		4,422		3,894	
			9,338		6,742
Long-term liabilities	(25)		14,313		18,012
Current liabilities, accruals and deferred income	(26)				
Trade creditors		472		2,050	
Taxes and social securities		4,026		3,601	
Pension premiums		935		763	
Accruals and deferred income		5,927		9,682	
			11,360		16,096
TOTAL OF EQUITY AND LIABILITIES			97,630		108,215

10 COMPANY-ONLY PROFIT AND LOSS ACCOUNT 2021

		2021	2020
		x €1,000	x €1,000
Share in result of participating interests after taxes	(27)	10,551	18,258
Other income and expenses after taxation		353	-330
Result after tax		10,904	17,928

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.

12 NOTES TO THE COMPANY BALANCE SHEET AS AT DECEMBER 31, 2021

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, 2021			
Purchase price	71,468	3,387	74,855
Cumulative amortisation and impairment	-59,338	-2,161	-61,499
	12,130	1,226	13,356
Movement			
Investments	8,153	0	8,153
Disposals	0	-71	-71
Amortisation disposal	0	71	71
Amortisation	-1,297	-333	-1,630
	6,856	-333	6,523
Carrying amount as of December 31, 2021			
Purchase price	79,621	3,316	82,937
Cumulative amortisation and impairment	-60,635	-2,423	-63,058
	18,986	893	19,879

Amortisation rates

	%
Internally developed software	14
Purchased software	20-33

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 € 58,315,000 that have been fully written down but are still in use. The purchased software includes assets amounting to € 1,528,000 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, 2021 the intangible fixed assets are not pledged as security for liabilities, nor are there any pending commitments regarding the acquisition of intangible fixed assets.

	2021	2020
	x €1,000	x €1,000
Internally developed software		
Purchase price	71,468	61,901
Cumulative amortisation and impairment	-59,338	-58,201
Carrying amount as of January 1	12,130	3,699
Movement		
Investments	8,153	8,757
Reclassification purchase price	0	811
Amortisation	-1,297	-379
Reversal of impairment	0	-757
	6,856	8,431
Purchase price	79,621	71,468
Cumulative amortisation and impairment	-60,635	-59,338
Carrying amount as of December 31	18,986	12,131

	2021	2020
	x €1,000	x €1,000
Purchased software		
Purchase price	3,387	3,814
Cumulative amortisation and impairment	-2,161	-2,569
Carrying amount as of January 1	1,226	1,245
Movement		
Investments	0	384
Disposals	-71	0
Amortisation disposal	71	0
Reclassification purchase price	0	-811
Amortisation	-333	-348
Reversal of impairment	0	757
	-333	-18
Purchase price	3,316	3,387
Cumulative amortisation and impairment	-2,423	-2,160
Carrying amount as of December 31	893	1,227

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, 2021					
Purchase price	4,678	593	4,375	21,171	30,817
Cumulative depreciation and impairment	-3,922	-478	-3,859	-5,033	-13,292
	756	115	516	16,138	17,525
Movement					
Additions	0	0	21	316	337
Disposals	-169	-284	-8	0	-461
Depreciation disposal	169	284	8	0	461
Reassessment/modification	0	0	0	-1,232	-1,232
Depreciation	-97	-30	-200	-2,429	-2,756
	-97	-30	-179	-3,345	-3,651

	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, 2021					
Purchase price	4,509	309	4,388	20,255	29,461
Cumulative depreciation and impairment	-3,850	-224	-4,051	-7,462	-15,587
Carrying amount as of December 31, 2021	659	85	337	12,793	13,874

The right of use assets include Stater's leased premises in Amersfoort and Brussels amounting to € 11,877,000, as well as the lease cars amounting to € 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 € 1,287,000 (2020: € 0).

Depreciation rates

	%
Leasehold improvements	10
Hardware	20-33
Equipment	20
Right of use assets	10-25

	2021	2020
	x €1,000	x €1,000
Leasehold improvements		
Purchase price	4,678	4,640
Cumulative depreciation and impairment	-3,922	-3,825
Carrying amount as of January 1	756	815
Movement		
Investments	0	38
Disposals	-169	0
Depreciation disposal	169	0
Depreciation	-97	-97
	-97	-58
Purchase price	4,509	4,678
Cumulative depreciation and impairment	-3,850	-3,922
Carrying amount as of December 31	659	757

	2021	2020
Hardware		
Purchase price	593	593
Cumulative depreciation and impairment	-478	-449
Carrying amount as of January 1	115	144
Movement		
Disposals	-284	0
Depreciation disposal	284	0
Depreciation	-30	-30
	-30	-30
Purchase price	309	593
Cumulative depreciation and impairment	-224	-479
Carrying amount as of December 31	85	115

	2021	2020
	x €1,000	x €1,000
Equipment		
Purchase price	4,375	4,355
Cumulative depreciation and impairment	-3,859	-3,650
Carrying amount as of January 1	516	705
Movement		
Investments	21	34
Disposals	-8	-14
Depreciation disposal	8	14
Depreciation	-200	-224
	-179	-190
Purchase price	4,388	4,375
Cumulative depreciation and impairment	-4,051	-3,860
Carrying amount as of December 31	337	515

	2021	2020
Right of use assets		
Purchase price	21,171	19,161
Cumulative depreciation and impairment	-5,033	-2,348
Carrying amount as of January 1	16,138	16,813
Movement		
Investments	316	1,113
Reassessment/modification	-1,232	897
Depreciation	-2,429	-2,685
	-3,345	-675
Purchase price	20,255	21,171
Cumulative depreciation and impairment	-7,462	-5,033
Carrying amount as of December 31	12,793	16,138

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, 2021	27,725	0	30,000	1,408	59,133
Purchases, loans granted	25	400	5,000	371	5,796
Sales, redemptions	0	0	-7,500	-499	-7,999
Reversal of impairment	12	0	0	0	12
Current year participation result	10,551	0	0	0	10,551
Dividends participating interests	-23,260	0	0	0	-23,260
Carrying amount as of December 31, 2021	15,053	400	27,500	1,280	44,233

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 30,492,000. As a result the current receivables from Stater N.V. on these participations have been fully written down for an amount of EUR 24,312,000. For the remaining amount of EUR 6,180,000 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. and Stater G.m.b.H.

The purchase refers to the acquisition of 100% shares in Stater G.m.b.H. (founded in 2021).

	12/31/2021	12/31/2020
	x €1,000	x €1,000
Receivables from group companies		
Stater G.m.b.H. at Düsseldorf	400	0

Interest rate is considered as market related and is equal to 12 months EURIBOR +1.35 per annum (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.

	2021	2020
	x €1,000	x €1,000
Stater G.m.b.H.		
Carrying amount as of January 1	0	0
Loan granted	400	0
Carrying amount as of December 31	400	0

	12/31/2021	12/31/2020
	x €1,000	x €1,000
Receivables from participants and from companies in which participation takes place		
Loan Infosys Consulting Pte. Ltd.	27,500	30,000

Interest rate is considered as market related and is equal to 12 months EURIBOR +0.83 per annum (0.488% 2020: 0.5%), 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.

	2021	2020
	x €1,000	x €1,000
Carrying amount as of January 1	30,000	0
Loan granted	5,000	30,000
Repayment	-7,500	0
Carrying amount as of December 31	27,500	30,000

	12/31/2021	12/31/2020
	x €1,000	x €1,000
Other receivables		
Other receivables	1,280	1,408

Other receivabes relate to a loan granted to the leasing company. The interest rate is 0% (2020 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.

	2021	2020
	x €1,000	x €1,000
Other receivables		
Carrying amount as of January 1	1,408	1,624
Loans granted	371	385
Repayments	-499	-601
Carrying amount as of December 31	1,280	1,408

21. Current assets

Receivables from group companies

There has been no interest calculated because the amounts are settled every month.

	12/31/2021	12/31/2020
	x €1,000	x €1,000
Taxes and social securities		
Corporate income tax	13,972	7,188
VAT	436	407
Deferred tax	781	818
	15,189	8,413

	12/31/2021	12/31/2020
	x €1,000	x €1,000
Other receivables		
Volume discount suppliers	513	681
Grants	43	24
	556	705

Prepayments and accrued income		
Services to be invoiced	92	0
Prepaid costs	117	383
	209	383

22. Cash and cash equivalents

Bank	452	7,048

This amount is freely disposable.

23. Equity

	12/31/2021	12/31/2020
	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.

	2021	2020
	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	12,131	3,700
Withdrawal	-1,297	0
Allocation	8,152	8,431
Carrying amount as of December 31	18,986	12,131

Reserve related to retained profits from participating interests

Carrying amount as of January 1	2,408	2,768
Allocation	651	0
Withdrawal	-994	-359
Carrying amount as of December 31	2,065	2,409

The reserve mainly refers to capitalised development costs for Stater Belgium N.V./S.A.

	2021	2020
	x €1,000	x €1,000

Other reserves

Carrying amount as of January 1	21,761	26,527
Allocation of previous financial year nett result	17,928	15,091
Dividend paid	-15,650	-8,700
Purchased minority shares acquired	0	-3,085
Tranfer to legal reserves	-6,512	-8,072
Carrying amount as of December 31	17,527	21,761

Proposed appropriation of profit

The annual accounts for 2020 were adopted by the General Meeting held on April 19, 2021. The General Meeting has determined the appropriation of the result as it was proposed. So the dividend of € 3.23 for each share was paid.

It is proposed to the General Meeting that the result after taxes for 2021 be appropriated as follows. An amount of € 10,000,000 (€ 2.06 for each share) of the profit for 2021 will be distributed as dividend and the remaining amount will be added to the other reserves.

Result for the year

Carrying amount as of January 1	17,928	15,091
Appropriation of the prior year profit	-17,928	-15,091
Unappropriated profit of current year	10,904	17,928
Carrying amount as of December 31	10,904	17,928

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.

Carrying amount as of January 1	2,848	507
Allocation	2,403	2,436
Withdrawal	-335	-95
Carrying amount as of December 31	4,916	2,848

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.

	12/31/2021	12/31/2020
	x €1,000	x €1,000
Other provisions		
Other long-term employee benefits	4,422	3,894

	2021	2020
	x €1,000	x €1,000
Other long-term employee benefits		
Carrying amount as of January 1	3,894	3,293
Allocation	922	942
Withdrawal	-394	-341
Carrying amount as of December 31	4,422	3,894

The provision for other long-term employee benefits has a predominantly long-term character.

Other		
Carrying amount as of January 1	0	1,188
Withdrawal	0	-1,188
Carrying amount as of December 31	0	0

The other provision comprises the provision for participating interests that is based on the negative net asset value of these participating interests. If Stater has the firm intention to enable the participating interest (for its share) to pay its debts, a provision will be formed for that part.

	12/31/2021	12/31/2020
	x €1,000	x €1,000
25. Long-term liabilities		
Lease liabilities	14,313	17,988
Advanced payment received on orders	0	24
	14,313	18,012

Lease liabilities

	2021	2020
	x €1,000	x €1,000
Lease liabilities		
Carrying amount as of January 1	17,988	19,626
Reversal	-1,232	897
Funds withdrawn	500	1,101
Interest added	235	295
Repayment	-3,178	-3,930
Long-term part as at December 31	14,313	17,988

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:

	12/31/2021	12/31/2020
	x € 1,000	x € 1,000
Particulars		
Less than one year	2,477	2,441
One to five years	11,358	11,946
More than five years	3,515	6,969
Total	17,350	21,356

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.

26. Current liabilities, accruals and deferred income

	12/31/2021	12/31/2020
	x €1,000	x €1,000
Taxes and social securities		
Payroll tax	4,026	3,601

	12/31/2021	12/31/2020
	x €1,000	x €1,000
Accruals and deferred income		
Holiday accruals	1,896	2,021
Variable pay	138	3,004
Prepaid amount	27	388
Accruals other costs	1,340	1,690
Accruals external staff	269	139
Lease liabilities	2,257	2,441
	5,927	9,683

CONTINGENT ASSETS AND LIABILITIES

Long-term financial obligations

Other long-term financial obligations

	12/31/2021	12/31/2020
	x €1,000	x €1,000
Less than one year	1,733	1,700
One to five years	1,082	2,323
	2,815	4,023

13 NOTES TO THE COMPANY PROFIT AND LOSS ACCOUNT 2021

27. Result participations

	2021	2020
	x €1,000	x €1,000
Share in result of participating interests	10,551	18,258

Participating interests

- Stater Nederland B.V. in Amersfoort : 100% participation (2020:100%)
- Stater Participations B.V. in Amersfoort : 100% participation (2020:100%)
- Stater XXL B.V. in Amersfoort : 100% participation (2020:100%)
- HypoCasso B.V. in Amersfoort : 100% participation (2020: 100%)
- Stater G.m.b.H. in Düsseldorf : 100% participation (2020: -)

14 OTHER DISCLOSURE

Subsequent events

Russian invasion of Ukraine

Russian began an invasion of Ukraine on 24 February 2022. Stater assessed the potential implications of this invasion on its business operations and financial situation and concluded such implications, based on information currently available, to be minor. Stater has taken additional technical and organizational measures to address in particularly the increased risk of cyber incidents.

Loan Infosys Consulting Pte. Ltd.

To finance the cash out due to investments, € 6M of the loan with Infosys Consulting Pte. Ltd. was called for and received in January. On request of Infosys Consulting Pte. Ltd. and in connexion with excess cash equivalents, Stater N.V. has granted an additonal loan of € 4M and agreed by an addendum on the existing loan agreement.

Appropriation of the result for the 2020 financial year

The annual accounts for 2020 were adopted by the General Meeting held on April 19, 2021. The General Meeting has determined the appropriation of the result as it was proposed.

Amersfoort, 12 April 2022

Management Board:

E.R. Dreuning
Chief Executive Officer

Supervisory Board:

H.M.T. Broeders	D.R. Padaki
K. Jain	M. Joshi

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 2020 financial year

The annual accounts for 2020 were adopted by the General Meeting held on April 19, 2021. The General Meeting has determined the appropriation of the result as it was proposed.

3 INDEPENDENT AUDITOR'S REPORT

Independent auditor's report

To the shareholders and the Supervisory Board of Stater N.V.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2021 INCLUDED IN FINANCIAL REPORT

Our opinion

We have audited the accompanying financial statements 2021 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 2021, and of its result for 2021 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 2021.
2. The consolidated and company-only profit and loss account for 2021.
3. The consolidated cash flow statement for 2021.
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.

REPORT ON THE OTHER INFORMATION INCLUDED IN FINANCIAL REPORT

In addition to the financial statements and our auditor's report thereon, Financial report contain other information that consists of:

- Management 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 the 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'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 managementand 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 skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- 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.

- 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 12, 2022

Deloitte Accountants B.V.

A. den Hertog

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