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Subsidiary Financials Report 2023-24

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Contents

Infosys BPM Limited

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INFOSYS BPM LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of INFOSYS BPM LIMITED (the "Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to the financial statements, including a summary of material 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, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, its cash flows and changes in equity 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 ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

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

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, cash flows and changes in equity 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 and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls 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 financial controls 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, the Statement of Cash Flows and Statement of Changes in Equity 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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
   f. With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls 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 - Refer Note 2.22 to the 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 - Refer Note 2.15 to the standalone financial statements.

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

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

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

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

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

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

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

vi. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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

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

Gurvinder Singh
Partner

Membership No. 110128

UDIN: 24110128BKBGWN1111

Place: Bengaluru

Date: April 16, 2024

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 with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of INFOSYS BPM LIMITED (the "Company") as of March 31, 2024 in conjunction with our audit of the standalone 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 with reference to standalone financial statements based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the 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 with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to standalone financial statements

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

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Gurvinder Singh
Partner

Membership No. 110128

UDIN: 24110128BKBGWN1111

Place: Bengaluru

Date: April 16, 2024

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

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

(c) Based on our examination of the property tax receipts and lease agreement for land on which the building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour 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, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The Company does not have any inventory and hence reporting under clause 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 and hence reporting under clause 3(ii)(b) of the Order is not applicable.

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

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

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

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

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

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

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

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

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

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

vi. The maintenance of cost records has not been specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable to the Company.

vii. In respect of statutory dues:

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

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2024 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, 2024 on account of disputes are given below:

Name of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount in Crores
Finance Act, 1994	Service Tax	Customs Excise and Service Tax Appellate Tribunal	FY 2004-05 to FY 2011-12, FY 2014-15 to FY 2017-18	100
The Income Tax Act, 1961	Income Tax	Commissioner (Appeals)	AY 2011-12 and AY 2021-22	134
		Appeal to be filed with Commissioner (Appeals)	AY 2018-19	12
		Assessing Officer	A.Y. 2012-13	-*
The Rajasthan Sales Tax Act, 1994	RVAT	Commissioner (Appeals)	FY 2017-18	-*
Goods and Service Tax Act, 2017	Goods and Service Tax	Deputy Commissioner	FY 2017-18	-*
		Appeal to be filed with Joint Commissioner (Appeals)	FY 2017-18	45
		Joint Commissioner (Appeals)	FY 2017-18, FY 2018-19 and FY 2019-20	2

* Less than INR 1 crore

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

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

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

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

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

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

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

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

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 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 upto the date of this report.

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

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

xiii. In our opinion, the Company is in compliance with Section 188 of the Companies Act, 2013 for all 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. The Company is a wholly owned subsidiary and hence the provisions of Section 177 of the Companies Act, 2013 are not applicable to the Company.

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

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

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

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

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

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

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

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

xx. (a) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of section 135 of the said Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

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

Gurvinder Singh
Partner
(Membership No.110128)

UDIN: 24110128BKBGWN1111

Place: Bengaluru

Date: April 16, 2024

Balance Sheet

(In ₹ crore)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
Assets			
Non-current assets			
Property, plant and equipment	2.1	283	307
Right-of-use assets	2.2	487	540
Capital work-in-progress	2.3	10	12
Goodwill		19	19
Financial assets			
Investments	2.4	915	1,396
Loans	2.5	2	2
Other financial assets	2.6	44	44
Deferred tax assets (net)	2.16	45	89
Income tax assets (net)	2.16	124	159
Other non-current assets	2.9	35	47
Total non-current assets		1,964	2,615
Current assets			
Financial assets			
Investments	2.4	1,111	1,916
Trade receivables	2.7	1,088	1,056
Cash and cash equivalents	2.8	295	303
Loans	2.5	32	26
Other financial assets	2.6	479	463
Income tax assets (net)	2.16	69	6
Other current assets	2.9	285	246
Total current assets		3,359	4,016
Total assets		5,323	6,631
Equity and liabilities			
Equity			
Equity share capital	2.11	34	34
Other equity		3,323	4,404
Total equity		3,357	4,438
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	2.2	484	536
Other financial liabilities	2.12	3	2
Other non-current liabilities	2.14	1	1
Total non-current liabilities		488	539
Current liabilities			
Financial liabilities			
Lease liabilities	2.2	98	101

Particulars	Note	As at March 31,	
		2024	2023
Trade payables	2.13		
Total outstanding dues of micro enterprises and small enterprises		4	3
Total outstanding dues of creditors other than micro enterprises and small enterprises		110	77
Other financial liabilities	2.12	863	977
Other current liabilities	2.14	288	331
Provisions	2.15	29	22
Income tax liabilities (net)	2.16	86	143
Total current liabilities		1,478	1,654
Total equity and liabilities		5,323	6,631

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

Gurvinder Singh
Partner
Membership No. 110128

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

Karmesh Vaswani
Chairperson and Non-Executive Director
DIN No. 10193181

Anantharaman Radhakrishnan
Managing Director and Chief Executive Officer
DIN No. 07516278

Inderpreet Sawhney
Non-Executive Director
DIN No. 07925783

Bengaluru
April 16, 2024

Vasudeva Maipady
Chief Financial Officer

Sudhir Gaonkar
Company Secretary
Membership No. ACS 34203

Statement of Profit and Loss

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

Particulars	Note	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations	2.17	7,892	7,529
Other income, net	2.18	226	189
Total Income		8,118	7,718
Expenses			
Employee benefit expenses	2.19	5,504	5,020
Cost of technical sub-contractors and professional charges	2.19	519	664
Travel expenses		145	100
Depreciation and amortization expense	2.1 and 2.2	238	220
Finance cost	2.2	35	32
Other expenses	2.19	632	559
Total expenses		7,073	6,595
Profit before tax		1,045	1,123
Tax expense:			
Current tax	2.16	202	293
Deferred tax	2.16	44	(16)
		246	277
Profit for the year		799	846
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	(8)	(1)
		(8)	(1)
Items that will be reclassified subsequently to profit or loss			
Fair value changes on investments, net of tax	2.4	16	(19)
		16	(19)
Total other comprehensive income/(loss), net of tax		8	(20)
Total comprehensive income for the year		807	826
Earnings per equity share			
Equity shares of par value ₹ 10,000 each			
Basic and diluted (₹)		2,36,103.65	2,50,170.00
Weighted average 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

Gurvinder Singh
Partner
Membership No. 110128

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

Karmesh Vaswani
Chairperson and Non-Executive Director
DIN No. 10193181

Anantharaman Radhakrishnan
Managing Director and Chief Executive Officer
DIN No. 07516278

Inderpreet Sawhney
Non-Executive Director
DIN No. 07925783

Bengaluru
April 16, 2024

Vasudeva Maipady
Chief Financial Officer

Sudhir Gaonkar
Company Secretary
Membership No. ACS 34203

Statement of Changes in Equity

(In ₹ crore)

Particulars	Equity share capital	Other equity							Total equity attributable to equity holders of the Company
		Reserves and surplus						Other comprehensive income(2)	
		Capital reserve		Securities premium(2)	General reserve	Special Economic Zone Re-investment Reserve(1)(2)	Retained earnings(2)		
		Capital reserve	Other reserves(2)						
Balance as at April 1, 2022	**34**	**1**	**–**	**25**	**1,000**	**414**	**3,395**	**(51)**	**4,818**
Impact on account of adoption of Ind AS 37	–	–	–	–	–	–	(1)	–	(1)
	34	1		25	1,000	414	3,394	(51)	4,817
Changes in equity for the year ended March 31, 2023									
Profit for the period	–	–	–	–	–	–	846	–	846
Fair value changes on investments, net of tax (Refer to Note 2.4)	–	–	–	–	–	–	–	(19)	(19)
Remeasurement of the net defined benefit liability / asset, net of tax	–	–	–	–	–	–	–	(1)	(1)
Total comprehensive income for the period	–	–	–	–	–	–	846	(20)	826
Transfer to Special Economic Zone Re-investment Reserve	–	–	–	–	–	13	(13)	–	–
Transfer from Special Economic Zone Re-investment Reserve on utilization	–	–	–	–	–	(67)	67	–	–
Reserves recorded upon business transfer under common control (Refer to Note 2.11)	–	–	(18)	–	–	–	–	–	(18)

Particulars	Equity share capital	Other equity								Total equity attributable to equity holders of the Company
		Reserves and surplus						Other comprehensive income[2]		
		Capital reserve		Securities premium[2]	General reserve	Special Economic Zone Re-investment Reserve[1][2]	Retained earnings[2]			
		Capital reserve	Other reserves[2]							
Dividends (Refer to Note 2.11)	–	–	–	–	–	–	(1,187)	–		(1,187)
Balance as at March 31, 2023	**34**	**1**	**(18)**	**25**	**1,000**	**360**	**3,107**	**(71)**		**4,438**
Balance as at April 1, 2023	**34**	**1**	**(18)**	**25**	**1,000**	**360**	**3,107**	**(71)**		**4,438**
Changes in equity for the year ended March 31, 2024										
Profit for the period	–	–	–	–	–	–	799	–		799
Fair value changes on investments, net of tax (Refer to Note 2.4)	–	–	–	–	–	–	–	16		16
Remeasurement of the net defined benefit liability/asset, net of tax	–	–	–	–	–	–	–	(8)		(8)
Total comprehensive income for the period	–	–	–	–	–	–	799	8		807
Transfer from Special Economic Zone Re-investment Reserve on utilization	–	–	–	–	–	(42)	42	–		–
Dividends (Refer to Note 2.11)	–	–	–	–	–	–	(1,888)	–		(1,888)
Balance as at March 31, 2024	**34**	**1**	**(18)**	**25**	**1,000**	**318**	**2,060**	**(63)**		**3,357**

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

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

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

As per our report of even date attached

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

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

Gurvinder Singh
Partner
Membership No. 110128

Karmesh Vaswani
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Anantharaman Radhakrishnan
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DIN No. 07516278

Inderpreet Sawhney
Non-Executive Director
DIN No. 07925783

Bengaluru
April 16, 2024

Vasudeva Maipady
Chief Financial Officer

Sudhir Gaonkar
Company Secretary
Membership No. ACS 34203

Statement of Cash Flows

Accounting policy

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

(In ₹ crore)

Particulars	Note	Year ended March 31,	
		2024	2023
Cash flows from operating activities:			
Profit for the year		799	846
Adjustments to reconcile net profit to net cash generated from operating activities:			
Depreciation and amortization expense	2.1 and 2.2	238	220
Finance cost	2.2	35	32
Income tax expense	2.16	246	277
Profit on sale of property, plant and equipment		–	(1)
Interest and dividend income		(85)	(50)
Income on other financial assets		(129)	(122)
Exchange differences on translation of assets and liabilities, net		47	(18)
Allowance for credit loss on financial assets		5	17
Other adjustments		19	16
Changes in assets and liabilities			
Trade receivables and unbilled revenue		7	(124)
Loans, other financial assets and other assets		(103)	(65)
Trade payables		34	16
Other financial liabilities, other liabilities and provisions		(165)	168
Cash generated from operations		948	1,212
Income taxes paid, net of refunds	2.16	(337)	(163)
Net cash generated from operating activities		611	1,049
Cash flows from investing activities:			
Expenditure on property, plant and equipment		(95)	(178)
Deposits placed with corporation		(3)	(3)
Interest received on bank deposits and others		94	139
Investment in subsidiary	2.4	–	(1)
Payment towards business transfer for entities under common control	2.11	–	(19)
Payment to acquire financial assets			
Non-convertible debentures		–	(247)
Government securities		–	(198)
Certificates of deposit		(1,498)	(1,439)
Government bonds		–	(13)
Liquid mutual fund units and fixed maturity plan securities		(5,681)	(4,885)
Commercial paper		(982)	(518)
Proceeds on sale of financial assets			
Non-convertible debentures		275	75
Government securities		299	350

Particulars	Note	Year ended March 31,	
		2024	2023
Certificates of deposit		2,243	950
Government bonds		–	8
Liquid mutual fund units and fixed maturity plan securities		5,695	4,831
Commercial paper		1,004	–
Dividend received from subsidiary		53	200
Net cash generated / (used) in investing activities		1,404	(948)
Cash flows from financing activities:			
Payment of lease liabilities	2.2	(135)	(109)
Payment of dividends		(1,888)	(1,187)
Net cash used in financing activities		(2,023)	(1,296)
Effect of exchange differences on translation of foreign currency cash and cash equivalents		–	1
Net increase / (decrease) in cash and cash equivalents		(8)	(1,195)
Cash and cash equivalents at the beginning of the period	2.8	303	1,497
Cash and cash equivalents at the end of the period	2.8	295	303
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
Chartered Accountants
Firm's Registration Number:117366W/ W-100018

Gurvinder Singh
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Bengaluru
April 16, 2024

Vasudeva Maipady
Chief Financial Officer

Sudhir Gaonkar
Company Secretary
Membership No. ACS 34203

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 16, 2024.

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

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 standalone financial statements have been disclosed in Note 1.4. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

1.4 Critical accounting estimates and judgments

a. Revenue recognition

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

Fixed-price business process management services revenue is recognized ratably on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period. Revenue from fixed-price business process management services contract is recognized ratably using a percentage-of-completion method when the pattern of benefits from the services rendered to the customer and 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 judgment and is assessed throughout the period of the contract to reflect any changes based on the latest available information.

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

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

b. Income taxes

The Company's major tax jurisdiction is India even though the Company also files tax returns in other overseas jurisdiction. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Also, refer to Notes 2.16 and 2.19.

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.

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 management. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Building[(1)]	22-25 years
Plant and machinery[(1)]	5 years
Computer equipment[(1)]	3-5 years
Furniture and fixtures[(1)]	5 years
Office equipment[(1)]	5 years
Leasehold improvements	Over the lease term or 5 years whichever is lower

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

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end. The useful lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

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

Impairment

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell or the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash 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, 2024 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, 2023	162	170	69	95	509	32	1,037
Additions	–	21	6	6	67	10	110
Deletions*	–	(3)	(2)	(11)	(36)	(6)	(58)
Gross carrying value as at March 31, 2024	162	188	73	90	540	36	1,089
Accumulated depreciation as at April 1, 2023	90	126	62	85	343	24	730
Depreciation	6	15	3	4	102	4	134
Accumulated depreciation on deletions*	–	(3)	(2)	(11)	(36)	(6)	(58)
Accumulated depreciation as at March 31, 2024	96	138	63	78	409	22	806
Carrying value as at March 31, 2024	66	50	10	12	131	14	283
Carrying value as at April 1, 2023	72	44	7	10	166	8	307

* During the year ended March 31, 2024, certain assets which were old and not in use having gross book value of ₹42 crore (net book value: Nil), were retired.

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2023 were 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, 2022	155	144	66	113	496	70	1,044
Additions	7	37	5	6	101	6	162
Additions through Business transfer (Refer to Note 2.11)	–	–	–	–	2	–	2
Deletions*	–	(11)	(2)	(24)	(90)	(44)	(171)
Gross carrying value as at March 31, 2023	162	170	69	95	509	32	1,037
Accumulated depreciation as at April 1, 2022	84	127	62	106	324	66	769
Depreciation	6	10	2	3	109	2	132
Accumulated depreciation on deletions*	–	(11)	(2)	(24)	(90)	(44)	(171)
Accumulated depreciation as at March 31, 2023	90	126	62	85	343	24	730
Carrying value as at March 31, 2023	72	44	7	10	166	8	307
Carrying value as at April 1, 2022	71	17	4	7	172	4	275

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

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

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

Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred.

2.2 Leases

Accounting policy

The Company as a lessee

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

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

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

Certain lease arrangements 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.

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

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related 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, 2024 are as follows:

(In ₹ crore)

Particulars	Category of ROU asset		Total
	Land	Buildings	
Balance as of April 1, 2023	10	530	540
Additions[1]	–	61	61
Deletions	–	(10)	(10)
Depreciation	–	(104)	(104)
Balance as of March 31, 2024	10	477	487

[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, 2023 were as follows:

(In ₹ crore)

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

[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 break-up of current and non-current lease liabilities as at March 31, 2024 and March 31, 2023 is as follows:

(In ₹ crore)

Particulars	As at March 31, 2024	2023
Non-current lease liabilities	484	536
Current lease liabilities	98	101
Total	582	637

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

(In ₹ crore)

Particulars	As at March 31, 2024	2023
Balance at the beginning	637	501
Additions[1]	61	195
Deletions	(10)	–
Finance cost accrued during the year	35	32
Payment of lease liabilities	(136)	(109)
Translation difference	(5)	18
Balance at the end	582	637

[1] Net of adjustments on account of modifications

Rental expense recorded for short-term leases was ₹45 and ₹30 crore for the years ended March 31, 2024 and March 31, 2023, respectively.

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

(In ₹ crore)

Particulars	As at March 31, 2024	2023
Less than one year	121	124
One to five years	404	409
More than five years	171	240
Total	696	773

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 ₹67 crore for a lease term ranging from five years to six years.

2.3 Capital work-in-progress (CWIP)

(In ₹ crore)

Particulars	As at March 31, 2024	2023
Capital work-in-progress	10	12
Total capital work-in-progress	10	12

The capital work-in-progress ageing schedule for the year ended March 31, 2024 is as follows:

(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	10	–	–	–	10
Total capital work-in-progress	10	–	–	–	10

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

(In ₹ crore)

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

During the years ended March 31,2024 and March 31, 2023, 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, 2024	2023
Non-current investments		
Equity instruments of subsidiaries	693	693
Government bonds	14	14
Non-convertible debentures	–	222
Government securities	208	467
Total non-current investments	915	1,396
Current investments		
Liquid mutual fund units	204	199
Certificates of deposit	98	809
Non-convertible debentures	225	279
Government securities	261	308
Commercial paper	323	321
Total current investments	1,111	1,916
Total carrying value	2,026	3,312

(In ₹ crore, except as otherwise stated)

Particulars	As at March 31, 2024	2023
Non-current investments		
Unquoted		
Investments carried at cost		
Investments in equity instruments of subsidiaries		
Infosys (Czech Republic) Limited s.r.o., 18,75,000 (18,75,000) equity shares of CZK 10 each, full paid	3	3
Infosys Poland Sp z.o.o, 5,000 (5,000) equity shares of PLN 500 each, fully paid	59	59
Infosys McCamish Systems LLC	289	289
Portland Group Pty Limited, 1,74,50,000 (1,74,50,000) equity shares, fully paid	211	211
Infosys BPO Americas LLC	130	130
Infosys BPM UK Limited, 1,00,000 (1,00,000) equity shares of GBP 1 each, fully paid	1	1
	693	693
Quoted		
Investments carried at amortized cost		
Government bonds	14	14
	14	14
Investments carried at fair value through other comprehensive income		
Non-convertible debentures	–	222
Government securities	208	467
	208	689
Total non-current investments	915	1,396
Current investments		
Unquoted		
Investments carried at fair value through profit or loss		
Liquid mutual fund units	204	199
	204	199
Investments carried at fair value through other comprehensive income		

Particulars	As at March 31,	
	2024	2023
Certificates of deposit	98	809
Commercial paper	323	321
	421	1,130
Quoted		
Investments carried at fair value through other comprehensive income		
Non-convertible debentures	225	279
Government securities	261	308
	486	587
Total current investments	1,111	1,916
Total investments	2,026	3,312
Aggregate amount of quoted investments	708	1,290
Market value of quoted investments (including interest accrued thereon) – Non-current	222	705
Market value of quoted investments (including interest accrued thereon) - Current	486	587
Aggregate amount of unquoted investments	1,318	2,022
Investment carried at cost	693	693
Investment carried at amortized cost	14	14
Investment carried at fair value through other comprehensive income	1,115	2,406
Investment carried at fair value through profit or loss	204	199

Refer to Note 2.10 for accounting policies on financial instruments.

Details of amounts recorded in Other Comprehensive Income

(In ₹ crore)

Particulars	Year ended March 31,					
	2024			2023		
	Gross	Tax	Net	Gross	Tax	Net
Net gain/(loss) on						
Non-convertible debentures	8	–	8	(8)	–	(8)
Government securities	9	–	9	(12)	–	(12)
Certificates of deposit	(1)	–	(1)	1	–	1
Commercial paper	–	–	–	–	–	–
Total	16	–	16	(19)	–	(19)

Method of fair valuation:

(In ₹ crore)

Class of investment	Method	Fair value as at March 31,	
		2024	2023
Non-convertible debentures	Quoted price and market observable inputs	225	501
Liquid mutual fund units	Quoted price	204	199
Government securities	Quoted price and market observable inputs	469	775
Certificates of deposit	Market observable inputs	98	809
Commercial paper	Market observable inputs	323	321

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

2.5 Loans

(In ₹ crore)

Particulars	As at March 31,	
	2024	2023
Non-current		
Unsecured, considered doubtful		
Loans to employees	–	–
Less: Allowance for doubtful loans to employees	–	–
	–	–
Unsecured, considered good		
Loans to employees	2	2
Total non-current loans	2	2
Current		
Unsecured, considered good		
Loans to employees	32	26
Total current loans	32	26
Total loans	34	28

2.6 Other financial assets

(In ₹ crore)

Particulars	As at March 31,	
	2024	2023
Non- current		
Security deposits [(1)]	3	3
Rental deposits [(1)]	38	41
Unbilled revenues[(1)]*	3	–
Total non-current other financial assets	44	44
Current		
Security deposits [(1)]	–	–
Rental deposits [(1)]	7	–
Restricted deposits[(1)]**	187	171
Unbilled revenues[(1)] [(3)]*	220	235
Interest accrued but not due [(1)]	16	16
Foreign currency forward contracts [(2)]	3	6
Others [(1)] [(4)]	46	35
Total current other financial assets	479	463
Total other financial assets	523	507
[(1)] Financial assets carried at amortized cost	520	501
[(2)] Financial assets carried at fair value through Profit or Loss	3	6
[(3)] Includes dues from holding company, subsidiaries and other group companies (Refer to Note 2.23)	1	1
[(4)] Includes dues from holding company, subsidiaries and other group companies (Refer to Note 2.23)	42	35

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

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

2.7 Trade receivables

(In ₹ crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Trade receivable considered good – Unsecured[2]	1,104	1,071
Less: Allowance for expected credit loss	16	15
Trade receivable considered good – Unsecured	1,088	1,056
Trade receivable – credit impaired – Unsecured	4	6
Less: Allowance for credit impairment	4	6
Trade receivable – credit impaired – Unsecured	–	–
Total trade receivables[1]	1,088	1,056
[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)	262	198

The details regarding the ageing of trade receivables as at March 31, 2024 are as follows :

(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	1,000	96	2	–	–	4	1,102
Undisputed trade receivables – credit impaired	–	2	–	–	1	–	3
Disputed trade receivables – considered good	–	–	–	–	–	3	3
Disputed trade receivables – credit impaired	–	–	–	–	–	–	–
Less: Allowance for credit loss							20
Total trade receivables	1,000	98	2	–	1	7	1,088

The details regarding the ageing of trade receivables as at March 31, 2023 were as follows :

(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	935	132	–	4	–	–	1,071
Undisputed trade receivables – credit impaired	–	–	–	–	1	–	1
Disputed trade receivables – considered good	–	–	–	–	–	–	–
Disputed trade receivables - credit impaired	–	–	–	–	–	5	5
Less: Allowance for credit loss							21
Total trade receivables	935	132	–	4	1	5	1,056

2.8 Cash and cash equivalents

(In ₹ crore)

Particulars	As at March 31,	
	2024	2023
Balances with banks		
In current and deposit accounts	295	303
Cash on hand	–	–
Total Cash and cash equivalents	295	303
Balances with banks in unpaid dividend accounts	–	–
Deposits with more than 12 months maturity	50	–

Cash and cash equivalents as at March 31, 2024 and March 31, 2023 include restricted bank balances of less than ₹ 1 crore each. This represents restricted bank balance, in trust account, in accordance with collection agency licensing requirements.

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

2.9 Other assets

(In ₹ crore)

Particulars	As at March 31,	
	2024	2023
Non-current		
Capital advances	4	–
Advances other than capital advance		
Payment to vendors for supply of goods and services	–	–
Others		
Prepaid expenses	2	–
Defined benefit assets	4	6
Deferred contract cost[3]	6	24
Withholding taxes and others[4]	18	17
Unbilled revenues[2]	1	–
Total non-current other assets	35	47
Current		
Advances other than capital advance		
Payment to vendors for supply of goods and services	2	4
Others		
Prepaid expenses[1]	116	62
Deferred contract cost[3]	15	18
Withholding taxes and others[4]	133	122
Unbilled revenues[2]	19	40
Others	–	–
Total current other assets	285	246
Total other assets	320	293
[1] Includes dues from holding company (Refer to Note 2.23)	1	–

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

[3] Deferred contract costs are upfront costs incurred for the contract and are amortized over the term of the contract. Cost which are expected to be amortized within 12 months from the Balance Sheet date have been presented as current.

[4] Withholding taxes and others primarily consists of input tax credits and Cenvat recoverable from Government of India.

2.10 Financial instruments

Accounting policy

2.10.1 Initial recognition

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

2.10.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

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

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

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

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

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

(iv) Financial liabilities

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

(v) Investment in subsidiaries

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

b. Derivative financial instruments

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

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

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

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

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in Interim Condensed 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 expires or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.10.4 Fair value of financial instruments

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

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

2.10.5 Impairment

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

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in Interim Condensed Statement of Profit and Loss.

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2024 are as follows:

(In ₹ 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)	295	–	–	–	–	295	295
Investments (Refer to Note 2.4)							
Non-convertible debentures[1]	–	–	–	–	225	225	225

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		
Government bonds[2]	14	–	–	–	–	14	14
Liquid mutual fund units	–	–	204	–	–	204	204
Certificates of deposit	–	–	–	–	98	98	98
Government securities	–	–	–	–	469	469	469
Commercial paper	–	–	–	–	323	323	323
Trade receivables (Refer to Note 2.7)	1,088	–	–	–	–	1,088	1,088
Loans (Refer to Note 2.5)	34	–	–	–	–	34	34
Other financial assets (Refer to Note 2.6)[3][4]	520	–	3	–	–	523	523
Total	1,951	–	207	–	1,115	3,273	3,273
Liabilities:							
Lease liabilities (Refer to Note 2.2)	582	–	–	–	–	582	582
Trade payables (Refer to Note 2.13)	114	–	–	–	–	114	114
Other financial liabilities (Refer to Note 2.12)	701	–	–	–	–	701	701
Total	1,397	–	–	–	–	1,397	1,397

[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, 2023 were as follows:

(In ₹ crore)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer to Note 2.8)	303	–	–	–	–	303	303
Investments (Refer to Note 2.4)							
Non-convertible debentures[1]	–	–	–	–	501	501	501
Government bonds[2]	14	–	–	–	–	14	14
Liquid mutual fund units	–	–	199	–	–	199	199
Certificates of deposit	–	–	–	–	809	809	809
Government securities	–	–	–	–	775	775	775

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		
Commercial paper	–	–	–	–	321	321	321
Trade receivables (Refer to Note 2.7)	1,056	–	–	–	–	1,056	1,056
Loans (Refer to Note 2.5)	28	–	–	–	–	28	28
Other financial assets (Refer to Note 2.6)(3)(4)	501	–	6	–	–	507	507
Total	1,902	–	205	–	2,406	4,513	4,513
Liabilities							
Lease liabilities (Refer to Note 2.2)	637	–	–	–	–	637	637
Trade payables (Refer to Note 2.13)	80	–	–	–	–	80	80
Other financial liabilities (Refer to Note 2.12)	814	–	4	–	–	818	818
Total	1,531	–	4	–	–	1,535	1,535

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

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

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

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

For trade receivables, trade payables, other assets and payables maturing within one year from the Balance Sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

Fair value hierarchy

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

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

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

The fair value hierarchy of assets and liabilities measured at fair value as at March 31, 2024 is as follows:

(In ₹ crore)

Particulars	As at March 31, 2024	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units (Refer to Note 2.4)	204	204	–	–
Investment in non-convertible debentures (Refer to Note 2.4)(1)	225	225	–	–
Investments in government securities (Refer to Note 2.4)	469	469	–	–
Investment in certificates of deposit (Refer to Note 2.4)	98	–	98	–
Investment in commercial paper (Refer to Note 2.4)	323	–	323	–
Derivative financial instruments - Fair value gain on outstanding foreign currency forward contracts (Refer to Note 2.6)	2	–	2	–
Liabilities				
Derivative financial instruments - Fair value loss on outstanding foreign currency forward contracts (Refer to Note 2.12)	–	–	–	–

(1) During the year ended March 31, 2024, the non-convertible debentures of ₹75 crore and government securities of ₹83 crore were transferred from Level 2 to

Level 1, since they were valued based in quoted price.

The fair value hierarchy of assets and liabilities measured at fair value as at March 31, 2023 was as follows:

(In ₹ crore)

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

Financial risk management

Financial risk factors

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

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

Market risk

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

The foreign currency risk from financial assets and liabilities as at March 31, 2024 is as follows:

(In ₹ crore)

Particulars	US Dollar	Euro	United Kingdom Pound Sterling	Australian Dollar	Other currencies	Total
Net financial assets	1,198	204	66	20	56	1,544
Net financial liabilities	(398)	(122)	(32)	(13)	(318)	(883)
Total	800	82	34	7	(262)	661

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

(In ₹ crore)

Particulars	US Dollar	Euro	United Kingdom Pound Sterling	Australian Dollar	Other currencies	Total
Net financial assets	1,107	202	87	28	77	1,501
Net financial liabilities	(524)	(110)	(36)	(16)	(363)	(1,049)
Total	583	92	51	12	(286)	452

Sensitivity analysis between Indian Rupee and USD

(In %)

Particulars	Year ended March 31,	
	2024	2023
Impact on the Company's incremental Operating Margins	0.34%	0.34%

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

Derivative financial instruments

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

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

Particulars	As at March 31,			
	2024		2023	
	In million	In ₹ crore	In million	In ₹ crore
Forward contracts				
In US Dollar	150	1,253	135	1,113
In Euro	–	–	11	98
In Czech koruna	374	135	364	134
Total forward contracts		1,388		1,345

The foreign exchange forward contracts mature within twelve 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 ₹ crore)

Particulars	As at March 31,	
	2024	2023
Not later than one month	1,179	947
Later than one month and not later than three months	209	398
	1,388	1,345

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

(In ₹ crore)

Particulars	As at March 31,			
	2024		2023	
	Derivative financial asset	Derivative financial liability	Derivative financial asset	Derivative financial liability
Gross amount of recognized financial asset/liability	4	(2)	8	(6)
Amount set off	(2)	2	(2)	2
Net amount presented in the Balance Sheet	2	–	6	(4)

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 1088 crore and ₹ 1056 crore as March 31, 2024 and March 31, 2023, respectively and unbilled revenue amounting to ₹ 239 crore and ₹ 275 crore as at March 31, 2024 and March 31, 2023, respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers primarily located in the United States.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. As per Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes, credit ratings from international credit rating agencies and the Company's historical experience for customers.

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

(In %)

Particulars	Year ended March 31,	
	2024	2023
Revenue from top customer	11%	13%
Revenue from top ten customers	41%	44%

Credit risk exposure

The allowance for lifetime expected credit loss/(Gain) on customer balances is ₹ (1) crore and ₹ 7 crore for the year ended March 31, 2024 and March 31, 2023, respectively.

(In ₹ crore)

Particulars	Year ended March 31,	
	2024	2023
Balance at the beginning	21	14
Provisions recognized / (reversed)	(1)	7
Write-offs	–	(1)
Translation differences	1	1
Balance at the end	21	21

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investment primarily include investment in liquid mutual fund units, fixed maturity plan securities, certificates of deposit, commercial papers, quoted bonds issued by the government and quasi government organizations, non-convertible debentures issued by government aided institutions.

Liquidity risk

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

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

As at March 31, 2024, the Company had a working capital of ₹ 1,881 crore including cash and cash equivalents of ₹ 295 crore and current investments of ₹ 1,111 crore. As at March 31, 2023, the Company had a working capital of ₹ 2,362 crore including cash and cash equivalents of ₹ 303 crore and current investments of ₹ 1916 crore.

As at March 31, 2024 and March 31, 2023, the outstanding compensated absences were ₹ 165 crore and ₹ 161 crore, respectively, which have been substantially funded. Accordingly, no liquidity risk perceived.

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2024 are as follows:

(In ₹ crore)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	114	–	–	–	114
Other financial liabilities (Refer to Note 2.12)	701	–	–	–	701

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

(In ₹ crore)

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

2.11 Equity

Accounting policy

Ordinary shares

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

Description of reserves

Retained earnings

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

Securities premium

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

Special Economic Zone Re-investment reserve

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

Other components of equity

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

Business transfer reserve

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

On January 9, 2023, the Board of Directors of the Company authorized to execute a Business Transfer Agreement and related documents with its holding company, Infosys Limited, to transfer the German IBPM business of Infosys Limited to the Company for a consideration based on an independent valuation.

Subsequently on February 22, 2023, the Company entered into a business transfer agreement to acquire the German IBPM business of Infosys Limited with effective date as February 1, 2023 for a consideration of₹19 crore resulting in recognition of a business transfer reserve of ₹18 crore.

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

(In ₹ crore)

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

Equity share capital

(in ₹ crore, except as otherwise stated)

Particulars	As at March 31, 2024	2023
Authorized		
Equity shares, ₹ 10,000 par value		
1,23,375 (1,23,375) equity shares	123	123
Issued, subscribed and paid-up		
Equity shares, ₹ 10,000/- par value		
33,828 (33,828) equity shares fully paid-up	34	34
	34	34

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

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, 2024 and March 31, 2023 are as follows:

Name of the shareholder	As at March 31,			
	2024		2023	
	Number of shares	% held	Number of shares	% held
Infosys Limited (the holding company)	33,828	100.00	33,828	100.00

The details of shares held by promoters at the end of the year March 31, 2024 are as follows:

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

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

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

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2024 and March 31, 2023 is as follows:

Particulars	As at March 31,			
	2024		2023	
	Number of shares	Amount	Number of shares	Amount
Number of shares at the beginning of the period	33,828	34	33,828	34
Add: Shares issued during the period	–	–	–	–
Less: Consolidation of par value from ₹10 to ₹10,000	–	–	–	–
Number of shares at the end of the period	33,828	34	33,828	34

Dividends

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

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

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

(in ₹)

Particulars	Year ended March 31,	
	2024	2023
Special dividend for fiscal 2024	1,47,000	–
Interim dividend for fiscal 2024	1,77,000	–
Final dividend for fiscal 2023	2,34,000	–
Interim dividend for fiscal 2023	–	1,46,000
Final dividend for fiscal 2022	–	2,05,000

During the year ended March 31, 2024, on account of the final dividend for fiscal 2023 and interim and special dividend for fiscal 2024, the Company has incurred a net cash outflow of approximately ₹1,888 crore.

The Board of Directors, in their meeting on April 16, 2024, recommended a final dividend of₹133,000 per equity share for the financial year ended March 31, 2024. 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₹450 crore.

2.12 Other financial liabilities

(In ₹ crore)

Particulars	As at March 31,	
	2024	2023
Non-current		
Others		
Compensated absences	3	2
Total non-current other financial liabilities	3	2
Current		
Others		
Accrued compensation to employees(1)	369	362
Accrued expenses(1)(4)	274	280

Particulars	As at March 31,	
	2024	2023
Retention monies[(1)]	–	2
Compensated absences	162	159
Client deposits	–	–
Capital creditors[(1)]	27	10
Other payables[(1)(3)]	31	160
Foreign currency forward contracts[(2)]	–	4
Total current other financial liabilities	863	977
Total other financial liabilities	866	979
[(1)] Financial liability carried at amortized cost	701	814
[(2)] Financial liability carried at fair value through profit or loss	–	4
[(3)] Includes dues to holding, subsidiaries and other group companies (Refer to Note 2.23)	20	14
[(4)] Includes dues to holding, subsidiaries and other group companies (Refer to Note 2.23)	5	–

2.13 Trade payables

(In ₹ crore)

Particulars	As at March 31,	
	2024	2023
Outstanding dues of micro enterprises and small enterprises	4	3
Outstanding dues of creditors other than micro enterprises and small enterprises	110	77
Total trade payables[(1)]	114	80
[(1)] Includes dues to holding, subsidiaries and other group companies (Refer to Note 2.23)	31	27

The information as required to be disclosed pursuant under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) has been determined to the extent such parties have been identified on the basis of information available with the Company.

(In ₹ crore)

Particulars	As at March 31,	
	2024	2023
Amount remaining unpaid :		
Principal	4	3
Interest	–	–
Interest paid by the Company under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day	–	1
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006);	–	–
Interest accrued and remaining unpaid at the end of the year	–	–
Interest remaining due and payable (pertaining to prior years), until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	–	–

The details regarding the ageing of trade payables as at March 31, 2024 are as follows :

(In ₹ crore)

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	4	–	–	–	–	4
Others	107	3	–	–	–	110
Disputed dues – MSME	–	–	–	–	–	–
Disputed dues – Others	–	–	–	–	–	–
Total trade payables	111	3	–	–	–	114

The details regarding the ageing of trade payables as at March 31, 2023 were as follows:

(In ₹ crore)

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	3	–	–	–	–	3
Others	70	7	–	–	–	77
Disputed dues – MSME	–	–	–	–	–	–
Disputed dues – Others	–	–	–	–	–	–
Total trade payables	73	7	–	–	–	80

2.14 Other liabilities

(In ₹ crore)

Particulars	As at March 31,	
	2024	2023
Non-current		
Others		
Accrued defined benefit plan liability	1	1
Total non-current other liabilities	1	1
Current		
Unearned revenue	193	222
Client deposits	1	1
Others		
Withholding taxes and others	94	108
Accrued defined benefit plan liability	–	–
Total current other liabilities	288	331
Total other liabilities	289	332

2.15 Provisions

Accounting policy

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

a. Post-sales client support

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

b. Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. 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.

The provision for post sales client support and others as at March 31, 2024 and March 31, 2023 is as follows:

(In ₹ crore)

Particulars	As at March 31,	
	2024	2023
Current		
Others		
Post-sales client support and others	29	22
Total Provisions	29	22

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

Provision for post-sales client support and others

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

(In ₹ crore)

Particulars	As at March 31,	
	2024	2023
Balance at the beginning	22	16
Provision recognized	11	36
Provision utilized	(4)	(29)
Exchange difference	–	(1)
Balance at the end	29	22

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,	
	2024	2023
Current taxes	202	293
Deferred taxes	44	(16)
Income tax expense	246	277

Income tax expense for the years ended March 31, 2024, and March 31, 2023 includes reversal (net of additional provisions) of ₹58 crore and ₹3 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 years ended March 31, 2024, and March 31, 2023 relates to origination and reversal of temporary differences and includes ₹2 crore reversals pertaining to earlier periods in fiscal 2024.

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,	
	2024	2023
Profit before income taxes	1,045	1,123
Enacted tax rates in India	25.17%	25.17%
Computed expected tax expense	263	283
Overseas taxes	13	17
Tax provision (reversals)	(60)	(3)
Effect of exempt non-operating income	(13)	0
Effect of non-deductible expenses	4	(4)
Tax on dividend received from subsidiaries	–	–
Additional deduction on research and development expense	–	–
Effect of non-utilization of SEZ re-investment reserve	35	–
Others	4	(16)
Income tax expense	246	277

The applicable Indian corporate statutory tax rates for fiscal 2024 and 2023 is 25.17% and 25.17%, respectively.

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

The details of income tax assets and income tax liabilities as of March 31, 2024 and March 31, 2023 are as follows:

(In ₹ crore)

Particulars	As at March 31,	
	2024	2023
Income tax assets	193	165
Current Income tax liabilities	(86)	(143)
Net income tax assets at the end	107	22

The gross movement in the current income tax asset/ (liability) for the years ended March 31, 2024 and March 31, 2023 is as follows:

(In ₹ crore)

Particulars	Year ended March 31,	
	2024	2023
Net income tax asset/ (liability) at the beginning	22	117
Translation differences	(53)	34
Income tax paid, net of refunds	337	163
Income tax expense	(202)	(293)
Income tax on other comprehensive income	3	1
Net income tax asset at the end	107	22

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

(In ₹ crore)

Particulars	Carrying Value as on April 01,2023	Changes through Profit and Loss	Changes through OCI	Translation difference	Carrying Value as on March 31,2024
Deferred income tax assets / (liabilities)					
Property, plant and equipment	23	4	–	–	27
Lease liabilities	25	–	–	–	25
Compensated absences	39	3	–	–	42
Trade receivables	6	(1)	–	–	5
Derivative financial instruments	(0)	–	–	–	–
Others	(4)	(50)	–	–	(54)
Total deferred tax assets / (liabilities)	89	(44)	–	–	45

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

(In ₹ crore)

Particulars	Carrying Value as on April 01,2022	Changes through Profit and Loss	Changes through OCI	Translation difference	Carrying Value as on March 31,2023
Deferred income tax assets / (liabilities)					
Property, plant and equipment	21	2	–	–	23
Lease liabilities	18	7	–	–	25
Compensated absences	37	2	–	–	39
Trade receivables	4	2	–	–	6
Derivative financial instruments	(1)	1	–	–	(0)
Others	(7)	3	–	–	(4)
Total deferred tax assets / (liabilities)	72	17	–	–	89

Deferred income tax assets have not been recognized on accumulated losses of ₹700 crore and ₹612 crore as at March 31,2024 and March 31,2023, respectively as it is probable that future taxable profit will not be available against which the unused tax losses can be utilized in the foreseeable future. Majority of the accumulated losses as at March 31, 2024 will expire in financial year 2032.

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, 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.

The credits relating to temporary differences during the years ended March 31, 2024 and March 31, 2023 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.

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

The incremental costs of obtaining a contract (i.e., costs that would not have been incurred if the contract had not been obtained) are recognized as an asset if the Company expects to recover them. Certain eligible, nonrecurring costs (e.g. set-up or transition or transformation costs) that do not represent a separate performance obligation are recognized as an asset when such costs (a) relate directly to the contract; (b) generate or enhance resources of the Company that will be used in satisfying the performance obligation in the future; and (c) are expected to be recovered.

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

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

Revenue from operations for the years ended March 31, 2024 and March 31, 2023 is as follows:

(In ₹ crore)

Particulars	Year ended March 31,	
	2024	2023
Income from business process management services	7,892	7,529
	7,892	7,529

Trade receivables and contract balances

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

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

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

Invoicing in excess of earnings are classified as unearned revenue.

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

During the years ended March 31, 2024 and March 31, 2023, the Company recognized revenue of ₹167 crore and ₹182 crore arising from opening unearned revenue as of April 1, 2023 and April 1, 2022, respectively.

During the years ended March 31, 2024 and March 31, 2023, ₹40 crore and ₹44 crore of unbilled revenue pertaining to fixed price development contracts as of April 1, 2023 and April 1, 2022, respectively has been reclassified to trade receivables upon billing to customers on completion of milestones.

Remaining performance obligations disclosure

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 2024, other than those meeting the exclusion criteria mentioned above is ₹2,241 crore. Out of this, the Group expects to recognize revenue of around 41.1% 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 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.

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 years ended March 31, 2024 and March 31, 2023 is as follows:

(In ₹ crore)

Particulars	Year ended March 31,	
	2024	2023
Interest income on financial assets carried at amortized cost		
Government bonds	–	1
Deposit with banks and others	27	48
Current accounts with banks	1	–
Interest income on financial assets carried at fair value through other comprehensive income		
Non-convertible debentures	23	27
Certificates of deposit	36	31
Government securities	27	43
Commercial paper	24	4
Income on investments carried at fair value through profit or loss		
Gains on liquid mutual funds units	19	16
Income on financial assets carried at fair value through other comprehensive income		
Gain on sale of commercial paper	–	–
Gain on sale of certificates of deposit	–	–
Profit / (loss) on sale of property, plant and equipment	–	1
Rental income from holding company	4	3
Dividend received from subsidiary[(1)]	53	–
Interest income on Income tax refund	6	2
Exchange gains/(losses) on foreign currency forward contracts	(8)	(42)
Exchange gains/(losses) on translation of other assets and liabilities	12	53
Miscellaneous income, net	2	2
	226	189

[(1)] The Company received dividend from its wholly-owned subsidiaries. Refer to Note 2.23.

2.19 Expenses

(In ₹ crore)

Particulars	Year ended March 31,	
	2024	2023
Employee benefit expenses		
Salaries including bonus	5,308	4,832
Contribution to provident and other funds	138	134
Staff welfare	58	54
	5,504	5,020
Cost of technical sub-contractors and professional charges		
Cost of technical sub-contractors	360	518
Legal and professional	112	66
Recruitment and training	47	80
	519	664
Other expenses		
Consumables	12	12
Brand building and advertisement	3	3
Short-term leases (Refer to Note 2.2)	45	30
Marketing expenses	25	24
Rates and taxes	9	9
Contribution towards Corporate Social Responsibility	19	18
Communication expenses	101	109
Power and fuel	32	25
Repairs and maintenance	147	128
Bank charges and commission	5	4
Postage and courier	1	3
Impairment loss recognized / (reversed) under expected credit loss model	(2)	9
Professional membership and seminar participation fees	1	1
Provision for doubtful loans and advances	8	8
Provision for post-sales client support and others	–	–
Cost of software packages	209	157
Insurance	14	12
Auditor's remuneration		
Statutory audit fees	1	1
Tax matters	–	–
Reimbursement of expenses	–	–
Others	2	6
	632	559

2.20 Employee benefits

Accounting policy

2.20.1 Gratuity

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

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

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

The Company provides for Minimum mandated retirement benefit scheme under Republic Act 7641 (R.A. 7641) covering eligible employees in Philippines. The R.A. 7641 scheme is a final salary Defined Benefit Plan that provides for a lumpsum payment made on retirement. During the years ended March 31, 2024 and March 31, 2023, 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 ("the Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

(a) Gratuity

The funded status of the gratuity plan and the amounts recognized in the Company's financial statements as of March 31, 2024 and March 31, 2023 is as follows:

(In ₹ crore)

Particulars	As at March 31,	
	2024	2023
Change in benefit obligations		
Benefit obligations at the beginning	154	150
Service cost	18	17
Interest expense	10	9
Transfer of obligation	(2)	(5)
Remeasurements – Actuarial losses	13	3
Benefits paid	(16)	(20)
Benefit obligations at the end	177	154
Change in plan assets		
Fair value of plan assets at the beginning	160	154
Interest income	11	9
Transfer of employees	(2)	(5)
Remeasurements – Return on plan assets excluding amounts included in interest income	2	2
Contributions	26	20
Benefits paid	(16)	(20)
Fair value of plan assets at the end	181	160
Funded status	4	6
Prepaid gratuity asset	4	6

The amount for the years ended March 31, 2024 and March 31, 2023 recognized in the Statement of Profit and Loss under employee benefit expenses are as follows:

(In ₹ crore)

Particulars	Year ended March 31,	
	2024	2023
Service cost	18	17
Net interest on the net defined benefit liability/(asset)	(1)	–
Net gratuity cost	17	17

The amount for the years ended March 31, 2024 and March 31, 2023 recognized in the Statement of Other Comprehensive Income are as follows:

(In ₹ crore)

Particulars	Year ended March 31,	
	2024	2023
Remeasurements of the net defined benefit liability/ (asset)		
Actuarial losses	13	3
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	(2)	(2)
	11	1

(In ₹ crore)

Particulars	Year ended March 31,	
	2024	2023
(Gain)/loss from change in demographic assumptions	–	–
(Gain)/loss from change in financial assumptions	1	(2)
(Gain)/loss from change in experience assumptions	12	6
	13	4

The weighted-average assumptions used to determine benefit obligations as of March 31, 2024 and March 31, 2023 are as follows:

Particulars	As at March 31,	
	2024	2023
Discount rate	7.0%	7.1%
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 years ended March 31, 2024 and March 31, 2023 are as follows:

Particulars	Year ended March 31,	
	2024	2023
Discount rate	7.1%	6.5%
Weighted average rate of increase in compensation levels	7.5%	7.5%
Weighted average duration of defined benefit obligation	5.8 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,	
	2024	2023
Discount rate	4	4
Weighted average rate of increase in compensation level	4	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, 2024 and March 31, 2023, the plan assets have been primarily invested in insurer managed funds.

Actual return on assets for the years ended March 31, 2024 and March 31, 2023 were ₹ 13 crore and ₹ 11 crore, respectively.

The Company expects to contribute ₹ 25 crore to the gratuity trusts during the fiscal 2025.

Maturity profile of defined benefit obligation:

(In ₹ crore)

Within 1 year	57
1-2 year	46
2-3 year	39
3-4 year	37
4-5 year	32
5-10 years	81

(b) Superannuation

The Company contributed ₹ 11 crore to the Superannuation Trust for the year ended March 31, 2024 (₹ 11 crore for the year ended March 31, 2023).

(c) Provident fund

The Company contributed ₹ 118 crore towards Provident Fund for the year ended March 31, 2024 (₹ 110 crore for the year ended March 31, 2023).

(d) Pension fund

The Company contributed ₹ 11 crore to pension funds for the year ended March 31, 2024 (₹ 13 crore for the year ended March 31, 2023).

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

Accounting policy

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

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

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

(In ₹ crore)

Particulars	As at March 31,	
	2024	2023
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.

2.21.1 Contingent liability

(In ₹ crore)

Particulars	As at March 31,	
	2024	2023
Contingent liabilities :		
Claims against the Company, not acknowledged as debts[(1)] [Amount paid to statutory authorities ₹ 158 crore (₹ 111 crore)]	461	266
Commitments :		
Estimated amount of contacts remaining to be executed on capital contracts and not provided for (net of advances and deposits) [(2)]	62	53

(1) As at March 31, 2024 and March 31, 2023, claims against the Company not acknowledged as debts in respect of income tax matters amounted to ₹178 crore and ₹38 crore, respectively.

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

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

Amount paid to statutory authorities against the tax claims amounted to ₹158 crore and ₹111 crore as at March 31, 2024 and March 31, 2023, respectively.

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

2.22.2 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,	
		2024	2023
Holding company			
Infosys Limited	India	Holding Company	Holding Company
Subsidiaries			
Infosys BPM UK Limited[1]	U.K.	100%	100%
Infosys (Czech Republic) Limited s.r.o.[1]	Czech Republic	100%	100%
Infosys Poland Sp z.o.o[1]	Poland	100%	100%
Infosys McCamish Systems LLC[1]	U.S.	100%	100%
Portland Group Pty Ltd[1]	Australia	100%	100%
Infosys BPO Americas LLC.[1]	U.S.	100%	100%
Infosys BPM Canada Inc [1][31][36]	Canada	–	–

Fellow subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)[2]	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)[2]	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)[2]	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)[2]	China
EdgeVerve Systems Limited (EdgeVerve)[2]	India
Infosys Austria GmbH[2]	Austria
Skava Systems Private Limited (Skava Systems)[2][22]	India
Infosys Chile SpA[2]	Chile
Infosys Arabia Limited[3][22]	Saudi Arabia
Infosys Consulting Ltda.[2]	Brazil
Infosys Luxembourg S.a.r.l[2]	Luxembourg
Infosys Americas Inc. (Infosys Americas)[2][30]	U.S.
Infosys Consulting S.R.L.[2][19]	Argentina
Infosys Consulting S.R.L.[2]	Romania
Infosys Limited Bulgaria EOOD[2]	Bulgaria
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[2]	Turkey
Infosys Germany Holding Gmbh[2]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[2]	Germany
Infosys Green Forum[2]	India
Infosys Business Solutions LLC[2]	Qatar
WongDoody Inc. [2]	U.S.
Danske IT and Support Services India Private Limited ("Danske IT") [2][32]	India
Infosys Public Services, Inc. USA (Infosys Public Services)[2]	U.S.
Infosys Public Services Canada Inc. [12][23]	Canada
Panaya Inc. (Panaya)[2]	U.S.
Panaya Ltd.[4]	Israel
Panaya Germany GmbH [4][27]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[2][22]	U.K.
Brilliant Basics Limited [5][22]	U.K.
Infosys Consulting Holding AG [2]	Switzerland
Infosys Management Consulting Pty Limited[6]	Australia

Name of related parties	Country	Holding as at March 31,	
		2024	2023
Infosys Consulting AG[6]	Switzerland		
Infosys Consulting GmbH[6]	Germany		
Infosys Consulting SAS[6]	France		
Infy Consulting B.V.[6]	The Netherlands		
Infosys Consulting (Belgium) NV[6]	Belgium		
Infy Consulting Company Ltd[6]	U.K.		
GuideVision s.r.o.[7]	Czech Republic		
GuideVision Deutschland GmbH[8]	Germany		
GuideVision Suomi Oy[8]	Finland		
GuideVision Magyarország Kft[8]	Hungary		
GuideVision Polska Sp. z.o.o[8]	Poland		
GuideVision UK Ltd[8][22]	U.K.		
Infosys Nova Holdings LLC. (Infosys Nova)[1]	U.S.		
Outbox systems Inc. dba Simplus (US)[9]	U.S.		
Simplus ANZ Pty Ltd.[10]	Australia		
Simplus Australia Pty Ltd[11]	Australia		
Simplus Philippines, Inc.[10]	Philippines		
Kaleidoscope Animations, Inc.[9]	U.S.		
Kaleidoscope Prototyping LLC[18][34]	U.S.		
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[9]	U.S.		
Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)[2]	Singapore		
Infosys Financial Services GmbH. (formerly Panaya GmbH) [13][29]	Germany		
Infosys South Africa (Pty) Ltd[13]	South Africa		
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[13]	Malaysia		
Infosys Middle East FZ LLC [13]	Dubai		
Infosys Norway [13][28]	Norway		
Infosys Compaz Pte. Ltd [14]	Singapore		
HIPUS Co., Ltd[14]	Japan		
Fluido Oy [13]	Finland		
Fluido Sweden AB [15]	Sweden		
Fluido Norway A/S[15]	Norway		
Fluido Denmark A/S[15]	Denmark		
Fluido Slovakia s.r.o[15]	Slovakia		
Infosys Fluido UK, Ltd.[15]	U.K.		
Infosys Fluido Ireland, Ltd.[16]	Ireland		
Stater N.V.[14]	The Netherlands		
Stater Nederland B.V.[17]	The Netherlands		
Stater XXL B.V.[17]	The Netherlands		
HypoCasso B.V.[17]	The Netherlands		
Stater Participations B.V.[35]	The Netherlands		
Stater Belgium N.V./S.A.[17][35]	Belgium		
Stater Gmbh[17]	Germany		
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")[13]	Germany		
WongDoody Gmbh (formerly known as oddity GmbH) [20]	Germany		

Name of related parties	Country	Holding as at March 31,	
		2024	2023
WongDoody (Shanghai) Co. Limited (formerly known as oddity (Shanghai) Co., Ltd.) [21]	China		
WongDoody limited (Taipei) (formerly known as oddity Limited (Taipei)) [21]	Taiwan		
oddity space GmbH [20][33]	Germany		
oddity jungle GmbH [20][33]	Germany		
oddity code GmbH [20][33]	Germany		
WongDoody d.o.o (formerly known as oddity code d.o.o) [21][33]	Serbia		
oddity waves GmbH [20][33]	Germany		
oddity group services GmbH [20][33]	Germany		
BASE life science A/S [13][24]	Denmark		
BASE life science AG [25]	Switzerland		
BASE life science GmbH [25]	Germany		
BASE life science S.A.S [25]	France		
BASE life science Ltd. [25]	U.K.		
BASE life science S.r.l. [25]	Italy		
Innovisor Inc.[25]	U.S.		
BASE life science Inc.[25]	U.S.		
BASE life science S.L.[25][26]	Spain		

(1) Wholly-owned subsidiary of Infosys BPM Limited

(2) Wholly-owned subsidiary of Infosys Limited

(3) Owned and controlled subsidiary of Infosys Limited

(4) Wholly-owned subsidiary of Panaya Inc.

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

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

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

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

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

(10) Wholly-owned subsidiary of Outbox systems Inc. dba Simplus (US)

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

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

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

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

(15) Wholly-owned subsidiary of Fluido Oy

(16) Wholly-owned subsidiary of Infosys Fluido UK, Ltd.

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

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

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

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

(21) Wholly-owned subsidiary of WongDoody Gmbh (formerly known as oddity GmbH)

(22) Under liquidation

(23) Incorporated on July 8, 2022

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

(25) Wholly-owned subsidiary of BASE life science A/S

(26) Incorporated on September 6, 2022

(27) Incorporated effective December 15, 2022

(28) Incorporated effective September 22, 2022

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

(30) Liquidated effective July 14, 2023

(31) Incorporated on August 11, 2023

(32) On September 1, 2023, Infosys Limited. acquired 100% of voting interests in Danske IT and Support Services India Private Limited ("Danske IT").

(33) On September 29, 2023, oddity space GmbH, oddity waves GmbH, oddity jungle GmbH, oddity group services GmbH and oddity code GmbH merged into WongDoody GmbH and oddity code d.o.o which was formerly a subsidiary of oddity code Gmbh has become a subsidiary of WongDoody Gmbh (formerly known as oddity GmbH).

(34) Kaleidoscope Prototyping LLC, a wholly-owned subsidiary of Kaleidoscope Animations is liquidated effective November 1, 2023

(35) On November 24, 2023 Stater Participations B.V (a wholly-owned subsidiary of Stater N.V.) merged with Stater N.V. and Stater Belgium N.V./S.A which was formerly a wholly-owned subsidiary of Stater Participations B.V. became a wholly-owned subsidiary of Stater N.V.

(36) On March 15, 2024 Infosys BPM Canada Inc., a wholly-owned subsidiary of Infosys BPM Limited got dissolved.

List of other related parties

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

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

(In ₹ crore)

Particulars	As at March 31,	
	2024	2023
Capital transactions:		
Equity		
Infosys BPM UK Limited	–	1
	–	1
Trade receivables		
Infosys Limited	175	165
Infosys McCamish Systems LLC	5	3
Infosys Automotive and Mobility GmbH & Co. KG	51	19
Infosys BPO Americas LLC	–	–
EdgeVerve	1	–
Infosys Public Services	2	1
Infosys Turkey Bilgi Teknolojikeri Limited Sirketi	5	1
Portland Group Pty Ltd	1	1
Infosys Luxembourg S.a.r.l	–	1
Infosys Compaz PTE Ltd	3	2
Infosys China	1	1
Infosys Mexico	–	–
Infosys Poland Sp. Z.o.o	(1)	–
Infosys (Czech Republic) Limited s.r.o.	–	–
Infosys Austria GMBH	–	1
Infosys Consulting S.R.L. (Romania)	16	–
Infosys Sweden	–	–
Infosys Consulting S.R.L. (Argentina)	–	–
Infosys Consulting Ltda	–	1
Infosys Singapore Pte. Ltd	–	1
Infosys Middle East FZ LLC	–	–
Infy Consulting Company Limited	3	1
	262	198

Particulars	As at March 31, 2024	As at March 31, 2023
Other financial assets		
Infosys Limited	33	32
Infosys McCamish Systems LLC	1	–
Infosys BPO Americas LLC	3	1
EdgeVerve	2	2
Infosys Poland Sp. Z.o.o	2	–
Infosys (Czech Republic) Limited s.r.o.	1	–
Lodestone Brazil	–	–
Infosys Consulting S.R.L. (Romania)	–	–
Infosys Public Services	–	–
	42	35
Unbilled revenue		
Infy Consulting Company Limited	1	1
	1	1
Trade payables		
Infosys Limited	18	12
Infosys McCamish Systems LLC	6	10
Infosys Poland Sp. Z.o.o	3	2
Portland Group Pty Ltd	–	1
Infosys China	–	–
Infosys Mexico	–	–
Infosys Singapore Pte. Ltd	–	–
Infosys Consulting Ltda	2	2
EdgeVerve	1	–
Infosys (Czech Republic) Limited s.r.o.	1	–
	31	27
Other financial liabilities		
Infosys Limited	15	11
Infosys McCamish Systems LLC	1	1
EdgeVerve	1	–
Infosys BPO Americas LLC	–	–
Infosys Poland Sp. Z.o.o	1	1
Stater N.V.	1	1
Infosys Compaz PTE Ltd	1	–
Infosys Public Services	–	–
	20	14
Accrued expense		
Infosys Limited	–	–
Infosys Consulting S.R.L. (Romania)	5	–
Infosys BPO Americas LLC	–	–
	5	–
Prepaid expense and other assets		
Stater N.V.	1	–
	1	–

The details of the related parties transactions entered into by the Company for years ended March 31, 2024 and March 31, 2023 are as follows:

(In ₹ crore)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Capital transactions:		
Equity		
Infosys BPM UK Limited	–	1
	–	1
Revenue transactions:		
Purchase of services		
Infosys Limited	111	113
Infosys McCamish Systems LLC	91	132
Infosys Poland Sp. Z.o.o	19	19
Portland Group Pty Ltd	2	7
EdgeVerve	9	(1)
Infosys Singapore Pte. Ltd	–	–
Infosys (Czech Republic) Limited s.r.o.	2	1
Infosys China	3	6
Infosys Consulting Ltda	13	10
Infosys Mexico	2	1
	252	288
Purchase of shared services including facilities and personnel		
Infosys Limited(1)	107	86
Infosys Consulting S.R.L. (Romania)	5	–
Infosys McCamish Systems LLC	4	4
Infosys Poland Sp. Z.o.o	–	–
Infosys Compaz PTE Ltd	1	–
Stater N.V.	4	4
	121	94
Sale of services		
Infosys Limited	2,162	2,101
Infosys McCamish Systems LLC	36	34
Infosys Public Services	22	20
Infosys BPO Americas LLC	–	3
Portland Group Pty Ltd	7	6
EdgeVerve	6	6
Infosys Poland Sp. Z.o.o	6	2
Stater Nederland B.V.	–	1
Infosys Automotive and Mobility GmbH & Co. KG	87	35
Infosys China	3	2
Infy Consulting Company Limited	6	3
Infosys Luxembourg S.a.r.l	–	1
Infosys Compaz PTE Ltd	8	4
Infosys Mexico	–	–
Infosys (Czech Republic) Limited s.r.o.	1	1
Infosys Turkey Bilgi Teknolojikeri Limited Sirketi	3	3

Particulars	Year ended March 31,	
	2024	2023
Infosys Austria GMBH	1	2
Infosys Consulting S.R.L. (Romania)	14	–
Infosys Sweden	2	1
Infosys Consulting S.R.L. (Argentina)	–	–
Infosys Consulting Ltda	2	1
Infosys Singapore Pte. Ltd	–	1
Infosys Middle East FZ LLC	–	1
	2,366	2,228
Sale of shared services including facilities and personnel		
Infosys Limited	7	36
Infosys BPO Americas LLC	–	–
	7	36
Dividend received		
Portland Group Pty Ltd	53	–
	53	–
Dividend paid		
Infosys Limited	1,888	1,187
	1,888	1,187
Other Transaction		
Infosys Foundation	18	17
	18	17

(1) Includes purchase of fixed assets of ₹6 crore

The Company's material related party transactions during the years ended March 31, 2024 and March 31, 2023 and outstanding balances as at March 31, 2024 and March 31, 2023 are with its holding company, subsidiaries and fellow subsidiaries with whom the Company generally enters into transactions which are at arm's length and in the ordinary course of business.

List of key management personnel

Name of the related party	Designation
Anantharaman Radhakrishnan	Managing Director and Chief Executive Officer
Karmesh Gul Vaswani(1)	Chairman and Director
Ravikumar Singisetti(2)	Chairman and Director
Inderpreet Sawhney	Director
Martha King	Director
Prem Pereira(3)	Chief Financial Officer
Vasudeva Maipady(4)	Chief Financial Officer
Bindu Raghavan(5)	Company Secretary
Sudhir Gaonkar(6)	Company Secretary
Gopal Devanahalli(7)	Independent Director
Michael Nelson Gibbs(7)	Independent Director

(1) Appointed as director and Chairman of the Company effective July 17, 2023

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

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

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

(5) Resigned as Company Secretary effective September 30, 2022

(6) Appointed as Company Secretary effective October 01, 2022

(7) Resigned as independent director effective August 16, 2022

Transaction with key management personnel

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

(In ₹ crore)

Particulars	Year ended March 31,	
	2024	2023
Salaries and other employee benefits to whole-time directors and executive officers[1]	5	7
Total	5	7

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

2.24 Segment reporting

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

2.25 Corporate social responsibility

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

(In ₹ crore)

S.No	Particulars	As at March 31,	
		2024	2023
i)	Amount required to be spent by the Company during the year	19	18
ii)	Amount of expenditure incurred	19	18
iii)	Shortfall at the end of the year	–	–
iv)	Total of previous years shortfall	–	–
v)	Reason for shortfall	Not applicable	Not applicable
vi)	Nature of CSR activities	Promoting healthcare including preventive healthcare, Eradicating hunger, poverty and sanitation programs, Promoting education, enhancing vocational skills, Rural development.	
vii)	Details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant accounting standard[1]	18	17
viii)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	–	–

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

2.26 Analytical ratios

The following are certain analytical ratios for the years ended March 31, 2024 and March 31, 2023:

Particulars	Numerator	Denominator	Year ended March 31,		% of Variance
			2024	2023	
Current Ratio	Current assets	Current liability	2.3	2.4	(6.4%)
Debt – Equity ratio	Total debt[1]	Shareholder's equity	0.2	0.1	20.8%
Debt service coverage ratio	Earnings available for debt service[2]	Debt service[3]	8.1	10.4	(21.7%)

Particulars	Numerator	Denominator	Year ended March 31,		% of Variance	
			2024	2023		
Return on Equity (ROE)	Net Profits after taxes	Average shareholder's equity	20.5%	18.3%	12.1%	
Trade receivables turnover ratio	Net credit revenue	Average accounts receivable	7.4	7.2	2.6%	
Trade payables turnover ratio	Net credit purchase of services/consumables	Average trade payables	13.1	17.9	(26.8%)	*
Net capital turnover ratio	Net sales	Working capital	4.2	3.2	31.6%	*
Net profit ratio	Net profit	Net sales	10.1%	11.2%	(9.9%)	
Return on Capital Employed (ROCE)	Earning before interest and taxes	Capital Employed[(4)]	27.6%	22.8%	20.6%	
Return on Investment						
Unquoted	Income from investments	Time weighted average investments	7.9%	6.1%	30.0%	*
Quoted	Income from investments	Time weighted average investments	7.5%	4.0%	88.7%	*

Note: Percentage of Variance is calculated based on absolute numbers.

(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, 2024, there is a variance of more than 25% compared to previous year due to following reason :

- Increase in return on investment due to change in investment mix.
- Decrease in trade payable turnover ratio is due to increase in trade payables related to software services which are due for payment in subsequent period.
- Increase in net capital turnover ratio is due to payment of special dividend during the year.

2.27 Relationship with struck-off companies

During the years ended March 31, 2024 and March 31, 2023, there are no transactions and balance outstanding at March 31, 2024 and March 31, 2023 is Nil with struck off companies.

2.28 Function-wise classification of Statement of Profit and Loss

(In ₹ crore)

Particulars	Note	Year ended March 31,	
		2024	2023
Revenue from operations	2.17	7,892	7,529
Cost of sales		6,158	5,800
Gross profit		1,734	1,729
Operating expenses			
Selling and marketing expenses		303	266
General and administration expenses		577	497
Total operating expenses		880	763
Operating profit		854	966
Other income	2.18	226	189
Finance cost	2.2	(35)	(32)
Profit before tax		1,045	1,123
Tax expense:			
Current tax	2.16	202	293
Deferred tax	2.16	44	(16)
Profit for the year		799	846
Other comprehensive income			

Particulars	Note	Year ended March 31,	
		2024	2023
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability/asset, net of tax	2.20	(8)	(1)
		(8)	(1)
Items that will be reclassified to profit or loss			
Fair value changes on investments, net of tax	2.4	16	(19)
		16	(19)
Total other comprehensive income, net of tax		8	(20)
Total comprehensive income for the year		807	826

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

Karmesh Vaswani
Chairperson and Non-Executive Director
DIN No. 10193181

Anantharaman Radhakrishnan
Managing Director and Chief Executive Officer
DIN No. 07516278

Inderpreet Sawhney
Non-Executive Director
DIN No. 07925783

Bengaluru
April 16, 2024

Vasudeva Maipady
Chief Financial Officer

Sudhir Gaonkar
Company Secretary
Membership No. ACS 34203

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Infosys McCamish Systems, LLC

Independent Auditor's Report

To The Board of Directors of Infosys McCamish Systems, LLC

Report on the Special Purpose Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of preparation referred to in Note 1.2 of the special purpose financial statements, of the state of affairs of the Company as at December 31, 2023, its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

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

Management's Responsibility for the Special Purpose Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Basis of Accounting

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

Restriction on Use and Distribution

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

For Deloitte Haskins and Sells LLP

Chartered Accountants

(Firm Registration Number: 117366W/W-100018)

Gurvinder Singh
Partner

Membership No. 110128

UDIN: 24110128BKBGWQ4002

Date: April 20, 2024

Place: Bengaluru

Balance Sheet

(In US$)

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

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

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

Gurvinder Singh
Partner
Membership No. 110128

Place : Bengaluru
Date: April 20, 2024

for and on behalf of Infosys McCamish Systems LLC

Richard Magner
Chief Executive Officer and director

Binod Choudhary
Director

Thothathri V
Director

Statement of Profit and Loss

(In US$)

Particulars	Note no.	Years ended December 31, 2023	2022
Revenue from operations	2.16	434,479,377	458,723,130
Other income, net	2.17	7,250,132	2,880,436
Total income		441,729,509	461,603,566
Expenses			
Employee benefit expenses	2.18	38,170,728	35,131,300
Cost of technical sub-contractors and professional charges	2.18	72,293,880	76,958,851
Travel expenses		135,181	91,416
Cost of software packages and other services		276,962,076	279,091,164
Finance cost		4,396,059	2,248,757
Depreciation and amortization expense		21,362,499	13,379,802
Other expenses	2.18	10,860,500	12,266,351
Total expenses		424,180,923	419,167,641
Profit before tax		17,548,586	42,435,925
Tax expense:			
Current tax	2.15	14,316,720	12,410,175
Deferred tax	2.15	(7,427,934)	(4,233,003)
		6,888,786	8,177,172
Profit for the year		10,659,800	34,258,753
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		–	–
Items that will be reclassified subsequently to profit or loss		–	–
Total other comprehensive income / (loss), net of tax		–	–
Total comprehensive income for the year		10,659,800	34,258,753

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

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

Gurvinder Singh
Partner
Membership No. 110128

Place : Bengaluru
Date: April 20, 2024

for and on behalf of Infosys McCamish Systems LLC

Richard Magner
Chief Executive Officer and director

Binod Choudhary
Director

Thothathri V
Director

Statement of Changes in Equity

(In US$)

Particulars	Equity share capital	Other equity		Total equity
		Retained earnings	Other comprehensive income	
Balance as at January 1, 2022	36,070,038	62,633,168	–	98,703,206
Changes in equity for the year ended December 31, 2022				
Total comprehensive income for the year	–	34,258,753	–	34,258,753
Balance as at December 31, 2022	36,070,038	96,891,921	–	132,961,959
Balance as at January 1, 2023	36,070,038	96,891,921	–	132,961,959
Changes in equity for the year ended December 31, 2023				
Total comprehensive income for the year	–	10,659,800	–	10,659,800
Balance as at December 31, 2023	36,070,038	107,551,721	–	143,621,759

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

As per our report of even date attached

for Deloitte Haskins & Sells LLP

Chartered Accountants

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

Gurvinder Singh

Partner

Membership No. 110128

Place : Bengaluru

Date: April 20, 2024

for and on behalf of Infosys McCamish Systems LLC

Richard Magner

Chief Executive Officer and director

Binod Choudhary

Director

Thothathri V

Director

Statement of Cash Flows

(In US$)

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

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

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

Gurvinder Singh
Partner
Membership No. 110128

Place : Bengaluru
Date: April 20, 2024

for and on behalf of Infosys McCamish Systems LLC

Richard Magner
Chief Executive Officer and director

Binod Choudhary
Director

Thothathri V
Director

Notes to the Financial Statements

1. Overview

1.1 Company overview

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

The Company was formed in December 1994 as a limited liability company under the provisions of the Georgia Limited Liability Company Act, limited by member's interest. The Company was acquired by Infosys BPM Limited (formerly Infosys BPO Limited), a subsidiary of Infosys Limited, on December 4, 2009. The terms of formation were specified by the operating agreement of the Company. The Company will continue until December 31, 2060, unless terminated earlier pursuant to the terms of the operating agreement.

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

1.2 Basis of preparation of financial statements

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

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

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

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

1.3 Use of estimates and judgements

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

1.4 Critical accounting estimates

a. Revenue recognition

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

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

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

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

b. Income taxes

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

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

c. Property, plant and equipment

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

2.1 Property, plant and equipment

Accounting Policy

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

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

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

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

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

Impairment

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

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

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

(In US$)

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

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

(In US$)

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

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

2.2 Leases

Accounting policy

The Company as a lessee

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

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

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

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

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

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

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

The Company as a lessor

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

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

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

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

(In US$)

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

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

(In US$)

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

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

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

(In US$)

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

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

(In US$)

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

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

(In US$)

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

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

(In US$)

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

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

(In US$)

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

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

(In US$)

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

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

2.3 Other intangible assets

Accounting policy

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

Impairment

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

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

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

(In US$)

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

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

(In US$)

Particulars	Software
Gross carrying value as of January 1, 2022	3,300,000
Additions during the year	–
Deletions during the year	–
Gross carrying value as of December 31, 2022	3,300,000

Particulars	Software
Accumulated amortization as of January 1, 2022	1,731,781
Amortization expense	400,000
Deletion during the year	–
Accumulated amortization as of December 31, 2022	2,131,781
Carrying value as of December 31, 2022	1,168,219
Carrying value as of January 1, 2022	1,568,219
Total estimated useful life (in years)	5

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

2.4 Loans

(In US$)

Particulars	As at December 31,	
	2023	2022
Non-current		
Unsecured, considered doubtful		
Loans to employees	8,213	3,192
Less: Allowance for doubtful loans to employees	(8,213)	(3,192)
	–	–
Unsecured, considered good		
Loans to related parties (Refer to Note 2.21)	46,782,579	29,356,274
Total non-current loans	46,782,579	29,356,274
Current		
Unsecured, considered good		
Loans to employees	3,678	9,835
Unsecured, considered good		
Loans to related parties (Refer to Note 2.21)	–	15,515,690
Total current loans	3,678	15,525,525
Total loans	46,786,257	44,881,799

2.5 Other financial assets

(In US$)

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

[1] Financial assets carried at amortized cost

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

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

2.6 Trade receivables

(In US$)

Particulars	As at December 31,	
	2023	2022
Current		
Trade receivable considered good-Unsecured[1]	87,479,542	100,480,031
Less: Allowance for expected credit loss	(1,978,595)	(917,838)
Trade receivable considered good-Unsecured	85,500,947	99,562,193
Trade Receivable-credit impaired - Unsecured	2,453,543	2,340,467
Less: Allowance for credit impairment	(2,453,543)	(2,340,467)
Trade Receivable-credit impaired-Unsecured	–	–
Total trade receivables	85,500,947	99,562,193

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

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

(In US$)

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

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

(In US$)

Particulars	Not Due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables- considered good	46,563,813	53,633,587	210,850	24,803	46,978	–	100,480,031
Undisputed trade receivables- credit impaired	–	–	–	–	2,340,467	–	2,340,467
Disputed trade receivables- considered good	–	–	–	–	–	–	–
Disputed trade receivables- credit impaired	–	–	–	–	–	–	–
Less: Allowance for credit loss							3,258,305
Total trade receivables	46,563,813	53,633,587	210,850	24,803	2,387,445	–	99,562,193

2.7 Cash and cash equivalents

(In US$)

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

Cash and cash equivalents as at December 31, 2023 and December 31, 2022 include restricted bank balance of US$ 7,939 and US$ 6,135 respectively. This represents restricted bank balance, in trust account, in accordance with collection agency licensing requirements.

2.8 Other assets

(In US$)

Particulars	As at December 31,	
	2023	2022
Non-current		
Prepaid expenses	10,645,814	13,494,273
Unbilled revenues [(1)]	1,332,852	5,807,906
Deferred contract cost		

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

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

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

2.9 Financial instruments

Accounting Policy

2.9.1 Initial recognition

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

2.9.2 Subsequent measurement

(i) Financial assets carried at amortized cost

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

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

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

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

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

(iv) Financial liabilities

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

2.9.3 Derecognition of financial instruments

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

2.9.4 Fair value of financial instruments

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

2.9.5 Impairment

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

Financial instruments by category

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

(In US$)

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

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

Financial risk management

Financial risk factors

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

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to US$85,500,947 and US$99,562,193 as at December 31, 2023 and December 31, 2022 respectively. Trade receivables are typically unsecured. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses ECL model to assess the impairment loss or gain. The Company uses a provision matrix to compute the ECL allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes, credit ratings from international credit rating agencies and the Company's historical experience for customers.

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

(In %)

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

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances is US$4,432,137 and US$3,258,304 for the year ended December 31, 2023 and December 31, 2022, respectively.

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

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents. The Company has no outstanding borrowings as at December 31, 2023. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

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

2.10 Equity

As at December 31, 2023, the Company had one member, Infosys BPM Limited (the "Member"). The Member owns 100% of the interests of the Company. Upon liquidation, dissolution or winding-up of the Company, the Member is entitled to receive 100% of the available net assets of the Company. No contribution was made during the year ended December 31, 2023.

2.11 Other financial liabilities

(In US$)

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

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

[1] Financial liability carried at amortized cost

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

2.12 Trade payables

(In US$)

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

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

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

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

(In US$)

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

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

(In US$)

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

2.13 Other liabilities

(In US$)

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

2.14 Provisions

Accounting policy

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

a. Post-sales client support

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

b. Onerous contracts

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

The provision for post-sales client support and others as at December 31, 2023 and December 31, 2022 is as follows:

(In US$)

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

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

(In US$)

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

2.15 Income taxes

Accounting policy

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

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

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

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

(In US$)

Particulars	Years ended December 31,	
	2023	2022
Current taxes	14,316,720	12,410,175
Deferred taxes	(7,427,934)	(4,233,003)
Income tax expense	6,888,786	8,177,172

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

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

(In US$)

Particulars	Years ended December 31,	
	2023	2022
Profit before incomes taxes	17,548,586	42,435,925
Statutory tax rate	21%	21%
Computed expected tax expense	3,685,203	8,911,544
State taxes	927,523	2,164,349
Disallowed items	5,865	5,347
Deferred tax impact on ROU and lease liabilities	(361,095)	(2,880,344)
Effect of true up of previous year taxes	2,779,613	344,140
Other adjustments	(148,323)	(367,864)
Income tax expense	6,888,786	8,177,172

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

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

(In US$)

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

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

(In US$)

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

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

(In US$)

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

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

(In US$)

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

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

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

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. Management considers the scheduled reversals of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, Management believes that it is more likely than not the Company will realize the benefit of any deductible differences at December 31, 2023.

2.16 Revenue from operations

Accounting policy

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

Contracts with customers are either on a time-and-material, unit of work, or on a fixed-timeframe basis.

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

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

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

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

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

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

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

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

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

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

Disaggregate revenue information

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

(In US$)

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

Trade receivables and contract balances

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

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

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

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

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

2.17 Other income, net

Accounting policy

2.17.1 Other income

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

2.17.2 Foreign currency

a. Functional currency

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

b. Transactions and translations

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

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

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

(In US$)

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

2.18 Expenses

(In US$)

Particulars	Years ended December 31,	
	2023	2022
Employee benefit expenses		
Salaries including bonus	38,117,686	35,083,798
Staff welfare	53,042	47,502
	38,170,728	35,131,300
Cost of technical sub-contractors and professional charges		
Cost of technical sub-contractors	60,446,071	75,628,038
Legal and professional	11,838,789	1,325,457
Recruitment and training	9,020	5,356
	72,293,880	76,958,851
Other expenses		
Consumables	14,368	88,708
Brand building and advertisement	15,460	5,405
Rates and taxes	252,646	899,367
Communication expenses	1,021,101	964,349
Office maintenance	669,935	1,000,661
Bank charges and commission	71,981	41,474
Professional membership and seminar participation fees	26,715	48,278
Donations	3,824,000	4,130,000
Impairment loss recognized / (reversed) under expected credit loss model	508,616	298,947
Provision for doubtful loans and advances	23,347	58,786

Particulars	Years ended December 31,	
	2023	2022
Provision for service level risk on revenue contracts, post sales client support and others	311	(6,057)
Postage and couriers	3,957,297	4,314,003
Insurance	91,980	119,663
Auditor's remuneration		
Statutory audit fees	40,000	40,000
Reimbursement of expenses	3,000	3,000
Others	339,743	259,767
	10,860,500	12,266,351

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

(In US$)

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

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

2.20 Cybersecurity incident

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

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

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

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

2.21 Related party transactions

List of related parties:

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

Fellow subsidiaries	Country
Infosys BPO Americas LLC[1]	U.S.
Infosys Automotive and Mobility GmbH & Co. KG[2]	Germany
Outbox systems Inc. dba Simplus (US)[3]	U.S.
Blue Acorn iCi, Inc[3]	U.S.
Infosys (Czech Republic) Limited s.r.o.[1]	Czech Republic
GuideVision, s.r.o.[4]	Czech Republic
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)[2]	Mexico
Infosys Singapore Pte. Ltd[2]	Singapore
Infosys Technologies (China) Co. Limited[2]	China
Simplus Philippines, Inc.[5]	Philippines

(1) Wholly-owned subsidiary of Infosys BPM Limited

(2) Wholly-owned subsidiary of Infosys Limited

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

(4) Wholly owned subsidiary of Infy Consulting Company Limited

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

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

(In US$)

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

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

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

(In US$)

Particulars	Years ended December 31,	
	2023	2022
Revenue transactions:		
Purchase of services		
Infosys Limited	29,877,266	85,467,664
Infosys BPM Limited	4,174,460	4,312,774
Infosys (Czech Republic) Limited s.r.o.	288,938	307,259
Infosys Technologies (China) Co. Limited	44,437	65,720
Outbox systems Inc. dba Simplus (US)	1,634,698	1,453,730
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)	–	122,648
GuideVision s.r.o.	–	52,712
Blue Acorn iCi Inc	1,390,383	972,525
Simplus Philippines, Inc.	65,420	–
	37,475,602	92,755,032
Purchase of shared services		
Infosys Limited	5,662,753	124,791
Infosys Automotive and Mobility	29,256,240	6,933,367
	34,918,993	7,058,158

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

List of key management personnel

Name of the related party	Designation
Richard Magner	Chief Executive Officer and Director
Thothathri V	Director
Binod Choudhary(1)	Director
John Thothungal(1)	Director
Kapil Jain(2)	Director
(1) appointed as director w.e.f. July 17, 2023.	
(2) resigned as director w.e.f. April 14, 2023.	

Transaction with key management personnel

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

(In US$)

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

2.22 Compensated absences

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

2.23 Segment reporting

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

2.24 Analytical ratios

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

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

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

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

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

(4) Tangible net worth + deferred tax liabilities + lease liabilities + liabilities under financing arrangements

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

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

for and on behalf of Infosys McCamish Systems, LLC

Richard Magner
Chief Executive Officer and director

Binod Choudhary
Director

Thothathri V
Director

Place: Bengaluru

Date: April 20, 2024

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, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of material 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, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 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.

Responsibilities of management and those charged with governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. 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 and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

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

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 2.20 to the financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards for material foreseeable losses. Refer Note 2.14 to the financial statements. The Company does not have any long-term derivative contracts.

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

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

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

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

v. As stated in Note 2.10.1 to the financial statements

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

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

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

vi. Based on our examination, which included test checks, the Company has used an accounting softwares for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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

For Deloitte Haskins & Sells Llp
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Gurvinder Singh
Partner
(Membership No.110128)
UDIN: 24110128BKBGWM2396

Place: Bengaluru
Date: April 16, 2024

Annexure "A" to the Independent Auditor's Report

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

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

We have audited the internal financial controls with reference to financials statements of EDGEVERVE SYSTEMS LIMITED ("the Company") as at March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Deloitte Haskins & Sells Llp
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Gurvinder Singh
Partner
(Membership No.110128)
UDIN: 24110128BKBGWM2396

Place: Bengaluru
Date: April 16, 2024

Annexure 'B' To The Independent Auditor's Report

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

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

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

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

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

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

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

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

   (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

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

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

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

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

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

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

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

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

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

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

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

vii. In respect of statutory dues:

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

   There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

(b) Details of Statutory dues referred to in sub-clause (a) which have not been deposited as on March 31, 2024 on account of dispute are given below:

Name of the statute	Nature of Dues	Forum where the dispute is pending	Period to which the amount relates	Amount in Lakhs
Central Excise Act, 1944	Excise Duty	Customs Excise and Service Tax Appellate Tribunal	FY 2015-16, FY 2016-17 and FY 2017-18	4,054
Maharashtra Value added Tax	VAT/CST	Joint Commissioner (Appeals)	FY 2016-17 and FY 2017-18	24
Goods and Service Tax Act, 2017	Goods and Services Tax	High Court of Karnataka	FY 2017-18	11
		Joint Commissioner (Appeals)	FY 2017-18 to FY 2019-20	3
The Income Tax Act, 1961	Income Tax	Appeal to be filed with Commissioner (Appeals)	AY 2022-23	459
		Commissioner (Appeals)	AY 2018-19 and AY 2019-20	4,457
		Income Tax Appellate Tribunal	AY 2016-17	8
Total				9,016

* Less than ₹ 1 lakh

AY=Assessment Year; FY= Financial Year.

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

xiii. In our opinion, the Company is in compliance with Section 188 of the Companies Act, 2013 for all 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. The Company is a wholly owned subsidiary and hence the provisions of Section 177 of the Companies Act, 2013 are not applicable to the Company.

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

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

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

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

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

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

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

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

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

For Deloitte Haskins & Sells Llp
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Gurvinder Singh
Partner
(Membership No.110128)
UDIN: 24110128BKBGWM2396

Place: Bengaluru
Date: April 16, 2024

Balance Sheet

(In ₹ lakh)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
Assets			
Non-current assets			
Property, plant and equipment	2.1	5,213	6,446
Capital work-in-progress	2.1a	538	180
Other intangible assets	2.2	86	107
Financial assets			
Loans	2.4	1	1
Other financial assets	2.5	2,769	3,939
Deferred tax assets (net)	2.15	1,340	872
Income tax assets	2.15	14,704	22,773
Other non-current assets	2.8	8,426	7,773
Total non-current assets		33,077	42,091
Current assets			
Financial assets			
Investments	2.3	49,721	40,533
Trade receivables	2.6	16,536	19,479
Cash and cash equivalents	2.7	41,151	60,322
Loans	2.4	248	255
Other financial assets	2.5	43,394	38,726
Income tax assets (net)		–	–
Other current assets	2.8	22,236	23,344
Total current assets		1,73,286	1,82,659
Total assets		2,06,363	2,24,750
Equity and liabilities			
Equity			
Equity share capital	2.10	1,31,184	1,31,184
Other equity		(9,815)	15,493
Total equity		1,21,369	1,46,677
Liabilities			
Current liabilities			
Financial liabilities			
Trade payables	2.12		
Total outstanding dues of micro enterprises and small enterprises		475	582
Total outstanding dues of creditors other than micro enterprises and small enterprises		3,533	2,730
Other financial liabilities	2.11	32,286	38,826
Other current liabilities	2.13	24,291	25,344
Provisions	2.14	78	116
Income tax Liabilities	2.15	24,331	10,475
Total current liabilities		84,994	78,073
Total equity and liabilities		2,06,363	2,24,750

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 16, 2024

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

Karmesh Vaswani
Chairman
DIN No: 10193181

Sateesh Seetharamiah
Whole-time Director
DIN No: 09328904

P Prakash
Chief Financial Officer

Prakash Bharadwaj
Company Secretary
CS Membership No: 37214

Statement of Profit and Loss

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

Particulars	Note	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations	2.16	3,56,938	3,44,628
Other income, net	2.17	9,628	7,142
Total income		3,66,566	3,51,770
Expenses			
Employee benefit expenses	2.18	75,252	70,775
Cost of technical sub-contractors		1,05,724	92,111
Travel expenses	2.18	8,209	6,525
Cost of software packages and others	2.18	25,927	21,749
Consultancy and professional charges		10,761	10,710
Depreciation and amortization expense	2.1	3,038	3,109
Other expenses	2.18	20,089	20,037
Total expenses		2,49,000	2,25,016
Profit before tax		1,17,566	1,26,754
Tax expense:			
Current tax	2.15	34,545	34,049
Deferred tax	2.15	(467)	(284)
Profit for the year		83,488	92,989
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		86	612
Items that will be reclassified subsequently to profit or loss		–	–
Total other comprehensive income/ (loss), net of tax		86	612
Total comprehensive income for the year		83,574	93,601
Earnings per equity share			
Equity shares of par value of ₹ 10 each			
Basic and diluted (₹)		6.36	7.09
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 and on behalf of the Board of Directors of EdgeVerve Systems Limited

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

Gurvinder Singh
Partner
Membership No. 110128

Karmesh Vaswani
Chairman
DIN No: 10193181

Sateesh Seetharamiah
Whole-time Director
DIN No: 09328904

Bengaluru
April 16, 2024

P Prakash
Chief Financial Officer

Prakash Bharadwaj
Company Secretary
CS Membership No: 37214

Statement of change in equity

(In ₹ lakh)

Particulars	Equity share capital	Other equity			Total
		Reserve and surplus			
		Capital reserve			
		Business transfer adjustment reserve [1]	Retained earnings	Other comprehensive income [2]	
Balances as on April 1, 2022	1,31,184	(3,44,760)	2,93,744	458	80,626
Changes in equity for the period ended March 31, 2023					
Profit for the period	–	–	92,989	–	92,989
Remeasurement of the net defined benefit liability / asset, net of tax effect	–	–	–	612	612
Total comprehensive income	1,31,184	(3,44,760)	3,86,732	1,070	1,74,226
Dividends	–	–	(27,549)	–	(27,549)
Balance as of March 31, 2023	1,31,184	(3,44,760)	3,59,184	1,070	1,46,677
Balance as of April 1, 2023	1,31,184	(3,44,760)	3,59,183	1,070	1,46,677
Changes in equity for the period ended March 31, 2024					
Profit for the period	–	–	83,488	–	83,488
Remeasurement of the net defined benefit liability / asset, net of tax effect	–	–	–	86	86
Total comprehensive income	1,31,184	(3,44,760)	4,42,672	1,156	2,30,252
Dividends	–	–	(1,08,883)	–	(1,08,883)
Balance as of March 31, 2024	1,31,184	(3,44,760)	3,33,789	1,156	1,21,369

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

[2] A description of the purposes of each reserve within equity have been disclosed in Note 2.10

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

As per our report of even date attached

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

for Deloitte Haskins & Sells LLP
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Bengaluru
April 16, 2024

P Prakash
Chief Financial Officer

Prakash Bharadwaj
Company Secretary
CS Membership No: 37214

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	Year ended March 31,	
		2024	2023
Cash flows from operating activities:			
Profit for the year		83,488	92,989
Adjustments to reconcile net profit to net cash generated by operating activities:			
Depreciation and amortization expense	2.1	3,038	3,109
Income tax expense	2.15	34,078	33,765
Impairment loss recognized on financial assets	2.18	419	1,765
Reversal for post-sales client support and others	2.18	(37)	(28)
Profit on sale of property, plant and equipment	2.17	(2)	(13)
Interest income	2.17	(4,558)	(3,564)
Gain on sale of investments carried at fair value	2.17	(2,541)	(1,876)
Exchange difference on translation of assets and liabilities		(77)	1,697
Changes in assets and liabilities			
Trade receivables and unbilled revenue		864	(18,682)
Other financial assets and other assets		(1,184)	(5,269)
Trade payables	2.12	623	(836)
Other financial liabilities, other liabilities and provisions		(7,595)	3,799
Cash generated from operations		1,06,516	1,06,856
Income taxes paid, net of refunds		(12,621)	(37,181)
Net cash generated from operating activities		93,895	69,675
Cash flows from investing activities:			
Expenditure on property, plant and equipment		(2,010)	(4,120)
Loans to employees	2.4	7	30
Payments to acquire financial assets			
Liquid mutual fund units		(2,90,100)	(2,70,823)
Proceeds on sale of financial assets			
Liquid mutual fund units		2,83,454	2,70,297
Interest received on bank deposits and others		4,555	1,797
Net cash (used in) / from investing activities		(4,094)	(2,819)
Cash flows from financing activities:			
Payment of dividend to holding company		(1,08,883)	(27,549)
Net cash used in financing activities		(1,08,883)	(27,549)
Effect of exchange differences on translation of foreign currency cash and cash equivalents		(89)	(1,697)

Particulars	Note	Year ended March 31,	
		2024	2023
Net increase / (decrease) in cash and cash equivalents		(19,171)	37,610
Cash and cash equivalents at the beginning of the year	2.7	60,322	22,712
Cash and cash equivalents at the end of the year	2.7	41,151	60,322
Supplementary information:			
Restricted cash balance	2.7	–	–

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

As per our report of even date attached

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

for Deloitte Haskins & Sells LLP
Chartered Accountants
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Gurvinder Singh
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Bengaluru
April 16, 2024

P Prakash
Chief Financial Officer

Prakash Bharadwaj
Company Secretary
CS Membership No: 37214

Notes to the financial statements

1. Overview

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 16, 2024

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.

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 this statement.

Accounting policies have been consistently applied, except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The material accounting policy information used in preparation of the audited financial statements have been discussed in the respective notes.

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 these financial statements have been disclosed in Note 1.4. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.4 Critical accounting estimates and judgments

a. Revenue recognition

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

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

Provisions for estimated losses, if any, on 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 2.14.

b. Income tax

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

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

c. Property, plant and equipment

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

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 the Management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

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

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

Impairment

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

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

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2024 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, 2023	26	21	256	19,175	252	19,731
Additions	–	–	23	1,754	1	1,778
Deletions*	–	–	(26)	(1,350)	(43)	(1,419)
Gross carrying value as of March 31, 2024	26	21	253	19,579	211	20,090
Accumulated depreciation as of April 1, 2023	(24)	(18)	(221)	(12,783)	(240)	(13,286)
Depreciation	(2)	(1)	(20)	(2,980)	(7)	(3,009)
Accumulated depreciation on deletions	–	–	26	1,350	43	1,419
Accumulated depreciation as of March 31, 2024	(26)	(19)	(214)	(14,413)	(204)	(14,876)
Carrying value as of March 31, 2024	–	2	39	5,166	7	5,213

*During the year ended March 31, 2024, certain assets which were not in use having gross book value of ₹1,419 lakh (net book value: Nil) were retired.

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

(In ₹ lakh)

Particulars	Leasehold improvements	Plant and machinery	Office equipment	Computer equipment	Furniture and fixtures	Total
Gross carrying value as of April 1, 2022	26	20	249	17,814	185	18,295
Additions	–	3	7	4,393	85	4,489
Deletions*	–	(2)	(0)	(3,032)	(19)	(3,053)
Gross carrying value as of March 31, 2023	26	21	256	19,175	252	19,731
Accumulated depreciation as of April 1, 2022	(19)	(17)	(201)	(12,837)	(158)	(13,233)
Depreciation	(5)	(3)	(20)	(2,978)	(100)	(3,105)
Accumulated depreciation on deletions	–	2	0	3,032	19	3,053
Accumulated depreciation as of March 31, 2024	(24)	(18)	(221)	(12,783)	(240)	(13,286)
Carrying value as of March 31, 2023	2	3	35	6,392	13	6,446

*During the year ended March 31, 2023, certain assets which were not in use having gross book value of ₹3,053 lakh (net book value: Nil) were retired.

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

2.1 Capital work-in-progress

(In ₹ lakh)

Particulars	As at March 31,	
	2024	2023
Capital work-in-progress	**538**	180
Total capital work-in-progress	**538**	180

The capital work-in-progress ageing schedule for the year ended March 31, 2024 is as follows:

(In ₹ lakh)

Particulars	Less than 1 year	1-2 years	2-3 years	>3 years	Total
Projects in progress	538	–	–	–	538
Total	538	–	–	–	538

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

(In ₹ lakh)

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

2.2 Other intangible assets

Accounting policy

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

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

The changes in the carrying value of acquired intangible assets for the year ended March 31, 2024 are as follows :

(In ₹ lakh)

Particulars	Software-related	Total
Gross carrying value as at April 1, 2023	117	117
Additions through business transfer	–	–
Deletions during the year	–	–
Gross carrying value as at March 31, 2024	117	117
Accumulated amortization as at April 1, 2023	(10)	(10)
Amortization expense	(21)	(21)
Accumulated amortization on deletions	–	–
Accumulated amortization as at March 31, 2024	(31)	(31)
Carrying value as at April 1, 2023	107	107
Carrying value as at March 31, 2024	86	86
Estimated useful life (in years)	5-6	–
Estimated remaining useful life (in years)	4	–

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

(In ₹ lakh)

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

2.3 Investments

(In ₹ lakh)

Particulars	As at March 31, 2024	2023
Unquoted current investments		
Investments carried at fair value through profit or loss		
Liquid mutual fund units	49,721	40,533
Total investments	49,721	40,533

Method of fair valuation:

(In ₹ lakh)

Class of investment	As at March 31, 2024	2023
Liquid mutual fund units	49,721	40,533

2.4 Loans

(In ₹ lakh)

Particulars	As at March 31, 2024	2023
Non-current		
Loans		
Unsecured, considered good		
Loans to employees	1	1
Total non-current loans	1	1
Current		
Other loans		
Loans to employees	248	255
Total current loans	248	255
Total loans	249	256

2.5 Other financial assets

(In ₹ lakh)

Particulars	As at March 31, 2024	2023
Non-current		
Security deposits	1	1
Unbilled revenues	2,768	3,938
Total non-current other financial assets	2,769	3,939
Current		
Restricted deposits*	6,517	6,043
Unbilled revenues (1)#	34,411	30,023
Interest accrued but not due	2,353	2,350
Others (2)	113	310
Total current other financial assets	43,394	38,726
Total other financial assets	46,163	42,665
Financial assets carried at amortized cost	46,163	42,665
(1) Includes dues from fellow subsidiaries (Refer to Note 2.21)	–	210
(2) Includes dues from fellow subsidiaries (Refer to Note 2.21)	–	3

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

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

2.6 Trade receivables

(In ₹ lakh)

Particulars	As at March 31, 2024	2023
Trade receivable considered good - Unsecured (1)	19,041	21,620
Less: Allowance for expected credit loss	2,505	2,141
Trade receivable considered good - Unsecured	16,536	19,479
Trade receivable - credit impaired - Unsecured	–	–
Less: Allowance for credit impairment	–	–
Trade receivable - credit impaired - Unsecured	–	–
Total trade receivables	16,536	19,479
(1) Includes dues from holding company and fellow subsidiaries (Refer to Note 2.21)	639	528

The trade receivables ageing schedule for the year ended March 31, 2024 is as follows:

(In ₹ lakh)

Particulars	Not due	< 6 months	6 months - 1 year	1-2 years	2-3 years	>3 years	Total
Undisputed trade receivables – considered good	6,151	9,470	2,509	513	210	188	19,041
Undisputed trade receivables – credit impaired	–	–	–	–	–	–	–
Disputed trade receivables – considered good	–	–	–	–	–	–	–
Disputed trade receivables – credit impaired	–	–	–	–	–	–	–
Less: Allowance for credit loss	–	–	–	–	–	–	2,505
Total trade receivables	6,151	9,470	2,509	513	210	188	16,536

The trade receivables ageing schedule for the year ended March 31, 2023 was as follows:

(In ₹ lakh)

Particulars	Not due	< 6 months	6 months - 1 year	1-2 years	2-3 years	>3 years	Total
Undisputed trade receivables – considered good	13,094	6,203	961	688	252	422	21,620
Undisputed trade receivables – credit impaired	–	–	–	–	–	–	–
Disputed trade receivables – considered good	–	–	–	–	–	–	–
Disputed trade receivables – credit impaired	–	–	–	–	–	–	–
Less: Allowance for credit loss	–	–	–	–	–	–	2,141
Total trade receivables	13,094	6,203	961	688	252	422	19,479

2.7 Cash and cash equivalents

(In ₹ lakh)

Particulars	As at March 31,	
	2024	2023
Balances with banks		
In current and deposit accounts	41,151	60,322
Total cash and cash equivalents	41,151	60,322
Deposit accounts with more than 12 months maturity	–	–
Balances with banks held as margin money deposits against guarantees	–	–

Cash and cash equivalents as at March 31, 2024 and March 31, 2023 does not include any restricted cash and bank balances.

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

2.8 Other assets

(In ₹ lakh)

Particulars	As at March 31, 2024	2023
Non-current		
Advances other than capital advances		
Others		
Prepaid expenses	167	117
Cost of fulfilment	4,194	4,087
Prepaid gratuity (Refer to Note 2.19)	352	812
Unbilled revenues [1]	3,713	2,757
Total non-current other assets	8,426	7,773
Current		
Advance other than capital advances		
Payment to vendors for supply of goods / services	54	225
Others		
Unbilled revenues[1]	9,133	11,450
Prepaid expenses	5,720	3,687
Withholding taxes and others*	5,638	5,663
Cost of fulfilment	1,691	2,319
Total current other assets	22,236	23,344
Total other assets	30,662	31,118

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

* Withholding taxes and others primarily consist of input tax credits

2.9 Financial instruments

Accounting policy

2.9.1 Initial recognition

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

2.9.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

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

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

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

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

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

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

b. Derivative financial instruments

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

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

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

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

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

2.9.3 Derecognition of financial instruments

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

2.9.4 Fair value of financial instruments

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

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

2.9.5 Impairment

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

Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2024 are as follows:

(In ₹ lakh)

Particulars	Note	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
			Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:								
Cash and cash equivalents	2.7	41,151	–	–	–	–	41,151	41,151
Investments- Liquid mutual funds units	2.3	–	–	49,721	–	–	49,721	49,721
Trade receivables	2.6	16,536	–	–	–	–	16,536	16,536
Loans	2.4	249	–	–	–	–	249	249
Other financial assets [(1)]	2.5	46,163	–	–	–	–	46,163	46,163
Total		1,04,099	–	49,721	–	–	1,53,820	1,53,820
Liabilities:								
Trade payables	2.12	4,008	–	–	–	–	4,008	4,008
Other financial liabilities	2.11	32,286	–	–	–	–	32,286	32,286
Total		36,294	–	–	–	–	36,294	36,294

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

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

(In ₹ lakh)

Particulars	Note	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
			Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:								
Cash and cash equivalents	2.7	60,322	–	–	–	–	60,322	60,322
Investments- Liquid mutual funds units	2.3	–	–	40,533	–	–	40,533	40,533
Trade receivables	2.6	19,479	–	–	–	–	19,479	19,479
Loans	2.4	256	–	–	–	–	256	256
Other financial assets [(1)]	2.5	42,665	–	–	–	–	42,665	42,665
Total		1,22,722	–	40,533	–	–	1,63,255	1,63,255
Liabilities:								
Trade payables	2.12	3,312	–	–	–	–	3,312	3,312
Other financial liabilities	2.11	38,826	–	–	–	–	38,826	38,826
Total		42,138	–	–	–	–	42,138	42,138

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

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, 2024 is as follows:

(In ₹ lakh)

Particulars	As on March 31, 2024	Fair value measurement at end of the reporting period / year using		
		Level 1	Level 2	Level 3
Assets				
Investment in liquid mutual fund units (Refer to Note 2.3)	49,721	49,721	–	–

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

(In ₹ lakh)

Particulars	As on March 31, 2023	Fair value measurement at end of the reporting period / year using		
		Level 1	Level 2	Level 3
Assets				
Investment in liquid mutual fund units (Refer to Note 2.3)	40,533	40,533	–	–

The analysis of foreign currency risk from financial instruments as of March 31, 2024 is as follows:

(In ₹ lakh)

Particulars	US Dollar	Euro	United Kingdom Pound Sterling	Australian Dollar	Other currencies	Total
Net financials assets	27,855	1,785	713	(583)	71,561	1,01,331
Net financial liabilities	(13,689)	(479)	(79)	(8)	(21,228)	(35,483)
Total	14,166	1,306	634	(591)	50,333	65,848

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

(In ₹ lakh)

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

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 ₹ 16,536 lakh and ₹19,749 lakh as of March 31, 2024 and March 31, 2023 respectively and unbilled revenue amounting to ₹ 50,025 lakh and ₹ 48,169 lakh as of March 31, 2024 and March 31, 2023, respectively. Credit risk has always been managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The company uses a provision matrix to compute the expected credit losses on the customer balances based on internal and external factors.

(In ₹ lakh)

Particulars	As at March 31,	
	2024	2023
Balance at the beginning	2,546	882
Provisions recognized	423	1,782
Write-offs	(280)	(188)
Translation differences	34	70
Balance at the end	2,723	2,546

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, 2024, the Company had a working capital of ₹ 88,292 lakh including cash and cash equivalents of ₹ 41,151 lakh and current investments of ₹ 49,721. As of March 31, 2023, the Company had a working capital of ₹ 104,586 lakh including cash and cash equivalents of ₹ 60,322 lakh and current investments of ₹ 40,533 lakh.

As of March 31, 2024 and March 31, 2023, the outstanding compensated absences were ₹ 1,719 lakh and ₹ 1,529 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, 2024 are as follows:

(In ₹ lakh)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	4,008	–	–	–	4,008
Other liabilities	30,567	–	–	–	30,567
	34,575	–	–	–	34,575

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

(In ₹ lakh)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	3,312	–	–	–	3,312
Other liabilities	37,297	–	–	–	37,297
	40,609	–	–	–	40,609

2.10 Equity

Share capital

Accounting policy

Ordinary shares

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

Description of reserves

Retained earnings

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

Other components of equity

Other components of equity consist of remeasurement of net defined benefit liability/asset net of taxes

Share capital

(In ₹ lakh, except as otherwise stated)

Particulars	As at March 31,	
	2024	2023
Authorized		
Equity shares ₹10 par value		
410,00,00,000 (410,00,00,000) equity shares	4,10,000	4,10,000
Issued, subscribed and paid-up		
Equity shares ₹10 par value	1,31,184	1,31,184
131,18,40,000 (131,18,40,000) equity shares fully paid-up and held by the holding company, Infosys Limited		
	1,31,184	1,31,184

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

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

The details of shareholder holding more than 5% shares as at March 31, 2024 and March 31, 2023 are as follows:

Name of the shareholder	As at March 31,			
	2024		2023	
	Number of shares	% held	Number of shares	% held
Infosys Limited, holding company	1,31,18,40,000	100	1,31,18,40,000	100

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2024 and March 31, 2023 is as follows:

Particulars	As at March 31,			
	2024		2023	
	Number of shares	Amount	Number of shares	Amount
Number of shares at the beginning and end of the year	1,31,18,40,000	13,11,84,00,000	1,31,18,40,000	13,11,84,00,000

The details of shareholding of promoters as at March 31, 2024 and March 31, 2023 are as follows:

Promoter Name	As at March 31,					
	2024			2023		
	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

2.10.1 Dividend

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

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

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

(in ₹)

Particulars	As at March 31,	
	2024	2023
Interim dividend for fiscal 2023	–	2.10
Final dividend for fiscal 2023	3.05	–
Interim dividend for fiscal 2024	2.50	–
Second interim special dividend for fiscal 2024	2.75	–

During the year ended March 31, 2024, on account of the final dividend for fiscal 2023, interim dividend for fiscal 2024, and second interim special dividend for fiscal 2024, the Company has incurred a net cash outflow of ₹108,883 lakh.

The Board of Directors, at its meeting on April 16, 2024, recommended a final dividend of ₹4 per equity share for the financial year ended March 31, 2024. This payment is subject to the approval of shareholders in the Annual General Meeting (AGM) of the Company proposed to be held on July 15, 2024 and if approved, would result in a net cash outflow of approximately ₹52,474 lakh.

2.11 Other financial liabilities

(In ₹ lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Accrued compensation to employees	4,673	4,179
Capital creditors	734	604
Compensated absences	1,719	1,529
Accrued expenses [(1)]	24,930	32,120
Other payables [(2)]	230	394
Total current other financial liabilities	32,286	38,826
Total other financial liabilities	32,286	38,826
Financial liability carried at amortized cost	32,286	38,826
[(1)] Includes dues to holding company and fellow subsidiaries (Refer to Note 2.21)	10,487	11,319
[(2)] Includes dues to fellow subsidiaries (Refer to Note 2.21)	9	4

2.12 Trade payables

(In ₹ lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Trade payables [(1)]	4,008	3,312
Total trade payables	4,008	3,312
[(1)] Includes dues to holding company/fellow subsidiaries (Refer to Note 2.21)	79	296

As at March 31, 2024, 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

The trade payables ageing schedule for the year ended as on March 31, 2024 is 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	475	–	–	–	–	475
Others	3,330	203	–	–	–	3,533
Disputed dues – MSME	–	–	–	–	–	–
Disputed dues – Others	–	–	–	–	–	–
Total trade payables	3,805	203	–	–	–	4,008

The trade payables ageing schedule for the year ended as on March 31, 2023 was 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	582	–	–	–	–	582
Others	2,802	(72)	–	–	–	2,730
Disputed dues – MSME	–	–	–	–	–	–
Disputed dues – Others	–	–	–	–	–	–
Total trade payables	3,384	(72)	–	–	–	3,312

2.13 Other liabilities

(In ₹ lakh)

Particulars	As at March 31,	
	2024	2023
Current		
Unearned revenue	18,790	15,896
Withholding taxes and other taxes	5,501	9,448
Total current other liabilities	24,291	25,344
Total other liabilities	24,291	25,344

2.14 Provisions

Accounting policy

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

a. Post sales client support and others

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

b. Onerous contracts

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

Provision for Post sales client support and others

(In ₹ lakh)

Particulars	As at March 31,	
	2024	2023
Current		
Others		
Post-sales client support and others	78	116
Total provisions	78	116

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

(In ₹ lakh)

Particulars	As at March 31,	
	2024	2023
Balance at the beginning	116	142
Provisions recognized / (reversal)	10	8
Provision utilized	(46)	(31)
Translation differences	(2)	(3)
Balance at the end	78	116

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

2.15 Income taxes

Accounting policy

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

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. Tax benefits of deductions earned on exercise of employee share options in excess of compensation charged to income are credited to securities premium.

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

(In ₹ lakh)

Particulars	As at March 31,	
	2024	2023
Current taxes	34,545	34,049
Deferred taxes	(467)	(284)
Income tax expense	34,078	33,765

The applicable Indian corporate statutory tax rate for the year ended on March 31, 2024 is 25.17%. New Income tax regime as per The Taxation Laws (Amendment) Act, 2019 is opted by the Company from Financial Year 2019-20 onwards.

Income tax expense for the 12 months ended March 31, 2024 and March 31, 2023 includes provision of ₹ 3,014 lakh and provision of ₹ 1,540 lakh respectively, pertaining to prior periods on adjudication of certain matters in favor of the Company and upon filing of returns.

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,	
	2024	2023
Profit before income taxes	1,17,566	1,26,754
Enacted tax rates in India	25.17%	25.17%
Computed expected tax expense	29,589	31,901
Overseas taxes, net of foreign tax credit	930	(69)
Prior year taxes	3,022	1,540
Effect of non-deductible expenses	531	394
Tax on dividend received from subsidiaries		
Others	6	(1)
Income tax expense	34,078	33,765

The applicable Indian statutory tax rates for fiscal 2024 is 25.17% and fiscal 2023 is 25.17%.

The details of income tax assets and income tax liabilities as of March 31, 2024 and March 31, 2023 are as follows:

(In ₹ lakh)

Particulars	As at March 31,	
	2024	2023
Income tax assets	14,704	22,773
Current income tax liabilities	24,331	10,475
Net current income tax assets/ (liabilities) at the end	(9,627)	12,298

The gross movement in the current income tax asset for the years ended March 31, 2024 and March 31, 2023 are as follows:

(In ₹ lakh)

Particulars	As at March 31,	
	2024	2023
Net current income tax assets at the beginning	12,298	9,166
Income tax paid	12,621	37,181
Current income tax expense (Refer to Note 2.15)	(34,545)	(34,049)
Net current income tax assets/ (liabilities) at the end	(9,627)	12,298

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, 2024	As at March 31, 2023
Deferred income tax assets		
Trade receivables	685	641
Compensated absences	433	385
Others	357	29
Total deferred income tax assets	1,475	1,055
Deferred income tax liabilities		
Property, plant and equipment	75	112
Financial instruments	61	71
Total deferred income tax liabilities	136	183
Deferred income tax assets after set off	1,339	872
Deferred income tax liabilities after set off	–	–

The gross movement in the deferred income tax account for the years ended March 31, 2024 and March 31, 2023 is as follows:

(In ₹ lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Net deferred income tax asset at the beginning	872	588
Credits relating to temporary differences (Refer to Note 2.15)	467	284
Net deferred income tax asset at the end	1,339	872

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

2.16 Revenue from operations

Accounting policy

The Company derives revenues primarily from business IT services comprising of software development and related services, consulting and package implementation and from the licensing of software products and platforms across our core and digital offerings ("together called as software-related services").

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Arrangements with customers for software related services are either on a fixed-price, fixed-timeframe or on a time-and-material basis.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as contract asset (Unbilled Revenue). Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Revenues in excess of invoicing are classified as contract asset while invoicing in excess of revenues are classified as contract liability (Unearned Revenues). Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement.

In arrangements for software development and related services and maintenance services, the Company has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company uses the expected cost plus margin approach in estimating the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Revenue from licenses whether the customer obtains a "right to access" is recognized over the access period. Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS). The Company has applied the principles under Ind AS 115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the same have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost plus margin approach. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized ratably over the period in which the services are rendered.

Advances received for services and products are reported as contract liabilities until all conditions for revenue recognition are met.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Certain eligible, 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.

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

Revenue from operations for the years ended March 31, 2024 and March 31, 2023 are as follows :

(In ₹ lakh)

Particulars	Year ended March 31,	
	2024	2023
Revenue from operations	3,56,938	3,44,628
Total revenue from operations	3,56,938	3,44,628

Trade receivables and contract balances

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognized as related service are performed. Revenue for fixed-price maintenance contracts is recognized on a straight line basis over the period of the contract. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

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

Invoicing in excess of earnings are classified as unearned revenue.

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

During the years ended March 31, 2024 and March 31, 2023, the Company recognized revenue of ₹13,659 lakh and ₹13,387 lakh arising from opening unearned revenue as of April 1, 2023 and April 1, 2022, respectively.

During the years ended March 31, 2024 and March 31, 2023, ₹11,829 lakh and ₹3,727 lakh of unbilled revenue pertaining to other fixed-price and fixed-timeframe contracts as of April 1, 2023 and April 1, 2022, respectively, has been reclassified to trade receivables upon billing to customers on completion of milestones

Performance obligations and remaining performance obligations

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

The aggregate value of performance obligations that are completely or partially unsatisfied as of March 31, 2024, other than those meeting the exclusion criteria mentioned above is ₹1,01,296 lakh. Out of this, the Group expects to recognize revenue of around 47.5% within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, Based on current assessment, the occurrence of the same is expected to be remote.

2.17 Other income, net

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

Foreign currency-Accounting policy

Functional currency

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees (rounded off to lakh).

Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of profit and loss and reported within exchange gains/(losses) on translation of assets and liabilities, net. Non-monetary assets and liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. The related revenue and expense are recognized using the same exchange rate.

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

Other income for the years ended March 31, 2024 and March 31, 2023 are as follows :

(In ₹ lakh)

Particulars	Year ended March 31,	
	2024	2023
Interest Income received on financial assets - carried at amortized cost:		
Deposits with banks and others	4,558	3,564
Profit on sale of property, plant and equipment	2	13
Exchange gain / (loss) on translation of assets and liabilities	(244)	1,697
Gain on investment carried at fair value through profit or loss	2,541	1,876
Exchange losses on foreign currency forward and options contracts	–	(17)
Interest income on Income tax refund	2,726	–
Miscellaneous income	45	9
Total other income	9,628	7,142

2.18 Expenses

(In ₹ lakh)

Particulars	Year ended March 31, 2024	2023
Employee benefit expenses		
Salaries including bonus	70,680	66,266
Contribution to provident and other funds	3,685	3,660
Staff welfare	887	849
	75,252	70,775
Travel expenses		
Overseas travel expenses	7,607	5,699
Travelling and conveyance	602	826
	8,209	6,525
Cost of software packages and others		
For own use	14,105	10,632
Third party items bought for service delivery to clients	11,822	11,117
	25,927	21,749
Other expenses		
Repairs and maintenance	1,408	1,592
Brand and marketing	6,912	6,321
Communication expenses	859	816
Operating lease payments	2,495	2,942
Rates and taxes	118	103
Commission charge	3,508	3,249
Fuel and power	397	417
Consumables	111	(7)
Reversal for post-sales client support and others	(37)	(28)
Impairment loss recognized on financial assets	419	1,765
Contributions towards Corporate Social Responsibility	2,108	1,606
Cost of fulfilment – Amortization	1,238	770
Auditor's remuneration		
Statutory audit fees	36	36
Others	517	455
	20,089	20,037

2.19 Employee benefits

Accounting policy

2.19.1 Gratuity

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

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

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income, net of taxes, and are not reclassified to the Statement of Profit and Loss in subsequent period. The actual return of the portfolio of plan assets in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in Other Comprehensive Income. The effect of any plan amendments is recognized in net profits in the statement of Profit and Loss.

2.19.2 Superannuation

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

2.19.3 Provident Fund

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. Amounts collected under the provident fund plan are deposited in a Government administered provident fund. The Company has no further obligations under the provident fund plan beyond its monthly contributions.

2.19.4 Compensated absences

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

a. Gratuity

The funded status of the gratuity plans and the amounts recognized in the Company's financial statements as of March 31, 2024 and March 31, 2023 is as follows:

(In ₹ lakh)

Particulars	As at March 31,	
	2024	2023
Change in benefit obligations		
Benefit obligations at the beginning	7,049	7,370
Service cost	606	660
Interest expense	489	455
Transfer of obligation	(18)	214
Remeasurements – Actuarial (gains)/ losses	(37)	(700)
Benefits paid	(309)	(950)
Benefit obligations at the end	7,780	7,049
Change in plan assets		
Fair value of plan assets at the beginning	7,861	8,031
Interest income	546	496
Transfer of assets	(43)	167
Benefits paid	(309)	(950)
Fair value of plan assets at the end	8,133	7,861
Funded status	352	812
Prepaid gratuity benefit	352	812

The amount for the years ended March 31, 2024 and March 31, 2023 recognized in the Statement of Profit and Loss under employee benefit expenses is as follows:

(In ₹ lakh)

Particulars	Year ended March 31,	
	2024	2023
Service cost	606	660
Net interest on the net defined benefit liability/(asset)	(57)	(40)
Net gratuity cost	549	620

The amount for the years ended March 31, 2024 and March 31, 2023 recognized in the Statement of Other Comprehensive Income is as follows:

(In ₹ lakh)

Particulars	Year ended March 31,	
	2024	2023
Remeasurements of the net defined benefit liability/ (asset)		
Actuarial (gains) / losses	(37)	(700)
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability / (asset)	(78)	(117)
	(115)	(817)

(In ₹ lakh)

Particulars	Year ended March 31,	
	2024	2023
(Gain) / loss from change in financial assumptions	40	(227)
(Gain) / loss from change in experience	(77)	(473)
	(37)	(700)

The weighted-average assumptions used to determine benefit obligations as at March 31, 2024 and March 31, 2023 are as follows:

(in %)

Particulars	As at March 31,	
	2024	2023
Discount rate	7.0	7.1
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 years ended March 31, 2024 and March 31, 2023 are as follows:

Particulars	As at March 31,	
	2024	2023
Discount rate	7.1%	6.5%
Weighted average rate of increase in compensation levels	7.5%	7.5%
Weighted average duration of defined benefit obligation	5.8 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, 2024
Discount rate	404
Weighted average rate of increase in compensation level	360

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, 2024 and March 31, 2023, the plan assets have been primarily invested in insurer managed funds.

Actual return on assets for the years ended March 31, 2024 and March 31, 2023 are ₹ 546 lakh and ₹ 496 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	1,219
1-2 years	1,159
2-3 years	1,186
3-4 years	1,159
4-5 years	1,226
5-10 years	5,660

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

b. Provident fund

The Company contributed ₹ 3,119 lakh during the year ended March 31, 2024 (₹ 3,027 lakh for the year ended March 31, 2023).

c. Superannuation

The Company contributed ₹ 794 lakh during the year ended March 31, 2024 (₹ 808 lakh for the year ended March 31, 2023).

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

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

(In ₹ lakh)

Particulars	As at March 31,	
	2024	2023
Contingent liabilities :		
Claims against the Company, not acknowledged as debts [1]	24,999	13,721
Commitments :		
Estimated amount of unexecuted capital contracts and not provided for (net of advances and deposits)[2]	87	1,130

[1] As at March 31, 2024, claims against the Company not acknowledged as debts in respect of income tax matters amounted to ₹16,426 lakh and in respect of Central Excise and VAT/CST matters amounted to ₹8,573 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 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 ₹26,098 lakh.

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] 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 reasonably expects that these legal actions, when ultimately concluded and determined, will not have a material and adverse effect on the Company's results of operations or financial condition.

2.21 Related party transactions

List of related parties:

Name of Holding company	Country	Holding as at March 31,	
		2024	2023
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 Austria GmbH[1]	Austria
Skava Systems Private Limited (Skava Systems)[1][22]	India
Infosys Chile SpA[1]	Chile
Infosys Arabia Limited[2][22]	Saudi Arabia
Infosys Consulting Ltda.[1]	Brazil
Infosys Luxembourg S.a.r.l[1]	Luxembourg
Infosys Americas Inc. (Infosys Americas)[1][30]	U.S.
Infosys Consulting S.R.L.[1][19]	Argentina
Infosys Consulting S.R.L.[1]	Romania
Infosys Limited Bulgaria EOOD[1]	Bulgaria
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[1]	Turkey
Infosys Germany Holding Gmbh[1]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1]	Germany
Infosys Green Forum[1]	India
Infosys Business Solutions LLC[1]	Qatar
WongDoody Inc. [1]	U.S.
Danske IT and Support Services India Private Limited (Danske IT) [1][32]	India
Infosys Public Services, Inc. USA (Infosys Public Services)[1]	U.S.
Infosys Public Services Canada Inc. [12][23]	Canada
Infosys BPM Limited[1]	India
Infosys BPM UK Limited[3]	U.K.
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 BPM Canada Inc [3][31][36]	Canada
Panaya Inc. (Panaya)[1]	U.S.
Panaya Ltd.[4]	Israel
Panaya Germany GmbH [4][27]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[1][22]	U.K.
Brilliant Basics Limited [5][22]	U.K.
Infosys Consulting Holding AG [1]	Switzerland
Infosys Management Consulting Pty Limited[6]	Australia
Infosys Consulting AG[6]	Switzerland
Infosys Consulting GmbH[6]	Germany

Name of fellow subsidiaries	Country
Infosys Consulting SAS[(6)]	France
Infy Consulting B.V.[(6)]	The Netherlands
Infosys Consulting (Belgium) NV[(6)]	Belgium
Infy Consulting Company Ltd[(6)]	U.K.
GuideVision s.r.o.[(7)]	Czech Republic
GuideVision Deutschland GmbH[(8)]	Germany
GuideVision Suomi Oy[(8)]	Finland
GuideVision Magyarország Kft[(8)]	Hungary
GuideVision Polska Sp. z.o.o[(8)]	Poland
GuideVision UK Ltd[(8)(22)]	U.K.
Infosys Nova Holdings LLC. (Infosys Nova)[(1)]	U.S.
Outbox systems Inc. dba Simplus (US)[(9)]	U.S.
Simplus ANZ Pty Ltd.[(10)]	Australia
Simplus Australia Pty Ltd[(11)]	Australia
Simplus Philippines, Inc.[(10)]	Philippines
Kaleidoscope Animations, Inc.[(9)]	U.S.
Kaleidoscope Prototyping LLC[(18)(34)]	U.S.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[(9)]	U.S.
Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)[(1)]	Singapore
Infosys Financial Services GmbH. (formerly Panaya GmbH) [(13)(29)]	Germany
Infosys South Africa (Pty) Ltd[(13)]	South Africa
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[(13)]	Malaysia
Infosys Middle East FZ LLC [(13)]	Dubai
Infosys Norway [(13)(28)]	Norway
Infosys Compaz Pte. Ltd [(14)]	Singapore
HIPUS Co., Ltd[(14)]	Japan
Fluido Oy [(13)]	Finland
Fluido Sweden AB [(15)]	Sweden
Fluido Norway A/S[(15)]	Norway
Fluido Denmark A/S[(15)]	Denmark
Fluido Slovakia s.r.o[(15)]	Slovakia
Infosys Fluido UK, Ltd.[(15)]	U.K.
Infosys Fluido Ireland, Ltd.[(16)]	Ireland
Stater N.V.[(14)]	The Netherlands
Stater Nederland B.V.[(17)]	The Netherlands
Stater XXL B.V.[(17)]	The Netherlands
HypoCasso B.V.[(17)]	The Netherlands
Stater Participations B.V.[(35)]	The Netherlands
Stater Belgium N.V./S.A.[(17)(35)]	Belgium
Stater Gmbh[(17)]	Germany
Infosys Germany GmbH (formerly Kristall 247. GmbH (“Kristall”))[(13)]	Germany
WongDoody Gmbh (formerly known as oddity GmbH) [(20)]	Germany
WongDoody (Shanghai) Co. Limited (formerly known as oddity (Shanghai) Co., Ltd.) [(21)]	China
WongDoody limited (Taipei) (formerly known as oddity Limited (Taipei)) [(21)]	Taiwan
oddity space GmbH [(20)(33)]	Germany

Name of fellow subsidiaries	Country
oddity jungle GmbH [20][33]	Germany
oddity code GmbH [20][33]	Germany
WongDoody d.o.o (formerly known as oddity code d.o.o) [21][33]	Serbia
oddity waves GmbH [20][33]	Germany
oddity group services GmbH [20][33]	Germany
BASE life science A/S [13][24]	Denmark
BASE life science AG [25]	Switzerland
BASE life science GmbH [25]	Germany
BASE life science S.A.S [25]	France
BASE life science Ltd. [25]	U.K.
BASE life science S.r.l. [25]	Italy
Innovisor Inc.[25]	U.S.
BASE life science Inc.[25]	U.S.
BASE life science S.L.[25][26]	Spain

(1) Wholly-owned subsidiary of Infosys Limited

(2) Majority-owned and controlled subsidiary of Infosys Limited

(3) Wholly-owned subsidiary of Infosys BPM Limited

(4) Wholly-owned subsidiary of Panaya Inc.

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

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

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

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

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

(10) Wholly-owned subsidiary of Outbox systems Inc. dba Simplus (US)

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

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

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

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

(15) Wholly-owned subsidiary of Fluido Oy

(16) Wholly-owned subsidiary of Infosys Fluido UK, Ltd.

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

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

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

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

(21) Wholly-owned subsidiary of WongDoody Gmbh (formerly known as oddity GmbH)

(22) Under liquidation

(23) Incorporated on July 8, 2022

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

(25) Wholly-owned subsidiary of BASE life science A/S

(26) Incorporated on September 6, 2022

(27) Incorporated effective December 15, 2022

(28) Incorporated effective September 15, 2023

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

(30) Liquidated effective July 14, 2023

(31) Incorporated on August 11, 2023

(32) On September 1, 2023 Infosys Ltd. acquired 100% of voting interests in Danske IT and Support Services India Private Limited ("Danske IT").

(33) On September 29, 2023, oddity space GmbH, oddity waves GmbH, oddity jungle GmbH, oddity group services GmbH and oddity code GmbH merged into WongDoody GmbH and oddity code d.o.o which was formerly a subsidiary of oddity code Gmbh has become a subsidiary of WongDoody Gmbh (formerly known as oddity GmbH).

[34] Kaleidoscope Prototyping LLC, a wholly-owned subsidiary of Kaleidoscope Animations is liquidated effective November 1, 2023

[35] On November 24, 2023, Stater Participations B.V (a wholly-owned subsidiary of Stater N.V.) merged with Stater N.V. and Stater Belgium N.V./S.A which was formerly a wholly owned subsidiary of Stater Participations B.V. became a wholly owned subsidiary of Stater N.V.

[36] On March 15, 2024, Infosys BPM Canada Inc., a wholly-owned subsidiary of Infosys BPM Limited got dissolved.

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

Karmesh Vaswani, Whole-time Director

Inderpreet Sawhney, Director

Martha Geiger King, Director

Dennis Kantilal Gada, Director

Sateesh Seetharamiah, Whole-time Director

Sanat Rao (resigned as on January 20, 2024)

Executive officers

Rajesh Kini, Chief Financial Officer (resigned as on January 17, 2024)

P Prakash, Chief Financial Officer (appointed as on January 18, 2024)

Prakash Bharadwaj, Company Secretary

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

(In ₹ lakh)

Particulars	As at March 31,	
	2024	2023
Trade receivables		
Infosys Public Services	1	–
Infosys BPM Limited	129	7
Infosys Mexico	133	57
Infosys Ltd	158	112
Infosys Sweden	189	352
HIPUS Co., Ltd	29	–
	639	528
Other financial assets		
Infosys BPM Limited	–	3
	–	3
Unbilled revenue		
HIPUS Co., Ltd	–	210
	–	210
Trade payables		
Infosys Limited	–	216
Infy Consulting Company Limited	–	37
Infosys Middle East FZ-LLC	20	–
Infosys South Africa (Pty) Ltd	9	–
Infosys BPM Limited	50	43
	79	296

Particulars	As at March 31,	
	2024	2023
Other current financial liabilities		
Infosys BPM Limited	9	4
	9	4
Accrued expenses		
Infosys Public Services	19	20
Infosys BPM Limited	66	175
Infosys Sweden	301	449
Infosys Limited	10,101	10,675
	10,487	11,319

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,	
	2024	2023
Revenue transactions:		
Sale of services		
Infosys Limited	1,924	2,009
Infosys Public Services	15	12
Infosys Sweden	1,304	1,378
Infosys Mexico	472	626
Infosys BPM Limited	852	(55)
HIPUS Co., Ltd	31	210
	4,598	4,180
Purchase of services		
Infosys Limited	96,111	82,256
Infosys Middle East FZ-LLC	218	–
Infosys South Africa (Pty) Ltd	53	–
Infy Consulting Company Limited	37	203
Infosys BPM Limited	613	633
	97,032	83,092
Purchase of shared services including facilities and personnel		
Infosys Limited	2,457	2,760
	2,457	2,760
Dividend paid		
Infosys Limited	1,08,883	27,549
	1,08,883	27,549
Any other transactions		
Infosys Foundation	2,108	1,606
	2,108	1,606

Note: Excludes certain transactions with Infosys, which are pertaining to contracts pending novation upon business transfer and held in trust by Infosys.

Transaction with key managerial personnel

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

(In ₹ lakh)

Particulars	As at March 31,	
	2024	2023
Salaries and other employee benefits to whole-time directors and executive officers [(1)]	910	1,545
Commission and other benefits to non-executive/independent directors	–	–
Total	910	1,545

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

2.22 Corporate social responsibility

As per Section 135 of the Companies Act 2013, a 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. A CSR committee has been formed by the Company as per the act. The areas for CSR activities are eradication of hunger, poverty, and malnutrition, promoting education and healthcare, and rural development projects. The funds were primarily utilized throughout the year on these activities, which are specified in Schedule VII of the Companies Act, 2013.

Particulars		As at March 31,	
		2024	2023
i)	Amount required to be spent by the Company during the year	2,098	1,596
ii)	Amount of expenditure incurred	2,108	1,606
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)]	2,108	1,606
viii)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	–	–

Note: Eradication of hunger and malnutrition, promoting education, women empowerment, art and culture, healthcare, destitute care and rehabilitation, disaster relief, and rural development projects

(1) Effective January 1, 2022, Infosys Foundation, a trust jointly controlled by the KMP of Infosys Limited is a related party. For the year ending March 31, 2024, the Company has made contributions to Infosys foundation to fulfil its corporate social responsibilities. Infosys Foundation supports programs in the areas of education, rural development, healthcare, arts and culture, and destitute care.

2.23 Segment reporting

The Company's business activity, falls within a single primary business segment, i.e. providing Products and platforms and related services. Accordingly, disclosures as required under IND AS 108, Segment Reporting, has not been separately presented in the financial statements since the information is available directly from the Statement of Profit and Loss.

2.24 Analytical ratios

Particulars	Numerator	Denominator	As at March 31,		Movement (in %)
			2024	2023	
Current Ratio	Current assets	Current liability	2.0	2.3	(13.0)
Return on Equity (ROE)	Net profits after taxes	Average shareholder's equity	62.3	81.8	(19.5)
Trade receivables turnover ratio	Net credit revenue	Average accounts receivable	19.8	21.1	(6.0)
Trade payables turnover ratio	Net credit purchases	Average trade payables	46.6	40.5	15.1
Net capital turnover ratio	Net sales	Working capital	4.0	3.3	21.2
Net profit ratio	Net profit	Net sales	23.4	27.0	(3.6)
Return on Capital Employed (ROCE)	Earning before interest and taxes	Capital employed [(1)]	96.9	86.4	10.5
Return on Investment	Gain from Investments	Weighted average investment	6.9	5.2	1.7

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

2.25 Function-wise classification of Statement of Profit and Loss

(In ₹ lakh)

Particulars	Year ended March 31, 2024	2023
Revenue from operations	3,56,938	3,44,628
Cost of sales	2,03,831	1,80,813
Gross profit	1,53,107	1,63,815
Operating expenses		
Selling and marketing expenses	23,803	21,927
General and administration expenses	21,366	22,275
Total operating expenses	45,169	44,202
Operating profit	1,07,938	1,19,612
Other income, net	9,628	7,142
Profit before interest and tax	1,17,566	1,26,754
Finance cost	–	–
Profit before tax	1,17,566	1,26,754
Tax expense:		
Current tax	34,545	34,049
Deferred tax	(467)	(284)
Profit for the year	83,488	92,989
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of the net defined benefit liability/asset	86	612
Total other comprehensive income, net of tax	86	612
Total comprehensive income for the year	83,574	93,601

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 EdgeVerve Systems Limited

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

Gurvinder Singh
Partner
Membership No. 110128

Karmesh Vaswani
Chairman
DIN No: 10193181

Sateesh Seetharamiah
Whole-time Director
DIN No: 09328904

Bengaluru
April 16, 2024

P Prakash
Chief Financial Officer

Prakash Bharadwaj
Company Secretary
CS Membership No: 37214

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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, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of material accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements gives a true and fair view in conformity with the basis of preparation referred to in Note 1.2 of the special purpose financial statements, of the state of affairs of the Company as at March 31, 2024, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

We draw attention to Note 1.2 to the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company, Infosys Limited under the requirements of section 129 (3) of the Companies Act, 2013 and for issuing Annual Performance Report ("APR") which is required to be furnished by the Holding Company, Infosys Limited to Authorized Bank in accordance with regulation 10 of Foreign Exchange Management (Overseas Investment) Regulations. As a result, the special purpose financial statements may not be suitable for another purpose. The special purpose financial statements cannot be referred to or distributed or included or used for any other purpose except with our prior consent in writing. Our report is intended solely for the above purpose and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Our opinion is not modified in respect of this matter.

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

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

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

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

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

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

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

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

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

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

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

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

For Deloitte Haskins & Sells LLP

Chartered Accountants

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

Gurvinder Singh
Partner
Membership Number: 110128

Place: Bengaluru

Date: May 30, 2024

UDIN: 24110128BKBGXV1096

Balance Sheet

(In US$)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
ASSETS		-	
Non-current assets			
Property, plant and equipment	2.1	762,425	1,052,792
Right-of-use assets	2.12	2,525,242	3,253,386
Financial assets			
Loans	2.2	48,800,000	49,300,000
Other financial assets	2.5	7,320,467	2,079,695
Deferred tax assets (net)	2.13	3,166,591	2,762,805
Income tax assets (net)	2.13	2,201,607	984,512
Investment in subsidiary		1,600,000	1,600,000
Total non-current assets		66,376,332	61,033,190
Current assets			
Financial assets			
Trade receivables	2.3	22,179,226	44,610,346
Cash and cash equivalents	2.4	90,856,852	17,498,045
Loans	2.2	20,000,000	40,000,000
Other financial assets	2.5	23,512,308	11,533,679
Other current assets	2.6	8,036,404	16,123,524
Total current assets		164,584,790	129,765,594
Total assets		230,961,122	190,798,784
Equity and liabilities			
Equity			
Equity share capital	2.7	17,500,000	17,500,000
Other equity		146,614,693	105,152,360
Total equity		164,114,693	122,652,360
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	2.12	2,814,474	3,134,794
Total non-current liabilities		2,814,474	3,134,794
Current liabilities			
Financial liabilities			
Trade payables	2.8	12,577,140	15,076,171
Lease liabilities	2.12	305,903	198,753
Other financial liabilities	2.9	36,583,816	32,916,336
Other liabilities	2.10	10,451,491	14,537,082
Provisions	2.11	853,191	1,292,832
Income tax liabilities (net)	2.13	3,260,414	990,456
Total current liabilities		64,031,955	65,011,630
Total equity and liabilities		230,961,122	190,798,784

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

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 No. 110128

Ashiss Kumar Dash
Director

Jasmeet Singh
Director

Bhanu Prasad Narayana
Interim CEO

Place: Bengaluru
Date: May 30, 2024

Statement of Profit and Loss

(In US$, except equity share data)

Particulars	Note	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations	2.14	261,168,106	226,511,341
Other income, net	2.15	7,695,353	5,106,722
Total income		268,863,459	231,618,063
Expenses			
Employee benefit expenses	2.16	50,959,516	56,841,135
Cost of technical sub-contractors		119,767,690	132,469,680
Travel expenses		805,125	728,152
Cost of software packages and others	2.16	37,253,223	10,973,555
Consultancy and professional charges		410,403	2,189,445
Depreciation and amortization expense	2.1 and 2.12	677,930	443,629
Finance cost	2.12	123,638	32,361
Other expenses	2.16	506,773	1,873,261
Total expenses		210,504,298	205,551,218
Profit / (loss) before tax		58,359,161	26,066,845
Tax expense / (benefit):			
Current tax	2.13	17,300,614	7,554,289
Deferred tax	2.13	(403,786)	(122,971)
Profit / (loss) for the period		41,462,333	18,635,527
Other comprehensive income			
Exchange difference on translation of foreign operations		–	–
Total comprehensive income for the period		41,462,333	18,635,527
Earnings per equity share			
Earnings per equity share of $0.5 each			
Basic and diluted		1.18	0.53
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 statement.

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 No. 110128

Ashiss Kumar Dash
Director

Jasmeet Singh
Director

Bhanu Prasad Narayana
Interim CEO

Place: Bengaluru
Date: May 30, 2024

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 items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

(In US$)

Particulars	Note	Year ended March 31,	
		2024	2023
Cash flow from operating activities:			
Profit for the period		41,462,333	18,635,527
Adjustments to reconcile net profit to net cash provided by operating activities :			
Income tax expense	2.13	16,896,828	7,431,318
Depreciation and amortization	2.1 and 2.12	677,930	443,629
Finance cost	2.12	123,638	32,361
Interest income on loan to fellow subsidiaries	2.15	(5,142,299)	(4,929,070)
Interest income on FDs		(1,707,918)	–
Provision for post-sales client support	2.16	(396,734)	310,781
Impairment loss recognized / (reversed) under expected credit loss model	2.16	579,389	23,382
Exchange difference on translation of assets and liabilities		107,616	567,137
Gain on lease modifications	2.12	–	(132,784)
Gain on asset sale		(7,434)	–
Changes in assets and liabilities			
Trade receivables and unbilled revenue		5,750,696	(6,893,075)
Loans, other financial assets and other assets		5,878,783	(3,811,084)
Trade payables	2.8	(2,499,031)	(3,631,933)
Other financial liabilities, other liabilities and provisions		(461,018)	12,235,186
Cash generated from operations		61,262,778	20,281,375
Income taxes paid		(16,244,873)	(7,814,000)
Net cash generated from operations		45,017,905	12,467,375
Cash flow from investing activities			
Expenditure on property, plant and equipment		(196,961)	(780,883)
Proceeds from sale of property, plant and equipment		132,037	–
Loan given to fellow subsidiaries		(1,000,000)	(61,800,000)
Repayment of loan from fellow subsidiaries		21,500,000	1,500,000
Interest received on loan given to fellow subsidiaries		6,934,235	528,522
Investment in subsidiary		–	(1,600,000)
Interest received on FDs		1,199,953	–
Net cash from/ used in investing activities		28,569,264	(62,152,361)
Cash flow from financing activities			
Payment of lease liabilities		(336,809)	(189,902)
Net cash used in financing activities		(336,809)	(189,902)
Effect of exchange rate on translation of foreign currency cash and cash equivalents		108,446	(567,137)
Net (decrease) / increase in cash and cash equivalents		73,250,361	(49,874,888)
Cash and cash equivalents at the beginning of the period		17,498,045	67,940,070
Cash and cash equivalents at the end of the period		90,856,852	17,498,045

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

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 No. 110128

Ashiss Kumar Dash
Director

Jasmeet Singh
Director

Bhanu Prasad Narayana
Interim CEO

Place: Bengaluru
Date: May 30, 2024

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, 2022	17,500,000	86,525,404	104,025,404
Impact on adoption of amendment to Ind AS 37*	–	(8,571)	(8,571)
Changes in equity for the year ended March 31, 2023			
Profit for the period	–	18,635,527	18,635,527
Balance as at March 31, 2023	17,500,000	105,152,360	122,652,360
Balance as at April 1, 2023	17,500,000	105,152,360	122,652,360
Changes in equity for the year ended March 31, 2024			
Profit for the period	–	41,462,333	41,462,333
Balance as at March 31, 2024	17,500,000	146,614,693	164,114,693

* Impact on adoption of amendment to Ind AS 37, Provisions, Contingent liabilities and Contingent Assets.

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

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 No. 110128

Ashiss Kumar Dash
Director

Jasmeet Singh
Director

Bhanu Prasad Narayana
Interim CEO

Place: Bengaluru
Date: May 30, 2024

Overview and 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 and for issuing Annual Performance Report ("APR") which is required to be furnished by the Holding Company, Infosys Limited to Authorized Bank in accordance with regulation 10 of Foreign Exchange Management (Overseas Investment) Regulations.

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis, except for certain financials instruments which are measured at fair values, the provision 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 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 United States Dollar ("the US Dollar") and the financial statements are also presented in the US Dollar. All amounts included in the financial statements are reported in the US Dollar 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, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities at the date of financial statemen and reported amounts of income and expenses during the period. The application of accounting policies that involve critical accounting estimates involving complex and subjective judgements and the use of assumptions in the financial statements have been disclosed in Note 1.4.

Accounting estimates could change from period to period, and 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 they are made, and if material, their effects are disclosed in the notes to the financial statements.

Examples of such estimates include the computation of the percentage of completion, which requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts to be expended, impairment losses on financial assets, future obligations under employee benefit plans, income taxes, post-sales customer support, and the useful lives of property, plant, and equipment.

1.4 Critical accounting estimates

1.4.1 Revenue recognition

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

Fixed-price maintenance revenue is recognized ratably on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period. Revenue from fixed-price maintenance contract is recognized ratably using a percentage of completion method when the pattern of benefits from the services rendered to the customer and 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 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 Canada.

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, the Management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, 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 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 (Refer to Note 2.1).

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 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
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, 2024 are as follows:

(In US$)

Particulars	Office equipment	Plant and machinery	Computer equipment	Furniture and fixtures	Leasehold improvement	Total
Gross carrying value as of April 1,2023	193,376	–	923,841	179,756	772,153	2,069,126
Additions	24,517	–	86,137	7,407	78,900	196,961
Deletions	(71,683)	–	(572,328)	(87,912)	(333,834)	(1,065,756)
Gross carrying value as of March 31,2024	146,210	–	437,650	99,251	517,219	1,200,330
Accumulated depreciation as of April 1,2023	(57,452)	–	(631,958)	(74,703)	(252,221)	(1,016,334)
Depreciation	(38,300)	–	(142,714)	(29,930)	(151,781)	(362,725)
Accumulated depreciation on deletions	60,815	–	510,146	75,108	295,084	941,153
Accumulated depreciation as of March 31,2024	(34,937)	–	(264,526)	(29,525)	(108,918)	(437,906)

Particulars	Office equipment	Plant and machinery	Computer equipment	Furniture and fixtures	Leasehold improvement	Total
Carrying value as of April 1,2023	135,924	–	291,883	105,053	519,932	1,052,792
Carrying value as of March 31,2024	111,273	–	173,124	69,727	408,301	762,425

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

(In US$)

Particulars	Office equipment	Plant and machinery	Computer equipment	Furniture and fixtures	Leasehold improvement	Total
Gross carrying value as of April 1, 2022	109,385	10,053	936,683	262,275	333,834	1,652,230
Additions	116,403	–	178,338	80,972	438,319	814,032
Deletions	(32,412)	(10,053)	(191,180)	(163,491)	–	(397,136)
Gross carrying value as of March 31,2023	193,376	–	923,841	179,756	772,153	2,069,126
Accumulated depreciation as of April 1,2022	(74,027)	(10,053)	(649,111)	(219,629)	(177,836)	(1,130,656)
Depreciation	(15,837)	–	(174,027)	(18,565)	(74,385)	(282,814)
Accumulated depreciation on deletions	32,412	10,053	191,180	163,491		397,136
Accumulated depreciation as of March 31,2023	(57,452)	–	(631,958)	(74,703)	(252,221)	(1,016,334)
Carrying value as of April 1,2022	35,358	–	287,572	42,646	155,998	521,574
Carrying value as of March 31,2023	135,924	–	291,883	105,053	519,932	1,052,792

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

2.2 Loans

(In US$)

Particulars	As at March 31,	
	2024	2023
Non-current		
Loan receivables considered good – Unsecured (Refer to Note 2.18 (b))[1]	48,800,000	49,300,000
Total non-current loans	48,800,000	49,300,000
Current		
Loan receivables considered good – Unsecured (Refer to Note 2.18 (b))[1]	20,000,000	40,000,000
Total current loans	20,000,000	40,000,000
Total loans	68,800,000	89,300,000
[1] Includes loans to fellow subsidiaries (Refer to Note 2.18 (b))	68,800,000	89,300,000

2.3 Trade receivables

(In US$)

Particulars	As at March 31,	
	2024	2023
Current		
Unsecured		
Considered good [1]	23,063,339	44,964,346
Less: Allowances for credit losses	(884,113)	(354,000)
Total trade receivables	22,179,226	44,610,346
[1] Includes dues from holding company (Refer to Note 2.18 (b))	88,907	82,571

The trade receivable ageing schedule for the years ended as at March 31, 2024 and March 31, 2023 is as follows:

(In US$)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables – considered good	16,081,278	6,435,934	–	–	–	–	22,517,212
	30,855,688	14,108,658	–	–	–	–	44,964,346
Disputed trade receivables – considered good	–	–	–	546,127	–	–	546,127
	–	–	–	–	–	–	–
Less: Allowance for credit loss							(884,113)
							(354,000)
Total trade receivables							22,179,226
							44,610,346

2.4 Cash and cash equivalents

(In US$)

Particulars	As at March 31,	
	2024	2023
Balances with bank		
In current accounts	20,856,852	17,498,045
In BOA fixed deposits	70,000,000	-
	90,856,852	17,498,045

2.5 Other financial assets

(In US$)

Particulars	As at March 31,	
	2024	2023
Non-current		
Interest accrued on loan[(1)(3)]	2,269,876	2,016,197
Unbilled revenues [(1)#]	5,050,591	63,498
	7,320,467	2,079,695
Current		
Unbilled revenues [(1)#]	21,686,128	7,772,809
Interest accrued on loan[(1)(3)]	484,933	2,530,548
Others[(1)(2)]	1,341,247	1,230,322
	23,512,308	11,533,679
Total	30,832,775	13,613,374
[(1)] Financial assets carried at amortized cost.	30,832,775	13,613,374
[(2)] Includes dues from holding company and other group companies (Refer to Note 2.18 (b))	751,726	1,218,505
[(3)] Includes interest accrued on loan to fellow subsidiaries (Refer to Note 2.18 (b))	2,754,809	4,546,745

[#] 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, 2024	As at March 31, 2023
Current		
Payment to vendors for supply of goods	16,897	9,619
Prepaid expenses[3]	363,822	5,845,315
Unbilled revenue[1]	7,405,378	10,204,754
Withholding taxes[2]	250,307	4,831
Others	–	59,005
Total other current assets	8,036,404	16,123,524
[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		
[3] Includes dues from other group companies	49,466	78,862

2.7 Equity

Equity share capital

(In US$, except equity share data)

	As at March 31, 2024	As at March 31, 2023
Authorized		
Equity shares, US$ 0.5 (US$ 0.5) par value		
40,000,000 (40,000,000) equity shares	20,000,000	20,000,000
Issued, subscribed and paid-up		
Equity shares, US$ 0.5 (US$ 0.5) par value	17,500,000	17,500,000
35,000,000 (35,000,000) equity shares fully paid up		
	17,500,000	17,500,000

The Company has only one class of shares referred to as equity shares having a par value of US$ 0.5. Each holder of equity shares is entitled to one vote per share.

As at March 31, 2024, the Company had one member, Infosys Limited ("the member"). In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts.

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

Name of the shareholder	As at March 31, 2024		2023	
	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 are as follows:

(In US$, except as stated otherwise)

Particulars	As at March 31, 2024		2023	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the period	35,000,000	17,500,000	35,000,000	17,500,000
Add: Shares issued during the period	–	–	–	–
At the end of the period	35,000,000	17,500,000	35,000,000	17,500,000

Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period.

2.8 Trade payables

(In US$)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payables[1]	12,577,139	15,076,171
	12,577,139	15,076,171
[1] Includes dues to holding company and other group companies (Refer to Note 2.18(b))	7,636,596	13,702,767

The trade payable ageing schedule for the years ended as on March 31, 2024 and March 31, 2023 is as follows:

(In US$)

Particulars	Outstanding for following periods from due date of payment: Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Outstanding dues to MSME	–	–	–	–	–	–
	–	–	–	–	–	–
Others	3,972,743	8,604,397	–	–	–	12,5,77,139
	1,578,452	13,497,719	–	–	–	15,0,76,171
Total trade payables						12,577,139
						15,076,171

2.9 Other financial liabilities

(In US$)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Others		
Compensated absences	2,434,618	2,449,363
Accrued compensation to employees[1]	2,850,653	2,813,150
Accrued expenses[1]	30,057,253	25,852,881
Payable to related parties[1]*	1,181,057	719,568
Capital creditor	–	223,493
Other payables [1]	60,235	857,881
	36,583,817	32,916,336
[1]Financial liability carried at amortized cost	34,149,198	30,466,973
*Includes dues to holding company and other group companies (Refer to Note 2.18(b))	1,181,057	719,568

2.10 Other liabilities

(In US$)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Unearned revenue	9,702,597	14,343,118
Others		
Withholding taxes payable	748,894	193,964
	10,451,491	14,537,082

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 of the following:

(In US$)

Particulars	As at March 31,	
	2024	2023
Current		
Others		
Post-sales client support and other provisions	853,191	1,292,832
Total provisions	853,191	1,292,832

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

(In US$)

Particulars	For the year ended March 31,	
	2024	2023
Balance at the beginning	1,292,832	1,010,118
Provision recognized / (reversed)	(360,284)	403,809
Provision utilized	(79,357)	(121,095)
Balance at the end	853,191	1,292,832

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

2.12 Leases

Accounting Policy

The Company's lease asset classes consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contact involves the use of an identified asset (2) the Company has substantially all 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, 2024 are as follows:

(In US$)

Particulars	Buildings
Balance as of April 1, 2023	3,253,386
Addition/Adjustments*	(412,939)
Depreciation	(315,205)
Translation differences	–
Balance as of March 31, 2024	2,525,242

*Addition/Adjustment includes lease incentive

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

(In US$)

Particulars	Buildings
Balance as of April 1, 2022	1,661,158
Additions	2,744,847
Deletions	(991,803)
Depreciation	(160,816)
Translation differences	–
Balance as of March 31, 2023	3,253,386

The break-up of current and non-current lease liability as at March 31, 2024 and March 31, 2023 is as follows:

(In US$)

Particulars	As at March 31,	
	2024	2023
Current Lease Liability	305,903	198,753
Non- Current Lease Liability	2,814,474	3,134,794
Total	3,120,377	3,333,547

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

(In US$)

Particulars	Year ended March 31,	
	2024	2023
Balance as of April 1, 2023	3,333,547	1,870,827
Additions	–	2,744,847
Deletions	–	(991,803)
Interest accrued during the period	123,638	32,361
Gain on modification	–	(132,784)
Lease payments	(334,743)	(137,437)
Translation differences	(2,066)	(52,465)
Balance as of March 31, 2024	3,120,377	3,333,547

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

(In US$)

Particulars	As at March 31,	
	2024	2023
Less than one year	419,812	334,005
One to five years	1,760,122	1,730,735
More than five years	1,524,664	1,976,403
Total	3,704,598	4,041,143

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 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. 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 period is made based on the annual tax rate for financial year.

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

(In US$)

Particulars	For the year ended March 31,	
	2024	2023
Current tax	17,300,614	7,554,289
Deferred tax expense/(credit)	(403,786)	(122,971)
Income tax expense	16,896,828	7,431,319

Income tax expense for the years ended March 31, 2024 and March 31, 2023 includes reversals (net of provisions) of US$ 214,643 and US$ 473,093, respectively, pertaining to prior years.

Entire deferred income tax for the years ended March 31, 2024 and March 31, 2023 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 as follows:

(In US$)

Particulars	For the year ended March 31,	
	2024	2023
Profit before incomes taxes	58,359,162	26,066,845
Enacted tax rate	21%	21%
Computed expected tax expense	12,255,424	5,474,037
State taxes	4,085,141	1,824,679
Overseas taxes	161,930	268,369
Disallowed items	639,327	164,644
Tax pertaining to prior year	(214,643)	(473,093)
Others	(30,351)	172,683
Income tax expense	16,896,828	7,431,319

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

(In US$)

Particulars	For the year ended March 31,	
	2024	2023
Income tax assets	2,201,607	984,512
Current Income tax liabilities	(3,260,414)	(990,456)
Net income tax liabilities	(1,058,807)	(5,944)

The gross movement in the current income tax asset / (liability) for the years ended March 31, 2024 and March 31, 2023 is as follows:

(In US$)

Particulars	For the year ended March 31,	
	2024	2023
Net income tax liabilities	(5,944)	(263,011)
Income tax paid	16,244,873	7,814,000
Income tax expense	(17,300,614)	(7,554,289)
Tranlation difference	2,879	(2,644)
Net income tax liability at the end	(1,058,806)	(5,944)

The movement in gross deferred income tax assets for the year ended March 31, 2024 is as follows:

(In US$)

Particulars	Carrying value as on April 1,2023	Changes through profit and loss	Carrying value as on March 31, 2024
Deferred income tax assets			
Property, plant and equipment	(131,432)	189,299	57,868
Compensated absences	689,787	(4,242)	685,545
Accrued compensation	789,674	10,400	800,074
Provision for post-sales customer support	361,994	(123,099)	238,895
Trade receivables	161,235	162,678	323,913
Others	891,547	168,750	1,060,297
Total deferred income tax assets	2,762,805	403,786	3,166,591

The movement in gross deferred income tax assets for the year ended March 31, 2023 was as follows:

(In US$)

Particulars	Carrying value as on April 1,2022	Changes through profit and loss	Carrying value as on March 31, 2023
Deferred income tax assets			
Property, plant and equipment	184,220	(315,651)	(131,431)
Compensated absences	491,657	198,130	689,787
Accrued compensation	730,679	58,994	789,674
Provision for post-sales customer support	282,834	79,160	361,994
Trade receivables	292,089	(130,854)	161,235
Others	658,356	233,191	891,547
Total deferred income tax assets	2,639,835	122,970	2,762,805

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

(In US$)

Particulars	For the year ended March 31,	
	2024	2023
Deferred income tax assets after set off	3,166,592	2,762,805

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, 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 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, the Management believes that it is more likely than not that the Company will realize the benefit of the deductible differences as at March 31, 2024. 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 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 price and other fixed-timeframe contracts, where the performance obligations are satisfied over time is recognized using the percentage-of-completion method. Efforts or costs expended have been used to determine progress towards completion as there is a direct relationship between input and productivity. Progress towards completion is measured as the ratio of costs or efforts incurred to date (representing work performed) to the estimated total costs or efforts. Estimates of transaction price and total costs or efforts are continuously monitored over the term of the contracts and are recognized in net profit in the period when these estimates change or when the estimates are revised. Revenues and the estimated total costs or efforts are subject to revision as the contract progresses. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

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

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

Revenues for the years ended March 31, 2024 and March 31, 2023 are as follows:

(In US$)

Particulars	For the year ended March 31, 2024	2023
Revenue from software services	261,168,106	226,511,341
Total	261,168,106	226,511,341

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the years ended March 31, 2024 and March 31, 2023 by geography .

(In US$)

Particulars	For the year ended march 31, 2024	2023
Revenues by Geography*		
North America	227,781,749	221,158,267
Europe	–	(169,125)
Rest of the World	33,386,357	5,522,199
Total	261,168,106	226,511,341

* 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 assets 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. These financial statements are presented in US Dollar.

Other income / (expense) consists of the following:

(In US$)

Particulars	For the year ended march 31, 2024	2023
Interest income on financial assets carried at amortized cost:		
Deposits with banks and others	2,740,791	610,598
Loan to fellow subsidiaries	5,142,299	4,929,070
Exchange gains/(losses) on translation of other assets and liabilities	(215,780)	(567,137)
Other miscellaneous income net	28,043	134,191
Total	7,695,353	5,106,722

2.16 Expenses

(In US$)

Particulars	For the year ended march 31, 2024	2023
Employee benefit expenses		
Salaries including bonus	50,804,677	56,454,969
Share-based payments to employees	123,987	313,931
Staff welfare	30,852	72,235
	50,959,516	56,841,135
Cost of software packages and others		
For own use	276,040	1,606,288
Third-party items bought for service delivery to clients	36,977,183	9,367,267
	37,253,222	10,973,555
Other expenses		
Rates and taxes	210,536	188,301
Branding and marketing expenses	207,236	186,842
Provision/(reversal) for post-sales client support	(396,734)	310,781
Impairment loss under expected credit loss model	579,389	23,382
Communication expenses	(251,523)	798,624
Repair and Maintenance	96,766	136,122
Statutory Audit fees	24,000	53,755*
Others	37,103	175,454
Total	506,773	1,873,261

* includes US$ 26,875 pertains tof fiscal 2022

2.17 Financial Instruments

Accounting Policy

2.17.1 Initial recognition

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

2.17.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

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

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

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

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

A financial asset that 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 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, canceled, or expires.

2.17.4 Fair value of financial instrument

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 fairvalue 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.

2.17.5 Impairment

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

Financial instruments by category

The carrying value and fair value of financial instruments as at March 31, 2024 and March 31, 2023 are as follows:

(In US$)

Particulars	As at March 31,	
	2024	2023
Assets:		
Cash and cash equivalents (Refer to Note 2.4)	90,856,852	17,498,045
Trade receivables (Refer to Note 2.3)	22,179,226	44,610,346
Loans (Refer to Note 2.2)	68,800,000	89,300,000
Other financial assets (Refer to Note 2.5)	30,832,775	13,613,374
Total	212,668,853	165,021,766
Liabilities:		
Trade payables (Refer to Note 2.8)	12,577,140	15,076,171
Lease liabilities (Refer to Note 2.12)	3,120,377	3,333,547
Other financial liabilities (Refer to Note 2.9)	34,149,198	30,466,973
Total	49,846,715	48,876,691

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 characteristics 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 the United States and elsewhere and purchases from overseas suppliers in various foreign currencies.

The analysis of the foreign currency risk from financial assets and liabilities as at March 31, 2024 is as follows:

(In US$)

Particulars	Canadian Dollar	Other currencies	Total
Net financial assets	9,461,979	1,590	9,463,568
Net financial liabilities	(6,385,412)	(136,655)	(6,522,067)
Net assets / (liabilities)	3,076,567	(135,065)	2,941,502

The analysis of the foreign currency risk from financial assets and liabilities as at March 31, 2023 was as follows:

(In US$)

Particulars	Canadian Dollar	Other currencies	Total
Net financial assets	11,498,350	2,005	11,500,355
Net financial liabilities	(11,600,105)	(15,843)	(11,615,948)
Net assets / (liabilities)	(101,755)	(13,838)	(115,593)

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$ 22,179,226 and US$ 44,610,346 as at March 31, 2024 and March 31, 2023, respectively and unbilled revenue amounting to US$ 34,142,097 and US$ 18,041,062 as at March 31, 2024 and March 31, 2023, 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 with respect of percentage of revenues generated from top customers and top ten customers is as follows:

(In %)

Particulars	Year ended March 31,	
	2024	2023
Revenue from top customers	15	15
Revenue from top ten customers	70	71

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the years ended March 31, 2024, and March 31, 2023, is US$ 663,810 and US$ 23,382, respectively.

Movement in credit loss allowance:

(In US$)

Particulars	Year ended March 31,	
	2024	2023
Balance at the beginning	575,841	1,043,177
Impairment loss recognized / (reversed)	579,389	23,382
Write-offs	–	(471,957)
Translation differences	1,605	(18,761)
Balance at the end	1,156,835	575,841

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 generated from operations. The Company believes that its working capital is sufficient to meet its current requirements.

As of March 31, 2024, the Company had a working capital of US$ 100,552,835, including cash and cash equivalents of US$ 90,856,852. As of March 31, 2023, the Company had a working capital of US$ 64,753,964, including cash and cash equivalents of US$ 17,498,045.

As of March 31, 2024 and March 31, 2023, the compensated absences were US$ 2,434,618 and US$ 2,449,363, respectively, which have been substantially funded. Further, as at March 31, 2024 and March 31, 2023, 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, 2024 are as follows:

(In US$)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	12,577,139	–	–	–	12,577,139
Other liabilities (Refer to Note 2.10)	34,149,198	–	–	–	34,149,198

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

(In US$)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	15,076,171	–	–	–	15,076,171
Other liabilities (Refer to Note 2.10)	30,443,194	–	–	–	30,443,194

2.18 Related party transactions

(a) List of related parties:

Name of the company	Country	Holding as at March 31,	
		2024	2023
Holding			
Infosys Limited	India	Holding company	Holding company
Name of subsidiaries			
Infosys Public Services Canada, Inc.	Canada	100%	100%

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

Fellow subsidiaries	Country
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)[(1)]	China
EdgeVerve Systems Limited (EdgeVerve)[(1)]	India
Infosys Austria GmbH[(1)]	Austria
Skava Systems Private Limited (Skava Systems)[(1)(22)]	India
Infosys Chile SpA[(1)]	Chile
Infosys Arabia Limited[(2)(22)]	Saudi Arabia
Infosys Consulting Ltda.[(1)]	Brazil
Infosys Luxembourg S.a.r.l[(1)]	Luxembourg
Infosys Americas Inc. (Infosys Americas)[(1)(30)]	US
Infosys Consulting S.R.L.[(1)(19)]	Argentina
Infosys Consulting S.R.L.[(1)]	Romania
Infosys Limited Bulgaria EOOD[(1)]	Bulgaria
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[(1)]	Turkey
Infosys Germany Holding Gmbh[(1)]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[(1)]	Germany
Infosys Green Forum[(1)]	India
Infosys Business Solutions LLC[(1)]	Qatar
WongDoody Inc. [(1)]	US
Danske IT and Support Services India Private Limited (Danske IT) [(1)](32)	India
Infosys BPM Limited[(1)]	India
Infosys BPM UK Limited[(3)]	UK
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 BPM Canada Inc [(3)(31)(36)]	Canada
Panaya Inc. (Panaya)[(1)]	US
Panaya Ltd.[(4)]	Israel
Panaya Germany GmbH [(4)(27)]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[(1)(22)]	UK
Brilliant Basics Limited [(5)(22)]	UK
Infosys Consulting Holding AG [(1)]	Switzerland
Infosys Management Consulting Pty Limited[(6)]	Australia
Infosys Consulting AG[(6)]	Switzerland
Infosys Consulting GmbH[(6)]	Germany
Infosys Consulting SAS[(6)]	France
Infy Consulting B.V.[(6)]	The Netherlands
Infosys Consulting (Belgium) NV[(6)]	Belgium
Infy Consulting Company Ltd[(6)]	UK
GuideVision s.r.o.[(7)]	Czech Republic
GuideVision Deutschland GmbH[(8)]	Germany
GuideVision Suomi Oy[(8)]	Finland
GuideVision Magyarország Kft[(8)]	Hungary
GuideVision Polska Sp. z.o.o[(8)]	Poland
GuideVision UK Ltd[(8)](22)	UK
Infosys Nova Holdings LLC. (Infosys Nova)[(1)]	US

Fellow subsidiaries	Country
Outbox systems Inc. dba Simplus (US)[9]	US
Simplus ANZ Pty Ltd.[10]	Australia
Simplus Australia Pty Ltd[11]	Australia
Simplus Philippines, Inc.[10]	Philippines
Kaleidoscope Animations, Inc.[9]	US
Kaleidoscope Prototyping LLC[18][34]	US
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[9]	US
Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)[1]	Singapore
Infosys Financial Services GmbH. (formerly Panaya GmbH) [13][29]	Germany
Infosys South Africa (Pty) Ltd[13]	South Africa
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[13]	Malaysia
Infosys Middle East FZ LLC [13]	Dubai
Infosys Norway [13][28]	Norway
Infosys Compaz Pte. Ltd [14]	Singapore
HIPUS Co., Ltd[14]	Japan
Fluido Oy [13]	Finland
Fluido Sweden AB [15]	Sweden
Fluido Norway A/S[15]	Norway
Fluido Denmark A/S[15]	Denmark
Fluido Slovakia s.r.o[15]	Slovakia
Infosys Fluido UK, Ltd.[15]	UK
Infosys Fluido Ireland, Ltd.[16]	Ireland
Stater N.V.[14]	The Netherlands
Stater Nederland B.V.[17]	The Netherlands
Stater XXL B.V.[17]	The Netherlands
HypoCasso B.V.[17]	The Netherlands
Stater Participations B.V.[35]	The Netherlands
Stater Belgium N.V./S.A.[17][35]	Belgium
Stater Gmbh[17]	Germany
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[13]	Germany
WongDoody Gmbh (formerly known as oddity GmbH) [20]	Germany
WongDoody (Shanghai) Co. Limited (formerly known as oddity (Shanghai) Co., Ltd.) [21]	China
WongDoody limited (Taipei) (formerly known as oddity Limited (Taipei)) [21]	Taiwan
oddity space GmbH [20][33]	Germany
oddity jungle GmbH [20][33]	Germany
oddity code GmbH [20][33]	Germany
WongDoody d.o.o (formerly known as oddity code d.o.o) [21][33]	Serbia
oddity waves GmbH [20][33]	Germany
oddity group services GmbH [20][33]	Germany
BASE life science A/S [13][24]	Denmark
BASE life science AG [25]	Switzerland
BASE life science GmbH [25]	Germany
BASE life science S.A.S [25]	France
BASE life science Ltd. [25]	UK
BASE life science S.r.l. [25]	Italy
BASE life science S.L.[25][26]	Spain

[1] Wholly-owned subsidiary of Infosys Limited
[2] Majority-owned and controlled subsidiary of Infosys Limited
[3] Wholly-owned subsidiary of Infosys BPM Limited
[4] Wholly-owned subsidiary of Panaya Inc.
[5] Wholly-owned subsidiary of Brilliant Basics Holding Limited.
[6] Wholly-owned subsidiary of Infosys Consulting Holding AG
[7] Wholly-owned subsidiary of Infy Consulting Company Limited
[8] Wholly-owned subsidiary of GuideVision s.r.o.
[9] Wholly-owned subsidiary of Infosys Nova Holdings LLC
[10] Wholly-owned subsidiary of Outbox systems Inc. dba Simplus (US)
[11] Wholly-owned subsidiary of Simplus ANZ Pty Ltd
[13] Wholly-owned subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)
[14] Majority-owned and controlled subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)
[15] Wholly-owned subsidiary of Fluido Oy
[16] Wholly-owned subsidiary of Infosys Fluido UK, Ltd.
[17] Wholly-owned subsidiary of Stater N.V.
[18] Wholly-owned subsidiary of Kaleidoscope Animations, Inc.
[19] Infosys Consulting S.R.L. (Argentina) (formerly a wholly-owned subsidiary of Infosys Consulting Holding AG) became the majority-owned and controlled subsidiary of Infosys Limited with effect from April 1, 2022
[20] On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.)) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and WongDoody Gmbh (formerly known as oddity GmbH).
[21] Wholly-owned subsidiary of WongDoody Gmbh (formerly known as oddity GmbH)
[22] Under liquidation
[24] On September 1, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.) (a wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.
[25] Wholly-owned subsidiary of BASE life science A/S
[26] Incorporated on September 6, 2022
[27] Incorporated effective December 15, 2022
[28] Incorporated effective September 15, 2023.
[29] Infosys Financial Services GmbH. (formerly Panaya GmbH) became a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.) with effect from February 23, 2023.
[30] Liquidated effective July 14, 2023
[31] Incorporated on August 11, 2023
[32] On September 1, 2023, Infosys Limited acquired 100% of voting interests in Danske IT and Support Services India Private Limited (Danske IT).
[33] On September 29, 2023, oddity space GmbH, oddity waves GmbH, oddity jungle GmbH, oddity group services GmbH and oddity code GmbH merged into WongDoody GmbH and oddity code d.o.o which was formerly a subsidiary of oddity code Gmbh has become a subsidiary of WongDoody Gmbh (formerly known as oddity GmbH).
[34] Kaleidoscope Prototyping LLC, a wholly-owned subsidiary of Kaleidoscope Animations is liquidated effective November 1, 2023.
[35] On November 24, 2023, Stater Participations B.V (a wholly-owned subsidiary of Stater N.V.) merged with Stater N.V. and Stater Belgium N.V./S.A which was formerly a wholly-owned subsidiary of Stater Participations B.V. became a wholly owned subsidiary of Stater N.V.
[36] On March 15, 2024, Infosys BPM Canada Inc., a wholly-owned subsidiary of Infosys BPM Limited got dissolved.

(b) The details of amounts due to or due from as at March 31, 2024 and March 31, 2023 are as follows:

(In US$)

Particulars	As at March 31,	
	2024	2023
Trade receivables		
Infosys Limited	88,907	82,571
	88,907	82,571
Trade payables		
Infosys Limited	6,620,480	11,660,407
Infosys BPM Limited	266,437	161,261
EdgeVerve Systems Limited	1,253	–
Outbox systems Inc. dba Simplus	201,541	178,049
Simplus Philippines, Inc.	13,479	–
Infosys Public Service Canada INC	524,755	1,697,335
Infosys Technologies (China) Co. Limited	8,651	5,714
	7,636,596	13,702,767

Particulars	As at March 31,	
	2024	2023
Other financial assets		
EdgeVerve Systems Limited	23,063	23,779
Infosys Public Service Canada INC	135,746	–
Infosys BPM Limited	554	–
Infosys Limited	592,363	1,194,726
	751,726	1,218,505
Other financial liabilities		
Infosys Limited	1,139,385	719,568
Infosys BPM Limited	554	–
Panaya Ltd	41,118	–
	1,181,057	719,568
Loans		
Panaya Inc.	8,300,000	7,300,000
Infosys Automotive and Mobility GmbH & Co. KG	20,000,000	40,000,000
Infosys Nova Holdings LLC	–	1,500,000
Infosys Singapore Pte. Ltd.	40,500,000	40,500,000
	68,800,000	89,300,000
Accrued expenses		
Panaya Ltd	49,466	78,862
	49,466	78,862
Accrued Interest on Loan to fellow subsidiaries		
Panaya Inc.	40,123	112,675
Infosys Automotive and Mobility GmbH & Co. KG	484,933	2,530,548
Infosys Nova Holdings LLC	–	121,169
Infosys Singapore Pte. Ltd.	2,229,753	1,782,353
	2,754,809	4,546,745

(c) The details of the related party transactions entered into by the Company for the years ended March 31, 2024 and March 31, 2023 are as follows:

(In US$)

Particulars	Year ended March 31,	
	2024	2023
Revenue transactions:		
Sale of services		
Infosys Public Service Canada INC	519,192	–
Infosys Limited	775,218	726,280
	1,294,410	726,280
Sale of Property, plant and equipment		
Infosys Public Service Canada INC	130,895	–
	130,895	–
Purchase of services		
Infosys Limited	84,082,367	96,567,662
Infosys BPM Limited	2,668,543	2,438,781
EdgeVerve Systems Limited	18,117	16,060
Panaya Ltd.	131,694	191,003
Outbox systems Inc. dba Simplus	5,124,418	1,933,396
Infosys Technologies (China) Co. Limited	81,994	89,515

Particulars	Year ended March 31,	
	2024	2023
Simplus Philippines, Inc.	167,680	–
Infosys Public Service Canada INC	4,892,587	1,502,067
	97,167,400	102,738,484

(In US$)

Particulars	Year ended March 31,	
	2024	2023
Capital transaction		
Loans given/ (refund)		
Infosys Singapore Pte. Ltd.	–	40,500,000
Panaya Inc.	(1,500,000)	(1,500,000)
Panaya Inc.	1,000,000	1,300,000
Infosys Automotive and Mobility GmbH & Co. KG	(20,000,000)	20,000,000
	(20,500,000)	60,300,000
Interest income on loan		
Infosys Singapore Pte. Ltd.	2,623,239	2,056,520
Panaya Inc.	468,308	357,986
Infosys Automotive and Mobility GmbH & Co. KG	2,031,283	2,435,934
Infosys Nova Holdings LLC	19,470	78,630
	5,142,300	4,929,070

List of key Management Personnel and Directors

Name of the related party	Designation
Bhanu Prasad Narayana	Interim CEO
Jasmeet Singh	Director
Ashiss Kumar Dash	Director

Transaction with key management personnel

(In US$)

Particulars	Year ended March 31,	
	2024	2023
Salary and other employee benefits	381,615	1,428,201
Total	381,615	1,428,201

2.19 Commitments

(In US$)

Particulars	Year ended March 31,	
	2024	2023
Commitments		
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)[1]	12,117	143,977
Total	12,117	143,977

[1] Capital contracts primarily comprise commitments for infrastructure facilities and computer equipment.

2.20 Segment reporting

The Company provides consultancy services 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 and allocates resources based on the analysis of the Company's performance as a whole. Therefore, its operations are considered to constitute a single segment in the context of Ind AS 108, Segment Reporting.

2.21 Ratios

The analytical ratios for the years ended March 31, 2024 and March 31, 2023 are as follows:

Particulars	Numerator	Denominator	Year ended March 31,		Variance
			2024	2023	
Current ratio	Current assets	Current liabilities	2.6	2.0	28.8%*
Debt – Equity ratio	Total debt (represents lease liabilities) (1)	Shareholder's equity	0.019	0.027	(30.0%)**
Debt service coverage ratio	Earnings available for debt service(2)	Debt service(3)	126.3	139.1	(9.2%)
Return on Equity (ROE)	Net profits after taxes	Average shareholder's equity	28.9%	16.4%	12.5%
Trade receivables turnover ratio	Revenue	Average trade receivable	7.8	6.2	27.0%***
Trade payables turnover ratio	Purchases of services and other expenses	Average trade payables	11.5	9.2	24.4%
Net capital turnover ratio	Revenue	Working capital	2.6	3.5	(25.7%)#
Net profit ratio	Net profit	Revenue	15.9%	8.2%	7.6%
Return on Capital Employed (ROCE)	Earning before interest and taxes	Capital Employed(4)	35.6%	21.2%	14.5%

(1) Debt represents only lease liabilities

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

(3) Lease payments for the current year

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

* Due to an increase in current assets primarily due to an increase in C&CE, out of which new FDs created

** Due to a decrease in debt (lease)

***Due to improved collections

\# Due to increase in revenue and improved working capital on account of improved cash & cash equivalent position (improved collections and Repayment of loan & interest from fellow subsidiaries)

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

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

Place: Bengaluru
Date: May 30, 2024

Ashiss Kumar Dash
Director

Jasmeet Singh
Director

Bhanu Prasad Narayana
Interim CEO

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, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of 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, 2024, the profit and total comprehensive income, 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 (!CAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1.2 to the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared for inclusion in the annual report of the Ultimate Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act, 2013. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for the above purpose and is not to be used, referred to or distributed for any other purpose without our prior consent.

Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Special Purpose Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

For SHENOY & KAMATH
Chartered Accountants
Firm Registration Number: 006673S

(M. RATHNAKAR KAMATH)
Partner
Membership Number. 202841

UDIN : 24202841BKACRL8112

Place: Bengaluru

Date: May 17, 2024

Balance Sheet

(In GBP)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
Assets			
Non-current assets			
Property, plant and equipment	2.1	324,693	638,661
Right-to-use of asset	2.15	334,424	1,771,228
Financial assets			
Investments	2.2	21,668,078	21,668,078
Loans	2.3	–	2,829
Other financial assets	2.4	1,032,813	4,204,325
Deferred tax assets (net)	2.14	319,398	355,797
Income tax assets, net	2.14	865,710	365,047
Total non-current assets		24,545,116	29,005,965
Current assets			
Financial assets			
Trade receivables	2.5	20,105,141	18,245,200
Cash and cash equivalents	2.6	15,927,265	5,712,623
Loans	2.3	86,070	81,988
Other financial assets	2.4	7,519,748	4,908,482
Other current assets	2.7	17,744,889	17,057,016
Total current assets		61,383,113	46,005,309
Total assets		85,928,229	75,011,274
Equity and liabilities			
Equity			
Equity share capital	2.9	14,050,000	14,050,000
Other equity		11,918,322	9,741,281
Total equity		25,968,322	23,791,281
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liability	2.15	1,813,228	2,921,104
Other financial liabilities	2.11	46,984	60,282
Total non-current liabilities		1,860,212	2,981,386
Current liabilities			
Financial liabilities			
Trade payables	2.10	12,141,900	9,212,347
Lease liability	2.15	1,932,668	2,028,138
Other financial liabilities	2.11	22,123,448	21,948,063
Other current liabilities	2.12	18,453,324	12,840,215
Provisions	2.13	247,014	184,072
Income tax liabilities (net)	2.14	3,201,341	2,025,772
Total current liabilities		58,099,695	48,238,607
Total equity and liabilities		85,928,229	75,011,274

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

As per our report of even date attached

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

M. Rathnakar Kamath
Partner
Membership No. 202841

Place: Bengaluru

Date: May 17, 2024

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

Andrew Duncan
Director

Statement of Profit and Loss

In GBP, except equity share and per equity share data

Particulars	Note	Years ended March 31, 2024	2023
Revenue from operations	2.16	207,213,899	183,967,110
Other income, net	2.17	666,503	348,029
Total income		207,880,402	184,315,139
Expenses			
Employee benefit expenses	2.18	75,712,891	64,943,140
Cost of technical sub-contractors		105,025,785	97,268,910
Travel expenses		2,422,103	2,038,767
Cost of software packages and others	2.18	9,118,522	9,102,067
Communication expenses		101,138	103,895
Consultancy and professional charges		2,357,296	1,920,311
Depreciation and amortization expense	2.1 & 2.15	1,859,593	1,709,003
Finance cost		161,337	127,902
Other expenses	2.18	1,883,392	1,281,540
Total expenses		198,642,057	178,495,535
Profit before tax		9,238,345	5,819,604
Tax expense			
Current tax	2.14	2,024,906	1,932,049
Deferred tax	2.14	36,398	(177,688)
Profit for the year		7,177,041	4,065,243
Total comprehensive income for the period / year		7,177,041	4,065,243
Earnings per equity share			
Equity shares of par value GBP 1 each			
Basic and diluted (GBP)		0.51	0.29
Weighted average equity shares used in computing earnings per equity share			
Basic and diluted		14,050,000	14,050,000

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

As per our report of even date attached

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

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

M. Rathnakar Kamath
Partner
Membership No. 202841

Andrew Duncan
Director

Place: Bengaluru

Date: May 17, 2024

Statements of Cash Flows

(In GBP)

Particulars	Note	Years ended March 31, 2024	2023
Cash flows from operating activities			
Profit for the year		7,177,041	4,065,243
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation and amortization expense	2.1 and 2.15	1,859,593	1,709,003
Income tax expense	2.14	2,061,304	1,754,361
Finance cost		161,337	127,902
Interest and dividend income		(305,534)	–
Other adjustments		1,069,176	51,671
Exchange differences on translation of assets and liabilities		(570,944)	534,729
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(2,263,169)	(971,312)
Other financial assets and other assets		275,601	(9,518,400)
Trade payables		2,929,553	(3,006,729)
Other financial liabilities, other liabilities and provisions		5,849,697	11,129,101
Cash generated from operations		18,243,655	5,875,569
Income taxes paid	2.14	(1,350,000)	(1,305,001)
Net cash generated by operating activities		16,893,655	4,570,568
Cash flow from investing activities			
Expenditure on property, plant and equipment net of sale proceeds	2.1	(1,958)	(445,099)
Payment of contingent conisderation pertaining to acquisition		(1,027,913)	(2,814,049)
Loans to employees		(1,253)	(71,020)
Loan repayment received		1,000,000	–
Interest and dividend received on investments		305,534	–
Net cash used in investing activities		274,410	(3,330,168)
Cash flow from financing activities			
Payment of lease liabilities	2.15	(1,792,086)	(1,535,846)
Interest and finance expenses paid		(161,337)	(127,902)
Dividend paid		(5,000,000)	–
Net cash used in financing activities		(6,953,423)	(1,663,748)
Net (decrease)/increase in cash and cash equivalents		10,214,642	(423,348)
Cash and cash equivalents at the beginning of the year		5,712,623	6,135,971
Cash and cash equivalents at the end of the year		15,927,265	5,712,623

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 Company Limited

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

M. Rathnakar Kamath
Partner
Membership No. 202841

Andrew Duncan
Director

Place: Bengaluru

Date: May 17, 2024

Statement of Changes in Equity

(In GBP)

Particulars	Equity share capital	Other equity: Reserves and surplus: Retained earnings	Total equity attributable to equity holders of the Company
Balance as of April 1, 2022	14,050,000	5,676,038	19,726,038
Changes in equity for the year ended March 31, 2023			
Profit for the year	–	4,065,243	4,065,243
Balance as of March 31, 2023	14,050,000	9,741,281	23,791,281
Changes in equity for the year ended March 31, 2024			
Dividend Paid	–	(5,000,000)	(5,000,000)
Profit for the year	–	7,177,041	7,177,041
Balance as of March 31, 2024	14,050,000	11,918,322	25,968,322

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 Infy Consulting Company Limited

Andrew Duncan
Director

Place: Bengaluru

Date: May 17, 2024

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 current period and April 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) and the financial statements are also presented in GBP Pound. All amounts included in the financial statements are reported in GBP Pound, unless otherwise stated. Accounting policies have been applied consistently to all periods presented in these financial statements except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.3 Presentation currency

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

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 the 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.

1.5 Revenue recognition

The Company derives revenues primarily from consultancy services.

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.

1.5.1 Time and material

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last billing to the reporting date is recognized as unbilled revenue.

1.5.2 Fixed-price

Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method.

1.5.3 Unbilled / unearned

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

1.5.4 Licenses

Revenue from licenses where the customer obtains a "right-to-use" licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right-to-access" is recognized over the access period. Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS). The Company has applied the principles under Ind AS 115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost-plus margin approach. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized ratably over the period in which the services are rendered.

1.5.5 Contract modification

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

1.5.6 Provisions for estimated losses

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

1.5.7 Tax

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

1.6 Provisions

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

1.7 Post-sales client support and warranties

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

1.8 Onerous contracts

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

1.9 Property, plant and equipment

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

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

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

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

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

1.10 Financial instruments

1.10.1 Initial recognition

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

1.10.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

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

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

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

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

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

(iv) Financial liabilities

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

1.11 Fair value of financial instruments

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

1.12 Impairment

a. Financial assets

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

b. Non-financial assets

(i) Property, plant and equipment

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

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

1.13 Employee benefits

Compensated absences

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

1.14 Foreign currency

Functional currency

The functional currency of the Company is the GBP.

Transactions and translations

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

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

1.15 Income taxes

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

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

1.16 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.17 Other income

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

1.18 Earnings per share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.

1.19 Leases

Lease under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight-line basis in the Statement of Profit and Loss over the lease term.

The Company as a lessee

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

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

Certain lease arrangements 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 March 31, 2024 are as follows:

(In GBP)

Particulars	Leasehold improvements	Computer equipment	Total
Gross carrying value as of April 1, 2023	122,869	1,194,698	1,317,567
Additions / adjustments	–	1,958	1,958
Deletions / adjustments	–	(114,471)	(114,471)
Gross carrying value as of March 31, 2024	122,869	1,082,185	1,205,054
Accumulated depreciation as of April 1, 2023	122,869	556,037	678,906
Depreciation	–	315,926	315,926
Accumulated depreciation on deletions	–	(114,471)	(114,471)
Accumulated depreciation as of March 31, 2024	122,869	757,492	880,361
Carrying value as of March 31, 2024	–	324,693	324,693
Carrying value as of April 1, 2023	–	638,661	638,661

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

(In GBP)

Particulars	Leasehold improvements	Computer equipment	Total
Gross carrying value as of April 1, 2022	122,869	1,040,112	1,162,981
Additions / adjustments	–	445,099	445,099
Deletions / adjustments	–	(290,513)	(290,513)
Gross carrying value as of March 31, 2023	122,869	1,194,698	1,317,567
Accumulated depreciation as of April 1, 2022	122,869	581,575	704,444
Depreciation	–	264,839	264,839
Accumulated depreciation on deletions	–	(290,377)	(290,377)
Accumulated depreciation as of March 31, 2023	122,869	556,037	678,906
Carrying value as of March 31, 2023	–	638,661	638,661
Carrying value as of April 01, 2022	–	458,537	458,537

2.2 Investments

(In GBP)

Particulars	As at March 31,	
	2024	2023
Non-current investments		
Investment in subsidiary	21,668,078	21,668,078
	21,668,078	21,668,078

2.3 Loans

(In GBP)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Unsecured, considered good		
Other loans		
Loans to employees	–	2,829
	–	2,829
	–	2,829
Current		
Other loans		
Loans and advances to employees	86,070	81,988
	86,070	81,988
Total loans	86,070	84,817

2.4 Other financial assets

(In GBP)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Unbilled revenue [(1)(2)]	78,171	–
Investment on lease	954,642	4,204,325
	1,032,813	4,204,325
Current		
Inter-company receivables	1,403,350	–
Investment on lease	1,257,316	–
Unbilled revenues [(1)(2)]	4,712,300	4,392,645
Others [(3)]	146,782	515,837
Total	7,519,748	4,908,482
[(1)] Financial assets carried at amortized cost	8,552,561	9,112,807
[(2)] Includes dues from related party (Refer to Note 2.19)	47,408	63,145
[(3)] Includes dues from related party (Refer to Note 2.19)	1,403,349	6,120,898

2.5 Trade receivables

(In GBP)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Unsecured		
Intercompany receivables	16,859,938	
Considered good [(1)]	3,467,705	18,245,200
Considered doubtful		69,894
	20,327,643	18,315,094
Less: Provision for volume discount	154,310	
Less: Allowance for credit loss	68,192	69,894
	20,105,141	18,245,200
[(1)] Includes dues from related parties (Refer to Note 2.19)	16,859,938	15,464,055

The trade receivables ageing schedule for the years ended as at March 31, 2024 and March 31, 2023 is as follows:

(In GBP)

Particulars	Not due	Outstanding for following periods from due date of payment: Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables – considered good		20,113,857	81,522	(97,758)	(21,268)	28,788	20,105,141
		18,053,732	15,350	132,600	(4,051)	47,569	18,245,200
Total trade receivables							20,105,141
							18,245,200

2.6 Cash and cash equivalents

(In GBP)

Particulars	As at March 31, 2024	2023
Balances with banks		
In current accounts	15,927,265	5,712,623
Total cash and cash equivalents	15,927,265	5,712,623

2.7 Other assets

(In GBP)

Particulars	As at March 31, 2024	2023
Current		
Others		
Deferred contract cost	6	12,178
Prepaid expenses	2,076,595	1,366,723
Unbilled revenue	5,402	–
Cost of fulfillment	3,305,486	3,305,486
Joining bonus		40,346
Devices – Dealer type lease	125,269	99,738
Inter-company advances paid		6,000,000
Withholding taxes and others	12,232,131	6,232,545
Total current other assets	17,744,889	17,057,016

2.8 Financial instruments

Financial instruments by category

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

(In GBP)

Particulars	As at March 31, 2024	2023
Assets		
Cash and cash equivalents (Refer to Note 2.6)	15,927,265	5,712,623
Trade receivables (Refer to Note 2.5)	20,105,141	18,245,200
Loans (Refer to Note 2.3)	86,070	84,817
Other financial assets (Refer to Note 2.4)	8,552,561	9,112,807
Total	44,671,037	33,155,447
Liabilities		
Trade payables (Refer to Note 2.10)	9,212,347	9,212,347
Lease liabilities (Refer to Note 2.15)	3,745,896	4,949,242
Other financial liabilities (Refer to Note 2.11)	21,014,505	21,014,505
Total	33,972,748	35,176,094

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

Financial risk management

Financial risk factors

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

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to GBP 20,105,141 and GBP18,245,200 as of March 31, 2024 and March 31, 2023, respectively and unbilled revenue amounting to GBP 4,795,873 as of March 31, 2024 and GBP 4,392,645 as of March 31, 2023, respectively. Trade receivables and unbilled revenue are typically unsecured. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. 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, 2024, the Company had positive working capital of GBP 3,283,418, including cash and cash equivalents of GBP 15,927,265. As of March 31, 2023, the Company had a negative working capital of GBP 2,233,298 including cash and cash equivalents of GBP 5,712,623.

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2024 are as follows:

(In GBP)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables (Refer to Note 2.10)	12,141,900	–	–	–	12,141,900
Accrued expenses (Refer to Note 2.11)	15,651,360	–	–	–	15,651,360
Accrued compensation to employees (Refer to Note 2.11)	5,084,494	–	–	–	5,084,494
Other payables (Refer to Note 2.11)	363,363	–	–	–	363,363

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

(In GBP)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables (Refer to Note 2.10)	9,212,347	–	–	–	9,212,347
Accrued expenses (Refer to Note 2.11)	15,939,390	–	–	–	15,939,390
Accrued compensation to employees (Refer to Note 2.11)	4,521,617	–	–	–	4,521,617
Other payables (Refer to Note 2.11)	541,939	–	–	–	541,939

2.9 Equity

Equity share capital

(In GBP, except as otherwise stated)

Particulars	As at March 31,	
	2024	2023
Authorized		
14,050,000 (14,050,000) equity shares of GBP 1 par value	14,050,000	14,050,000
Issued, subscribed and paid-up		
14,050,000 (14,050,000) equity shares of GBP 1 par value	14,050,000	14,050,000
	14,050,000	14,050,000

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

(In GBP, except as otherwise stated)

Name of the shareholder	As at March 31,			
	2024		2023	
	Number of shares	% held	Number of shares	% held
Infosys Consulting Holding AG (formerly Lodestone Holding AG)	1,40,50,000	100.00	1,40,50,000	100.00
	14,050,000	100.00	14,050,000	100.00

2.10 Trade payables

(In GBP)

Particulars	As at March 31,	
	2024	2023
Trade payables *	12,141,900	9,212,347
Total trade payables	12,141,900	9,212,347
*Includes dues to related parties (Refer to Note 2.19)	10,358,587	7,651,515

The trade payables ageing schedule for the year ended as at March 31, 2024 and March 31, 2023 is as follows:

(In GBP)

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Outstanding trade payables	–	12,142,563	–	–	(663)	12,141,900
	–	9,212,347	–	–	–	9,212,347

2.11 Other financial liabilities

(In GBP)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Others	46,984	48,723
Contingent consideration (Refer to Note 2.2)	–	11,559
	46,984	60,282
Current		
Others		
Accrued compensation to employees	5,084,494	4,521,617
Accrued expenses [(1)]	15,651,360	15,939,390
Compensated absences	1,024,231	945,117
Other payables [(2)]	363,363	541,939
	22,123,448	21,948,063
Total financial liabilities	22,170,432	22,008,345
Financial liability carried at amortized cost	21,014,505	21,014,505
(1) Includes dues to related party (Refer to Note 2.19)	980,703	1,354,015
(2) Includes dues to related parties (Refer to Note 2.19)	2,706,247	3,650,654

2.12 Other liabilities

(In GBP)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Unearned revenue	3,880,837	4,695,740
Withholding taxes and others	14,572,487	8,144,475
	18,453,324	12,840,215
Total other liabilities	18,453,324	12,840,215

2.13 Provisions

(In GBP)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Others		
Post-sales client support and warranties	247,014	184,072
Total provisions	247,014	184,072

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

(In GBP)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the Beginning	184,072	129,669
Provision recognized / (reversed)	66,493	51,671
Exchange difference	(3,551)	2,732
Balance at the end	247,014	184,072

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

2.14 Income taxes

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

(In GBP)

Particulars	Years ended March 31, 2024	2023
Current taxes	2,024,906	1,932,049
Deferred taxes	36,398	(177,688)
Income tax expense	2,061,304	1,754,361

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 GBP)

Particulars	Years ended March 31, 2024	2023
Profit before income tax	9,238,345	5,819,604
Enacted tax rates in United Kingdom (%)	25.00	19.00
Computed expected tax expense	2,309,586	1,105,725
Expenses not deductible for tax purposes	–	495,812
Tax provisions /(reversals)	68,570	18,863
Prior period tax expense	(614,856)	(13,015)
Permanent difference	174,854	232,368
Deferred tax catch-up	134,304	–
Others	(11,154)	(85,392)
Income tax expense	2,061,304	1,754,361

The applicable United Kingdom statutory tax rate for year ended March 31, 2024 is 25% and March 31, 2023 is 19%.

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

(In GBP)

	Years ended March 31, 2024	2023
Income tax assets	865,710	365,047
Current income tax liabilities	(3,201,341)	(2,025,772)
Net current income tax assets / (liability) at the end	(2,335,631)	(1,660,725)

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

(In GBP)

	Years ended March 31, 2024	2023
Net current income tax asset / (liability) at the beginning	(1,660,725)	(1,033,677)
Income tax paid	1,350,000	1,305,001
Current income tax expense	(2,024,906)	(1,932,049)
Net current income tax asset / (liability) at the end	(2,335,631)	(1,660,725)

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

(In GBP)

Particulars	Years ended March 31,	
	2024	2023
Deferred income tax assets		
Property, plant and equipment	16,399	51,710
Others	302,999	304,087
Total deferred income tax assets	319,398	355,797

2.15 Leases

The changes in the carrying value of right-of-use assets for the year ended March 31, 2024 are as follows:

(In GBP)

Particulars	Category of ROU asset	Total
	Computers	
Balance as of April 1, 2023	1,771,228	1,771,228
Additions	1,097,673	1,097,673
Deletion	(1,002,683)	(1,002,683)
Translation difference	11,873	11,873
Depreciation	1,543,667	1,543,667
Balance as of March 31, 2024	334,424	334,424

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

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

(In GBP)

Particulars	Category of ROU asset	Total
	Computers	
Balance as of April 1, 2022	3,194,238	3,194,238
Additions	1,037,850	1,037,850
Deletion	(974,186)	(974,186)
Translation difference	(42,510)	(42,510)
Depreciation	1,444,164	1,444,164
Balance as of March 31, 2023	1,771,228	1,771,228

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

(In GBP)

Particulars	As at March 31,	
	2024	2023
Current lease liabilities	1,932,668	2,028,138
Non-current lease liabilities	1,813,228	2,921,104
Total	3,745,896	4,949,242

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

(In GBP)

Particulars	Years ended March 31,	
	2024	2023
Balance at the beginning	4,949,242	5,282,856
Additions	1,097,673	1,037,850
Finance cost accrued during the period	77,332	58,247
Payment of lease liabilities	(1,792,086)	(1,535,846)
Translation difference	(586,265)	106,135
Balance at the end	3,745,896	4,949,242

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

(In GBP)

Particulars	As at March 31,	
	2024	2023
Less than one year	1,481,546	1,640,188
One to five years	1,531,168	2,931,504
More than five years	–	–
Total	3,012,714	4,571,692

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

Rental expense recorded for short-term leases was Nil for the years ended March 31, 2024 and March 31, 2023.

2.16 Revenue from operations

(In GBP)

Particulars	Years ended March 31,	
	2024	2023
Income from consultancy services	207,213,899	183,967,110
	207,213,899	183,967,110

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. The remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustments 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, 2024, other than those meeting the exclusion criteria mentioned above, is GBP 15,241,416. Out of this, the company expects to recognize revenue of around 23% within the next one year and the remaining thereafter. The contracts can generally be terminated by the customers and typically include an enforceable termination penalty payable by them.

2.17 Other income

(In GBP)

Particulars	Years ended March 31, 2024	2023
Miscellaneous income, net	666,503	348,029
	666,503	348,029

2.18 Expenses

(In GBP)

Particulars	Years ended March 31, 2024	2023
Employee benefit expenses		
Salaries including bonus	75,488,370	64,674,681
Staff welfare	224,521	268,459
	75,712,891	64,943,140

Cost of software packages and others		
Third-party items bought for service delivery to clients	8,614,824	8,142,813
Dealer type lease-cost	471,645	935,492
Cost of software package for own use	32,053	23,762
	9,118,522	9,102,067

(In GBP)

Particulars	Years ended March 31, 2024	2023
Other expenses		
Power and fuel	11,664	11,664
Brand and marketing	265,046	381,356
Translation differences	155,483	–
Insurance	126,303	91,124
Provision / (reversals) for post-sales client support	66,493	51,671
Printing and stationery	12,648	41,159
Statutory audit fees	113,250	40,000
Computer maintenance	10,183	21,543
Office maintenance	345,879	353,808
Others	776,443	289,215
	1,883,392	1,281,540

2.19 Related party transactions

List of related parties:

Name of the holding company	Country	Holding as at March 31, 2024	2023
Infosys Consulting Holding AG (Infosys Lodestone) [1]	Switzerland	100%	100%

Name of the ultimate holding company	Country
Infosys Limited	India

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
EdgeVerve Systems Limited (EdgeVerve)[1]	India
Infosys Austria GmbH[1]	Austria
Skava Systems Private Limited (Skava Systems)[1][22]	India
Infosys Chile SpA[1]	Chile
Infosys Arabia Limited[2][22]	Saudi Arabia
Infosys Consulting Ltda.[1]	Brazil
Infosys Luxembourg S.a.r.l[1]	Luxembourg
Infosys Americas Inc. (Infosys Americas)[1][30]	U.S.
Infosys Consulting S.R.L.[1][19]	Argentina

Name of fellow subsidiaries	Country
Infosys Consulting S.R.L.[1]	Romania
Infosys Limited Bulgaria EOOD[1]	Bulgaria
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[1]	Turkey
Infosys Germany Holding Gmbh[1]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1]	Germany
Infosys Green Forum[1]	India
Infosys Business Solutions LLC[1]	Qatar
WongDoody Inc. [1]	U.S.
Danske IT and Support Services India Private Limited (Danske IT) [1][32]	India
Infosys Public Services, Inc. USA (Infosys Public Services)[1]	U.S.
Infosys Public Services Canada Inc. [12][23]	Canada
Infosys BPM Limited[1]	India
Infosys BPM UK Limited[3]	U.K.
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 BPM Canada Inc [3][31][36]	Canada
Panaya Inc. (Panaya)[1]	U.S.
Panaya Ltd.[4]	Israel
Panaya Germany GmbH [4][27]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[1][22]	U.K.
Brilliant Basics Limited [5][22]	U.K.
Infosys Consulting Holding AG [1]	Switzerland
Infosys Management Consulting Pty Limited[6]	Australia
Infosys Consulting AG[6]	Switzerland
Infosys Consulting GmbH[6]	Germany
Infosys Consulting SAS[6]	France
Infy Consulting B.V.[6]	The Netherlands
Infosys Consulting (Belgium) NV[6]	Belgium
GuideVision s.r.o.[7]	Czech Republic
GuideVision Deutschland GmbH[8]	Germany
GuideVision Suomi Oy[8]	Finland
GuideVision Magyarország Kft[8]	Hungary
GuideVision Polska Sp. z.o.o[8]	Poland
GuideVision UK Ltd[8][22]	U.K.
Infosys Nova Holdings LLC. (Infosys Nova)[1]	U.S.
Outbox systems Inc. dba Simplus (US)[9]	U.S.
Simplus ANZ Pty Ltd.[10]	Australia
Simplus Australia Pty Ltd[11]	Australia
Simplus Philippines, Inc.[10]	Philippines
Kaleidoscope Animations, Inc.[9]	U.S.
Kaleidoscope Prototyping LLC[18][34]	U.S.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[9]	U.S.

Name of fellow subsidiaries	Country
Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)[1]	Singapore
Infosys Financial Services GmbH. (formerly Panaya GmbH) [13][29]	Germany
Infosys South Africa (Pty) Ltd[13]	South Africa
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[13]	Malaysia
Infosys Middle East FZ LLC [13]	Dubai
Infosys Norway [13][28]	Norway
Infosys Compaz Pte. Ltd [14]	Singapore
HIPUS Co., Ltd[14]	Japan
Fluido Oy [13]	Finland
Fluido Sweden AB [15]	Sweden
Fluido Norway A/S[15]	Norway
Fluido Denmark A/S[15]	Denmark
Fluido Slovakia s.r.o[15]	Slovakia
Infosys Fluido UK, Ltd.[15]	U.K.
Infosys Fluido Ireland, Ltd.[16]	Ireland
Stater N.V.[14]	The Netherlands
Stater Nederland B.V.[17]	The Netherlands
Stater XXL B.V.[17]	The Netherlands
HypoCasso B.V.[17]	The Netherlands
Stater Participations B.V.[35]	The Netherlands
Stater Belgium N.V./S.A.[17][35]	Belgium
Stater Gmbh[17]	Germany
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[13]	Germany
WongDoody Gmbh (formerly known as oddity GmbH) [20]	Germany
WongDoody (Shanghai) Co. Limited (formerly known as oddity (Shanghai) Co., Ltd.) [21]	China
WongDoody limited (Taipei) (formerly known as oddity Limited (Taipei)) [21]	Taiwan
oddity space GmbH [20][33]	Germany
oddity jungle GmbH [20][33]	Germany
oddity code GmbH [20][33]	Germany
WongDoody d.o.o (formerly known as oddity code d.o.o) [21][33]	Serbia
oddity waves GmbH [20][33]	Germany
oddity group services GmbH [20][33]	Germany
BASE life science A/S [13][24]	Denmark
BASE life science AG [25]	Switzerland
BASE life science GmbH [25]	Germany
BASE life science S.A.S [25]	France
BASE life science Ltd. [25]	U.K.
BASE life science S.r.l. [25]	Italy
Innovisor Inc.[25]	U.S.
BASE life science Inc.[25]	U.S.
BASE life science S.L.[25][26]	Spain

(1) Wholly-owned subsidiary of Infosys Limited

(2) Majority-owned and controlled subsidiary of Infosys Limited

(3) Wholly-owned subsidiary of Infosys BPM Limited

(4) Wholly-owned subsidiary of Panaya Inc.

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

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

[7] Wholly-owned subsidiary of Infy Consulting Company Limited

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

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

[10] Wholly-owned subsidiary of Outbox systems Inc. dba Simplus (US)

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

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

[13] Wholly-owned subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

[14] Majority-owned and controlled subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

[15] Wholly-owned subsidiary of Fluido Oy

[16] Wholly-owned subsidiary of Infosys Fluido UK, Ltd.

[17] Wholly-owned subsidiary of Stater N.V.

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

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

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

[21] Wholly-owned subsidiary of WongDoody Gmbh (formerly known as oddity GmbH)

[22] Under liquidation

[23] Incorporated on July 8, 2022

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

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

[26] Incorporated on September 6, 2022

[27] Incorporated effective December 15, 2022

[28] Incorporated effective September 22, 2022

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

[30] Liquidated effective July 14, 2023

[31] Incorporated on August 11, 2023

[32] On September 1, 2023 Infosys Limited acquired 100% of voting interests in Danske IT and Support Services India Private Limited (Danske IT).

[33] On September 29, 2023, oddity space GmbH, oddity waves GmbH, oddity jungle GmbH, oddity group services GmbH and oddity code GmbH merged into WongDoody GmbH and oddity code d.o.o which was formerly a subsidiary of oddity code Gmbh has become a subsidiary of WongDoody Gmbh (formerly known as oddity GmbH).

[34] Kaleidoscope Prototyping LLC, a wholly-owned subsidiary of Kaleidoscope Animations is liquidated effective November 1, 2023

[35] On November 24, 2023, Stater Participations B.V (a wholly-owned subsidiary of Stater N.V.) merged with Stater N.V. and Stater Belgium N.V./S.A which was formerly a wholly-owned subsidiary of Stater Participations B.V. became a wholly owned subsidiary of Stater N.V.

[36] On March 15, 2024 Infosys BPM Canada Inc., a wholly-owned subsidiary of Infosys BPM Limited got dissolved.

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

(In GBP)

Particulars	As at March 31,	
	2024	2023
Trade receivables		
EdgeVerve Systems Limited	–	36,653
Infosys Consulting (Belgium) N.V.	9,014	8,419
Infosys Consulting AG	646,836	541,667
Infosys Consulting GmBH	528,527	150,107
Infosys Consulting SAS	–	2,463
Infy Consulting B.V	12,175	11,181
Infosys Limited	15,663,386	14,678,486
Infosys Compaz Pte Ltd	–	(420)
Infosys Poland Sp. z o.o.	–	35,499
	16,859,938	15,464,055

Particulars	As at March 31,	
	2024	2023
Unbilled revenue		
Infosys Consulting S.R.L (Argentina)	674	674
Infosys Consulting (Belgium) N.V.	23,369	16,857
Infosys Consulting AG	23,365	45,614
	47,408	63,145
Trade payables	–	
Infosys Consulting S.R.L (Argentina)	–	118,655
Infosys Consulting (Belgium) N.V.	359,691	267,794
Infosys Consulting AG	2,001,065	2,579,751
Infosys Technologies (China) Co. Limited	2,689	3,054
Infosys (Czech Republic) Limited s.r.o.	16,922	20,670
Infosys Consulting GmBH	4,709,700	2,214,804
Infosys Consulting SAS	1,002,031	563,804
Infy Consulting B.V	864,932	740,770
Infosys Limited	1,134,117	1,068,848
Infosys BPM Limited	267,440	73,365
	10,358,587	7,651,515
Other payables	–	
Infosys Consulting S.R.L (Argentina)	–	126,171
Infosys Consulting AG	–	(969)
Infosys Limited	2,093,859	387,494
Infosys Automotive and Mobility GmbH & Co. KG	612,388	3,137,958
	2,706,247	3,650,654
Other receivables	–	
Infosys Consulting S.R.L (Argentina)	1,801	1,833
Infosys Consulting AG	14,693	4,956
Infosys Consulting Holding AG	–	6,000,000
Infosys Consulting (Belgium) N.V.	7,918	14,100
Infosys Consulting Pte Ltd	1,332,024	–
Infosys Consulting GmbH	46,913	64,969
Infosys Limited	–	35,040
	1,403,349	6,120,898
Investment in subsidiary	–	
GuideVision s.r.o.	21,668,078	21,668,078
	21,668,078	21,668,078
Accrued expenses		
Infosys Limited	894,473	1,279,029
Infosys BPM Limited	86,230	74,986
	980,703	1,354,015

(In GBP)

Particulars	Years ended March 31, 2024	2023
Revenue transactions		
Purchase of services		
Infosys Consulting (Belgium) N.V.	3,853,974	4,258,577
Infosys Consulting AG	30,432,506	30,159,046
Infosys Limited	7,106,076	5,366,746
Infosys Consulting S.R.L (Argentina)	–	130,041
Infosys Automotive and Mobility GmbH & Co. KG	3,799,054	–
Infosys Technologies (China) Co. Limited	22,050	27,055
Infosys Consulting GmBH	28,443,195	24,768,975
Infosys Consulting SAS	9,681,345	5,944,718
Infy Consulting B.V	7,985,503	7,787,185
Infosys (Czech Republic) Limited s.r.o.	133,745	136,669
Infosys Compaz Pte Ltd	–	185
Infosys BPM Limited	594,926	304,329
	92,052,374	78,883,526
Sale of services		
EdgeVerve Systems Limited	36,550	208,425
Infosys Consulting S.R.L (Argentina)	–	430
Infosys Consulting (Belgium) N.V.	105,967	82,949
Infosys Consulting AG	8,767,539	4,937,346
Infosys Consulting GmBH	2,341,775	1,348,254
Infosys Consulting SAS	–	153,202
Infy Consulting B.V	–	3,559
Infosys Poland Sp. z o.o.	547	66,490
Infosys Limited	183,912,193	165,482,224
Infosys Compaz Pte Ltd	–	184
	195,164,571	172,283,063
Purchase of shared services		
Infosys Limited	700,377	728,576
Infosys Consulting SAS	5,788	–
Infosys Automotive and Mobility GmbH & Co. KG	6,460	3,483,532
Infosys Consulting AG	82,498	91,764
	795,123	4,303,872
Sale of shared services		
Infosys Consulting S.R.L (Argentina)	–	900
Infosys Consulting (Belgium) N.V.	112,848	106,775
Infosys Consulting AG	–	71,044
Infosys Consulting GmBH	–	65,542
Infosys Consulting SAS	–	38,439
Infy Consulting B.V	150,687	146,596
Infosys Consulting AG	–	71,044
	263,535	500,340

List of key management personnel

Name of the Related Party	Designation
Andrew Duncan	Chief Executive Officer and Managing director

Transaction with key management personnel

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

(in GBP)

Particulars	Years ended March 31,	
	2024	2023
Key management personnel emoluments	1,001,024	818,413
Total	1,001,024	818,413

2.20 Segment reporting

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

2.21 Ratios

The ratios for the years ended March 31, 2024 and March 31, 2023 are as follows:

			Years ended March 31,		% of Variance
			2024	2023	
Current ratio	Current assets	Current liabilities	1.1	1.0	10.8%
Debt – Equity ratio	Total debt (represents lease liabilities) [1]	Shareholder's equity	0.1	0.2	(30.7%)*
Debt service coverage ratio	Earnings available for debt service[2]	Debt service[3]	5.1	3.8	33.6%**
Return on Equity (ROE)	Net profits after taxes	Average shareholder's equity	28.8%	18.7%	54.4%***
Trade receivables turnover ratio	Revenue	Average trade receivable	10.8	10.4	4.3%
Trade payables turnover ratio	Purchases of services and other expenses	Average trade payables	11.3	10.4	8.5%
Net capital turnover ratio	Revenue	Working capital	63.1	(82.4)	176.6%#
Net profit ratio	Net Profit	Revenue	3.5%	2.2%	56.7%##
Return on Capital Employed (ROCE)	Earning before interest and taxes	Capital employed[4]	31.6%	20.7%	52.9%###

(1) Debt represents only lease liabilities

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

(3) Lease payments for the current year

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

* Debit Equity Ratio decreased due to decrease in Lease liabilities

** Debt Service Coverage Ratio has increased due to increase in earnings

***Return on Equity (ROE) has increased due to increase in net profit after taxes

Net capital turnover ratio increased due to increase in working capital

Net profit ratio increased due to increase in net profit

Return on capital employed (ROCE) increased due to increase in earnings before interest and taxes

Infosys Poland Sp. z o.o.

Independent Auditor's Report

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

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of INFOSYS POLAND Sp. z.o.o ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of material accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements gives a true and fair view in conformity with the basis of preparation referred to in Note 1.2 of the special purpose financial statements, of the state of affairs of the Company as at March 31, 2024, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

We draw attention to Note 1.2 to the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared for inclusion in the annual report of the Ultimate Holding Company, Infosys Limited under the requirements of section 129 (3) of the Companies Act, 2013 and for issuing Annual Performance Report ("APR") which is required to be furnished by the Holding Company, Infosys BPM to Authorized Bank in accordance with regulation 10 of Foreign Exchange Management (Overseas Investment) Regulations. As a result, the special purpose financial statements may not be suitable for another purpose. The special purpose financial statements cannot be referred to or distributed or included or used for any other purpose except with our prior consent in writing. Our report is intended solely for the above purpose and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Our opinion is not modified in respect of this matter.

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

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

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

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

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

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

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

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

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

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

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

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

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

For Deloitte Haskins & Sells LLP
Chartered Accountants

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

Gurvinder Singh
Partner

Membership Number: 110128

UDIN: 24110128BKBGXT8837

Place: Bengaluru

Date: May 29, 2024

Balance Sheet

(In PLN)

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

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants

Firm Registration Number:117366W/ W-100018

Gurvinder Singh
Partner

Membership No. 110128

Palce: Bengaluru
Date: May 29, 2024

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

Prasanth Nair
Director

Arindam Roy Chowdhury
Director

Statement of Profit and Loss

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

Particulars	Note	Years ended March 31, 2024	2023
Revenue from operations	2.17	620,274,476	589,002,928
Other income, net	2.18	16,542,364	444,733
Total income		636,816,840	589,447,661
Expenses			
Employee benefit expenses	2.19	431,114,304	381,685,722
Cost of technical sub-contractors and professional charges	2.19	65,253,207	76,978,564
Travel expenses		2,238,664	3,187,652
Cost of software packages and others		16,246,075	17,156,959
Depreciation and amortization expenses	2.1 & 2.2	17,447,231	18,949,479
Finance cost	2.2	4,020,286	4,335,915
Other expenses	2.19	23,473,351	28,740,537
Total expenses		559,793,118	531,034,828
Profit before tax		77,023,722	58,412,833
Tax expense			
Current tax	2.16	12,341,449	17,337,157
Deferred tax	2.16	3,834,654	(758,625)
		16,176,103	16,578,532
Profit for the year		60,847,619	41,834,301
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		–	–
Remeasurement of the net defined benefit (liability)/asset, net of tax		–	–
Equity instruments through other comprehensive income, net of tax		–	–
Items that will be reclassified subsequently to profit or loss		–	–
Total other comprehensive income, net of tax		–	–
Total comprehensive income for the Year		60,847,619	41,834,301
Earnings per equity share			
Equity shares of par value PLN 500/- each			
Basic and diluted (PLN)		12,169.52	8,366.86
Weighted average equity shares used in computing earnings per equity share			
Basic and diluted		5,000	5,000

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants

Firm Registration Number:117366W/ W-100018

Gurvinder Singh
Partner

Membership No. 110128

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

Prasanth Nair
Director

Arindam Roy Chowdhury
Director

Palce: Bengaluru
Date: May 29, 2024

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, 2022	2,500,000	24,999,800	403,895,872	2,173,202	(60,800,000)	471,100	373,239,974
Changes in equity for the year ended March 31, 2023							
Profit for the Year	–	–	41,834,301	–	–	–	41,834,301
Total Comprehensive income for the Year	–	–	41,834,301	–	–	–	41,834,301
Balance as at March 31, 2023	2,500,000	24,999,800	445,730,173	2,173,202	(60,800,000)	471,100	415,074,275
Balance as at April 01, 2023	2,500,000	24,999,800	445,730,173	2,173,202	(60,800,000)	471,100	415,074,275
Changes in equity for the year ended March 31, 2024							
Profit for the Year	–	–	60,847,619	–	–	–	60,847,619
Total Comprehensive Income for the year	–	–	60,847,619	–	–	–	60,847,619
Balance as at March 31, 2024	2,500,000	24,999,800	506,577,792	2,173,202	(60,800,000)	471,100	475,921,894

(1) Securities premium- refer note 2.11

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

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants

Firm Registration Number:117366W/ W-100018

Gurvinder Singh
Partner

Membership No. 110128

Palce: Bengaluru

Date: May 29, 2024

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

Prasanth Nair
Director

Arindam Roy Chowdhury
Director

Statement of Cash Flows

Accounting Policy

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

(In PLN)

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

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants

Firm Registration Number:117366W/ W-100018

Gurvinder Singh
Partner

Membership No. 110128

Palce: Bengaluru

Date: May 29, 2024

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

Prasanth Nair
Director

Arindam Roy Chowdhury
Director

Notes to the Financial Statements

1. Overview

1.1 Company overview

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

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

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

1.2 Basis of preparation of financial statements

These special purpose financial statements are prepared for inclusion in the annual report of the Ultimate Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013 and for issuing annual performance report ("APR") which is required to be furnished by the Holding company, Infosys BPM Limited to Authorised Bank in accordance with regulation 10 of Foreign Exchange Management (Overseas investment) regulations.

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

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

1.3 Use of estimates and judgements

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

1.4 Critical accounting estimates and judgements

a. Revenue recognition

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

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

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

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

b. Income taxes

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

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

c. Property, plant and equipment

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

d. Impairment of Goodwill

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

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

2.1 Property, plant and equipment

Accounting Policy

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

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

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

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

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

Impairment

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

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2024 were as follows:

(In PLN)

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

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

(In PLN)

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

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

2.2 Leases

Accounting Policy

The Company as a lessee

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

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

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

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

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

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

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

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

The Company as a lessor

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

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

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

Following are the changes in the carrying value of right-of-use assets for the year ended March 31, 2024:

(In PLN)

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

(1) Net of adjustments on account of modifications

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

(In PLN)

Particulars	Category of ROU asset		Total
	Buildings	Computers	
Balance as of April 1, 2022	73,322,660	87,742	73,410,402
Additions/Adjustments*	(5,553,296)	535,869	(5,017,427)
Deletions	(1,208,469)	(178,591)	(1,387,060)
Depreciation	(14,513,873)	(112,048)	(14,625,922)
Balance as of March 31, 2023	52,047,022	332,972	52,379,994

* Net of adjustments on account of modifications

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

The break-up of current and non-current lease liability as at March 31, 2024 and March 31, 2023 is as follows:

(In PLN)

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

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

(In PLN)

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

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

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

(In PLN)

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

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

2.3 Goodwill

Accounting Policy

Goodwill represents the purchase consideration in excess of the company's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquired entity. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds purchase consideration, the fair value of net assets acquired is reassessed and the bargain purchase gain is recognized in capital reserve. Goodwill is measured at cost less accumulated impairment losses.

Impairment

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

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

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

(In PLN)

Particulars	As at March 31, 2024	2023
Carrying value at the beginning	22,046,332	22,046,332
Translation differences	–	–
Carrying value at the end	22,046,332	22,046,332

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The value-in-use is determined based on specific calculations. These calculations use pre-tax cash flow projections for a CGU over a period of five years. An average of the range of each assumption used is mentioned below. As of March 31, 2024 the estimated recoverable amount of the CGU exceeded its carrying amount. The key assumptions used for the calculations are as follows:

(In %)

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

2.4 Investments

(In PLN)

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

(In PLN)

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

[1] The Company has uncalled capital commitment for House of Fund.

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

Method of fair valuation:

(In PLN)

Class of investment	Method	Fair Value As at March 31, 2024	Fair Value As at March 31, 2023
Other securities	Discounted cash flows method, Market multiple method	44,623,242	42,934,577

2.5 Loans

(In PLN)

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

2.6 Other financial assets

(In PLN)

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

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

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

2.7 Trade receivables

(In PLN)

Particulars	As at March 31,	
	2024	2023
Current		
Unsecured		
Trade Receivable considered good - Unsecured[1]	119,903,689	112,402,511
Less: Allowance for expected credit loss	(1,208,952)	(1,938,826)
Trade Receivable considered good - Unsecured	118,694,737	110,463,685
Trade Receivable - credit impaired - Unsecured	471,859	–
Less: Allowance for credit impairment	(471,859)	–
Trade Receivable - credit impaired - Unsecured	–	–
Total trade receivables	118,694,737	110,463,685
[1] Includes dues from related parties	19,948,442	16,366,564

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

(In PLN)

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables - considered good	94,585,747	20,809,723	–	3,873,946	634,272	–	119,903,689
Undisputed Trade receivables - credit impaired	–	369,972	101,888	–	–	–	471,859
Disputed Trade Receivables - considered good	–	–	–	–	–	–	–
Disputed Trade receivables - credit impaired	–	–	–	–	–	–	–
Less: Allowance for credit loss							(1,680,811)
Total trade receivables	94,585,747	21,179,695	101,888	3,873,946	634,272	–	118,694,737

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

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

2.8 Cash and cash equivalents

(In PLN)

Particulars	As at March 31,	
	2024	2023
Balances with banks		
In current and deposit accounts	315,607,275	212,099,212
Cash on hand	4,714	4,768
	315,611,989	212,103,980
Deposit with more than 12 months maturity	–	–

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

2.9 Other assets

(In PLN)

Particulars	As at March 31,	
	2024	2023
Non-current		
Advances other than capital advance		
Prepaid expenses	299,338	–
Total Non-current other assets	299,338	–
Current		
Advances other than capital advance		
Payment to vendors for supply of goods	27,293	40,723
Others		
Withholding taxes and others[1]	5,977,522	9,361,699
Prepaid expenses	1,922,348	1,092,696
Unbilled revenues[2]	8,633,246	10,282,747
Deferred contract cost[3]	10,700	4,960,858
Total Current other assets	16,571,109	25,738,723
Total other assets	16,870,447	25,738,723

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

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

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

2.10 Financial instruments

Accounting Policy

2.10.1 Initial recognition

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

2.10.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

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

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

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

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

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

(iv) Financial liabilities

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

b. Derivative financial instruments

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

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

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

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

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

2.10.3 Derecognition of financial instruments

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

2.10.4 Fair value of financial instruments

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

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

2.10.5 Impairment

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

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2024 are as follows:

(In PLN)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory		
Assets:					
Cash and cash equivalents (Refer to Note 2.8)	315,611,989	–	–	315,611,989	315,611,989
Investments (Refer to Note 2.4)					
Preference and other securities	–	–	44,623,242	44,623,242	44,623,242
Trade receivables (Refer to Note 2.7)	118,694,737	–	–	118,694,737	118,694,737
Loans (Refer to Note 2.5)	99,543,530	–	–	99,543,530	99,543,530
Other financial assets (Refer to Note 2.6)[1]	26,306,383	–	–	26,306,383	26,306,383
Total	560,156,639	–	44,623,242	604,779,882	604,779,882
Liabilities:					
Trade payables (Refer to Note 2.13)	8,093,062	–	–	8,093,062	8,093,062
Lease Liabilities (Refer to Note 2.2)	61,671,068	–	–	61,671,068	61,671,068
Other financial liabilities (Refer to Note 2.12)	89,027,924	–	791,200	89,819,124	89,819,124
Total	158,792,054	–	791,200	159,583,254	159,583,254

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

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

(In PLN)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory		
Assets:					
Cash and cash equivalents (Refer to Note 2.8)	212,103,980	–	–	212,103,980	212,103,980
Investments (Refer to Note 2.4)					
Preference and other securities	–	–	42,934,577	42,934,577	42,934,577
Trade receivables (Refer to Note 2.7)	110,463,685	–	–	110,463,685	110,463,685
Loans (Refer to Note 2.5)	134,419,929	–	–	134,419,929	134,419,929
Other financial assets (Refer to Note 2.6)[1]	22,814,768	–	6,832,200	29,646,968	29,646,968
Total	479,802,362	–	49,766,777	529,569,139	529,569,139
Liabilities:					
Trade payables (Refer to Note 2.13)	4,419,512	–	–	4,419,512	4,419,512
Lease Liabilities (Refer to Note 2.2)	72,049,939	–	–	72,049,939	72,049,939
Other financial liabilities (Refer to Note 2.12)	90,955,522	–	–	90,955,522	90,955,522
Total	167,424,973	–	–	167,424,973	167,424,973

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

For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Fair value hierarchy

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

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

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

The following table presents fair value hierarchy of assets and liabilities measured at fair value as at March 31, 2024:

(In PLN)

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

The following table presents fair value hierarchy of assets and liabilities measured at fair value as at March 31, 2023:

(In PLN)

Particulars	As at March 31, 2023	Fair value measurement at the end of the reporting year using		
		Level 1	Level 2	Level 3
Assets				
Investments in other securities (Refer to Note 2.4)	42,934,577	–	–	42,934,577
Derivative financial instruments - gain on outstanding foreign currency forward and option contracts (Refer to Note 2.6)	6,832,200	–	6,832,200	–
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward contracts (Refer to Note 2.12)	–	–	–	–

Financial risk management

Financial risk factors

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

Market risk

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

The following table analyzes foreign currency risk from financial assets and liabilities as at March 31, 2024:

(In PLN)

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

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

(In PLN)

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

Sensitivity analysis between Poland zloty and USD

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

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

Derivative financial instruments

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

The following table gives details with respect to outstanding foreign exchange forward contracts:

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

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

(In PLN)

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

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

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

(In PLN)

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

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to PLN 118,694,737 and PLN 110,463,685 as at March 31, 2024 and March 31, 2023 and unbilled revenue amounting to PLN 26,065,321 and PLN 27,909,267 as of March 31, 2024 and March 31, 2023, respectively Trade receivables and unbilled revenue are typically unsecured. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses ECL model to assess the impairment loss or gain. The Company uses a provision matrix to compute the ECL allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes, credit ratings from international credit rating agencies and the Company's historical experience for customers.

Write off policy

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

The following table gives details in respect of percentage of revenues generated from top customer and top ten customers:

(In %)

Particulars	Years ended March 31,	
	2024	2023
Revenue from top customer	18%	16%
Revenue from top ten customers	56%	58%

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2024 was PLN 1,680,811. The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2023 was PLN 1,938,826.

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements.

As of March 31, 2024, the Company had a working capital of PLN 288,391,932 including cash and cash equivalents of PLN 315,611,989. As of March 31, 2023, the Company had a working capital of PLN 193,919,545 including cash and cash equivalents of PLN 212,103,980.

As of March 31, 2024 and March 31, 2023, the outstanding compensated absences were PLN 20,198,399 and PLN 22,974,002 respectively, which have been substantially funded. Further, as of March 31, 2024 and March 31, 2023, the Company had no outstanding bank borrowings. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2024:

(In PLN)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	8,093,062	–	–	–	8,093,062
Other financial liabilities (Refer Note 2.12)	86,903,401	2,124,523	–	–	89,027,924

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2023:

(In PLN)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	4,419,512	–	–	–	4,419,512
Other financial liabilities (Refer Note 2.12)	88,661,926	2,293,596	–	–	90,955,522

2.11 Equity

Accounting Policy

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

Description of Reserves

Retained earnings

Retained earnings represent the amount of accumulated earnings of the Company.

Securities premium

The amount received in excess of the par value of equity shares has been classified as securities premium.

Other components of equity

Other components of equity consist of changes on fair valuation of investments.

Equity share capital

(In PLN, except as otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Authorized		
Equity shares, PLN 500/-(PLN 500/-) par value		
5,000 (5,000) equity shares	2,500,000	2,500,000
Issued, subscribed and paid-up		
Equity shares, PLN 500/- (PLN 500/-) par value	2,500,000	2,500,000
5,000 (5,000) equity shares fully paid up		
	2,500,000	2,500,000

The Company has only one class of shares referred to as equity shares having a par value of PLN 500/-. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts. However, no such preferential amounts exist currently.

The details of shareholder holding more than 5% shares as at:

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	Number of shares	% held	Number of shares	% held
Infosys BPM Limited, the holding company	5,000	100.00	5,000	100.00

The reconciliation of the number of shares outstanding and the amount of share capital as at :

(In PLN, except as otherwise stated)

Particulars	As at March 31,			
	2024		2023	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the period	5,000	2,500,000	5,000	2,500,000
Add: Shares issued during the period	–	–	–	–
At the end of the period	5,000	2,500,000	5,000	2,500,000

There has been no buy-back of shares, issuance of bonus shares or shares issued for consideration other than cash during the last 5 years.

Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues, including for changes effected prior to the approval of the financial statements by the Board of Directors.

2.12 Other financial liabilities

(In PLN)

Particulars	As at March 31,	
	2024	2023
Non-current		
Financial Liability under revenue deals[(1)]	2,124,523	2,293,596
Total non-current other financial liabilities	2,124,523	2,293,596
Current		
Others		
Accrued compensation to employees[(1)]	59,725,183	47,906,935
Capital creditors[(1)]	63,173	–
Financial Liability under revenue deals[(1)]	3,059,920	2,178,950
Accrued expenses[(1)]*	20,696,029	28,752,209
Other payables [(1)]**	3,359,096	9,823,832
Compensated absences	20,198,399	22,974,002
Foreign currency forward contracts[(2)]	791,200	–
Total current other financial liabilities	107,893,000	111,635,928
Total other financial liabilities	110,017,523	113,929,524
[(1)] Financial liability carried at amortized cost	89,027,924	90,955,522
[(2)] Financial liability carried at fair value through Profit or Loss	791,200	–
* Includes dues to related parties (Refer to Note 2.21)	1,337,718	1,882,638
** Includes dues to related parties (Refer to Note 2.21)	3,359,097	9,823,831

2.13 Trade payables

(In PLN)

Particulars	As at March 31, 2024	2023
Current		
Trade payables[(1)]	8,093,062	4,419,512
Total Trade payables	8,093,062	4,419,512
[(1)] Includes dues to related parties (Refer to Note 2.21)	339,745	321,478

As at March 31, 2024 and March 31, 2023, there are no outstanding dues to Micro, Small and Medium Enterprises. There is no interest due or outstanding on the same.

The table below provides details regarding the ageing of Trade payables as at March 31, 2024

(In PLN)

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	–	–	–	–	–	–
Others	6,569,902	1,523,160	–	–	–	8,093,062
Disputed Dues- MSME	–	–	–	–	–	–
Disputed Dues- Others	–	–	–	–	–	–
Total trade payables	6,569,902	1,523,160	–	–	–	8,093,062

The table below provides details regarding the ageing of Trade payables as at March 31, 2023

(In PLN)

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	–	–	–	–	–	–
Others	2,044,651	2,374,861	–	–	–	4,419,512
Disputed Dues- MSME	–	–	–	–	–	–
Disputed Dues- Others	–	–	–	–	–	–
Total trade payables	2,044,651	2,374,861	–	–	–	4,419,512

2.14 Other liabilities

(In PLN)

Particulars	As at March 31, 2024	2023
Current		
Unearned revenue	19,986,457	27,659,107
Others		
Withholding taxes and other payables	22,355,722	15,219,322
Total current other liabilities	42,342,179	42,878,429
Total other liabilities	42,342,179	42,878,429

2.15 Provisions

Accounting Policy

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

a. Post-sales client support and others

The Company provides its clients with fixed-period post-sales support on its fixed-price, fixed-timeframe, and time and material contracts. Costs associated with such support services are accrued at the time-related revenues are recorded and included in the cost of sales. The Company estimates such costs based on historical experience and estimates are reviewed on a periodic basis for any material changes in assumptions and likelihood of occurrence.

b. Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Company recognizes any impairment loss on the assets associated with that contract.

Provision for post-sales customer support and other provisions

(In PLN)

Particulars	As at March 31,	
	2024	2023
Current		
Others		
Post-sales client support and Other provisions	1,414,607	1,557,444
Total provisions	1,414,607	1,557,444

Provision for Post sales client support and Other provisions

The movement in the provision for Post sales client support and Other provisions is as follows :

(In PLN)

Particulars	As at March 31,	
	2024	2023
Balance at the beginning	1,557,444	1,051,095
Provision recognized/(reversed)	30,260	1,840,175
Provision utilized	(143,410)	(1,281,480)
Exchange difference	(29,687)	(52,346)
Balance at the end	1,414,607	1,557,444

2.16 Income taxes

Accounting Policy

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and laws enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Income tax expense in the statement of profit and loss comprises:

(In PLN)

Particulars	Years ended March 31,	
	2024	2023
Current taxes	12,341,449	17,337,157
Deferred taxes	3,834,654	(758,625)
Income tax expense	16,176,103	16,578,532

Income tax expense for the year ended March 31, 2024 and March 31, 2023 includes reversals (net of provision) of PLN 520,471 and Provision (net of reversal) PLN 2,087,352 respectively, pertaining to earlier periods on completion of assessments.

Deferred income tax for the year ended March 31, 2024 and March 31, 2023, substantially relates to origination and reversal of temporary differences.

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(In PLN)

Particulars	Years ended March 31,	
	2024	2023
Profit before income taxes	77,023,722	58,412,833
Statutory tax rate	19.00%	19.00%
Computed expected tax expense	14,634,507	11,098,438
Tax provision (reversals)	(520,471)	2,087,352
Effect of non-deductible expenses	1,931,342	5,260,004
Others	130,725	(1,867,262)
Income tax expense	16,176,103	16,578,532

The applicable Poland statutory tax rates for fiscal 2024 and fiscal 2023 is 19% and 19% respectively.

The following table provides the details of income tax assets and income tax liabilities as of March 31, 2024 and March 31, 2023:

(In PLN)

Particulars	As at March 31,	
	2024	2023
Income tax assets	–	–
Current Income tax liabilities	8,456,544	2,071,778
Net income tax Liabilities at the end	8,456,544	2,071,778

The gross movement in the current income tax asset/ (liability) for the year ended March 31, 2024 and March 31, 2024 is as follows:

(In PLN)

Particulars	Years ended March 31,	
	2024	2023
Net income tax asset/ (liability) at the beginning	(2,071,778)	(5,050,440)
Income tax paid, net of refunds	5,956,683	20,315,819
Income tax expense	(12,341,449)	(17,337,157)
Net income tax asset/(Liability) at the end	(8,456,544)	(2,071,778)

The movement in gross deferred income tax assets and labilities (before set off) for the year ended March 31, 2024 is as follows:

(In PLN)

Particulars	Carrying Value as on April 01, 2023	Changes through Profit & Loss	Changes through other equity	Translation difference	Carrying Value as on March 31, 2024
Deferred tax assets:					
Accrued Compensation	3,136,732	620,177	–	–	3,756,909
Accrued vacation	4,365,060	(527,364)	–	–	3,837,696
Trade receivables	5,560,101	(3,517,357)	–	–	2,042,744
Lease Liabilities	3,737,290	(1,153,246)	–	–	2,584,044
Others	4,617,311	(616,676)	–	–	4,000,635
Total deferred tax assets	21,416,494	(5,194,466)	–	–	16,222,028
Deferred income tax liabilities					
Property, plant and equipment	(572,722)	158,718	–	–	(414,004)
Others	(6,224,728)	1,201,094	–	–	(5,023,634)
Total deferred tax liabilities	(6,797,450)	1,359,812	–	–	(5,437,638)

The movement in gross deferred income tax assets and labilities (before set off) for the year ended March 31, 2023 is as follows:

(In PLN)

Particulars	Carrying Value as on April 01,2022	Changes through Profit & Loss	Changes through other equity	Translation difference	Carrying Value as on March 31,2023
Deferred tax assets					
Accrued Compensation	3,327,307	(190,575)	–	–	3,136,732
Accrued vacation	3,622,402	742,658	–	–	4,365,060
Trade receivables	8,421,384	(2,861,283)	–	–	5,560,101
Lease Liabilities	–	3,737,290	–	–	3,737,290
Others	3,374,626	1,242,685	–	–	4,617,311
Total deferred tax assets	18,745,719	2,670,775	–	–	21,416,494
Deferred income tax liabilities					
Property, plant and equipment	(948,001)	375,279	–	–	(572,722)
Others	(3,937,299)	(2,287,429)	–	–	(6,224,728)
Total deferred tax liabilities	(4,885,300)	(1,912,150)	–	–	(6,797,450)

The ultimate realization of deferred tax assets depends upon management's assessment of the Company's ability to generate taxable income during the periods in which the temporary differences become deductible. Management's assessment in the near term is subject to change if estimates of future taxable income during the carry-forward period are reduced.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. Management considers the scheduled reversals of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes that it is more likely than not the Company will realize the benefit of any deductible differences at March 31, 2024.

2.17 Revenue from Operations

Accounting Policy

The Company derives revenue primarily from the management of business processes, both on the basis of allocation of staff, fixed price agreed with the Client, number of hours or based on the unit price for a given activity. Revenue based on the allocation of staff is recognized when realized, and the revenue realized from the date of the last invoice to the date of the balance sheet is recognized as unbilled revenue. Revenue based on the fixed price agreed with the Client or the number of hours is recognized at a reliable amount if they are probable. Revenue based on the unit price for a given activity is recognized as transactions based on measurable deliverables. Provisions for expected losses, if any, on unfulfilled contracts are recognized in the period in which the loss is probable, based on current estimates.

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties, in writing, to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognized upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration the Company has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. The Company allocates the transaction price to each distinct performance obligation based on the relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In the absence of such evidence, the primary method used to estimate standalone selling price is the expected cost plus a margin, under which the Company estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services.

The Company's contracts may include variable considerations, including rebates, volume discounts, and penalties. The Company includes variable consideration as part of transaction price when there is a basis to estimate the amount of the variable consideration reasonably and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue on time-and-material contracts and unit of work-based contracts are recognized as the related services are performed. Fixed price business process management services revenue is recognized ratably either on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or using a percentage of completion method when the pattern of benefits from the services rendered to the customer and Company's costs to fulfill the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive.

Revenue from other fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time, is recognized using the percentage-of-completion method. Efforts or costs expended have been used to determine progress towards completion as there is a direct relationship between input and productivity. Progress towards completion is measured as the ratio of costs or efforts incurred to date (representing work performed) to the estimated total costs or efforts. Estimates of transaction price and total costs or efforts are continuously monitored over the lives of the contracts and are recognized in profit or loss in the period when these estimates change or when the estimates are revised. Revenues and the estimated total costs or efforts are subject to revision as the contract progresses. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

The billing schedules agreed with customers include periodic performance-based billing and/or milestone-based progress billings. Revenues in excess of billing are classified as unbilled revenue, while billing in excess of revenues is classified as contract liabilities (which we refer to as unearned revenues).

Such Capitalized contract costs relating to upfront payments to customers are amortized to revenue and other capitalized costs are amortized to expenses over the respective contract life on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates. Capitalized costs are monitored regularly for impairment. Impairment losses are recorded when present value of projected remaining operating cash flows is not sufficient to recover the carrying amount of the capitalized costs.

The Company presents revenues net of indirect taxes in its Statement of Profit and Loss.

Revenues for the year ended March 31, 2024 and March 31, 2023 are follows:

(In PLN)

Particulars	Years ended March 31,	
	2024	2023
Income from business process management services	620,274,476	589,002,928
	620,274,476	589,002,928

Trade receivables and Contract Balances

The timing of revenue recognition, billings and cash collections results in Receivables, Unbilled Revenue, and Unearned Revenue on the Company's Balance Sheet. Amounts are billed as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals (e.g., monthly or quarterly) or upon achievement of contractual milestones.

Receivables are rights to consideration that are unconditional. Unbilled revenues comprising revenues in excess of billings from time and material contracts and fixed-price business process management services are classified as financial asset when the right to consideration is unconditional and is due only after a passage of time.

Invoicing to the clients for other fixed-time frame contracts is based on milestones as defined in the contract and therefore the timing of revenue recognition is different from the timing of invoicing to the customers. Therefore unbilled revenues for other fixed-timeframe contracts are classified as non-financial asset (contract asset) because the right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

Trade receivables and unbilled revenues are presented net of impairment in the Balance Sheet.

During the year ended March 31, 2024 and March 31, 2023, the Company recognized revenue of PLN 20,502,281 and PLN 22,550,911 arising from opening unearned revenue as of April 1, 2023 and April 1, 2022 respectively.

During the year ended March 31, 2024 and March 31, 2023,PLN 9,730,535 and PLN 8,173,309 of unbilled revenue pertaining to fixed price development contracts as of April 1, 2023 and April 1, 2022 respectively has been reclassified to Trade receivables upon billing to customers on completion of milestones.

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation-related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as of March 31, 2024 other than those meeting the exclusion criteria mentioned above is PLN 138,534,105. Out of this, the Group expects to recognize revenue of around 59.5% within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

2.18 Other income, net

Accounting policy

Other income is comprised primarily of interest income, exchange gain/loss on forward contracts and on translation of other assets and liabilities. Interest income is recognized using the effective interest method.

Foreign currency

Functional currency

The functional currency of the Company is the Polish złoty. The financial statements are presented in Polish złoty.

Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

Other income for the year ended March 31, 2024 and March 31, 2023 is as follows:

(In PLN)

Particulars	Years ended March 31, 2024	2023
Interest income on financial assets carried at amortized cost		
Deposit with banks and others	19,316,190	11,335,841
Exchange gains/(losses) on foreign currency forward and options contracts	16,513,950	15,794,750
Exchange gains/(losses) on translation of other assets and liabilities	(18,585,254)	(4,006,820)
Fair Valuation gains/ (losses) on Investments	(860,497)	(22,749,320)
Other Miscellaneous income,net	157,975	70,282
	16,542,364	444,733

2.19 Expenses

(In PLN)

Particulars	Years ended March 31, 2024	2023
Employee benefit expenses		
Salaries and bonus, including overseas staff expenses	424,638,208	377,571,549
Staff welfare	6,476,096	4,114,173
	431,114,304	381,685,722
Cost of technical sub-contractors and professional charges		
Cost of technical sub-contractors	59,165,426	66,679,218
Legal and professional	3,760,541	3,250,360
Recruitment and training	2,327,240	7,048,986
	65,253,207	76,978,564
Other expenses		
Computer maintenance	546,251	628,083
Office maintenance	10,541,999	8,679,338
Consumables	(45,909)	326,672
Brand building and advertisement	229,013	307,213
Marketing expenses	3,139	35,105

Particulars	Years ended March 31,	
	2024	2023
Power and fuel	670,792	1,165,681
Insurance charges	303,430	248,447
Rent	1,744,146	1,319,072
Communication	2,501,513	2,863,708
Rates and taxes	6,351,529	5,900,912
Bank charges and commission	928,173	1,065,517
Postage and courier	225,716	205,117
Allowances for credit losses on financial assets	(583,068)	1,075,450
Professional membership and seminar participation fees	84,539	51,889
Provision for post sale customer support and others	(95,050)	103,965
Other miscellaneous expenses	67,138	4,764,368
	23,473,351	28,740,537

2.20 Contingent liabilities and commitments (to the extent not provided for)

Accounting Policy

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

(In PLN)

Particulars	As at March 31,	
	2024	2023
Contingent liabilities		
Claims against the Company, not acknowledged as debts[1]	–	–
Commitments		
Estimated amount of unexecuted capital contracts[2]	764,990	721,723
(net of advances and deposits)		
Other commitments[3]	35,179,863	43,935,445

[1] The Company is currently not involved in any significant lawsuits, claims, investigations and proceedings, including patent and commercial matters, which arises in the ordinary course of business. There are no such pending matters that are expected to have material effect on these financial statements.

[2] Capital contracts primarily comprise commitments for infrastructure, facilities, and computer equipment.

[3] Other commitments relate to investment committed by the Company in the House Fund II & III,L.P.. during the years.

2.21 Related party transactions

List of related parties:

Name of subsidiaries	Country	Holding as at March 31,	
		2024	2023
Ultimate Holding Company			
Infosys Limited	India	Ultimate Holding Company	Ultimate Holding Company
Holding Company			
Infosys BPM Limited[1]	India	Holding company	Holding company

Fellow subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)[1]	China
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)[2]	China
Infosys (Czech Republic) Limited s.r.o.	Czech Republic
Infosys Luxembourg S.a.r.l[1]	Luxembourg
Infosys Consulting AG[2]	Switzerland
oddity code d.o.o [6]	Serbia
Infosys Consulting Pte. Ltd. (Infosys Singapore)[1]	Singapore
Infosys Consulting GmbH[3]	Germany
Infosys Consulting S.R.L.[1]	Romania
Infosys Automotive and Mobility GmbH & Co. KG[5]	Germany
Infy Consulting Company Ltd[2]	U.K.
Infosys Consulting (Belgium) NV[3]	Belgium
Infosys Compaz Pte. Ltd [4]	Singapore

[(1)] Wholly-owned subsidiary of Infosys Limited
[(2)] Wholly-owned subsidiary of Infosys Consulting Holding AG
[(3)] Majority owned and controlled subsidiary of Infosys Consulting Holding AG
[(4)] Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody)
[(5)] On March 28, 2021 Infosys Limited and Infosys Germany Holding Gmbh registered Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm.
[(6)] Wholly-owned subsidiary of oddity code GmbH.

The details of amounts due to or due from related parties as at March 31, 2024, March 31, 2023 are as follows:

(In PLN)

Particulars	As at March 31,	
	2024	2023
Loans to subsidaries		
Infosys Technologies (China) Co. Limited	60,419	22,641,415
Infosys Automotive and Mobility GmbH & Co. KG	30,466,367	33,239,553
Infosys Technologies (Shanghai) Company Limited	21,076,137	26,401,311
Infosys Singapore Pte. Ltd.	47,831,860	51,940,897
	99,434,783	134,223,176
Trade receivables		
Infosys Limited	16,198,639	12,344,687
Infosys BPM Limited	1,216,529	800,253
Infosys Consulting AG	651,791	2,775,235
Infosys Consulting GmbH	15,284	308,129
Infosys Fin Services GmBH	1,783,455	–
Infosys Luxembourg S.à.r.l	82,744	138,260
	19,948,442	16,366,564
Other Receivables		
Infosys Limited	79,028	31,422
Infosys Automotive and Mobility GmbH & Co. KG	140,575	–
Infosys (Czech Republic) Ltd	2,602	–
Infosys BPM Limited	350,868	221,745
	573,073	253,167
Trade payables		
Infosys BPM Limited	252,270	91,429
Infy Consulting Company Limited	–	188,526
Infosys (Czech Republic) Limited s.r.o.	56,487	11,418
Infosys Technologies China	9,709	1,687
Infosys Consulting S.R.L. (Romania)	21,279	28,418
	339,745	321,478
Other Payables		
Infosys Limited	3,358,844	1,351,838
Infosys BPM Limited	253	–
Infosys Automotive and Mobility GmbH & Co. KG	–	8,471,993
	3,359,097	9,823,831
Provision for expenses		
Infosys Limited	1,337,718	1,882,638
	1,337,718	1,882,638

Details of related party transactions entered into by the Company

(In PLN)

Particulars	Years ended March 31, 2024	2023
Revenue transactions		
Purchase of services		
Infosys BPM Limited	2,708,795	1,346,165
Infosys Limited	(6,775)	775,893
Infosys (Czech Republic) Limited s.r.o.	449,781	473,956
Infy Consulting Company Ltd	2,908	355,154
Infosys Consulting Romania	217,716	468,683
Infosys Technologies China	67,574	83,361
Oddity Code d.o.o	–	11,102
	3,439,999	3,514,314
Sale of services		
Infosys Limited	141,671,677	117,200,736
Infosys BPM Limited	9,565,544	10,694,489
Infosys Fin Services GmBH	3,708,038	–
Infosys Consulting AG	3,458,529	10,827,954
Infosys Luxembourg S.à.r.l	455,594	1,079,470
Infosys Consulting GmbH	382,814	5,254,573
	159,242,196	145,057,222
Interest income		
Infosys Technologies (Shanghai) Company Limited	1,329,684	1,181,693
Infosys Technologies (China) Co. Limited	1,083,116	1,121,509
Infosys Automotive and Mobility GmbH & Co. KG	1,811,605	3,122,100
Infosys Consulting Pte. Ltd	2,473,236	1,269,520
	6,697,641	6,694,822
Sale of shared services including facilities and personnel		
Infosys BPM Limited	1,614	1,923
Infosys Automotive and Mobility GmbH & Co. KG	141,124	–
	142,738	1,923
Purchase of shared services including facilities and personnel		
Infosys Limited	2,040,191	631,253
Infosys Automotive and Mobility GmbH & Co. KG	4,871,804	6,236,778
	6,911,995	6,868,031

List of key management personnel

Name of the related party	Designation
Prasanth Nair	Member of the Management Board
Sanjay Arora	Member of the Management Board
Satish Nair	Member of the Management Board
Arindam Roy Chowdhury	Member of the Management Board

Transaction with key management personnel

The table below describes the compensation to key managerial personnel which comprise directors and executive officers:

(In PLN)

Particulars	Years ended March 31,	
	2024	2023
Salaries and other employee benefits to whole-time directors and executive officers[(1)]	522,722	433,160
Total	522,722	433,160

(1) Does not include post-employment benefit based on actuarial valuation as this is done for the Company as a whole.

2.22 Retirement benefits

Under the Company's remuneration rules, employees are entitled to retirement benefits. Liabilities due to retirement benefits have been measured using the actuarial method and the discount rate based on market rate of return as at the end of the reporting period. Staff turnover is estimated based on historical data and expected staff levels.

2.23 Business Combinations

Accounting policy

Our business combinations are accounted for using Ind AS 103, Business Combinations. Business combinations between entities under common control is accounted for at carrying value. The identity of the reserves is preserved as they appear in the financial statements of the Company in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to business transfer reserve.

2.24 Segment Reporting

Based on the 'management approach', as defined in Ind AS 108, Segment Reporting, the Chief Operating Decision Maker (CODM) evaluates the performance and allocates resources based on the analysis of the performance of the Company as a whole. The Company's operations are considered to constitute a single segment in the context of Ind AS 108 Segment Reporting.

2.25 Analytical ratios

The following are certain analytical ratios for the year ended March 31, 2024 and March 31, 2023:

Particulars	Numerator	Denominator	Years ended March 31,		% of Varianace
			2024	2023	
Current Ratio	Current assets	Current liability	2.6	2.1	23.8%
Debt – Equity Ratio[(5)]	Total Debt[(1)]	Shareholder's Equity	0.1	0.2	(50.0%)
Debt Service Coverage Ratio[(6)]	Earnings available for debt service[(2)]	Debt Service[(3)]	4.2	5.7	(26.3%)
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	13.7%	10.6%	3.0%
Trade receivables turnover ratio[(7)]	Net Credit Revenue	Average Accounts Receivable	5.4	5.1	27.5%
Trade payables turnover ratio[(8)]	Net Credit Purchase of services/ consumables	Average Trade Payables	17.2	27.8	43.3%
Net capital turnover ratio[(9)]	Net Sales	Working Capital	2.2	3.0	(26.7%)
Net profit ratio	Net Profit	Net Sales	9.8%	7.1%	2.7%
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed[(4)]	18.3%	16.6%	1.7%
Return on Investment					
Unquoted[(10)]	Income from investments	Time weighted average investments	(13.3%)	(30.5%)	(56.4%)

(1) Debt represents lease liabilities

(2) Net Profit after taxes + Non-cash operating expenses + Interest + other adjustments like loss on sale of Fixed assets etc.

(3) Lease payments for the current year

(4) Tangible net worth + Deferred tax liabilities + Lease liabilities

(5) Debt Equity ratio decreased due to decrease in lease liability on termination of contracts

(6) Debt Service ratio decreased due to decrease in earnings available for debt on fair valuation loss in FY'23 and increase in lease payments

(7) Trade Receivables turnover ratio increased due to improvement in DSO

(8) Trade Payable turnover ratio improved due to timely payment to the Payables

(9) Net Capital turnover ratio improved due to improvement in working capital on receipt of loan

(10) Unquoted Return on Investment (ROI) due to fair valuation loss on Tidal Scale in FY'23

for and on behalf of the Board of Directors of Infosys Poland Sp. z o.o.

Place: Bengaluru	Prasanth Nair	Arindam Roy Chowdhury
Date: May 29, 2024	*Director*	*Director*

WONGDOODY, Inc.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of WONGDOODY, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of WONGDOODY, Inc. ("the Company"), which comprise the Balance Sheet as at December 31, 2023, and the related Statement of Operations, Statement of Stockholders' Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements, which include the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. As informed to us, the Company does not have any other information to be included in the annual report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with US GAAP and the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

While performing an audit in accordance with ISAs, we:

- Exercise professional judgement 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, 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 and related disclosures made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our

conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are required to communicate with the Board of 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For BDO India LLP

Place: Mumbai

Date: May 13, 2024

Balance Sheet

(In US$)

Particulars	As of December 31,	
	2023	2022
Assets		
Current assets		
Cash and cash equivalents	33,806,000	25,604,000
Accounts receivable, net	10,235,000	12,878,000
Prepaid expenses and other current assets	1,386,000	941,000
Contract assets	28,000	122,000
Loan to related parties	5,191,000	5,239,000
Total current assets	50,646,000	44,784,000
Non-current assets		
Property and equipment, net	856,000	1,471,000
Operating lease assets, net	5,583,000	2,641,000
Loan to related parties	8,000,000	7,000,000
Deferred tax assets	8,081,000	9,237,000
Total non-current assets	22,520,000	20,349,000
Total assets	73,166,000	65,133,000
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	8,595,000	9,367,000
Accrued compensation	3,859,000	5,148,000
Accrued expenses	3,165,000	1,633,000
Contract liabilities	99,000	1,571,000
Income taxes payable	333,000	751,000
Finance lease liabilities	39,000	31,000
Operating lease liabilities	902,000	1,450,000
Total current liabilities	16,992,000	19,951,000
Non-current liabilities:		
Finance lease liabilities	30,000	44,000
Operating lease liabilities	4,907,000	1,622,000
Total non-current liabilities	4,937,000	1,666,000
Total liabilities	21,929,000	21,617,000
Commitments and contingencies (Notes 6 and 7)		
Stockholders' equity		
Common stock	189,000	189,000
Retained earnings	51,048,000	43,327,000
Total stockholders' equity	51,237,000	43,516,000
Total liabilities and stockholders' equity	73,166,000	65,133,000

The accompanying notes are an integral part of these financial statements.

Statement of Operations

(In US$)

Particulars	Years ended December 31,	
	2023	2022
Revenues	123,716,000	121,793,000
Advertising services	24,106,000	28,583,000
Related party subcontracting	96,724,000	85,950,000
Related party professional services	2,886,000	7,260,000
Operating expenses		
Salaries and related expenses	36,340,000	47,158,000
General and administrative expenses	79,488,000	56,556,000
Total operating expenses	115,828,000	103,714,000
Income from operations	7,888,000	18,079,000
Other income (expense)		
Interest expense	(3,000)	(3,000)
Interest income	2,039,000	501,000
Total other income – net	2,036,000	498,000
Income before income taxes	9,924,000	18,577,000
Income tax expense	2,203,000	5,228,000
Net income	7,721,000	13,349,000

The accompanying notes are an integral part of these financial statements.

Statement of Stockholders' Equity

(In US$)

Particulars	Common Stock		Retained earnings	Total
	Shares	Amount		
Balance – December 31, 2021	2,000	14,004,000	16,163,000	30,167,000
Transfer of balances due to merger	(1,900)	(13,815,000)	13,815,000	–
Net income	–	–	13,349,000	13,349,000
Balance – December 31, 2022	100	189,000	43,327,000	43,516,000
Net income	–	–	7,721,000	7,721,000
Balance – December 31, 2023	100	189,000	51,048,000	51,237,000

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows

(In US$)

Particulars	Years ended December 31, 2023	2022
Cash flows from operating activities		
Net income	7,721,000	13,349,000
Adjustments to reconcile net income to net cash used in operating activities		
Depreciation and amortization	810,000	563,000
Deferred tax expense	1,156,000	784,000
Loss on disposal of long-lived assets	–	16,000
Changes in operating assets and liabilities:		
Accounts receivable	2,643,000	(5,646,000)
Contract assets	94,000	(98,000)
Prepaid expenses and other assets	(444,000)	(197,000)
Accounts payable	(772,000)	6,757,000
Income taxes payable/ receivable	(418,000)	1,967,000
Contract liabilities	(1,472,000)	1,076,000
Accrued compensation	(1,289,000)	1,723,000
Accrued expenses	1,532,000	444,000
Other long-term liabilities	(205,000)	(114,000)
Net cash provided by operating activities	9,356,000	20,624,000
Cash flows from investing activities:		
Purchases of property and equipment	(196,000)	(753,000)
Loan to related parties	(952,000)	(12,044,000)
Net cash used in investing activities	(1,148,000)	(12,797,000)
Cash flows from financing activities		
Payments of finance lease liability	(6,000)	(40,000)
Net cash used in financing activities	(6,000)	(40,000)
Net increase in cash	8,202,000	7,787,000
Cash, beginning of year	25,604,000	17,817,000
Cash, end of year	33,806,000	25,604,000
Supplemental disclosure of cash flow information		
Cash paid for interest	–	–
Cash paid for taxes	1,431,000	2,477,000
Non-cash investing and financing activities		
Property and equipment acquired under capital lease	22,000	20,000

The accompanying notes are an integral part of these financial statements.

Notes to financial statements

1. Description of business and summary of significant accounting policies

1.1 Description of business

WONGDOODY, Inc. ("the Company") is incorporated under the laws of the State of Washington and promotes products and services for clients across the United States, primarily through targeted integrated marketing campaigns focused on live, digital, and social brand experiences.

On April 13, 2018, WONGDOODY Holding Company, Inc. entered into a definitive agreement for all of the Company's outstanding common stock to be acquired by Infosys Limited, a consulting and information technology company based in India. The acquisition closed on May 22, 2018.

Effective January 01, 2022, WONGDOODY, Inc ("New Parent") completed the merger of WDW Communications, Inc and WONGDOODY Holding Company, Inc into the Company. On the effective dates, the aforesaid entities were under common control. The merger of WDW Communications, Inc have been accounted as transfer of business and the merger WONGDOODY Holding Company ("erstwhile Parent") has been accounted as transfer of assets. Accordingly, the assets and liabilities of WDW Communications and WONGDOODY Holding Company have been recorded at historical carrying value in the financial statement of the Company for the year ended December 2022.

1.2 Basis of financial statement presentation

The accompanying financial statements present the financial position, results of operations, and cash flows of the Company in conformity with accounting principles generally accepted in the United States of America (GAAP). Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

These financial statements have been prepared on a going concern basis, which assumes the realization of assets and satisfaction of liabilities in the normal course of business. These financial statements have been presented in US dollars, which is the functional and reporting currency of the Company.

1.3 Use of estimates

The preparation of financial statements in conformity with GAAP requires the Management to make estimates and assumptions that affect certain reported amounts and disclosures. The Company's significant estimates include the allowance for doubtful accounts, estimated useful lives of assets and taxation. Accordingly, actual results could materially differ from those estimates.

1.4 Adoption of new accounting standards

During the year ended December 31, 2023, the Company adopted the following accounting standards issued by the FASB:

ASC 326 Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments – The 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.

ASC 326 has not impacted the accompanying Balance Sheet and accompanying Statement of Operations and there was also no cumulative effect adjustment required to the opening balance of the member's equity.

1.5 Cash and cash equivalents

The Company maintains cash and deposit balances with various major financial institutions located in the United States. Accounts at these institutions are guaranteed by the Federal Deposit Insurance Corporation up to US$250,000. The Company's Management does not believe cash is exposed to significant credit risk. The Company periodically evaluates the relative credit standings of the financial institutions with which they do business. Cash and cash equivalents are stated at cost, which approximates fair value.

1.6 Accounts receivable

The Company's credit policy towards its customers is 30-90 days. The Company carries its accounts receivable at cost less an allowance for doubtful accounts. On the basis of ASC 326, there was no allowance for doubtful accounts deemed necessary as at December 31, 2023 and 2022.

1.7 Financial instruments

The carrying amount of the financial instruments, which is cash and cash equivalents, accounts receivables, accounts payables and accrued expenses, approximate their fair value at December 31, 2023.

1.8 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and amortization and impairment losses (if any).

The Company provides for depreciation and amortization on a straight-line basis over the estimated useful lives of the respective assets:

Furniture, fixtures, and office equipment	5-7 years
Computer hardware and software	3-5 years

Leasehold improvements are amortized over the term of the lease, or the estimated useful lives of the improvements, whichever is shorter. Expenditures for major renewals and betterments are capitalized while those for repairs and maintenance are expensed as incurred.

1.9 Impairment of long-lived assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. The Company measures recoverability of assets to be held and used by a comparison of the carrying value of an asset to its fair value. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of assets. Fair value of property and equipment is usually estimated using discounted cash flows expected to be generated from the use of the asset.

1.10 Employee benefits

Defined contribution plan

Eligible employees in the US participate in an employee retirement savings plan ("the 401K Plan") under Section 401(K) of the US Internal Revenue Code. The 401K Plan allows for employees to defer a portion of their annual earnings on a pre-tax basis through voluntary contributions to the 401K Plan and for the Group to make matching contributions.

Compensated absences

The Company provides compensated absences that are expected to be utilized within the next 12 months and are treated as short- term employee benefits. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of unused entitlement that has accumulated at the reporting date. The Company treats compensated absences expected to be carried forward beyond 12 months as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on actuarial valuation using the projected unit credit method at the period-end.

Others

As a result of the acquisition of the Company by Infosys, the Company entered into employment agreements with certain employees. Under each agreement, the employee will be entitled to a retention bonus, payable in three equal annual installments on the anniversary date of the acquisition. The total amount payable over the three-year period is US$4,000,000. As per the share purchase agreement, in the event that an employee eligible for a retention bonus is no longer with the Company as of the annual payment date, the amount may be reallocated among other employees or be used to recruit or retain new hires. As of December 31, 2023, there is no accrual this year as compared to the previous year's accrual of US$170,000 as the plan has expired.

In 2021, the Company entered into incentive agreements with certain executives. These incentive agreements include compensation for employee retention and bonuses to be paid upon the achievement of specified targets. As employees eligible for these payments must remain employed to receive these each year, they are accounted for as compensation to the extent earned in each period. As of December 31, 2023, there is no accrued incentives as compared to US$1,780,000 accrued in the previous year as the plan has expired.

Employee Retention Credit

During the current year, the Company has obtained a refund of US$1,401,332 through the Employee Retention Credit (ERC). This credit is designed to provide eligible businesses and tax-exempt organizations with a refundable tax credit if they had employees and were impacted by the COVID-19 pandemic.

1.11 Revenue recognition

The Company recognizes revenue in accordance with Accounting Standards Codification Topic 606, Revenue from Contracts with Customers ("ASC 606"). Under ASC 606, revenue is recognized when a customer obtains control of promised goods or services ("the performance obligation") in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services ("the transaction price"). The Company measures revenue by estimating the transaction price based on the consideration specified in the client arrangement. Revenue is recognized as the performance obligations are satisfied.
The Company's revenue is primarily derived from providing advertising services to its customers, including creative strategy and development, strategic planning, market plan development, connection planning, advertising, digital marketing, retail marketing, and video / digital / print production. The Company's contracts are primarily retainer contracts for advertising services or fees for service on a rate per hour or per project basis for project-based work.

1.12 Performance obligations

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 comprise arrangements involving fees based on an agreed-upon monthly billing rate over the term of the agreement, a fixed fee for the defined project, or an agreed-upon rate per hour. The transaction price of a contract is allocated to each distinct performance obligation based on its relative standalone selling price and is recognized as revenue, when, or as, the customer receives the benefit of the performance obligation. Clients typically receive and consume the benefit of the services as they are performed. Substantially, all client contracts provide that the Company is compensated for services performed to date and allow for cancellation by either party on short notice without penalty.

Generally, the Company's short-term contracts, which normally take 30 to 90 days to complete, consist of a single performance obligation. As a result, the Company does not consider the underlying services as separate or distinct performance obligations because the services are highly interrelated, occur in close proximity, and the integration of the various components of a marketing message is essential to overall service. In certain of the Company's long-term retainer contracts, which have a term of up to one year, the performance obligation is a stand-ready obligation because the Company provides a constant level of similar services over the term of the contract. In certain creative services agreements, the Company acts as an agent and arranges, at the client's direction, for third parties to perform studio production efforts.

1.13 Revenue recognition methods

A substantial portion of the Company's revenue is recognized over time, as the services are performed, because the client receives and consumes the benefit of the Company's performance throughout the contract period, or the Company creates an asset with no alternative use and is contractually entitled to payment for the performance to date in the event the client terminates the contract for convenience. For the client contracts, other than when the Company has a stand-ready obligation to perform services, revenue is recognized over time using input measures that correspond to the level of staff effort expended to satisfy the performance obligation on a rate per hour or equivalent basis. For the client contracts when the Company has a stand-ready obligation to perform services on an ongoing basis over the life of the contract, typically for periods up to one year, where the scope of these arrangements is broad and there are no significant gaps in performing the services, the Company recognizes revenue using a time-based measure resulting in a straight-line revenue recognition. From time to time, there may be changes in the client service requirements during the term of a contract and the changes could be significant. These changes are typically negotiated as new contracts covering the additional requirements and the associated costs, as well as additional fees for the incremental work to be performed.

1.14 Principal vs agent

For certain contracts, the Company incurs third-party costs on behalf of clients, including direct costs and incidental or out-of-pocket costs. Third-party direct costs incurred in connection with the creation and delivery of advertising services include, among others, purchased media, studio production services, specialized talent, including artists and other freelance labor, materials and services, and other related expenditures. Out-of-pocket costs include, among others, transportation, hotel, meals and telecommunication charges incurred by the Company in the course of providing services. Billings related to out-of-pocket costs are included in revenue since the Company controls the goods or services prior to delivery to the client.

The inclusion of billings related to third-party direct costs in revenue depends on whether the Company acts as a principal or as an agent in the client arrangement. In the contracts which include studio production efforts and media planning and buying services, the Company acts as an agent and arranges, at the client's direction, for third parties to perform certain services. In these cases, the Company does not control the goods or services prior to the transfer to the client. As a result, revenue is recorded net of these costs.

For contracts entered into with Infosys, the Company's parent, the Company acts as principal when contracting for third-party services on behalf of Infosys. This is because the Company controls the specified services before they are transferred to Infosys and the Company is responsible for providing the specified services or is responsible for directing and integrating the third-party services to fulfill performance obligations outlined in the contract at an agreed-upon price. In such arrangements, the Company also assumes pricing risk under the terms of the contract. For all contracts with Infosys, the Company includes the billable amounts related to third-party costs in the transaction price and records revenue over time at the gross amount billed.

1.15 Variable consideration

Some of the Company's client arrangements include variable consideration provisions, which include reconcilable fees based on actual labor hours worked on a project compared to budgeted labor hours. Variable consideration is estimated and included in total consideration at contract inception based on either the expected value method or the most likely outcome method. These estimates are based on historical experience and other factors known at the time.

1.16 Contract assets and contract liabilities

The timing of revenue recognition may differ from the timing of invoicing to customers. The Group classifies its right to consideration in exchange for deliverables as either an accounts receivable or a contract asset.

Contract assets: Contract assets include unbilled amounts from projects when revenues recognized exceed the amounts invoiced to customers related to time-and-material contracts. Such amounts are recoverable from customers based on various measures of performance, including the achievement of certain milestones, completion of specified units, or completion of a contract. Contract assets do not include capitalized costs to obtain and fulfill a contract.

Contract liabilities: Contract liabilities from contracts arise when amounts invoiced to customers exceed revenues recognized.

Contract assets and liabilities are reported in a net position on a contract-by-contract basis at the end of each reporting period.

1.17 Advertising costs

The Company expenses all advertising costs when incurred. Advertising expenses for the years ended December 31, 2023 and 2022, were approximately US$ 607,000 and US$192,000, respectively.

1.18 Income taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net income in the Statement of Income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax expense or benefit for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are only included if there is greater than 50% 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, 2023 and 2022, the Company does not believe that it has taken any positions that would require the recording of any additional tax liability, nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next year.

1.19 New accounting pronouncements

Income taxes

In December 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures ("ASU 2023-09"), which will require the Company to disclose specified additional information in its income tax rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. ASU 2023-09 will also require the Company to disaggregate its income taxes paid disclosure by federal, state and foreign taxes, with further disaggregation required for significant individual jurisdictions. The Company will adopt ASU 2023-09 in 2026. ASU 2023-09 allows for adoption using either a prospective or retrospective transition method.

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, 2023, one third-party customer represented approximately 15% of the Company's total revenues and approximately 28% of the Company's total accounts receivable. For the year ended December 31, 2022, one third-party customer represented approximately 16% of the Company's total revenues and approximately 25% of the Company's total accounts receivable. The loss of any of the Company's significant customer relationships would have a material effect on the Company's operations. See also Note 7 for discussion of related-party concentrations.

3. Property and equipment

Property and equipment consist of the following:

(In US$)

Particulars	Years ended December 31,	
	2023	2022
Furniture, fixtures, and office equipment	732,000	735,000
Computer hardware and software	1,767,000	1,665,000
Leasehold improvements	1,395,000	1,680,000
	3,894,000	4,080,000
Less accumulated depreciation and amortization	(3,038,000)	(2,609,000
Property and equipment, net	856,000	1,471,000

Depreciation and amortization expense related to property and equipment for the years ended December 31, 2023 and 2022 was US$810,000 and US$563,000, respectively. Property and equipment, as of December 31, 2023 and 2022, included total cost of US$140,000 and US$145,000 and accumulated amortization of US$73,000 and US$72,000 respectively, of property and equipment held under capital leases.

4. Leases

The Company has operating leases for office spaces. The Company determines if a contract is, or contains, a lease at inception. A contract is, or contains, a lease if the contract conveys the right to control the use of identified property or equipment (an identified asset) for a period of time in exchange for consideration. The Company has the right to control the use of the identified asset when the Company has both of the following: The right to substantially obtain all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. In making this determination, the Company considers all relevant facts and circumstances. Operating lease assets are included in non-current assets and operating lease liabilities are included in current and non-current liabilities on the accompanying Balance Sheet.

The Company's lease assets are recognized as lease liabilities, including any initial indirect costs and any prepaid lease payments, less any lease incentives. The Company's lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. Lease payments consist of amounts relating to the use of the underlying asset during the lease term, specifically fixed payments, payments to be made in optional periods when the Company is reasonably certain to exercise an option to extend the lease or not to exercise an option to terminate the lease and the amounts probable of being owed by the Company under residual guarantees. Variable lease payments are excluded in measuring lease assets and lease liabilities because they do not depend on an index or a rate and are not in substance fixed payments. The Company's leases typically do not provide an implicit rate. The Company uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of future payments.

For operating leases, after lease commencement, the Company measures lease obligations for each period at the present value of any remaining lease payments, discounted by using the rate determined at lease commencement. The Company recognizes a single operating lease expense calculated on a straight-line basis over the remaining lease term. The depreciation of the lease asset increases each year as a result of the declining lease liability balance.

During 2023, the Seattle office lease has been extended from May 2024 to Oct 2029 with an increase in lease term and a new lease payment schedule. As per ASC 842, if the modification is not providing any additional right of use to the lessee, then lease liability and right of use of asset is to be amended based on the new lease term and rentals.

In the accompanying statement of income, the Company recognizes lease expense within selling, general and administration expense.

4.1 Finance lease liabilities

The aggregate amount of finance lease liabilities is as follows:

(In US$)

Particulars	Years ended December 31,	
	2023	2022
Finance lease liabilities	69,000	75,000
Less: Current portion	(39,000)	(31,000)
Finance lease liabilities, long term portion	30,000	44,000

The aggregate amounts of payments of finance lease liabilities are as follows:

(In US$)

Particulars	As at December 31, 2023
2024	40,000
2025	31,000
Total future payments	71,000
Less: Amount representing interest on finance leases	2,000
Total finance lease liabilities	69,000

4.2 Operating lease liabilities

(In US$)

Particulars	As at December 31,	
	2023	2022
Operating lease liabilities	5,809,000	3,072,000
Less: Current portion	(902,000)	(1,450,000)
Operating lease liabilities, long term portion	4,907,000	1,622,000

The aggregate amounts of payments of operating lease liability are as follows:

(In US$)

Particulars	Year ending December 31,
2024	1,106,000
2025	1,343,000
2026	1,334,000
2027	928,000
2028	947,000
2029	803,000
Total future payments	6,461,000
Less: amount representing interest on operating leases	652,000
Total operating lease liabilities	5,809,000

The information on the weighted average remaining lease term and weighted average discount rate for our operating leases are as follows:

(In US$)

Operating lease term and discount rate	As at December 31, 2023
Weighted average remaining lease term	5.2 years
Weighted average discount rate	3.82%

The supplemental cash flow and non-cash information related to our operating leases are as follows:

(In US$)

Particulars	As at December 31, 2023
Operating lease term and discount rate	
Cash paid for amounts included in the measurement of operating lease liabilities	1,134,000
ROU assets obtained in exchange for operating lease liabilities	5,583,000

5. Income taxes

Income tax expense in the Statement of Income comprises:

(In US$)

Particulars	As at December 31,	
	2023	2022
Current income tax expense	1,418,000	4,002,000
Deferred income tax expense	1,156,000	784,000
Prior income tax expense	(371,000)	442,000
Total income tax expense	2,203,000	5,228,000

For the year ended December 31, 2023, the difference between the provision for income taxes and the income tax determined by applying the statutory federal income tax rate of 24% to income before income taxes is primarily due to the Company's goodwill and intangible deferred tax assets recorded in the tax provision from the acquisition by Infosys, but not recorded in the financial statements, state income taxes and permanent items.

Significant components of the Company's deferred tax assets and liabilities are as follows:

(In US$)

Particulars	As at December 31,	
	2023	2022
Fixed assets	(164,000)	(228,000)
Accrued compensation	233,000	686,000
Accrued vacation	382,000	272,000
Prepaid and other assets	(283,000)	(183,000)
Goodwill and intangible assets from acquisition	7,899,000	8,662,000
Accrued payroll taxes	14,000	28,000
Net deferred tax assets	8,081,000	9,237,000

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, 2023, the Company determined that no valuation allowance against its net deferred tax assets was necessary.

6. Contribution plan

The Company also has a defined contribution plan pursuant to Section 401(k) of the Internal Revenue Code covering all its employees in the US. The Group's matching expense in connection with this plan for the year is US$460,000 and for the previous year is US$316,000.

7. Related-party transactions

During the years ended December 31, 2023, and 2022, the Company performed certain services for Infosys. The related party accounts receivable balance as at December 31, 2023 and 2022 were US$6,946,000 and US$8,657,000, respectively. Revenues from related party during the year ended December 31, 2023 is US$96,724,000 from sub-contracting services and US$2,886,000 from professional services performed. Revenues from the related party during the year ended December 31, 2022, is US$85,950,000 from sub-contracting services and US$7,260,000 from professional services performed.

In February 2023, the Company loaned US$3,000,000 to Outbox Systems, Inc. (Simplus). Also, the Outbox Systems Inc. repaid US$2,000,000 of the principal amount in December 2023. The loan bears interest rate calculated as the 12-month US Dollar LIBOR plus a 1.15% spread for the period from January 2023 to June 2023 and the 12-month Secured Overnight Funding Rate (SOFR) plus a 1.10% simple interest for the period from July 2023 to December 2023. Interest payments are due annually on the anniversary date. As at December 31, 2023, US$8,000,000 of principal and US$160,000 of accrued interest receivable are outstanding related to this loan. The principal shall be repaid in full on February 16, 2025. Therefore, the principal balance has been classified under non-current assets in the accompanying Balance Sheet. Interest is receivable on the anniversary date of loan disbursement each year. Therefore, the interest receivable balances have been classified under current assets in the accompanying Balance Sheet.

During the year ended December 31, 2023, the Company has not given any additional loan to Infosys Automotive and Mobility GmbH & Co. KG (IGAM). The loan bears interest rate calculated as the 12-month US Dollar LIBOR plus 2.50% spread for the period January 2023 to June 2023 and the 12-month SOFR plus a 1.83% simple interest for the period from July 2023 to December 2023. Interest payments are due on each anniversary data. As at December 31, 2023, US$5,000,000 of principal and US$31,000 of accrued interest receivable are outstanding related to this loan. The principal is repayable on demand. Therefore, the principal and interest receivable balances have been classified as current assets in the accompanying Balance Sheet.

For the year ended December 31, 2023, revenue from the parent company represented approximately 81% of the Company's total revenues and approximately 68% of the Company's total accounts receivable as of December 31, 2023. For the year ended December 31, 2022, revenue from the parent company represented approximately 76% of the Company's total revenues and approximately 67% of the Company's total accounts receivable as of December 31, 2022.

8. Commitment and contingencies

Liabilities for loss contingencies arising from claims, tax assessments, litigations, fines and penalties, and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment and / or remediation can be reasonably estimated. Legal costs incurred in connection with the same are expensed as incurred.

9. Subsequent events

The Company evaluated subsequent events and transactions that occurred after the Balance Sheet date through May 13, 2024, the date that the financial statements were issued. Based upon this review, other than as described below, the Company did not identify any subsequent events that could have required adjustment or disclosure in the financial statements.

10. Rounded off:

All the figures are rounded off to the nearest thousands.

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Infosys Technologies (China) Co. Limited

Auditor's Report

De Shi Bao (Shen) Zi (24) No. P07433

The Board of Directors of Infosys Technologies (China) Co. Limited

Opinion

We have audited the accompanying financial statements of Infosys Technologies (China) Co. Limited (the "Company"), which comprise the Balance Sheet as at 31 December 2023, the Statement of Income, the Statement of Cash Flow, and the Statement of Changes in Owners' equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements of the Company are prepared and present fairly, in all material respects, the Company's financial position as of 31 December 2023, and the Company's results of operation and cash flow for the year ended in accordance with Accounting Standards for Business Enterprises.

Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the code of ethics for Chinese Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The management of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with Accounting Standards for Business Enterprises, and designing, implementing and maintaining internal control that is necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with China Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with China Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

(1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

(4) Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(5) Evaluate the overall presentation, structure and content of the financial statements (including the disclosures), and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte Touche Tohmatsu CPA LLP *Chinese Certified Public Accountant*	Gao , Sunchao *Chinese Certified Public Accountant*
	Shen, Ashley Yuanyuan *Chinese Certified Public Accountant*

Place: Shanghai, China

Date: May 31, 2024

The auditor's report and the accompanying financial statements are English translations of the Chinese auditors' report and statutory financial statements prepared under the 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. If 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, 2023	As at December 31, 2022
Assets			
Current assets			
Cash and bank balances	1	161,367,636.81	118,751,095.66
Accounts receivable	2	407,977,345.02	463,800,686.39
Prepayments		2,371,168.97	4,849,594.20
Other receivables	3	82,934,129.56	70,141,632.48
Total current assets		654,650,280.36	657,543,008.73
Non-current assets			
Property plant and equipment	4	9,984,428.49	11,902,836.84
Construction in progress	5	165,570.80	–
Right-of-use assets	6	25,138,525.46	30,736,365.28
Long-term deferred expenses	7	1,646,361.96	1,041,889.98
Long-term receivables	8	30,758,274.21	–
Deferred tax assets	9	7,204,842.52	–
Other non-current assets	10	43,649,017.77	–
Total non-current assets		118,547,021.21	43,681,092.10
Total assets		773,197,301.57	701,224,100.83
Liabilities and owners' equity			
Current liabilities			
Short-term loans	11	35,413,500.00	34,823,000.00
Accounts payable		127,475,468.75	110,534,669.18
Employee benefits payable	12	20,255,940.75	23,284,086.25
Taxes payable	13	6,727,939.50	18,619,603.87
Other payables		11,575,896.65	16,147,987.31
Other current liabilities		75,512,891.59	102,585,513.40
Non-current liabilities due within one year	14	17,157,893.90	11,611,233.20
Total current liabilities		294,119,531.14	317,606,093.21
Non-current liability			
Lease liabilities	15	32,491,439.22	27,515,310.16
Total non-current liability		32,491,439.22	27,515,310.16
Total liabilities		326,610,970.36	345,121,403.37
Owners' equity			
Paid-in capital	16	431,246,900.00	431,246,900.00
Capital reserve	17	51,575,614.42	51,575,614.42
Accumulated losses		(36,236,183.21)	(126,719,816.96)
Total owners' equity		446,586,331.21	356,102,697.46
Total liabilities and owners' equity		773,197,301.57	701,224,100.83

The accompanying notes form part of the financial statements.

The financial statements on pages 268 to 293 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, 2023	2022
I.	Operating income	18	866,793,786.75	928,947,534.31
	Less: Operating costs		720,124,393.92	775,234,942.74
	Taxes and surcharges		4,823,837.21	280,494.18
	Selling expenses		9,670,954.56	10,956,209.96
	Administrative expenses		35,840,892.14	53,641,405.30
	Financial expenses (incomes)	19	5,610,617.46	(3,408,357.31)
	Add: Other income	20	3,093,596.72	5,238,272.93
	Credit impairment loss	21	(1,093,108.73)	(1,721,489.30)
II.	Operating profit		92,723,579.45	95,759,623.07
	Add: Non-operating income		105,397.40	–
	Less: Non-operating expense	22	–	5,767,846.56
III.	Total profit		92,828,976.85	89,991,776.51
	Less: Income tax expenses	23	2,345,343.10	–
IV.	Net profit and comprehensive income for the year		90,483,633.75	89,991,776.51

The accompanying notes form part of the financial statements.

Statement of Cash Flows

(In RMB)

		NOTE VIII	Years ended December 31,	
			2023	2022
I.	Cash flows from operating activities			
	Cash receipts from the sale of goods and the rendering of services		892,539,671.39	786,964,709.74
	Other cash receipts relating to operating activities		4,315,074.07	12,590,547.82
	Sub-total of cash inflows from operating activities		896,854,745.46	799,555,257.56
	Payments for goods purchased and services received		435,221,700.60	365,366,730.80
	Payments to and on behalf of employees		338,715,670.92	352,142,044.28
	Payments of various types of taxes		28,856,143.37	10,088,159.80
	Other cash payments relating to operating activities		20,686,953.28	39,282,207.07
	Sub-total of cash outflows from operating activities		823,480,468.17	766,879,141.95
	Net Cash Flow Generated from Operating Activities	24	73,374,277.29	32,676,115.61
II.	Cash flows from investing activities			
	Cash receipts from other investing related activities		5,785,668.08	–
	Sub-total of cash inflows from investing activities		5,785,668.08	
	Cash payments for investments		10,000,000.00	8,226,201.69
	Payments for acquisition of property plant and equipment, intangible assets and other long-term assets		5,544,710.59	8,226,201.69
	Sub-total of cash outflows from investing activities		15,544,710.59	8,226,201.69
	Net cash flow used in investing activities		(9,759,042.51)	(8,226,201.69)
III.	Cash flows from financing activities			
	Cash payments for distribution of dividends or profit or interest expenses		2,493,249.58	21,136.79
	Cash payments to other financing related activities		19,510,065.00	11,436,344.79
	Sub-total of cash outflow from financing activities		22,003,314.58	11,457,481.58
	Net cash flow used in financing activities		(22,003,314.58)	(11,457,481.58)
IV.	Effect of foreign exchange rate changes on cash and cash equivalents		1,004,620.95	16,293,642.13
V.	Net increase in cash and cash equivalents	24	42,616,541.15	29,286,074.47
	Add: Opening balance of cash and cash equivalents		118,751,095.66	89,465,021.19
VI.	Closing balance of cash and cash equivalents	24	161,367,636.81	118,751,095.66

The accompanying notes form part of the financial statements.

Statement of Changes in Owners' Equity

(In RMB)

		Paid-in capital	Capital reserve	Accumulated losses	Total owners' equity
I.	Balance at January 1, 2023	431,246,900.00	51,575,614.42	(126,719,816.96)	356,102,697.46
II.	Changes in equity during the year				
	(1) Total comprehensive income	–	–	90,483,633.75	90,483,633.75
III.	Balance at December 31, 2023	431,246,900.00	51,575,614.42	(36,236,183.21)	446,586,331.21

		Paid-in capital	Capital reserve	Accumulated losses	Total owners' equity
I.	Balance at December 31, 2021	431,246,900.00	51,575,614.42	(214,151,150.67)	268,671,363.75
	(1) Changes in accounting policies	–	–	(2,560,442.80)	(2,560,442.80)
II.	Balance at January 1, 2022	431,246,900.00	51,575,614.42	(216,711,593.47)	266,110,920.95
III.	Changes in equity during the year				
	(1) Total comprehensive income	–	–	89,991,776.51	89,991,776.51
IV.	Balance at December 31, 2022	431,246,900.00	51,575,614.42	(126,719,816.96)	356,102,697.46

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 September 25, 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 January 15, 2009. The Company also obtained a revised approval certificate Shang Wai Zi Hu Pu Du Zi Zi (2003) No.2893 and a revised business license No.310115400134785 (Pudong) on January 15, 2009 and March 13, 2009, respectively.

In 2015, the Company's Board of Directors resolved to increase the Company's registered capital from 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 June 7, 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. The details of capital contribution by the investing parties as at December 31, 2023, are set out in Note VIII, 16.

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-sales 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 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, 2023, and noticed no items will raise substantial doubt about its ability to continue as a going concern. Therefore, the financial statements have been prepared on the going concern basis.

III. Statements of compliance with the ASBE

The financial statements of the Company have been prepared in accordance with Accounting Standards for Business Enterprises (ASBE), and present truly and completely, the Company's financial position as of December 31, 2023, 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 that are measured at fair value, the Company has adopted the historical cost as the principle of measurement of the financial statements. Where assets are impaired, provisions for asset impairment are made in accordance with relevant requirements.

Where the historical cost is adopted as the measurement basis, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds or assets received or the contractual amounts for assuming the present obligation, or, at the amounts of cash or cash equivalents expected to be paid to settle the liabilities in the normal course of business.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using valuation technique. Fair value measurement and / or disclosure in the financial statements are determined according to the above basis.

Fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly;
- Level 3 inputs are unobservable inputs for the asset or liability.

4. Cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are the Company's short-term, highly-liquid investments that are readily convertible to known amounts of cash and 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 do not contain significant financing component or without considering the financing component included in the contract with a term not exceeding one year under the ASBE 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 ("ECL").

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, accounts receivable, other receivables and long-term 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 is 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 the 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 the subsequent period, the Company calculates the interest income by applying the effective interest rate to the amortized cost of the financial assets in the 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 that occurred after the application of the above provisions, the Company will calculate the interest income by applying the 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 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 the initial recognition of relevant financial instruments at each Balance Sheet date. If the credit risk has increased significantly since the 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 the 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 the 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 the 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 the 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.

5.2.2Credit-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, has 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 reorganization;

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 the 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 receivables 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 methods:

- 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 nontrading 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 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. Property plant and equipment

Property plant and equipment 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 property plant and equipment 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. Property plant and equipment are initially measured at cost.

Subsequent expenditures incurred for the Property plant and equipment are included in the cost of the property plant and equipment 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 incur.

A Property plant and equipment 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 Property plant and equipment are as follows:

Categories	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 property plant and equipment 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 property plant and equipment is upon disposal or no future economic benefits are expected to be generated from its use or disposal, the property plant and equipment is derecognized. When a property plant and equipment 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 property plant and equipment 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 Property plant and equipment 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 an 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 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 the cumulative performance parts which have been done up to now. Otherwise, revenue is recognized at a point in time when the customer obtains control over the relevant goods or services.

Contract assets refer to the Company's right to consideration in exchange for goods or services that the Company has transferred to a customer when that right is conditioned on something other than the passage of time. For the details of accounting policies on impairment of contract assets, please see Note IV. The Company's unconditional (i.e., depending on the passage of time only) right to receive consideration from the customer is separately presented as receivables.

Contract liabilities refer to the Company's obligation to transfer goods or services to a customer for consideration received or receivable from the customer. Contract assets and contract liabilities under the same contract will be presented on a net basis.

If there are two or more of performance obligations included in the contract, at the contract inception, the Company allocates the transaction price to each single performance obligation based on the proportion of standalone selling price of goods or services promised in each standalone performance obligation. However, if there is conclusive evidence indicating that the contract discount or variable consideration is only relative with one or more (not the whole) performance obligations in the contract, the Company will allocate the contract discount or variable consideration to relative one or more performance obligations. Standalone selling price refers to the price of a single sale of goods or services. If the standalone selling price cannot be observed directly, the Company estimates the standalone selling price through comprehensive consideration of all relative information that can be reasonably acquired and maximum use of observable inputs.

In case of the existence of variable consideration in the contract, the Company shall determine the best estimate of variable consideration based on the expected value or the most probably occurred amount. The transaction price including variable consideration shall not exceed the amount of the cumulatively recognized revenue that 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 that should be included in transaction price.

The Company assesses whether it controls each specified good or service before that good or service is transferred to the customer to determine whether the Company is a principal or an agent. The Company considers whether it has the primary obligation to fulfil the contract, pricing discretion and other factors to determine whether it controls the goods or service and therefore is acting as a principal or an agent. If the Company controls the specified good or service before that good or service is transferred to a customer, the Company is a principal and recognizes revenue in the gross amount of consideration received or receivable. Otherwise, the Company is an agent and recognizes revenue in the amount of any fee or commission to which it expects to be entitled. The fee or commission is the net amount of consideration that the Company retains after paying the other party the consideration received in exchange for the goods or services to be provided by that party, or is determined in accordance with the established commission amount or percentage, etc.

Where the Company receives receipts in advance from a customer for sales of goods or rendering of services, the amount is first recognized as a liability and then transferred to revenue when the related performance obligation has been satisfied. When the Company's receipts in advance are not required to be refunded and it is probable that the customer will waive all or part of its contractual rights, the Company recognizes the said amounts as revenue on a pro-rata basis in accordance with the pattern of exercise of the customer's contractual rights, if the Company expects to be entitled to the amounts relating to the contractual rights waived by the customer; otherwise, the Company reverses the related balance of the said liabilities to revenue only when it is highly unlikely that the customer will require performance of the remaining performance obligations.

A non-refundable initial fee (including membership fee of club, X, etc.) charged to the customer at (or near) the contract commencement date is included in the transaction price. Where the initial fee is related to the goods or services committed to be transferred to the customers, and these goods or services constitute a single performance obligation, the Company recognizes revenue based on the transaction price allocated to the goods or services upon their transfer; where the initial fee is related to the goods or services committed to be transferred to the customers, but these goods or services do not constitute a single performance obligation, the Company recognizes revenue based on the transaction price allocated to the single performance obligation upon fulfilment of the single performance obligation including the goods or services; where the initial fee is not related to the goods or services committed to be transferred to the customers, the initial fee will be recognized as revenue upon their transfer in the future as receipts in advance to transfer goods or services in the future.

10.1 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.

10.2 Costs to fulfil a contract

If the costs incurred in fulfilling a contract are not within the scope of any standards other than Revenue Standards, the Company recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

(1) The costs relate directly to a contract or to an anticipated contract that the Company can specifically identify;

(2) The costs generate or enhance resources of the Company that will be used in satisfying performance obligations in the future; and

(3) The costs are expected to be recovered.

The asset mentioned above shall be amortized on a basis that is consistent with the revenue recognition of the goods or services to which the asset relates and recognized in profit or loss for the period.

11. Government grants

Government grants are monetary assets and non-monetary assets from the government to the Company at no consideration. A government grant is recognized only when the Company can comply with the conditions attached to the grant and the Company will receive the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable.

A government grant related to an asset is recognized as deferred income and included in profit or loss over the useful life of the related asset.

For a government grant related to income, if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognized as deferred income over the periods in which the related costs or losses are recognized; If the grant is a compensation for related expenses or losses already incurred, the grant is recognized immediately in profit or loss.

A government grant related to the Company's daily activities is recognized in other income or written off related cost and expense based on the nature of economic activities; a government grant not related to the Company's daily activities is recognized in non-operating income and expenses.

12. Income taxes

Tax expense comprises current income tax and deferred income tax.

12.1 Current income taxes

At the Balance Sheet date, current income tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid (or recovered) according to the requirements of tax laws.

12.2 Deferred tax assets and deferred tax liabilities

For temporary differences between the carrying amounts of certain assets or liabilities and their tax base, or between the nil carrying amount of those items that are not recognized as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognized using the Balance Sheet liability method.

Deferred tax is generally recognized for all temporary differences. Deferred tax assets for deductible temporary differences are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. However, for temporary differences associated with the initial recognition of goodwill and the initial recognition of an asset or liability arising from a transaction (not a business combination) that affects neither the accounting profit nor taxable profits (or deductible losses) at the time of transaction, no deferred tax asset or liability is recognized.

For deductible losses and tax credits that can be carried forward, deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deductible losses and tax credits can be utilized.

At the Balance Sheet date, deferred tax assets and liabilities are measured at the tax rates, according to tax laws, that are expected to apply in the period in which the asset is realized or the liability is settled.

Current and deferred tax expenses or income are recognized in profit or loss for the period, except when they arise from transactions or events that are directly recognized in other comprehensive income or in owners' equity, in which case they are recognized in other comprehensive income or in owners' equity; and when they arise from business combinations, in which case they adjust the carrying amount of goodwill.

At the Balance Sheet date, the carrying amount of deferred tax assets is reviewed and reduced if it is no longer probable that sufficient taxable profits will be available in the future to allow the benefit of deferred tax assets to be utilized. Such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

12.3 Income tax offsetting

When the Company has a legal right to settle on a net basis and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously, current tax assets and current tax liabilities are offset and presented on a net basis.

When the Company has a legal right to settle current tax assets and liabilities on a net basis, and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be reversed, deferred tax assets and deferred tax liabilities are offset and presented on a net basis.

13. Transactions denominated in foreign currencies

A foreign currency transaction is recorded, on initial recognition, by applying the spot exchange rate on the date of the transaction.

At the Balance Sheet date, foreign currency monetary items are translated into RMB using the spot exchange rates. Exchange differences arising from the differences between the spot exchange rates prevailing at the Balance Sheet date and those on initial recognition or at the previous Balance Sheet date are recognized in profit or loss for the period, except that

(1) Exchange differences related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalization are capitalized as part of the cost of the qualifying asset during the capitalization period;

(2) Exchange differences related to hedging instruments for the purpose of hedging against foreign currency risks are accounted for using hedge accounting;

(3) Exchange differences arising from available-for-sale non-monetary items (such as shares) denominated in foreign currencies and changes in the carrying amounts (other than the amortized cost) of available-for-sale monetary items are recognized as other comprehensive income and included in capital reserve.

Foreign currency non-monetary items measured at historical cost are translated to the amounts in functional currency at the spot exchange rates on the dates of the transactions and the amounts in functional currency remain unchanged. Foreign currency non-monetary items measured at fair value are re-translated at the spot exchange rate on the date the fair value is determined. Difference between the re-translated functional currency amount and the original functional currency amount is treated as changes in fair value (including changes of exchange rate) and is recognized in profit and loss or as other comprehensive income.

14. Leases

A lease is a contract whereby the lessor conveys to the lessee in return for a consideration the right to use an asset for an agreed period of time.

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

14.1 The Company as lessee

14.1.1 Separating components of a lease

If the contract contains one or more lease and non-lease components, the Company will separate the individual lease and non-lease components and allocate contract consideration according to the relative proportion of the sum of the standalone prices of the lease components and the standalone prices of the non-lease components.

14.1.2 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.
- 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.

The Company depreciates right-of-use assets by reference to the relevant depreciation provisions of ASBE No. 4 - Property plant and equipment. 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.

14.1.3 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.

14.1.4 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 it 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 judgments 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 judgments, 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 judgments, 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 judgments, 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 is 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:

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. As at December 31, 2023, the historical observed default rates have been reassessed and changes in the forward-looking information have been considered. The provision of ECL will vary based on the Company's estimates. The information about the ECL and the Company's accounts receivable is disclosed in Note VIII. 2.

VI. Changes in accounting policies

The Interpretation No. 16 of the ASBE ("Interpretation No. 16") was issued by the Ministry of Finance on November 30, 2022, which stipulated that deferred income tax relating to assets and liabilities arising from a single transaction is not subject to the accounting treatment of the exemption of initial recognition. Interpretation No. 16 revised the coverage of exemption of the initial recognition of deferred income tax in the ASBE No. 18 – Income Tax, and specified that the relevant provisions on the exemption of initial recognition of deferred tax liabilities and deferred tax assets are not applicable to a single transaction (not a business combination) that affects neither the accounting profit nor taxable income (or deductible losses) at the time of transaction, and where the assets and liabilities initially recognized generate equal taxable temporary differences and deductible temporary differences. The Interpretation became effective from January 1, 2023, and could be early applied. The Group applies this provision from January 1, 2023. Upon assessment, the Group considers that the adoption of this interpretation has no significant impact on the financial statements of the Group.

(In RMB)

Items	Jan 1, 2022	Reclassification	Jan 1, 2022
Deferred tax assets	–	3,913,232.36	3,913,232.36
Deferred tax liabilities	–	(3,913,232.36)	(3,913,232.36)

(In RMB)

Items	Dec 31, 2022	Reclassification	Dec 31, 2022
Deferred tax assets	–	7,790,669.05	7,790,669.05
Deferred tax liabilities	–	(7,790,669.05)	(7,790,669.05)

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 (2022: 15%). The Company obtained the Certificate of Advanced Technology Service Enterprise on 28 December 2022 and paid income tax at a reduced rate of 15% in 2023.

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)

	As at December 31,	
	2023	2022
Deposits with banks	161,367,636.81	118,751,095.66

2. Accounts receivable

(1) The customer analysis of accounts receivable is as follows:

(In RMB)

	As at December 31,	
	2023	2022
Amounts generated from contracts with customers	412,326,736.09	468,274,650.37
Less: Provision for credit losses	4,349,391.07	4,473,963.98
Total	407,977,345.02	463,800,686.39

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, 2023, the analysis of the credit risk and expected loss for accounts receivable is as follows:

(In RMB)

Internal credit rating	As at December 31, 2023			
	Expected average loss rate	Carrying amount	Credit losses provision	Net book value
Risk free	0.00%	152,718,331.60	–	152,718,331.60
Low risk	1.46%	259,037,917.83	(3,778,904.41)	255,259,013.42
High risk	100.00%	570,486.66	(570,486.66)	–
Total		412,326,736.09	(4,349,391.07)	407,977,345.02

(2) The movements of ECL provision for accounts receivable is as follows:

(In RMB)

	Expected credit losses
January 1, 2023	4,473,963.98
Provision during the year	1,294,164.94
Written-off during the year	(1,418,737.85)
December 31, 2023	4,349,391.07

3. Other receivables

3.1 Summary of other receivables

The ageing analysis of other receivables is as follows:

(In RMB)

Ageing	As at December 31, 2023				As at December 31, 2022			
	Amount	Ratio	Bad debt provision	Book value	Amount	Ratio	Bad debt provision	Book value
Within 1 year	1,35,73,423.34	16.34	(1,28,833.48)	1,34,44,589.86	36,58,087.91	5.20	(1,77,571.61)	34,80,516.30
1 to 2 years	30,60,683.60	3.68	–	30,60,683.60	38,67,798.65	5.50	–	38,67,798.65
2 to 3 years	38,67,798.65	4.66	–	38,67,798.65	39,71,959.49	5.65	–	39,71,959.49
More than 3 years	6,25,61,057.45	75.32	–	6,25,61,057.45	5,88,21,358.04	83.65	–	5,88,21,358.04
Total	8,30,62,963.04	100	(1,28,833.48)	8,29,34,129.56	7,03,19,204.09	100	(1,77,571.61)	7,01,41,632.48

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 11 May 2018 and then was extended until the lender requires repayment, and RMB 35,000,000.00 was originally due on 27 July 2018 and then was extended until the lender requires repayment. Other receivables aged within 1 years include loans of RMB 10,000,000.00 to Infosys Technologies (Shanghai) Co. Limited in 2023, until the lender requires repayment. As at the balance sheet date, RMB19,509,041.09 of interest income has been recognized (2022: RMB 16,499,178.08). For more details, please refer to Note IX. (3)(b)(c).

4. Property Plant and Equipment

(In RMB)

	Electronic equipment	Office equipment	Software	Total
Cost				
January 1, 2023	6,56,91,784.09	3,95,21,312.11	57,529.20	10,52,70,625.40
Additions during the year	34,16,934.25	7,97,798.49	–	42,14,732.74
Decrease during the year	(2,59,71,689.38)	(2,16,88,918.10)	–	(4,76,60,607.48)
Balance at December 31, 2023	4,31,37,028.96	1,86,30,192.50	57,529.20	6,18,24,750.66
Accumulated depreciation				
January 1, 2023	5,53,47,601.08	3,79,75,425.04	44,762.44	9,33,67,788.56
Provisions during the year	55,90,924.87	5,29,449.46	12,766.76	61,33,141.09
Decrease during the year	(2,59,71,689.38)	(2,16,88,918.10)	–	(4,76,60,607.48)
Balance at December 31, 2023	3,49,66,836.57	1,68,15,956.40	57,529.20	5,18,40,322.17
Carrying amounts				
January 1, 2023	1,03,44,183.01	15,45,887.07	12,766.76	1,19,02,836.84
December 31, 2023	81,70,192.39	18,14,236.10	–	99,84,428.49

5. Construction in progress

(In RMB)

Balance at January 1, 2023	–
Additions during the year	5,544,710.59
Transfer to property plant and equipment	(4,214,732.74)
Transfer to long-term deferred expenses	(1,164,407.05)
Balance at December 31, 2023	165,570.80

6. Right-of-use assets

(In RMB)

Leased assets	
Cost	
At January 1, 2023	50,353,206.06
Additions during the year	28,428,003.25
Decrease during the year	(22,254,188.16)
At December 31, 2023	56,527,021.15
Accumulated depreciation	
At 1 January 2023	19,616,840.78
Provisions during the year	11,771,654.91
At 31 December 2023	31,388,495.69
Carrying amounts	
At 31 December 2023	25,138,525.46
At 1 January 2023	30,736,365.28

7. Long-term deferred expenses

(In RMB)

	As at December 31,	
	2023	2022
Leasehold improvement	**1,646,361.96**	1,041,889.98

8. Long-Term Receivables

(In RMB)

	As at December 31,	
	2023	2022
Investment in lease	**30,758,274.21**	-

9. Deffered tax assets

Details before offsetting deferred tax assets and deferred tax liabilities:

(In RMB)

Items	Deductible temporary differences		Deferred tax assets	
	As at December 31,			
	2023	2022	**2023**	2022
Tax differences in depreciation of property plant and equipment	**19,74,798.40**	–	**2,96,219.76**	–
Provision for credit loss	**43,49,391.07**	–	**6,52,408.66**	–
Lease liabilities	**4,87,11,811.29**	–	**73,06,771.69**	–
Accrued expense	**53,862,660.13**	–	**8,079,399.02**	–
Employee benefits payables	**16,345,778.07**	–	**24,51,866.71**	–
Total	**125,244,438.96**	–	**18,786,665.84**	–

(In RMB)

Items	As at December 31,			
	Taxable temporary differences		Deferred tax liabilities	
	2023	2022	**2023**	2022
Leasing and sub-leasing assets	**(7,72,12,155.50)**	–	**(1,15,81,823.32)**	–

Amount after offsetting deferred tax assets and deferred tax liabilities:

(In RMB)

	As at December 31,	
	2023	2022
Deferred tax assets	**7,204,842.52**	–

10 Other Non-Current Assets

	As at December 31,	
	2023	2022
Costs to fulfil a contract	**43,649,017.77**	-

11. Short-term loans

(In RMB)

	As at December 31,	
	2023	2022
Unsecured loans	3,54,13,500.00	3,48,23,000.00

Short-term loans include a loan of USD 5,000,000.00 (equivalent to RMB 35,413,500.00) from Infosys Poland Sp. z o.o. for the purpose of business operation, bearing an interest rate of LIBOR+1% per annum. Starting from July 1, 2023, the interest rate will be changed to SOFR+1.05% per annum. The interest is paid upon the repayment of loan or at the expiration of this agreement. It is extended to be due on 1 December 2024.

12. Employee benefits payable

(In RMB)

Items	As at January 1, 2023	Provision for the year	Payment for the year	As at December 31, 2023
Wages or salaries, bonus, allowances, subsidies	2,32,84,086.25	25,56,35,385.60	(26,22,25,821.28)	1,66,93,650.57
Social security contributions	–	2,54,04,503.61	(2,42,74,012.73)	11,30,490.88
Including: Medical insurance	–	2,08,90,266.21	(1,99,60,657.20)	9,29,609.01
Maternity and work injury insurance	–	45,14,237.40	(43,13,355.53)	2,00,881.87
Defined contribution plans (Note)	–	3,54,74,782.18	(3,38,96,167.69)	15,78,614.49
Housing funds	–	1,91,72,854.03	(1,83,19,669.22)	8,53,184.81
Total	2,32,84,086.25	33,56,87,525.42	(33,87,15,670.92)	2,02,55,940.75

Note: Defined contribution plans

(In RMB)

Items	As at January 1, 2023	Provision for the year	Payment for the year	As at December 31, 2023
Basic pension insurance	–	3,43,73,662.92	(3,28,44,047.82)	15,29,615.10
Unemployment insurance	–	11,01,119.26	(10,52,119.87)	48,999.39
Total	–	3,54,74,782.18	(3,38,96,167.69)	15,78,614.49

The Company participates in basic pension insurance plan established by the 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 undertakes 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.

13. Taxes payable

(In RMB)

Category	As at December 31,	
	2023	2022
VAT	31,51,626.33	1,01,52,601.92
Individual income tax	21,78,619.44	60,92,017.75
Corporate income tax	1,213,458.15	–
Withholding income tax and VAT	1,84,235.58	216,202.56
Others	–	21,58,781.64
Total	6,727,939.50	1,86,19,603.87

14. Non-current liabilities due within one year

(In RMB)

Category	As at December 31,	
	2023	2022
Lease liabilities due within one year	1,71,57,893.90	1,16,11,233.20

15. Lease liabilities

(In RMB)

Category	As at December 31,	
	2023	2022
Lease liabilities	4,96,49,333.12	3,91,26,543.36
Less: Lease liabilities recognized in non-current liabilities due within one year	1,71,57,893.90	1,16,11,233.20
Total	3,24,91,439.22	2,75,15,310.16

16. Paid-in capital

The registered capital of the Company is US$ 78,000,000.00. As at December 31, 2023, the contribution by the investor according to the Articles of Association is US$ 62,999,982.00. The capital input of investors is as follows:

Company name	As at December 31,					
	2023			2022		
	US$	Ratio %	Equivalent to RMB	US$	Ratio %	Equivalent to RMB
Infosys Limited	6,29,99,982.00	100	43,12,46,900.00	6,29,99,982.00	100	43,12,46,900.00

17. Capital reserve

(In RMB)

Particulars	As at December 31,	
	2023	2022
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.

18. Operating income

(In RMB)

Particulars	As at December 31,	
	2023	2022
Income from principal activities-rendering of services	866,793,786.75	928,947,534.31

19. Financial expenses (income)

(In RMB)

Particulars	As at December 31,	
	2023	2022
Interest expenses	2,293,455.96	1,312,502.06
Interest on lease liabilities	1,604,851.51	1,115,715.85
Exchange (losses) gains	6,725,177.20	(2,280,602.79)
Interest income	(5,012,867.21)	(3,555,972.43)
Total	5,610,617.46	(3,408,357.31)

20. Other income

(In RMB)

Particulars	As at December 31, 2023	2022
Additional deduction of VAT in service industry	1,420,796.29	1,536,604.83
Subsidy on export	986,645.00	513,542.98
Fiscal subsidy	520,000.00	330,000.00
Others	166,155.43	2,858,125.12
Total	3,093,596.72	5,238,272.93

21. Credit impairment loss

(In RMB)

	As at December 31, 2023	2022
Bad debt losses	(1,093,108.73)	(1,721,489.30)

22. Non-operating expense

(In RMB)

	As at December 31, 2023	2022
Tax late fees and penalties	–	57,67,846.56

23. Income tax expenses

(In RMB)

Particulars	As at December 31, 2023	2022
Current income tax expenses	9,550,185.62	–
Deferred income tax expenses	(7,204,842.52)	–
Total	2,345,343.10	–

Reconciliation of income tax expenses to the accounting profit is as follows:

(In RMB)

Particulars	As at December 31, 2023	2022
Accounting profit	92,828,976.85	89,991,776.51
Expected income tax expenses at tax rate of 15% (2022: 15%)	13,924,346.53	13,498,766.48
Tax effect of non-deductible expenses	621,213.43	1,998,734.55
Temporary differences for unrecognized deferred tax assets	(9,939,477.39)	8,511,472.41
Tax effect of using unrecognized deductible loss and deductible temporary difference in previous years	(2,260,739.47)	(24,008,973.44)
Income tax expenses	2,345,343.10	–

24. Supplementary information to the cash flow statement

(1) Reconciliation of net profit to cash flows from operating activities:

(In RMB)

Particulars	As at December 31, 2023	2022
Net profits	90,483,633.75	89,991,776.51
Add: Provision for ECL	1,093,108.73	1,721,489.30
Depreciation of property plant and equipment	6,133,141.09	6,414,077.59
Depreciation of right of use assets	11,771,654.91	10,620,457.72
Amortization of long-term deferred expenses	559,935.07	310,523.63
Increase in deferred tax assets	(7,204,842.52)	–
Financial incomes	(412,600.74)	(10,920,924.22)
Decrease (Increase) in operating receivables	13,890,933.42	(223,742,124.35)
(Decrease) Increase in operating payables	(29,423,929.15)	158,280,839.43
Others	(13,516,757.27)	–
Net cash flow from operating activities	73,374,277.29	32,676,115.61

(2) Net changes in cash and cash equivalents

(In RMB)

	As at December 31, 2023	2022
Cash and cash equivalents at the end of the year	161,367,636.81	118,751,095.66
Less: Cash and cash equivalents at the beginning of the year	118,751,095.66	89,465,021.19
Net increase in cash and cash equivalents	42,616,541.15	29,286,074.47

IX Related party relationships and transactions

(1) Information about the parent company of the Company is as follows:

Name of the Parent Company	Registered address	Nature of business	Registered capital	Shareholding ratio	Voting ratio
Infosys Limited	India	Rendering of information technical consultation service and management consultation	INR 24 billion	100%	100%

(2) The following are other related parties which have transactions with the Company while no control relationship exists:

Names	Relationship with the Company
Infosys Poland Sp. z o.o.	Controlled by the same parent company
Infosys Public Services Inc	Controlled by the same parent company
Infosys BPM Limited	Controlled by the same parent company
Infosys Technologies S.De.R.L	Controlled by the same parent company
HIPUS Co., Ltd.	Controlled by the same parent company
Infosys Technologies (Shanghai) Co. Limited	Controlled by the same parent company
Infosys Compaz Pte Ltd.	Controlled by the same parent company
Infosys Automotive and Mobility GmBH Co.	Controlled by the same parent company
Infosys (Czech Republic) Ltd.	Controlled by the same parent company
Infosys Austria	Controlled by the same parent company
Infosys McCamish Sys LLC	Controlled by the same parent company
Infosys Turkey Bilgi Teknoloijleri	Controlled by the same parent company
Infosys Technologies (Sweden) Limited	Controlled by the same parent company

Names	Relationship with the Company
Infosys Consulting (Belgium) N.V.	Controlled by the same parent company
Infosys Consulting AG	Controlled by the same parent company
Infosys Consulting Ltda	Controlled by the same parent company
Infosys Consulting S.R.L. (Argentina)	Controlled by the same parent company
Infosys Consulting S.R.L. (Romania)	Controlled by the same parent company
Infosys Singapore PTE. LTD	Controlled by the same parent company
Portland Group Pty Limited	Controlled by the same parent company
CMA Systems FZ LLC	Controlled by the same parent company
Infosys Luxembourg s.a.r.l	Controlled by the same parent company
Infy Consulting Company Limited	Controlled by the same parent company

(3) Significant transactions between the Company and the related parties in current year:

(a) Sales and purchase

The details of sales and purchases between the Company and its related parties are as follows:

(In RMB)

Particulars	As at December 31,	
	2023	2022
Sales		
Infosys Limited	171,676,686.35	150,329,473.12
HIPUS Co., Ltd.	6,567,647.28	6,470,437.87
Infosys Automotive and Mobility GmBH Co.	4,500,636.06	3,712,680.49
Infosys BPM Limited	3,011,229.70	4,364,132.15
Infosys Public Services Inc	533,975.80	641,153.61
Infosys Technologies (Shanghai) Co. Limited	469,922.69	663,349.31
Infosys McCamish Sys LLC	315,354.07	450,742.67
Infosys Turkey Bilgi Teknoloijleri	243,920.95	303,054.74
Infy Consulting Company Limited	200,861.12	238,837.01
Infosys Austria	145,841.13	86,895.93
Infosys Consulting Ltda.	121,295.71	57,582.35
Infosys Poland Sp. z o.o.	104,603.57	139,298.06
Infosys Compaz Pte Ltd.	66,602.17	739,588.35
Infosys Singapore PTE. LTD.	62,262.81	19,049.16
Portland Group Pty Limited	61,133.76	27,985.83
Infosys Technologies (Sweden) Limited	57,660.86	148,821.79
Infosys (Czech Republic) Ltd.	51,492.01	107,916.08
Infosys Consulting (Belgium) N.V.	50,991.40	142,749.36
Infosys Consulting S.R.L. (Romania)	48,427.60	45,304.54
Infosys Consulting AG	44,927.15	115,840.78
Infosys Consulting S.R.L. (Argentina)	13,578.97	18,782.74
CMA Systems FZ LLC	2,415.27	134,612.92
Infosys Luxembourg s.a.r.l	266.87	499.27
Infosys Technologies S.De.R.L	(353.57)	1,591,349.41
	188,351,379.73	170,550,137.54

(In RMB)

Particulars	As at December 31,	
	2023	2022
Purchases		
Infosys Technologies (Shanghai) Co. Limited	203,405,915.60	280,556,901.31
Infosys Automotive and Mobility GmBH Co.	77,294,036.74	–
Infosys BPM Limited	2,631,496.07	871,558.35
Infosys (Czech Republic) Ltd.	1,094,474.80	797,912.66
Infosys Limited	2,708,818.47	47,550,901.80
Total	287,134,741.68	329,777,274.12

(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 2023	As at December 31, 2023	Incurred amount in 2022	As at December 31, 2022	Annual interest rate
Borrowings from					
Infosys Poland Sp. z o.o.	5,90,500.00	3,54,13,500.00	29,44,500.00	3,48,23,000.00	Refer Note
Total	5,90,500.00	3,54,13,500.00	29,44,500.00	3,48,23,000.00	

(In RMB)

Particulars	Incurred amount in 2023	As at December 31, 2023	Incurred amount in 2022	As at December 31, 2022	Annual interest rate%
Lent to Infosys Technologies (Shanghai) Co. Limited	1,00,00,000.00	6,00,00,000.00	–	5,00,00,000.00	6.00
Total	1,00,00,000.00	6,00,00,000.00	–	5,00,00,000.00	

Note: The loan of USD 5,000,000.00 obtained by the Company from Infosys Poland Sp. z o.o. is for the purpose of business operation. The loan bears an interest rate of LIBOR+1% per annum. Starting from July 1, 2023, the interest rate will be changed to SOFR+1.05% per annum. The interest is paid upon the repayment of loan or at the expiration of this agreement, , in whichever first occurs. It is extended to be due on 1 December 2024. The Company accumulatively lent RMB 60,000,000.00 to Infosys Technologies (Shanghai) Co. Limited, 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, and in which RMB 10,000,000.00 will be repaid upon demand by the Lender.

(In RMB)

Particulars	As at December 31,	
	2023	2022
Interest expenses		
Infosys Poland Sp. z o.o.	22,93,455.96	13,12,502.06

(In RMB)

	2023	2022
Interest income		
Infosys Technologies (Shanghai) Co. Limited	30,09,863.01	30,00,000.00

(c) Amounts due to / from related companies

(In RMB)

Accounts	Name of the related parties	As at December 31, 2023	2022
Accounts receivable	Infosys Technologies (Shanghai) Co. Limited	5,68,56,049.16	5,59,07,594.06
	Infosys Limited	1,99,02,481.98	1,69,79,052.53
	Infosys Automotive and Mobility GmBH Co.	27,55,710.36	47,84,651.37
	HIPUS Co., Ltd.	10,86,882.98	5,61,921.08
	Infosys Turkey Bilgi Teknoloijleri	5,51,361.56	3,01,482.49
	Infosys BPM Limited	1,98,684.89	2,99,046.00
	Infy Consulting Company Limited	87,070.75	63,773.45
	Infosys McCamish Sys LLC	69,510.47	1,37,729.35
	Infosys Poland Sp. z o.o.	57,594.53	1,63,896.68
	Infosys Public Services Inc	51,404.47	64,918.43
	Infosys Technologies (Sweden) Limited	40,699.39	40,893.28
	Infosys Consulting S.R.L. (Argentina)	33,032.23	19,041.15
	Infosys Consulting Ltda.	23,111.42	29,931.76
	Infosys (Czech Republic) Ltd.	16,146.08	31,780.31
	Infosys Consulting (Belgium) N.V.	14,854.90	34,446.28
	Portland Group Pty Limited	12,501.18	5,324.72
	Infosys Consulting S.R.L. (Romania)	7,457.52	13,494.75
	Infosys Singapore PTE. LTD.	4,454.81	6,761.86
	Infosys Consulting AG	3,873.67	1,29,838.46
	Infosys Austria	3,826.22	1,10,216.54
	CMA Systems FZ LLC	2,416.97	2,665.00
	Infosys Compaz Pte Ltd	–	52,608.78
	Infosys Luxembourg s.a.r.l	–	77.66
	Infosys Technologies S.De.R.L	(32,091.57)	(30,919.13)
	Total	8,17,47,033.97	7,97,10,226.86
Other receivables	Infosys Technologies (Shanghai) Co. Limited	1,95,09,041.09	1,64,99,178.08
Accounts payable	Infosys Automotive and Mobility GmBH Co.	5,39,70,093.24	97,69,843.57
	Infosys Limited	2,60,23,611.81	1,25,44,679.17
	Infosys Technologies (Shanghai) Co. Limited	2,25,45,347.26	7,54,71,496.91
	Infosys BPM Limited	6,79,678.91	2,49,498.23
	Infosys Compaz Pte Ltd.	6,10,852.39	–
	Infosys (Czech Republic) Ltd.	1,56,522.85	2,46,273.06
	Total	10,39,86,106.46	9,82,81,790.94
Other payables	Infosys Poland Sp. z o.o.	11,51,472.36	13,51,265.98

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 in 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 US$, INR, HKD and TWD. The Company's principal activities are settled in RMB. As at December 31, 2023, 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)

Items	As at December 31,	
	2023	2022
Cash and bank balances	71,839,686.15	47,847,327.89
Accounts receivable	90,043,377.34	86,147,025.62
Short-term loans	(35,413,500.00)	(34,823,000.00)
Other payables	(1,151,472.36)	(1,351,265.98)
Accounts payable	(68,618,772.50)	(1,872,390.44)
Total	56,699,318.63	95,947,697.09

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)

Items	Changes in exchange rate	As at December 31,			
		2023		2022	
		Effect on profit	Effect on Owners' equity	Effect on profit	Effect on Owners' equity
Foreign currencies	10% increase against RMB	56,69,931.86	56,69,931.86	95,94,769.71	95,94,769.71
Foreign currencies	10% decrease against RMB	(56,69,931.86)	(56,69,931.86)	(95,94,769.71)	(95,94,769.71)

1.2 Credit risk

As at December 31, 2023, 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 considers 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

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 in light of changes in economic conditions affecting the Company. The results of the Board of Directors' review of the Company's capital structure are used as a basis for the determination of the level of dividends, if any, that are declared.

The Company is not subject to externally imposed capital requirements.

XII. Commitments

(1) Capital commitments

(In RMB)

Particulars	As at December 31,	
	2023	2022
Capital commitments that have been entered into but have not been recognized in the financial statements: Contracts for purchasing property plant and equipment	**2,30,281.96**	19,67,733.60

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Blue Acorn iCi Inc.

Independent Auditor's Report

To the Board of Directors of Blue Acorn iCi Inc.

Opinion

We have audited the financial statements of Blue Acorn iCi Inc. ("the Company"), which comprise the Balance Sheets as of December 31, 2023 and December 31, 2022, and the related statements of operations, shareholder's equity, and cash flows for the years then ended, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and December 31, 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 10 to the financial statements, the Company has entered into significant related party transactions with affiliated entities. As a result of the significant related party transactions with affiliated entities, the accompanying financial statements may not be indicative of the conditions that would have existed, or results of operations, had the Company operated without these related party transactions. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Deloitte & Touche LLP

April 29, 2024

Balance Sheet

(In US$)

Particulars	As at December 31, 2023	2022
Assets		
Current assets:		
Cash and cash equivalents	25,123,437	16,365,350
Accounts receivable, net	2,614,222	5,871,415
Unbilled receivables, net	1,128,689	1,834,774
Prepaid expenses and other current assets	1,035,325	652,104
Due from affiliates (Refer to Note 10)	3,742,649	4,768,270
Note receivable from affiliate (Refer to Note 10)	2,515,415	2,588,351
Income tax receivables, net	546,051	465,204
Total current assets	36,705,788	32,545,468
Non-current assets:		
Property and equipment, net (Refer to Note 4)	719,099	1,150,440
Right-of-use assets (Refer to Note 5)	2,797,536	4,926,620
Goodwill, net (Refer to Note 6)	–	1,101,304
Intangible asset	134,141	–
Lease deposits	59,144	453,670
Total non-current assets	3,709,920	7,632,034
Total assets	40,415,708	40,177,502
Liabilities and shareholder's equity		
Current liabilities:		
Accounts payable and accrued expenses	6,143,735	11,922,636
Lease liabilities (Refer to Note 5)	1,669,973	2,429,055
Deferred revenue	9,978	234,339
Sublease deposit	189,577	–
Due to affiliate (Refer to Note 10)	171,187	96,538
Total current liabilities	8,184,450	14,682,568
Non-current liabilities		
Lease liabilities (Refer to Note 5)	1,842,484	3,512,459
Sublease deposit	–	162,861
Total non-current liabilities	1,842,484	3,675,320
Total liabilities	10,026,934	18,357,888
Commitments and contingencies (Refer to Note 9)		
Shareholder's equity:		
Common stock – $1 par; 1,000 shares authorized, 200 shares		
Issued and outstanding	200	200
Contributed surplus	74,314,803	74,314,803
Accumulated deficit	(43,926,229)	(52,495,389)
Total shareholder's equity	30,388,774	21,819,614
Total liabilities and shareholder's equity	40,415,708	40,177,502

The accompanying notes form an integral part of the financial statements.

Statement of Operations

(In US$)

Particulars	Years ended December 31,	
	2023	2022
Revenue	88,450,833	80,513,407
Cost of revenue	63,293,136	58,687,695
Gross profit	25,157,697	21,825,712
Expenses		
Selling, general and administrative	14,713,940	17,150,145
Amortization and depreciation	1,561,122	12,100,982
Total expenses	16,275,062	29,251,127
Income (loss) from operations	8,882,635	(7,425,415)
Interest, net	(1,073,842)	(161,608)
Income (loss) before income taxes	9,956,477	(7,263,807)
Income tax expense (benefit)	1,387,317	(292,045)
Net income (loss)	8,569,160	(6,971,762)

The accompanying notes form an integral part of the financial statements.

Statements of Shareholder's Equity

For the years ended December 31, 2023 and December 31, 2022

(In US$)

Particulars	Common Stock	Contributed Surplus	Accumulated Deficit	Total Shareholder's Equity
Balance as at January 1, 2022	200	74,314,803	(45,523,627)	28,791,376
Net loss	–	–	(6,971,762)	(6,971,762)
Balance as at December 31, 2022	200	74,314,803	(52,495,389)	21,819,614
Net income	–	–	8,569,160	8,569,160
Balance as at December 31, 2023	200	74,314,803	(43,926,229)	30,388,774

The accompanying notes form an integral part of the financial statements.

Statement of Cash Flows

(In US$)

Particulars	Years ended December 31, 2023	2022
Operating activities		
Net income (loss)	8,569,160	(6,971,762)
Adjustments to reconcile net income (loss) to net cash provided by operating activities		
Amortization and depreciation	1,561,122	12,100,982
Noncash lease expense	2,129,084	2,064,227
Noncash interest income on affiliate note receivable	(15,415)	(88,351)
Provision for doubtful accounts	(21,333)	114,881
Gain on the disposal of property and equipment	18,984	2,001
Changes in operating assets and liabilities		
Accounts receivable	3,278,526	1,091,844
Unbilled revenue	706,085	1,210,779
Prepaid expense and other current assets	99,656	95,829
Due from affiliate	1,025,621	(2,246,278)
Income taxes	(80,847)	(870,898)
Accounts payable and accrued expenses	(5,752,186)	1,804,345
Deferred revenue	(224,361)	(384,437)
Operating lease liabilities	(2,387,359)	(2,298,027)
Due to affiliate	74,649	29,756
Net cash provided by operating activities	8,981,386	5,654,891
Cash flows from investing activities:		
Purchase of property and equipment	(53,750)	(278,702)
Proceeds from the sales of property and equipment	6,290	1,750
Development of internal-use software	(134,141)	–
Issuance of note receivable from affiliate	–	(2,500,000)
Net cash used in investing activities	(181,601)	(2,776,952)
Cash flows from financing activities		
Repayment of finance lease liability	(41,698)	(39,551)
Net cash used in financing activities	(41,698)	(39,551)
Net increase in cash and cash equivalents	8,758,087	2,838,388
Cash and cash equivalents – beginning of year	16,365,350	13,526,962
Cash and cash equivalents – end of year	25,123,437	16,365,350
Supplemental disclosures of cash flow information		
Cash paid for income taxes – net of refunds	1,437,048	248,965

The accompanying notes form an integral part of the financial statements.

Notes to financial statements

As of and for the years ended December 31, 2023 and December 31, 2022

1. Nature of business

Blue Acorn iCi Inc. ("the Company") provides information technology solutions, consulting, business process and commerce services to its clients to optimize and enhance the digital experience of their end customers. The Company's core competencies include software staging and deployment, system integrations, data analytics and optimization and strategic assessments. The Company was incorporated on September 13, 2017, in the state of Delaware.

Infosys Nova Holdings, LLC ("the Parent Company") owns all the issued and outstanding shares of the Company.

2. Summary of significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with generally accepted accounting principles for the United States of America ("US GAAP").

Use of estimates

The preparation of these financial statements requires 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 financial statements and the reported amounts of revenue and expenses during the reporting period. Because of the use of estimates inherent in the financial reporting process, actual results could differ from those estimates. Significant estimates and assumptions include revenue recognition related to fixed-price estimates utilizing the percentage completion method for measuring progress, and the valuation of accounts receivable, unbilled receivables, and deferred revenue.

Credit Risk

The Company is exposed to credit risk with respect to collectability of customer accounts receivable and unbilled revenue. The Company provides for probable uncollectable amounts through a charge to net income (loss) and a credit to a valuation allowance based on its assessment of the current status of individual contracts considering factors such as historical experience, credit worthiness, and the age of the receivable and unbilled revenue. Balances that are still outstanding after the Company 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 generated from third parties nor with respect to any vendors. Revenues with Infosys Limited, the parent of the Parent Company, ("Ultimate Parent Company"), and subsidiaries of the Ultimate Parent Company approximated 68% of revenue for the year ended December 31, 2023. Three customers approximated 54% of accounts receivable as of December 31, 2023.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less at the date of purchase to be cash equivalents. Cash and cash equivalents are stated at cost and consist of bank deposits that, at times, may exceed federally insured limits. The balances are insured by the Federal Deposit Insurance Corporation up to $250,000. As of December 31, 2023 and December 31, 2022, the Company had balances in excess of insured limits totaling $24,873,437 and $16,115,350, respectively.

Accounts Receivable

Accounts receivable are generated from service agreements for information technology solutions, consulting, and business process and commerce services. Billed amounts represent invoices that have been prepared and sent to the customer.

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.

Allowance for Credit Losses

The Company maintains an allowance for credit losses related to accounts receivable and unbilled revenue by evaluating the creditworthiness of each customer, historical collection experiences and other information, including the aging of the respective balances. The Company evaluates the collectability of its accounts receivable and unbilled revenue on an on-going basis. Balances are written off when deemed uncollectible against the allowance for credit losses established. The allowance for credit losses was $0 and $138,104 as of December 31, 2023 and December 31, 2022, 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 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

Financial Instruments

The fair value of financial instruments classified as current and non-current assets or liabilities, including accounts receivable, accounts payable and accrued liabilities and amounts due to affiliates approximates carrying value, principally due to the short maturity of those items.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are estimated based on inputs categorized as follows:

- Level 1 inputs include quoted prices (unadjusted) for identical assets or liabilities in active markets that are observable.
- Level 2 inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 inputs include unobservable inputs that reflect the Company's own assumption about what factors market participants would use in pricing the asset or liability.

When measuring fair value, the Company maximizes the use of observable inputs and minimizes the use of unobservable inputs.

Leases

Leases with a lease term of more than 12 months are classified as either finance or operating leases. Leases are classified as finance leases when the Company expects to consume a major part of the economic benefits of the leased assets over the remaining lease term. Conversely, the Company is not expected to consume a major part of the economic benefits of assets classified as operating leases. The lease classification affects both the pattern and presentation of expense recognized in the income statement, the categorization of assets and liabilities in the balance sheets, and classification of cash flows in the statements of cash flows.

The Company made an accounting policy election not to recognize right-of-use ("ROU") assets and lease liabilities for leases with a term of 12 months or less. Lease payments for these leases are recognized as lease costs on a straight-line basis over the lease term.

For finance leases, total lease cost is recorded on an accelerated basis whereby interest expense is recorded using the effective interest method and is included in Interest, net in the Statement of Operations. ROU assets for finance leases are amortized on a straight-line basis over the remaining lease term. Amortization expense related to finance leases is included in selling, general and administrative expenses in the Statement of Operations. For operating leases, total lease cost is measured and recorded on a straight-line basis over the lease term and is included in selling, general and administrative expenses in the Statement of Operations.

The Company has elected to apply a practical expedient under which it does not separate lease and non-lease components for its operating leases. Under the election, the Company combines base rents with fixed, non-lease common area maintenance charges and computes its lease obligations based on the combined lease and non-lease components. Lease obligations are measured and recorded at the present value of future lease payments using a discount rate. For operating leases, the Company elected to apply the practical expedient for nonpublic business entities, which allows the use of a risk-free rate for a period comparable to the lease term when the incremental borrowing rate is not readily determinable. For the finance lease, the Company used the incremental borrowing rate implicit in the respective lease agreement as the discount rate.

Certain of the Company's real estate leases contain options to renew or extend the terms of the lease, as well as termination options that could shorten the original lease term, which are included in the determination of the ROU assets and lease liabilities when it is reasonably certain that the Company will exercise the option. Lease agreements do not contain any material residual value guarantees, restrictions, or covenants.

ROU assets are generally measured and recorded at the sum of the lease obligation, any initial direct costs to consummate the lease, and any lease payments made on or before the commencement date.

Impairment of Long-lived Assets

The Company reviews long-lived assets, including intangible assets with finite useful lives, for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. In connection with this review, the Company also re-evaluates the periods of depreciation and amortization for these assets. The Company assesses recoverability by determining whether the net book value of the related asset will be recovered through the projected undiscounted cash flows from the asset. If the Company determines that the carrying value may not be recoverable, the Company measures any impairment based on the asset's fair value as compared to its carrying value. As of December 31, 2023 and December 31, 2022, no impairment of long-lived assets was recorded.

Goodwill

Goodwill arising from historical transactions is recorded at the excess of the purchase price of an acquired subsidiary over the fair value of the net assets acquired.

The Company adopted the accounting alternative outlined in Accounting Standards Codification (ASC) 350-20, Goodwill, which allows for private companies to amortize goodwill on a straight-line basis not to exceed 10 years and test goodwill for impairment only when a triggering event occurs that indicates the fair value of an entity may be below its carrying value. The Company amortized goodwill over an estimated useful life of four years based on the strategic direction of the Company.

Intangible Asset

The intangible asset represents capitalized development costs for internal-use 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 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 financial statements. Under this method, deferred tax assets and liabilities are determined on the basis of the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

The Company recognizes deferred tax assets to the extent that the Company believes these assets are more likely than not to be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. A valuation allowance is recorded against deferred tax assets if the Company determines that it is more likely than not that such deferred tax assets will not be realized within the foreseeable future.

Revenue Recognition

The Company's revenue is primarily derived from the planning and execution of consulting services centric to customer experience, including digital marketing and commerce application development and architecture ("Commerce Services"), data-driven strategic services ("Analytics Services"), such as, design, strategic analysis, process reviews, data research and optimization, and "Experience-Driven Commerce Services" including, but not limited to, website hosting, optimization services, store operations, merchant of record and customer service support.

In accordance with ASC 606, Revenue from Contracts with Customers, revenue is recognized when a customer obtains control of promised goods or services (the performance obligation) in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services (the transaction price). Revenue recognition is determined through the application of the following steps:

Step 1: Identification of the contract with a customer

Step 2: Identification of the performance obligations in the contract

Step 3: Determination of the transaction price

Step 4: Allocation of the transaction price to the performance obligations in the contract; and

Step 5: Recognition of revenue when, or as, the Company satisfies a performance obligation.

Time and Materials and Fixed-Price Revenue

The Company's contracts with customers are comprised of diverse arrangements involving fees based on any one or a combination of the following: an agreed rate per hour for the level of effort expensed by the Company's resources ("Time and Materials"); a monthly fee for support services which typically are capped at a designated number of hours, and/or a fixed fee engagement which is priced based on the estimated effort to complete the identified work (collectively "Fixed Price").

Substantially all the Company's contracts provide that the Company is compensated for services performed and allow for cancellation by either party, without penalty. The Company's contracts with customer 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 client 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 / 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, customer service support, and software license management. The transaction price for each independent service component is based on a standard pricing model for the relevant units of effort required ("Service Unit"). The units of effort can be measured in terms of hours, volume of transactions, and/or the gross market value of the underlying product. The standard pricing of the units, for the most part, are based on cost plus margin. Merchant of record service unit revenue is recognized at the point in time in which the performance obligation has been satisfied. Website hosting service unit revenue is recognized over time using the output method based on days the website is hosted. Optimization services, store operations, and customer service support service unit revenue is recognized over time using the input method based on hours incurred.

Affiliate Revenue

The Company has entered into contractual agreements with the Ultimate Parent Company and subsidiaries of the Ultimate Parent Company to provide services at the direction of the affiliated company. Consistent with Time and Material contracts, the respective revenue is recognized over time using the input method based on hours incurred, which corresponds to the level of effort expended to satisfy the performance obligation on a rate per hour or equivalent basis.

Partner Referral Program Revenue

The Company partners with software and/or service providers to cross sell and market each other's products or services. In certain cases, the Company recognizes revenue based on rebates received. Because the Company is not providing the actual license, subscription and/or professional services (in most cases) which the partner is selling, the Company is an agent as defined by ASC 606. Specifically, the Company is not controlling the goods and/or services to be provided to the end customer in any way and the consideration to be received is not tied to specific services the Company is providing to the customer. The Company recognizes this revenue at the point in time in which the performance obligation has been satisfied.

Cost of Revenue

Cost of revenue consists primarily of contractor services, labor incurred, and technology platform costs and processing fees.

Comprehensive Income

Comprehensive income is defined as a change in equity of a business enterprise during a period, resulting from transactions from non-owner sources. To date, the Company has not had any transactions that are required to be reported in comprehensive income other than net income, therefore, comprehensive income is the same as net income for the periods presented.

3. Changes in Accounting Policies

Recently Adopted Accounting Standards

Effective January 1, 2023, the Company adopted Accounting Standards Update (ASU) 2016-13, Financial Instruments Credit Losses (T ASC 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 unbilled receivables. 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. The Company's adoption of ASU 2016-13 did not have a material impact on its financial statements.

Recently-issued accounting standards not yet adopted – There have been no recent accounting pronouncements, changes in accounting pronouncements or recently adopted accounting guidance during fiscal 2023 that are of significance or potential significance to the Company's financial statements.

4. Property and equipment

Property and equipment consists of the following as of December 31, 2023 and 2022:

(In US$)

Particulars	Cost	Accumulated Depreciation	Net book Value
2023			
Leasehold improvements	2,306,706	1,837,077	469,629
Computer equipment and software	931,953	684,228	247,725
Furniture and fixtures	367,904	366,159	1,745
Total property and equipment, net	3,606,563	2,887,464	719,099
2022			
Leasehold improvements	2,306,706	1,684,661	622,045
Computer equipment and software	4,035,902	3,525,608	510,294
Furniture and fixtures	367,904	349,803	18,101
Total property and equipment, net	6,710,512	5,560,072	1,150,440

Depreciation expense for the years ended December 31, 2023 and December 31, 2022 was $459,818 and $398,633, respectively.

5. Leases

The Company leases administrative facilities in Boulder, CO; Charleston, SC; and Raleigh, NC and an administrative and distribution facility in Shelton, CT, all under operating leases. The Company also has a finance lease for furniture and fixtures.

As of December 31, 2023 and December 31, 2022, the Company's operating leases have a weighted-average remaining term of 2.77 years and 3.20 years, respectively, and the Company's finance lease has a remaining term of 0.42 years and 1.42 years, respectively. The weighted-average discount rate was 1.80% and 2.53%, respectively, for the Company's operating leases and 5.29% and 5.29%, respectively, for its finance lease.

As of December 31, 2023, the Company has no additional operating and finance leases commitments that have not yet commenced.

The right-of-use assets related to operating and finance leases as at December 31, 2023 and December 31, 2022 are as follows:

(In US$)

2023	Right-of-Use Asset	Accumulated Amortization	Net book Value
Operating leases	6,895,374	4,114,299	2,781,075
Finance lease	95,473	79,012	16,461
Total	6,990,847	4,193,311	2,797,536

(In US$)

2022	Right-of-Use asset	Accumulated amortization	Net book Value
Operating leases	6,895,374	2,024,721	4,870,653
Finance lease	95,473	39,506	55,967
Total	6,990,847	2,064,227	4,926,620

(In US$)

The liabilities related to operating and finance leases as at December 31, 2023 and December 31, 2022 are as follows:

2023	Current portion	Non-current portion	Total
Operating leases	1,659,614	1,842,484	3,502,098
Finance lease	10,359	–	10,359
Total	1,669,973	1,842,484	3,512,457

(In US$)

2022	Current portion	Non-current portion	Total
Operating leases	2,387,359	3,502,098	5,889,457
Finance lease	41,696	10,361	52,057
Total	2,429,055	3,512,459	5,941,514

The components of lease cost for the years ended December 31, 2023 and December 31, 2022 are as follows:

(In US$)

Particulars	Years ended December 31,	
	2023	2022
Finance lease cost		
Amortization of right-of-use assets	42,798	39,506
Interest on lease liabilities	1,752	3,896
Operating lease cost	2,198,738	2,216,753
Short-term lease cost	29,512	59,863
	2,272,800	2,320,018
Less: sublease income	1,167,963	943,089
Total lease cost	1,104,837	1,376,929

The Company entered into a sublease agreement for the Shelton, CT warehouse portion of the facility in 2019 which continued through June 2022. The Company then entered a subsequent sublease for the entire facility which commenced on July 15, 2022, and expires on June 30, 2024.

On July 11, 2023, the Company entered into a sublease agreement for the Boulder, CO administrative facility. The sublease commenced on July 17, 2023, and expired on February 29, 2024, at which time it converted to a month-to-month term.

The future minimum lease income from the remaining sublease agreements total $689,469 for the year ending December 31, 2024.

Cash paid during the years ended December 31, 2023 and December 31, 2022, for amounts included in the measurement of lease liabilities is as follows:

(In US$)

Particulars	Years ended December 31,	
	2023	2022
Operating cash flows used for operating leases	2,499,985	2,367,995
Operating cash flows for finance leases	1,751	3,896
Financing cash flows for finance leases	41,697	39,551
Total	2,543,433	2,411,442

Future minimum lease payments as of December 31, 2023, are as follows:

(In US$)

Particulars	As at December 31, 2023	
	Operating	Financing
2024	1,690,195	10,862
2025	748,447	–
2026	598,299	–
2027	511,561	–
2028	–	–
Total undiscounted future lease payments	3,548,502	10,862
Less imputed interest	(46,404)	(503)
Total lease obligations	3,502,098	10,359

6. Goodwill

The summary of changes of goodwill as at December 31, 2023 and December 31, 2022 is as follows:

(In US$)

	Cost	Accumulated amortization	Net book value
2023			
Goodwill	53,659,424	53,659,424	–
2022			
Goodwill	53,659,424	52,558,120	1,101,304

Amortization expense for the years ended December 31, 2023 and December 31, 2022 is $1,101,304 and $11,620,815, respectively. Goodwill was amortized in full during the year ended December 31, 2023.

7. Revenue

The disaggregation of revenue for the years ended December 31, 2023 and December 31, 2022 is as follows:

(In US$)

	Commerce services	Analytics services	Experience driven commerce services	Affiliate revenue	Other	Total
2023						
Time and materials	20,472,439	1,420,051	1,692,086	60,222,857	–	83,807,433
Fixed-price	644,782	–	442,725	–	–	1,087,507
Service unit	–	–	3,018,438	–	–	3,018,438
Partner referrals	–	–	–	–	537,455	537,455
Total revenue	21,117,221	1,420,051	5,153,249	60,222,857	537,455	88,450,833

(In US$)

	Commerce services	Analytics services	Experience driven commerce services	Affiliate revenue	Other	Total
2022						
Time and materials	28,223,986	2,037,300	701,684	40,850,776	–	71,813,746
Fixed-price	239,511	–	1,821,148	–	–	2,060,659
Service unit	–	–	5,858,967	–	–	5,858,967
Partner referrals	–	–	–	–	780,035	780,035
Total revenue	28,463,497	2,037,300	8,381,799	40,850,776	780,035	80,513,407

8. Income Taxes

The provision for income taxes for the years ended December 31, 2023 and December 31, 2022 is as follows:

(In US$)

Particulars	Years ended December 31,	
	2023	2022
Current		
Federal	1,184,011	(279,953)
State	203,306	(12,093)
Total current	1,387,317	(292,046)
Deferred – Federal	–	–
Provision for income taxes	1,387,317	(292,046)

The effective income tax rates for 2022 differ from the federal statutory rates principally because of the effect of valuation allowance, state income taxes, and other non-deductible expenses.

The components of the deferred tax assets and liabilities as of December 31, 2023 and December 31, 2022 are as follows:

(In US$)

Particulars	As at December 31,	
	2023	2022
Goodwill amortization	9,183,118	10,804,000
Property and equipment depreciation	(172,798)	(299,114)
Accrued expenses and allowances	82,504	196,884
Leases	171,387	263,872
Net operating loss	2,712,138	3,323,577
Valuation allowance	(11,976,349)	(14,289,219)
Net deferred tax asset	–	–

The Company continually assesses the realizability of its deferred tax assets. Due to the history of losses, the Company concluded that it was not more likely not to realize the net deferred tax asset. Therefore, the Company recorded a full valuation allowance on its net deferred tax asset as of December 31, 2023. The valuation allowance decreased by $2,312,870 and $2,252,392 during the years ended December 31, 2023 and December 31, 2022, respectively.

As of December 31, 2023 and December 31, 2022, the Company had federal operating loss ("NOL") carryforwards of approximately $11,409,921 and $12,782,990, respectively which carry forward indefinitely. The utilization of the federal and state net operating loss carryforwards may be subject to limitation under the rules regarding a change in stock ownership as determined by the Internal Revenue Code or the laws of the respective state. Additionally, the indefinite lived Federal NOL's will be limited to 80% of taxable income in future tax years.

The Company has determined that there are no significant tax positions that result in uncertainty requiring recognition as of and for the years ended December 31, 2023 and December 31, 2022. The Company recognizes interest and penalties accrued related to any unrecognized tax benefits in interest within the statements of operations. As of December 31, 2023 and December 31, 2022, the Company had no accrued interest and penalties related to unrecognized tax benefits. Tax years 2018–2021 remain open to audit in the federal and state jurisdictions in which the Company operates.

9. Commitments and Contingencies

Periodically, the Company may be involved in claims and other legal matters. The Company records accruals for loss contingencies to the extent that management concludes that it is probable that a liability has occurred, and the amount of the related loss can be reasonably estimated. There are no matters pending that the Company currently believes are reasonably possible of having a material impact to our business, financial condition, results of operations or cash flows. Legal fees and other expenses related to litigation are expensed as incurred and included in selling, general and administrative expenses within the statements of operations.

10. Related Party Transactions

During the years ended December 31, 2023 and December 31, 2022, the Company recognized both revenue and expenses related to services provided to/from related parties as follows:

(In US$)

Particulars	2023		2022	
	Revenue	Expenses	Revenue	Expenses
Ultimate Parent Company	58,142,512	256,381	39,149,756	418,215
Subsidiaries of the Ultimate Parent Company	2,080,345	25,598	1,701,020	44,721
	60,222,857	281,979	40,850,776	462,936

Due from and to affiliates reflect payments due to/from the Ultimate Parent Company and its subsidiaries. Due from affiliates represent those amounts owed in connection with the services provided to the Ultimate Parent Company and its subsidiaries. These amounts are non-interest bearing, due on demand, and measured at the exchange amount.

The related party balances as at December 31, 2023 and December 31, 2022 are as follows:

(In US$)

Particulars	As at December 31,			
	2023		2022	
	Due from affiliate	Due to affiliate	Due From Affiliate	Due to Affiliate
Ultimate Parent Company	3,576,926	163,619	4,607,366	92,705
Subsidiaries of the Ultimate Parent Company	165,723	7,568	160,904	3,833
	3,742,649	171,187	4,768,270	96,538

On August 25, 2021, Beringer Capital Digital, Inc. ("Original Lender") entered into a loan agreement with the Ultimate Parent Company to provide funding up to $5 million to the Ultimate 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. At such time that funding is provided under this agreement, the interest rate will be amended to a new borrowing rate. Principal payments are to be made on demand. The loan agreement was amended on April 1, 2022, to name the Company as the Original Lender and for the Company to assume and fulfill all obligations of the Original Lender under the loan agreement. No disbursements of funds have been made under the loan agreement to date.

On June 15, 2022, the Company entered into a loan agreement with a subsidiary of the Ultimate Parent Company to provide $2.5 million for working capital needs. The loan was fully funded upon execution and bears interest equal to the 12-month USD LIBOR rate plus 2.5%, adjusted quarterly. Effective July 1, 2023, the loan agreement was renewed with interest to be accrued at a rate equal to the 12-month Secured Overnight Funding Rate (SOFR) plus 1.83%. Interest is payable at the time of repayment or on the anniversary date each, whichever comes first. The principal amount of the loan is repayable on demand. As of December 31, 2023 and December 31, 2022, principal and accrued interest totaled $2,515,415 and $2,588,351, respectively. The loan payable and accrued interest was paid in full on March 22, 2024.

As a result of the significant related party transactions with affiliated entities, the accompanying financial statements may not be indicative of the conditions that would have existed, or results of operations, had the Company operated without these related party transactions.

11. Retirement Plans

The Company sponsors a 401(k) plan which covers all employees. The plan provides for safe harbor employer matching contributions. Employer matching contributions to the retirement plan for the years ended December 31, 2023 and December 31, 2022, are $864,265 and $796,969, respectively.

12. Subsequent Events

On March 25, 2024, the Company entered into a sublease agreement for the Raleigh, NC administrative facility. The lease commences April 1, 2024, and extends through the remaining term of the existing lease which expires on October 31, 2027.

Management has evaluated subsequent events through April 29, 2024, the date on which the financial statements were available to be issued and no other events were noted.

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Infosys Compaz Pte. Ltd.

Directors' statement

We are pleased to submit this annual report to the members of Infosys Compaz Pte. Ltd. ("the Company") together with the audited financial statements for the financial year ended March 31, 2024.

In our opinion:

(a) The financial statements set out on pages FS1 to FS34 are drawn up so as to give a true and fair view of the financial position of the Company as at March 31, 2024 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date in accordance with the provisions of the Companies Act 1967, Singapore Financial Reporting Standards (International) and International Financial Reporting Standards; and

(b) At the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorized these financial statements for issue.

Directors

The directors in office at the date of this statement are:

Alan Raymond Thompson	Chairman
Andrew Stewart Groth	
Salil Satish Parekh	
Windy Chandra	Alternate director to Baskararao Paidithali
Baskararao Paidithali	
Lim Ming Pey	Alternate director to Alan Raymond Thompson
Dennis Kantilal Gada	(Alternate director to Salil Satish Parekh) (Appointed on 28 June 2023)
Manohar Madgula Atreya	Chief Executive Officer

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 ("the Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of the year /date of appointment	Holdings at end of the year
Andrew Stewart Groth		
Infosys Limited		
Stock Incentive Rewards Program Share Plan		
ADR RSU	19,741	52,828
ADR PSU	16,667	30,185
Salil Parekh		
Infosys Limited		
Employee Stock Options (ESOPs)	786,658	959,354
Dennis Kantilal Gada		
Infosys Limited		
Ordinary shares	44,571	44,571
Manohar Madgula Atreya		
Infosys Limited		
ESOPs	–	–
Equity shares held in demat account	13,550	14,520
Cash grants	13,770	31,377

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year or date of appointment if later or at the end of the financial year.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Share options

During the financial year, there were:

(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

Alan Raymond Thompson
Director & Chairman

Manohar Madgula Atreya
Director & Chief Executive Officer

Date: May 31, 2024

Independent auditors' report

Members of the Company Infosys Compaz Pte. Ltd.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Infosys Compaz Pte. Ltd. (the "Company"), which comprise the statement of financial position as at 31 March 2024, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including ,as set out on pages FS1 to FS34.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act"), Singapore Financial Reporting Standards (International) ("SFRS(I)s") and International Financial Reporting Standards ("IFRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2024 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

Place: Singapore

Date: May 31, 2024

Statement of Financial Position

(In SG$)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
Assets			
Property, plant and equipment	4	4,402,410	5,344,318
Deferred tax assets	8	472,533	484,640
Non-current assets		4,874,943	5,828,958
Contract assets		1,046,516	1,983,677
Trade and other receivables	5	43,782,401	37,615,320
Cash and cash equivalents	6	22,369,388	34,168,910
Current assets		67,198,305	73,767,907
Total assets		72,073,248	79,596,865
Equity			
Share capital	7	2,600,000	2,600,000
Reserves		31,255,784	35,523,691
Total equity		33,855,784	38,123,691
Liabilities			
Employee benefits	10	–	185,604
Provision for reinstatement cost	11	305,355	298,867
Lease liabilities	12	3,354,317	4,094,344
Non-current liabilities		3,659,672	4,578,815
Trade and other payables	9	24,727,127	23,705,013
Employee benefits	10	2,032,291	2,226,136
Contract liabilities		4,783,620	9,451,995
Current tax payable		2,244,563	741,132
Lease liabilities	12	770,191	770,083
Current liabilities		34,557,792	36,894,359
Total liabilities		38,217,464	41,473,174
Total equity and liabilities		72,073,248	79,596,865

The accompanying notes form an integral part of these financial statements.

Statement of Comprehensive Income

(In SG$)

Particulars	Note	Years ended March 31, 2024	2023
Revenue	14	113,624,475	102,509,769
Cost of sales		(90,196,215)	(84,312,096)
Gross profit		23,428,260	18,197,673
Other income		–	276
Administrative expenses		(11,406,201)	(11,509,633)
Results from operating activities		12,022,059	6,688,316
Finance income	15	1,098,533	362,916
Finance costs	15	(184,582)	(81,676)
Net finance income / (cost)		913,951	281,240
Profit before income tax	16	12,936,010	6,969,556
Tax expense	17	(2,203,917)	(787,194)
Profit for the year, representing total comprehensive income for the year		10,732,093	6,182,362

The accompanying notes form an integral part of these financial statements.

Statement of Changes in Equity

(In SG$)

Particulars	Share capital	Accumulated profits	Total equity
At April 1, 2022	2,600,000	29,703,697	32,303,697
Adjustment on onerous contract application of SFRS(I)37	–	(362,369)	(362,369)
Adjusted balance at April 1, 2022	2,600,000	29,341,328	31,941,328
Total comprehensive income for the year			
Profit for the year	–	6,182,362	6,182,362
Total comprehensive income for the year	–	6,182,362	6,182,362
At March 31, 2023	2,600,000	35,523,691	38,123,691
At April 1, 2023	2,600,000	35,523,691	38,123,691
Total comprehensive income for the year			
Profit for the year	–	10,732,093	10,732,093
Total comprehensive income for the year	–	10,732,093	10,732,093
Transactions with owners, recognized directly in equity			
Distributions to owners of the Company			
Interim tax-exempt (one-tier) dividend paid	–	(15,000,000)	(15,000,000)
At March 31, 2024	2,600,000	31,255,784	33,855,784

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flows

(In SG$)

Particulars	Note	Years ended March 31, 2024	2023
Cash flows from operating activities			
Profit before income tax		12,936,010	6,969,556
Adjustments for:			
Depreciation of property, plant and equipment	4	1,212,007	1,206,505
Impairment loss on trade receivable	13	129,258	(40,280)
Finance income	15	(1,098,533)	(362,916)
Finance costs	15	184,582	81,676
		13,363,324	7,854,541
Changes in working capital			
Trade and other receivables		(6,296,339)	(15,072,500)
Contract assets		937,161	1,916,594
Trade and other payables		1,022,114	8,556,482
Contract liabilities		(4,668,375)	6,272,032
Employee benefits		(379,449)	(42,044)
Cash generated from operating activities		3,978,436	9,485,105
Income tax paid		(688,379)	(2,458,829)
Net cash from operating activities		3,290,057	7,026,276
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(178,641)	(224,549)
Interest income received	15	1,098,533	362,916
Net cash from investing activities		919,892	138,367
Cash flows from financing activities			
Payments of lease liabilities	12	(831,377)	(873,047)
Dividend paid to owners of the Company	7	(15,000,000)	–
Interest paid	12	(178,094)	(74,272)
Net cash used in financing activities		(16,009,471)	(947,319)
Net increase in cash and cash equivalents		(11,799,522)	6,217,324
Cash and cash equivalents at 1 April		34,168,910	27,951,586
Cash and cash equivalents at 31 March	6	22,369,388	34,168,910

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorized for issue by the Board of Directors on [date of signing].

1. Domicile and activities

Infosys Compaz Pte. Ltd. ("the Company") is a company incorporated in the Republic of Singapore. The address of the Company's registered office is 401 Commonwealth Drive #05-01 Haw Par Techno Centre, Singapore 149598.

The principal activities of the Company are those relating to the provision of computer consultancy services.

The immediate holding company during the financial year is Infosys Singapore Pte. Ltd. (f.k.a Infosys Consulting Pte Ltd.), a company incorporated in the Republic of Singapore. The ultimate holding company is Infosys Limited, a company incorporated in India.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)) and International Financial Reporting Standards (IFRS). SFRS(I) are issued by the Accounting Standards Council, which comprise standards interpretations that are equivalent to IFRS issued by the International Accounting Standards Board.

All references to SFRS(I) and IFRS are subsequently referred to as SFRS(I) 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 judgments

The preparation of the financial statements in conformity with IFRS requires the Management to make judgments, estimates and assumptions about the future, including climate-related risks and opportunities, 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 and are consistent with the Company's risk management and climate-related commitments, where appropriate. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information on areas involving a higher degree of judgment or areas where estimates are significant to the financial statements are set out in Note 21.

Changes in material accounting policies

New accounting 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 2023:

- Amendments to SFRS(I) 1-12: Deferred tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to SFRS(I) 1-12: International Tax Reform - Pillar Two Model Rules
- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies
- Amendments to SFRS(I) 1-8: Definition of Accounting Estimates

Other than the below, the application of these amendments to accounting standards and interpretations does not have a material effect on the financial statements.

Deferred tax related to assets and liabilities arising from a single transaction:

The Company has adopted Amendments to SFRS(I)1- 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction from 1 April 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences - e.g. leases and decommissioning liabilities.

For leases, an entity is required to recognize the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

The Company previously accounted for deferred tax on leases by applying the 'integrally linked" approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognized on a net basis. Following the amendments, the Company has recognized a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. However, there was no impact on the statement of financial position because the balances qualify for offset under paragraph 74 of SFRS(I)1-12. There was also no impact on the opening retained earnings as at 1 April 2022 as a result of the change. The key impact for the Company relates to disclosure of deferred tax assets and liabilities recognized see note 8.

Material accounting policy information:

The Company adopted Amendments to SFRS(I)1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies for the first time in 2024. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and concluded that the amendments did not result in any changes to the Company's accounting policy in note 3 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments.

3 Material accounting policies

The accounting policies given below have been applied consistently to all periods presented in these financial statements, except as explained in Note 2.5, which addresses changes in material accounting policies.

The Company adopted the Amendments to SFRS(I)1-1 and SFRS(I) Practice Statement 2 Disclosure of Accounting Policies from 1 April 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments did not result in any changes to the accounting policies themselves.

3.1 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at amortized cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in 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 amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable rate features;
- Prepayment and extension features; and
- Terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Directly attributable transaction costs are recognized in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. These financial liabilities comprised of trade and other payables.

(iii) Derecognition

Financial assets

The Company derecognizes a financial asset when:

- The contractual rights to the cash flows from the financial asset expire; or
- It transfers the rights to receive the contractual cash flows in a transaction in which either
  - Substantially, all 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.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the Statement of Financial Position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value and are used by the Company in the management of its short-term commitments.

(vi) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

3.2 Property, plant and equipment

Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the costs of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for their intended use, estimated costs of dismantling and removing the items and restoring the site on which they are located when the Company has an obligation to remove the asset or restore the site, and capitalized borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognized in the profit or loss on a straight-line basis to write down the cost of property, plant and equipment to its estimated residual value over the estimated useful lives (or lease term, if shorter) of each part of an item of property, plant and equipment.

Depreciation is recognized from the date that the property, 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 property, plant and equipment is ready for use.

The estimated useful lives for the current and comparative years are as follows:

Buildings	1 to 6 years
Leasehold improvements	5 years
Plant and machinery	5 years
Computers and software	3 to 5 years
Office furniture and equipment	5 years

Depreciation methods, useful lives, and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.3 Impairment

(i) Non-derivative financial assets and contract assets

The Company recognizes loss allowances for expected credit losses (ECLs) on:

- Financial assets measured at amortized costs; and
- Contract assets (as defined in SFRS(I) 15).

Loss allowances of the Company are measured on either of the following bases:

- 12-month ECLs: These are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: These are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Company applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Company applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Company considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- The financial asset is more than a reasonable number of days past due.

The Company considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or is more than a reasonable number of days past due;
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- It is probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the Statement of Financial Position

Loss allowances for financial assets measured at amortized cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities 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 recognized if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For 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 recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

Impairment losses recognized in prior periods are assessed at each Balance Sheet date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.4 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Training pool provisions

Training pool provisions are related to funds disbursed by its former immediate holding company for the training of staff. A liability is recognized for the amount expected to be utilized for the staff training and reduced by training attended by employee in the periods during which related services are rendered to employees.

3.5 Provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost .

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 standalone prices. However, for the leases of property, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognizes a right-of-use (ROU) asset and a lease liability at the lease commencement date. The ROU 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 ROU 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 ROU asset reflects that the Company will exercise a purchase option. In that case, the ROU 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 ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, 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 ROU asset, or is recorded in profit or loss if the carrying amount of the ROU asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'lease liabilities' in the Statement of Financial Position.

3.7 Government grants

Government grants related to assets are initially recognized as deferred income at fair value when there is reasonable assurance that they will be received, and the Company will comply with the conditions associated with the grant. These grants are then recognized in profit or loss as 'other income' on a systematic basis over the useful life of the asset. Grants that compensate the Company for expenses incurred are recognized in profit or loss as deduction against salary cost on a systematic basis over financial periods, unless the conditions for receiving the grant are met after the related expenses have been recognized. In this case, the grant is recognized when it becomes receivable.

3.8 Revenue

Revenue from professional services and information technology services in the ordinary course of business are recognized when the Company satisfies a performance obligation (PO) by transferring control of a promised good or service to the customer. The amount of revenue recognized is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative standalone selling prices of the promised goods and services. The individual standalone selling price of a good and service that has not previously been sold on a standalone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and / or services with observable standalone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

Transaction price is the amount of consideration in the contract to which the Company expects to be entitled in exchange for transferring the promised goods and services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Company does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognized at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognized based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

3.9 Finance income and costs

The Company's finance income and finance costs include:

- Interest income; and
- Interest expense.

Interest income or expense is recognized using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or
- The amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3.10 Income tax

Tax expense comprises current and deferred tax. Tax expense is recognized in the profit or loss except to the extent that it relates to a business combination, to items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the Balance Sheet date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income losses, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

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.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each Balance Sheet date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

In determining the amount of current and deferred tax, the Company 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 judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities, such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.11 New standards and interpretations not adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 April 2023 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

The Company is still in the midst of assessing the impact of the following amendments to SFRS(I)s on the Company's financial statements.

- Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
- Amendments to SFRS(I) 1-7 and SFRS(I) 7: Supplier Finance Arrangements
- Amendments to SFRS(I) 16: Lease Liability in a Sale and Leaseback
- Amendments to SFRS(I) 1-21: Lack of Exchangeability

4 Property, plant and equipment

(In SG$)

Particulars	Building	Plant and machinery	Computers and software	Office improvement, furniture and equipment	Total
Cost					
At April 1, 2022	5,602,637	54,300	22,766,485	2,141,939	30,565,361
Additions	2,335,613	–	204,735	75,766	2,616,114
Write-off	–	–	(9,697,218)	(47,296)	(9,744,514)
At March 31, 2023	7,938,250	54,300	13,274,002	2,170,409	23,436,961
At April 1, 2023	7,938,250	54,300	13,274,002	2,170,409	23,436,961
Additions	91,458		9,343	169,298	270,099
Write-off	-	(24,500)	(8,855,676)	(40,328)	(8,920,504)
At March 31, 2024	8,029,708	29,800	4,427,669	2,299,379	14,786,556
Accumulated depreciation					
At April 1, 2022	2,316,157	34,514	22,228,693	2,051,288	26,630,652
Depreciation for the year	846,600	8,045	272,231	79,629	1,206,505
Write-off	–	–	(9,697,218)	(47,296)	(9,744,514)
At March 31, 2023	3,162,757	42,559	12,803,706	2,083,621	18,092,643
At April 1, 2023	3,162,757	42,559	12,803,706	2,083,621	18,092,643
Depreciation for the year	873,728	5,960	260,191	72,127	1,212,007
Write-off	–	(24,500)	(8,855,676)	(40,328)	(8,920,504)
At March 31, 2024	4,036,485	24,019	4,208,221	2,115,420	10,384,146
Carrying amounts					
At April 1, 2022	3,286,480	19,786	537,792	90,651	3,934,709
At March 31, 2023	4,775,493	11,741	470,296	86,788	5,344,318
At March 31, 2024	3,993,223	5,781	219,448	183,958	4,402,410

As at March 31, 2024, property, plant and equipment includes ROU assets of $3,993,223 (2023: $4,775,493) and $21,762 (2023: $43,920) related to leased building and office equipment and furniture, respectively.

5. Trade and other receivables

(In SG$)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
Current assets			
Trade receivables			
Ultimate holding company		376,490	294,034
Related corporations		25,482,298	21,570,390
Third parties		5,197,158	3,856,108
		31,055,946	25,720,532
Accrued revenue	14	5,863,044	5,580,130
Deposits	14	351,547	361,778
Other receivables		195,456	252,015
Non-trade receivables			
Ultimate holding company		257,755	–
Immediate holding company		317,630	640,075
Related corporations		201,843	–
Financial assets at amortized cost		38,423,220	32,554,530
Prepayments		5,539,181	5,060,790
		43,782,401	37,615,320

The Company's exposure to credit and currency risks, and impairment losses for trade and other receivables are disclosed in Note 13.

Non-trade amount due from immediate holding company is unsecured, interest-free and repayable on demand.

6. Cash and cash equivalents

(In SG$)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash at bank	2,538,116	1,272,428
Fixed deposits	19,831,272	32,896,482
	22,369,388	34,168,910

The weighted average effective interest rate relating to fixed deposits at the Balance Sheet date for the Company are 3.05%-5.31% (2023: 3.00%-4.66%) per annum.

Included in the Company's cash and cash equivalents are amounts of $22,369,388 (2023: $34,168,910) placed with a financial institution who is also a related corporation.

7. Share capital

(In SG$)

Particulars	As at March 31, 2024	As at March 31, 2023
	No. of shares	No. of shares
Ordinary shares		
At April 1 and March 31	1,000,000	1,000,000

The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company. All shares rank equally with regards to the Company's residual assets.

All issued shares are fully paid.

Dividends

The following exempt (one-tier) dividends were declared and paid by the Company:

(In SG$)

Particulars	Years ended March 31, 2024	2023
Paid by the Company to the owners of the Company		
$15 per ordinary share (2023: $Nil per ordinary share)	15,000,000	–

8 Deferred tax assets and liabilities

Movement in temporary differences during the financial year:

(In SG$)

Particulars	At 1 April 2022	Recognised in profit or loss (note 17)	At March 31, 2023	Recognised in profit or loss (note 17)	At March 31, 2024
Deferred tax assets					
Employee benefits	(1,009,785)	461,904	(547,881)	48,311	(499,570)
Doubtful debts	(32,464)	8,784	(23,680)	23,680	–
Lease liabilities	(561,630)	(257,670)	(819,300)	118,134	(701,166)
	(1,603,879)	213,018	(1,390,861)	190,125	(1,200,736)
Set off of tax	666,862	239,359	906,221	(178,018)	728,203
Net deferred tax assets	(937,017)	452,377	(484,640)	12,107	(472,533)
Deferred tax liabilities					
Plant and equipment	105,232	(18,311)	86,921	(41,265)	45,656
Right-of-use assets	561,630	257,670	819,300	(136,753)	682,547
	666,862	239,359	906,221	(178,018)	728,203
Set off of tax	(666,862)	(239,359)	(906,221)	178,018	(728,203)
Net deferred tax liabilities	–	–	–	–	–

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 .

9. Trade and other payables

(In SG$)

Particulars	As at March 31, 2024	2023
Trade payables		
Ultimate holding company	8,931,274	9,805,159
Immediate holding company	1,392,480	3,141,244
Related corporations	706,974	726,249
Third parties	5,361,811	1,129,462
Other payables	2,171,628	2,247,616
Accruals	5,948,488	6,479,794
Non-trade payables		
Ultimate holding company	214,472	175,489
	24,727,127	23,705,013

Accruals include bonus and payroll related expenses of $2,256,211 (2023: 2,224,212).

Non-trade amounts due to ultimate holding company 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, 2024	As at March 31, 2023
Current		
Short-term accumulating compensated absences	1,360,611	1,514,986
Training plan	671,680	711,150
	2,032,292	2,226,136
Non-current		
Training plan	–	185,604

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, 2024	As at March 31, 2023
Non-current		
Beginning of financial year	298,867	291,463
Unwind of discount	6,488	7,404
End of financial year	305,355	298,867

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, 2024	As at March 31, 2023
Current	770,191	770,083
Non-current	3,354,317	4,094,344
	4,124,508	4,864,427

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
2024					
Lease liabilities	SGD	1.58% - 4.52%	2025 - 2030	4,596,683	4,124,508
2023					
Lease liabilities	SGD	1.58% - 4.10%	2024 - 2030	5,481,552	4,864,427

Reconciliation of movements of liabilities to cash flows arising from financing activities

(In SG$)

Particulars	Lease liabilities
Balance at April 1, 2022	3,345,909
Changes from financing cash flows	
Payment of lease liabilities	(873,047)
Interest paid	(74,272)
Total changes from financing cash flows	(947,319)
Other changes	
Reassessment of lease	2,391,565
Interest expense	74,272
Total other changes	2,465,837
Balance at March 31, 2023	4,864,427
Balance at April 1, 2023	4,864,427
Changes from financing cash flows	
Payment of lease liabilities	(831,377)
Interest paid	(178,094)
Total changes from financing cash flows	(1,009,471)
Other changes	
Reassessment of lease	91,458
Interest expense	178,094
Total other changes	269,552
Balance at March 31, 2024	4,124,508

In 2024, the Company has exercised its renewal option relating to lease of its office premise for another 1 year (2023: 3 years), resulting in an increase of lease liabilities and ROU assets amounting to $91,458 (2023: $2,391,565).

13 Financial instruments

Overview

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

The Board of Directors oversees the Management in monitoring compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's loans and receivables. The Company does not hold any collateral in respect of their financial assets.

Exposure to credit risk

The Company limits its exposure to credit risk by mainly investing in low-risk funds managed by Singapore financial institutions.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

Expected credit loss assessment for trade receivables, accrued revenue and contract assets

The Company uses a provision matrix to measure the lifetime credit loss allowance for trade receivables, accrued revenue and contract assets. In measuring the expected credit losses, trade receivable and contract assets are grouped based on shared credit risk characteristics such as customer types and days past due.

In calculating the expected credit loss rates, the Company considers loss rates for each category of customers, based on actual credit loss experience for the last three years. The resultant impact arising from expected credit loss was not material.

The information about the exposure to credit risk for trade receivables, accrued revenue and contract assets as at March 31 is as follows:

(In SG$)

Particulars	Lifetime ECL – not impaired	Lifetime ECL – credit impaired
2024		
Current (not past due)	23,282,838	–
1-30 days past due	7,785,349	–
31-60 days past due	3,956,338	–
More than 60 days past due	2,940,980	268,553
Gross carrying amount	37,696,952	268,553
Loss allowance	–	(268,553)
Carrying amount	37,696,952	–
2023		
Current (not past due)	29,429,846	–
1-30 days past due	1,709,597	–
31-60 days past due	543,102	–
More than 60 days past due	1,601,794	139,295
Gross carrying amount	33,284,339	139,295
Loss allowance	–	(139,295)
Carrying amount	33,284,339	–

Movements in allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

(In SG$)

Particulars	As at March 31,	
	2024	2023
Balance as at April 1	139,295	190,964
Impairment loss recognized	129,258	–
Reversal of impairment losses previously recognised	–	(40,280)
Bad debts written off	–	(11,389)
Balance as at March 31	268,553	139,295

The Company believes that the unimpaired amounts that are past due by more than 60 days are still collectible in full, based on historic payment behavior and analysis of customer credit risk, including underlying customers' credit ratings, when available.

Non-trade receivables due from ultimate holding company, immediate holding company and related corporations

The Company considers the non-trade amounts due from immediate holding company to have a low credit risk by taking into consideration the financial ability of the immediate holding company to settle the amount due from it on estimating the risk of default used in measuring ECL. The resultant loss allowance is expected to be insignificant.

Other financial assets

Impairment loss on these other financial assets have been measured on the 12-month expected loss basis and reflects the short-term maturities of the exposures. The Company 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% (2023: 100%) of the Company's cash and cash equivalents are placed with financial institutions with credit rating of A-1 and above (2023: A-1 and above). Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's objective when managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements are as follows:

(In SG$)

Particulars	Carrying amount	Contractual cashflow	Within 1 year	2 to 5 years
Mar 31, 2024				
Non-derivative financial liability				
Trade and other payables	24,727,127	(24,727,127)	(24,727,127)	–
Lease liabilities	4,124,508	(4,596,683)	(953,385)	(3,643,298)
	28,851,635	(29,323,810)	(25,680,512)	(3,643,298)

Particulars	Carrying amount	Contractual cashflow	Within 1 year	2 to 5 years
Mar 31, 2023				
Non-derivative financial liability				
Trade and other payables	23,705,013	(23,705,013)	(23,705,013)	–
Lease liabilities	4,864,427	(5,481,552)	(947,171)	(4,534,381)
	28,569,440	(29,186,565)	(24,652,184)	(4,534,381)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

As at Balance Sheet date, the Company is not exposed to significant currency risks.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flow of the Company's financial instruments will fluctuate because of changes in market interest rates. As at the Balance Sheet date, the Company is not exposed to significant interest rate risk.

Capital management

The capital management of the Company is determined and managed by the immediate holding company as part of the operations of the Company. The Company's capital comprises its share capital and accumulated profits.

There were no changes in the Company's approach to capital management during the year.

The Company is not subject to externally imposed capital requirements.

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(In SG$)

Particulars	Note	Financial assets at amortized cost	Other financial liabilities	Total carrying amounts
2024				
Financial assets not measured at fair value				
Trade and other receivables (excluding prepayments)	5	38,423,220	–	38,423,220
Cash and cash equivalents	6	22,369,388	–	22,369,388
		60,612,608	–	60,612,608
Financial liabilities not measured at fair value				
Trade and other payables	9	–	24,727,127	24,727,127

(In SG$)

Particulars	Note	Financial assets at amortized cost	Other financial liabilities	Total carrying amounts
2023				
Financial assets not measured at fair value				
Trade and other receivables (excluding prepayments)	5	32,554,530	–	32,554,530
Cash and cash equivalents	6	34,168,910	–	34,168,910
		66,723,440	–	66,723,440
Financial liabilities not measured at fair value				
Trade and other payables	9	–	23,705,013	23,705,013

The notional amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period of maturity.

14 Revenue

(In SG$)

Particulars	As at March 31,	
	2024	2023
Professional services fee income	16,978,281	57,301,018
Smart messaging services fee income	25,030	8,926,032
Utility computing services fee income	82,834,164	27,371,241
IT security services fee income	13,787,000	8,911,478
	113,624,475	102,509,769

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 recognized.
Obligations for returns and refunds, if any	Revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Therefore, the amount of revenue recognized is adjusted based on availability of supporting documents. The Company reviews its estimate of revenue at each reporting date and updates the amounts of the assets and liabilities accordingly.

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Company's reportable segments.

(In SG$)

Particulars	IT consultancy	
	As at March 31,	
	2024	2023
Primary geographical markets		
Singapore	113,624,475	102,509,769
Major products / service line		
Sale of services	113,624,475	102,509,769
Timing of revenue recognition		
Products and services transferred over time	113,624,475	102,509,769

Contract balances

The information about receivables, contract assets and contract liabilities from contracts with customers is as follows:

(In SG$)

Particulars	Note	As at March 31, 2024	2023
Trade receivables	5	31,055,945	25,720,532
Accrued revenue	5	5,863,044	5,580,130
Contract assets		1,046,516	1,983,677
Contract liabilities		(4,783,620)	(9,451,995)
		33,181,886	23,832,344

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	
	2024	2023	2024	2023
Revenue recognized that was included in the contract liability balance at the beginning of the year	–	–	8,118,700	2,331,175
Increase due to cash received, excluding amounts recognized as revenue during the year	–	–	(3,450,325)	(8,603,207)
Contract assets reclassified to trade receivable	(1,983,677)	(3,900,271)	–	–
Changes in measurement of progress	1,046,516	1,983,677	–	–

Actual agreements and service orders are used to estimate the total contract costs to complete. In making these estimates, the Management has relied on the expertise of project managers as well as timesheets to determine the progress of the projects. The estimated total contract costs are reviewed every reporting period and adjusted where necessary, with the corresponding adjustment to profit margin being recognized prospectively from the date of change.

Transaction price allocated to the remaining performance obligations

The revenue expected to be recognized in the future related to performance obligations that are unsatisfied (or partially satisfied) at the reporting date is as follows:

(In SG$)

Particulars	2025	2026	2027	Total
2024				
IT consultancy services	42,947,580	34,685,276	35,669,197	113,302,052

Particulars	2024	2025	2026	Total
2023				
IT consultancy services	45,142,586	21,997,901	50,210,772	117,351,260

Variable consideration that is constrained and therefore not included in the transaction price is excluded from the amount presented above.

The Company applies the practical expedient in paragraph 121 of SFRS(I) 15 and does not disclose information about its remaining performance obligations if:

- The performance obligation is part of a contract that has an original expected duration of one year or less; or
- The Company has a right to invoice a customer in an amount that corresponds directly with its performance to date, then it recognizes revenue in that amount.

15. Finance income and costs

(In SG$)

Particulars	As at March 31, 2024	As at March 31, 2023
Interest income under the effective interest method on:		
Fixed deposits	1,098,533	362,916
Finance income	1,098,533	362,916
Lease liabilities	(178,094)	(74,272)
Unwind of discount for provision for reinstatement cost	(6,488)	(7,404)
Finance costs	(184,582)	(81,676)
Net finance costs	913,951	281,240

16. Profit before income tax

The following items have been included in arriving at profit before income tax:

(In SG$)

Particulars	As at March 31, 2024	As at March 31, 2023
Depreciation of plant and equipment	1,212,007	1,206,505
Staff costs	41,262,783	39,841,819
Contributions to defined contribution plans, included in staff costs	2,713,759	2,828,711
Government grant income, included in staff cost	42,342	(594,268)
Provision made for unconsumed leave	220,062	655,910
Legal and professional fee	343,082	973,719

In 2024, the Company has received government grant income related to Job Growth Incentive, an incentive to support employers to expand local hiring amounting to $42,342 (In 2023, Job Growth Incentive was $594,268).

17. Income tax expense

(In SG$)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
Current tax expense			
Current year		2,244,564	741,133
Over provision in prior years		(52,754)	(406,316)
		2,191,810	334,817
Deferred tax expense			
Origination and reversal of temporary differences	8	12,107	452,377
Income tax expense		2,203,917	787,194
Reconciliation of effective tax rate			
Profit before income tax		12,936,010	6,969,556
Income tax using Singapore tax rate of 17% (2023: 17%)		2,199,122	1,184,825
Tax incentives		(12,244)	(36,291)
Non-deductible expenses		87,218	62,424
Income not subject to tax		(17,425)	(17,425)
Others		–	(23)
Over provision in prior years		(52,754)	(406,316)
		2,203,917	787,194

18 Leases

Leases as lessee (SFRS(I) 16)

The Company leases office and office equipment. The leases typically run for a period of three years, with an option to renew the lease after that date.

The office leases were entered into many years ago and were classified previously as operating leases under SFRS(I) 1-17.

Information about leases for which the Company is a lessee is presented below.

(In SG$)

Particulars	Building	Office furniture and equipment	Total
Balance at April 1, 2023	4,775,493	43,920	4,819,413
Depreciation charge for the year	(873,728)	(22,158)	(895,886)
Additions to right-of-use assets	91,458	–	91,458
Balance at March 31, 2024	3,993,223	21,762	4,014,985

(In SG$)

Particulars	Building	Office furniture and equipment	Total
Balance at April 1, 2022	3,286,480	17,225	3,303,705
Depreciation charge for the year	(846,600)	(29,257)	(875,857)
Reassessment of right-of-use assets	2,193,644	–	2,193,644
Additions to right-of-use assets	141,969	55,952	197,921
Balance at March 31, 2023	4,775,493	43,920	4,819,413

Amounts recognized in profit or loss

(In SG$)

Particulars	As at March 31,	
	2024	2023
Leases under SFRS(I) 16		
Interest on lease liabilities	178,094	74,272

Amounts recognized in Statement of Cash Flows

(In SG$)

Particulars	As at March 31,	
	2024	2023
Total cash outflow for leases	1,009,471	947,319

Extension options

Some property leases contain extension options exercisable by the Company up to three months before the end of the non-cancellable contract period. Where applicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses, at the lease commencement date, whether it is reasonably certain to exercise options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Company has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in lease liability of $128,619 (2023: $110,994).

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,	
	2024	2023
Within one year	14,629,512	1,532,438
Between one and five years	12,390,183	915,277
	27,019,695	2,447,715

20 Related parties

Key Managerial Personnel (KMP) compensation

KMP 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 KMP of the Company.

KMP compensation comprised:

(In SG$)

Particulars	As at March 31,	
	2024	2023
Short-term employee benefits	**1,708,287**	1,638,433
Contributions to defined contribution plans	**19,325**	11,768
	1,727,612	1,650,201

No directors' fees were proposed in respect of the financial year ended March 31, 2024 (2023: $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,	
	2024	2023
Ultimate holding company		
Professional services fee income	**636,327**	3,821,844
Smart messaging services fee income	**–**	143,365
Utility computing services fee income	**2,217,918**	282,488
IT security services fee income	**208,528**	16,255
Reimbursement of expenses	**–**	(114)
Manpower cost recovery	**(28,640,603)**	(23,743,961)
Immediate holding company		
Manpower cost recovery	**(3,449,508)**	(4,403,595)
Related corporations		
Professional services fee income	**14,721,091**	39,995,964
Smart messaging services fee income	**25,030**	8,500,634
Utility computing services fee income	**60,849,912**	26,414,416
IT security services fee income	**13,578,472**	8,704,544
Manpower cost recovery	**(1,252,777)**	(1,036,330)
Information technology services and internet services expense	**(4,626,703)**	(4,592,516)

21. Critical accounting estimates, assumptions and judgments

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are discussed below:

Impairment of financial assets

The Company maintains impairment loss at a level considered adequate to provide for potential uncollectible receivables. The level of this allowance is evaluated by the Company on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to, the length of the Company's relationship with the debtors, their payment behavior and known market factors. The Company reviews the age and status of receivables and identifies accounts that 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 a different judgment or utilized different estimates. An increase in the Company's impairment loss would increase the Company's recorded other expenses and decrease current assets.

IT consultancy services contracts

The Company accounts for revenue and profit based on the stage of completion of individual contracts. The amount of revenue and profit recognized is dependent on the 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 judgments are used to estimate total contract costs to complete. The estimated total contract costs are reviewed every reporting period and adjusted where necessary, with the corresponding adjustment to profit margin being recognized prospectively from the date of change.

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Infosys Consulting AG

Report of the Statutory Auditor

To the General Meeting of Infosys Consulting AG, Kloten

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Infosys Consulting AG, Kloten (the Company), which comprise the balance sheet as at 31 December 2023 and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law, and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Board of Directors' Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Furthermore, we confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Deloitte AG

Jan Meyer
Licensed Audit Expert

Aude Salord
Licensed Audit Expert Auditor in Charge

Place: Zürich

Date: April 30, 2024

JME/ASA/rap

Enclosures

- Financial statements (balance sheet, income statement and notes)
- Proposed appropriation of available earnings

Balance Sheet

(In CHF)

Particulars	Note	As at December 31,	
		2023	2022
Assets			
Cash and cash equivalents		19,358,781.86	4,889,379.39
Receivables from third parties		15,481,552.58	4,718,541.31
Receivables from other group companies		530,392.28	1,388,602.80
Other short-term receivables		182,853.39	15,352.70
Prepaid expenses and accrued income		1,491,188.59	6,285,152.35
Total current assets		37,044,768.70	17,297,028.55
Loans to shareholder		263,681.19	2,986,324.93
Investments	2.1	4,700.06	4,700.06
Tangible assets	2.2	114,081.39	214,475.90
Intangible assets		0.00	100,179.23
Right of use assets	2.3	5,494,958.09	6,077,271.73
Total non-current assets		5,877,420.73	9,382,951.85
Total assets		42,922,189.43	26,679,980.40
Liabilities and Equity			
Accounts payable to third parties		949,922.80	1,618,184.31
Accounts payable to other group companies		1,286,267.01	1,837,136.78
Other short-term liabilities		2,157,614.50	1,506,288.89
Short-term lease liabilities	2.3	866,095.62	774,936.63
Accrued expenses and deferred income		10,420,991.16	8,314,502.80
Total short-term liabilities		15,680,891.09	14,051,049.41
Lease liability	2.3	4,756,242.43	5,422,026.16
Total long-term liabilities		4,756,242.43	5,422,026.16
Total liabilities		20,437,133.52	19,473,075.57
Share capital	2.4	120,000.00	120,000.00
Statutory retained earnings		60,000.00	60,000.00
Voluntary retained earnings (brought forward)		4,026,904.83	3,562,153.02
Net result for the year		18,278,151.08	3,464,751.81
Total equity		22,485,055.91	7,206,904.83
Total liabilities and equity		42,922,189.43	26,679,980.40

Income statement

(In CHF)

Particulars	Note	As at December 31, 2023	As at December 31, 2022
Consulting revenue		41,332,284.72	21,612,568.63
Other service revenue		36,694,742.43	31,703,082.27
Revenue discounts / reversals		(824,614.45)	(3,003,214.10)
Other revenue		182,632.56	275,038.80
Revenue (net)		77,385,045.26	50,587,475.60
Total cost of services		(30,215,644.06)	(19,413,282.25)
Gross profit		47,169,401.20	31,174,193.35
Personnel expenses		(23,632,580.37)	(23,830,552.35)
Office rent and maintenance		(114,714.35)	(139,113.95)
Administration and general expenses		(166,342.01)	(186,677.29)
Consulting (Accounting, tax, legal) expenses		(98,309.69)	(122,135.91)
Marketing expenses		(47,553.52)	(57,782.33)
Depreciation and amortization		(917,111.61)	(946,247.90)
Total operating expenses		(24,976,611.55)	(25,282,509.73)
Earnings before interest and taxes (EBIT)		22,192,789.65	5,891,683.62
Financial expenses		(473,210.31)	(1,319,564.32)
Financial income		459,653.47	191,448.82
Net financial result		(13,556.84)	(1,128,115.50)
Earnings before tax (EBT)		22,179,232.81	4,763,568.12
Tax expenses		(3,901,081.73)	(1,298,816.31)
Net result for the year		18,278,151.08	3,464,751.81

Notes to the financial statements

Infosys Consulting AG is a wholly-owned subsidiary of Infosys Consulting Holding AG, Kloten (Switzerland). The Company renders professional management consulting services, thereby enabling its clients to enhance business performance.

1. Principles

1.1 Accounting year

The accounting year of the Company is from January 1 to December 31.

1.2 General aspects

These financial statements were prepared according to the principles of the Swiss law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below. Swiss law allows the Company to create, and as a consequence also release hidden reserves in its financial statements.

1.3 Revenue recognition

The method for recognizing revenues and cost depends on the nature of the services rendered and on the substance of the contractual agreement. Revenues and costs generated under time-and-material contracts are recognized as services are rendered. Revenue from fixed-price, fixed-timeframe contracts is recognized as per the percentage-of-completion method. An expected project loss is recognized as an expense immediately. Efforts expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Revenue comprises the invoiced value for the services and expense reimbursements, net of value added tax.

1.4 Tangible assets

Tangible assets are valued at acquisition or manufacturing costs less accumulated depreciation and impairment losses. With the exception of land, tangible assets are depreciated using the straight-line method. As soon as there are indicators that book values may be overstated, these are reviewed and, if necessary, adjusted.

1.5 Leases

Leasing and rental agreements are accounted for as right-of-use assets on the balance sheet and subject to depreciation based on the assets useful lives.

1.6 Foregoing a cash flow statement and additional disclosures in the notes

As Infosys Limited, the owner of Infosys Consulting Holding AG, has prepared its consolidated financial statements in accordance with a recognized accounting standard (IFRS IASB), it has decided to forego presenting additional information on interest-bearing liabilities and audit fees in the notes as well as a cash flow statement and management report in accordance with Swiss law.

2. Information on Balance Sheet and income statement items

2.1 Investments

Company: Infosys Consulting S.R.L.

Location: Buenos Aires, Argentina

(In ARS)

Particulars	Years ended December 31,	
	2023	2022
Share capital	30,000,000.00	30,000,000.00
Directly held percentage of ownership and voting rights	1.83%	1.83%

2.2 Tangible assets

(In CHF)

Particulars	Years ended December 31,	
	2023	2022
Installations and equipment	3,742,018.35	4,443,175.24
Installations and equipment - Depreciation	(3,627,936.96)	(4,228,699.34)
Total	114,081.39	214,475.90

2.3 Right-of-use assets (RoU) and lease liabilities

As a result of accounting for lease and rental agreements in accordance with the principle of right-of-use, the following accounts were affected:

(In CHF)

Particulars	Years ended December 31,	
	2023	2022
Balance Sheet		
Rent office - 7 years	5,338,236.53	6,033,684.14
Computer Equipment	156,721.56	43,587.59
Lease liability	(5,622,338.05)	(6,196,962.79)
Income Statement		
Amortization - RoU building	778,006.80	778,196.01
Amortization - RoU comp equipment	37,510.64	18,828.71
Interest expense on lease liability	14,626.52	12,875.95

2.4 Share capital

As at December 31, 2023 and December 31, 2022 respectively, the share capital consists of 1’200 equity shares of CHF 100 / par value

3. Other Information

3.1 Full-time equivalents

The annual average number of full-time equivalents was above 50 and below 250 similar to the previous reporting year.

Proposal on the appropriation of voluntary retained earnings

The Board of Directors proposes to appropriate the voluntary retained earnings (available earnings) as follows:

(In CHF)

Particulars	Years ended December 31,	
	2023	2022
Voluntary retained earnings (brought forward)	**4,026,904.83**	3,562,153.02
Net result for the year	**18,278,151.08**	3,464,751.81
Total voluntary retained earnings	**22,305,055.91**	7,026,904.83
Dividend	**15,000,000.00**	3,000,000.00
To be carried forward	**7,305,055.91**	4,026,904.83

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, 2024 and 2023, 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, 2024 and 2023, 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 30, 2024

Consolidated Balance Sheet

(In US$)

	As of January 31,	
	2024	2023
Assets		
Current assets		
Cash and cash equivalents	11,055,032	11,852,498
Accounts receivable, net of allowance of $1,318,285 and $1,232,137, respectively	10,879,613	13,299,607
Prepaid expenses and other	1,815,542	1,940,971
Total current assets	23,750,187	27,093,076
Goodwill, net	10,104,317	12,380,899
Property and equipment, net	231,772	672,663
Deferred tax asset	287,182	–
Other long-term assets	17,364	235,782
Total assets	34,390,822	40,382,420
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	528,813	711,391
Accrued expenses	9,846,632	18,355,468
Loan from affiliate	8,000,000	7,108,845
Deferred revenue	479,888	729,674
Other current liabilities	32,297	375,000
Total current liabilities	18,887,630	27,280,378
Other long-term liabilities	–	32,297
Total liabilities	18,887,630	27,312,675
Commitments and contingencies		
Stockholders' equity		
Common stock held by Infosys, par value $0.001 per share, 100 shares designated, 10 shares issued and outstanding	–	–
Additional paid-in capital	65,187,779	65,122,057
Accumulated deficit	(49,684,587)	(52,052,312)
Total stockholders' equity	15,503,192	13,069,745
Total liabilities and stockholders' equity	34,390,822	40,382,420

The accompanying notes form an integral part of the financial statements

Consolidated Statement of Operations

For the fiscal years ended January 31, 2024 and January 31, 2023

(In US$)

	For the years ended January 31,	
	2024	2023
Professional and managed services revenues, net	105,963,959	98,944,486
Cost of services	70,507,798	68,168,757
Gross profit	35,456,161	30,775,729
Operating expenses		
Sales and marketing	18,726,193	19,731,178
General and administrative	10,636,116	14,549,931
Depreciation and amortization	2,779,994	2,838,879
Total operating expenses	32,142,303	37,119,988
Income (loss) from operations	3,313,858	(6,344,259)
Other income (expense)		
Interest expense	(617,127)	(298,580)
Realized foreign currency losses, net	(312,814)	(215,764)
Interest income	250,996	63,230
Other income, net	2,041	16,220
Total other income (expense), net	(676,904)	(434,894)
Net income (loss) before provision for income taxes	2,636,954	(6,779,153)
Provision for income taxes	269,229	219,667
Net income (loss)	2,367,725	(6,998,820)

Consolidated Statement of Stockholders' Equity

(In US$)

	Preferred stock		Common stock		Additional paid-in capital	Accumulated deficit	Total stockholders' equity
	shares	Amount	shares	Amount			
Balance, as of January 31, 2022	–	–	10	–	65,083,457	(45,053,492)	20,029,965
Other	–	–	–	–	38,600	–	38,600
Net loss	–	–	–	–	–	(6,998,820)	(6,998,820)
Balance, as of January 31, 2023	–	–	10	–	65,122,057	(52,052,312)	13,069,745
Other	–	–	–	–	65,722	–	65,722
Net income	–	–	–	–	–	2,367,725	2,367,725
Balance, as of January 31, 2024	–	–	10	–	65,187,779	(49,684,587)	15,503,192

Consolidated Statement of Cash Flows

(In US$)

	For the years ended January 31,	
	2024	2023
Cash flows from operating activities		
Net income (loss)	2,367,725	(6,998,820)
Adjustments to reconcile net income (loss) to net cash used in operating activities		
Bad debt expense	407,738	559,576
Depreciation and amortization	2,779,994	2,838,879
Amortization of right-of-use assets	178,720	173,065
Change in operating assets and liabilities		
Accounts receivable	2,012,256	800,393
Prepaid expenses and other current assets	125,429	(120,086)
Accounts payable and accrued expenses	(8,691,414)	(5,699,235)
Deferred revenue	(249,786)	(658,545)
Deferred tax asset	(287,182)	–
Operating lease liability	(375,000)	(358,315)
Other non-current assets and liabilities	39,698	27,165
Net cash used in operating activities	(1,691,822)	(9,435,923)
Cash flows from investing activities		
Purchase of property and equipment	(68,733)	(207,859)
Proceeds on disposal of fixed assets	6,212	3,059
Net cash used in investing activities	(62,521)	(204,800)
Cash flows from financing activities		
Borrowings from loan from affiliate	3,000,000	7,108,845
Payments on loan from affiliate	(2,108,845)	–
Net cash provided by in financing activities	891,155	7,108,845
Effect of exchange rates on cash and cash equivalents	65,722	130,474
Net change in cash and cash equivalents	(797,466)	(2,401,404)
Cash and cash equivalents as of beginning of the fiscal year	11,852,498	14,253,902
Cash and cash equivalents as of end of the fiscal year	11,055,032	11,852,498
Supplemental disclosure of cash flow information		
Cash paid for interest	617,127	189,735

Notes to the consolidated financial statements

1. Description of organization and summary of significant accounting policies

Organization

Outbox Systems, Inc. was incorporated on September 12, 2014, as a Delaware corporation. On April 14, 2015, Outbox Systems, Inc. began operating under the business name of Simplus. Outbox Systems, Inc. dba Simplus (Simplus) is a platinum Salesforce partner and leading provider of quote-to-cash implementations. Simplus provides advisory, implementation, change management, custom configuration, and managed services for the following Salesforce platforms: CPQ, Billing, Sales Cloud, Service Cloud, Community Cloud, Mulesoft, and CLM.

In March 2020, the Company entered into an agreement for all the Company's outstanding common stock to be acquired by Infosys Limited (Infosys), a consulting and information technology company based in India. Outbox Systems, Inc. and its subsidiaries are now wholly-owned subsidiaries of Infosys. These financials do not include any pushdown accounting adjustments relating to the acquisition of the Company by Infosys.

Consolidated financial statements

The consolidated financial statements include the accounts of Simplus and its wholly-owned subsidiaries: Simplus ANZ, Pty Ltd, Simplus Australia, Pty Ltd., and Simplus Philippines Inc. (SPI) (collectively, "the Company"). SPI provides managed services and implementation services for the Company's customers and performs certain administrative and information technology functions for the Company. Simplus Australia performs quote-to-cash implementation services in its respective regions. All material intercompany accounts and transactions have been eliminated in consolidation.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (US GAAP) requires the Management to make estimates and assumptions that affect reported amounts and disclosures. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments 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 the Management's expectations.

The Company maintains its cash in bank deposit accounts, the balances of which, at times, exceed federally-insured limits. To date, the Company has not experienced a lack of access to its cash.

For the financial year ended January 31, 2024, revenue from Infosys represented approximately 66% of the Company's total revenues and approximately 43% of the Company's total accounts receivable as of January 31, 2024. For the financial year ended January 31, 2023, revenue from Infosys represented approximately 46% of the Company's total revenues and approximately 27% of the Company's total accounts receivable as of January 31, 2023.

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 $0 and $192,758 as of January 31, 2024 and 2023, respectively.

Accounts receivable

The Company records its accounts receivable at sales value. Accounts outstanding longer than the contracted payment terms are considered past due. The Company has tracked historical loss information for its accounts receivable and compiled historical credit loss percentages for customers who share similar risk characteristics considering current trends and forecasts. The Management believes that the historical loss information it has compiled is a reasonable base on which to determine expected credited losses for accounts receivable held as of the fiscal year-end because the composition of the accounts receivable at that date is consistent with that used in developing the historical credit-loss percentages (i.e. the similar risk characteristics of its customers and its lending practices have not changed significantly over time). Accounts receivable are written off when the Management determines the likelihood of collection is remote. Recoveries of accounts receivable previously written off are recorded as income when the cash is received.

Goodwill

Goodwill represents the excess of the cost of an acquired entity over the net fair value of the identifiable assets acquired and liabilities assumed. The Company uses the simplified approach under US GAAP and included all customer-related intangible assets and non-competition agreements acquired in goodwill. Goodwill is stated at cost less accumulated amortization. Amortization expense is determined using the straight-line method over the estimated useful life of 10 years. The Company assesses goodwill for impairment at the entity level, whenever a triggering event occurs that indicates the fair value of the Company may be below its carrying amount. As of January 31, 2024, the Management determined that the Company's goodwill was not impaired.

Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is provided on a straight-line basis over the estimated useful lives. Estimated useful lives for financial reporting purposes are determined based on the expected term the asset is expected to be utilized.

Revenue recognition

The Company generates revenue through the performance of professional services, either in a time-and-material-based contract or through a managed-services contract. The Company determines 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, the Company satisfies 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 typically comprise implementation or other consulting services. Professional services are typically sold on a time-and-material basis. The Company recognizes time-and-material 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 the 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:

(In US$)

	For the years ended January 31,	
	2024	2023
North America	88,043,686	80,837,144
Asia Pacific	17,920,273	18,107,342
Total	105,963,959	98,944,486

The Company's revenue by offering is as follows:

(In US$)

	For the years ended January 31,	
	2024	2023
Professional services	88,976,650	82,311,194
Managed services	16,987,309	16,633,292
Total	105,963,959	98,944,486

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 services

Cost of services primarily consists of employee-related costs associated with the delivery of these services, the cost of sub-contractors 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 $1,574,933 and $1,244,334 for the financial years ended January 31, 2024, and 2023, respectively.

Income taxes

The Company recognizes deferred income tax assets and liabilities for temporary differences between the financial reporting and tax reporting bases of the Company's assets and liabilities and expected benefits of utilizing net operating loss carryforwards.

The impact on deferred income taxes of changes in tax rates and laws, if any, applied to the years during which temporary differences are expected to be settled, is reflected in the consolidated financial statements in the period of enactment. The Company records net deferred income tax assets to the extent it believes these assets will more likely than not be realized. In making such determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies and recent financial operations. In the event the Company determines it would be able to realize its deferred income tax assets in the future in excess of their recorded amount, the Company would make an adjustment to the valuation allowance, which would reduce the provision for income taxes.

The Company recognizes an income tax benefit from an uncertain tax position only if it is "more likely than not" that the position is sustainable upon examination, including resolutions of any related appeals or litigation processes, based on its technical merits. The income tax benefit of a qualifying position is the largest amount of income tax benefit that is greater than 50% likely of being realized upon settlement with a tax authority having full knowledge of all relevant information. The liability for unrecognized income tax benefits is classified as non-current unless the liability is expected to be settled in cash within 12 months of the reporting date. The Company records any estimated interest or penalties from the uncertain tax position as income tax expense. As of January 31, 2024, the Company had no uncertain tax positions that qualify for either recognition or disclosure in the consolidated financial statements. The Company has no federal or state income tax return examinations in progress.

Leases

Leases with a lease term of more than 12 months are classified as either finance or operating leases. Leases are classified as finance leases when the Company expects to consume a major part of the economic benefits of the leased assets over the remaining lease term. Conversely, the Company is not expected to consume a major part of the economic benefits of assets classified as operating leases. The lease classification affects both the pattern and presentation of expense recognized in the income statement, the categorization of assets and liabilities in the Balance Sheet, and classification of cash flows in the Statement of Cash Flows.

The Company made an accounting policy election not to recognize right-of-use (ROU) assets and lease liabilities for leases with a term of 12 months or less. Lease payments for these leases are recognized as lease costs on a straight-line basis over the lease term.

The Company has elected to apply a practical expedient under which it does not separate lease and non-lease components for its operating leases. Under the election, the Company combines base rents with fixed, non-lease common area maintenance charges and computes its lease obligations based on the combined lease and non-lease components. Lease obligations are measured and recorded at the present value of future lease payments using a discount rate. For operating leases, the Company elected to apply the practical expedient for non-public business entities, which allows the use of a risk-free rate for a period comparable to the lease term when the incremental borrowing rate is not readily determinable. For finance leases, the Company uses the incremental borrowing rate implicit in the respective lease agreement as the discount rate.

Certain agreements of the Company's real estate leases contain options to renew or extent the terms of the lease, as well as termination options that could shorten the original lease term, which are included in the determination of the ROU assets and lease liabilities, when it is reasonably certain that the Company will exercise the option.

ROU assets are generally measured and recorded at the sum of the lease obligation, any initial direct costs to consummate the lease, and any lease payments made on or before the commencement date. Lease agreements do not contain any material residual value guarantees, restrictions, or covenants.

Recent accounting pronouncements

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. Adoption of Topic 326 did not have a material impact on the consolidated financial statements.

2. Goodwill

Goodwill consisted of the following:

(In US$)

Particulars	For the years ended January 31,	
	2024	2023
Goodwill	22,765,818	22,765,818
Less: Accumulated amortization	(12,661,501)	(10,384,919)
Total	10,104,317	12,380,899

Amortization related to goodwill was $2,276,582 and $2,276,581 for the financial years ended January 31, 2024 and 2023, respectively.

Property and equipment

Property and equipment and accumulated depreciation and amortization were as follows:

(In US$)

	Estimated useful	For the years ended January 31,	
	lives	2024	2023
Furniture and fixtures	5 years	598,056	2,528
Equipment	3 - 5 years	463,107	1,499,123
Other	5 years	7,650	1,627
Leasehold improvements	5 years	–	942,231
Total property and equipment		1,068,813	2,445,509
Accumulated depreciation and amortization		(837,041)	(1,772,846)
Total property and equipment, net		231,772	672,663

Depreciation and amortization associated with property and equipment was $503,412 and $562,298 for the financial years ended January 31, 2024 and 2023, respectively.

3. Accrued expenses

Accrued expenses consisted of the following :

(In US$)

	For the years ended January 31,	
	2024	2023
Accrued compensation	7,641,935	8,336,132
Reimbursable expenses	121,425	199,969
Retention bonus accrual	–	7,326,903
Other accrued expense	2,083,272	2,492,464
	9,846,632	18,355,468

4. Debt

Debt consisted of the following:

(In US$)

	For the years ended January 31,	
	2024	2023
Unsecured loan payable to WongDoody (an Infosys affiliate), bears interest at an interest rate equal to LIBOR plus 1.15% interest (5.87%) as of January 31, 2024). The principal amount of the loan is payable on demand. The balance includes an additional $3,000,000 tranche which the Company drew on February 28, 2023.	8,000,000	7,108,845

Equity

In March 2020, all the Company's common stock and preferred stock was acquired by Infosys and consolidated into 10 shares of common stock.

5. Commitments and contingencies

Litigation

The Company is involved in legal proceedings from time to time arising in the normal course of business. The Management, after consultation with legal counsel, believes that the outcome of these proceedings will not have a material impact on the Company's financial position, results of operations, or liquidity.

Leases

As of January 31, 2024, ROU assets and operating lease liabilities were $15,156 and $32,297, respectively. As of January 31, 2023, ROU assets and operating lease liabilities were $193,876 and $407,297, respectively. ROU assets are included in other long-term assets and lease liabilities are included in other current liabilities and other long-term liabilities in the accompanying consolidated Balance Sheet. The components of leases expense consisted of amortization of the ROU asset of $178,720 and $173,085 and accretion of the lease liability of $3,645 and $9,280 for the years ended January 31, 2024 and 2023, respectively.

Maturities of lease liabilities, including principal and interest, as of January 31, 2024, were $32,339, of which $42 represents interest. The lease matured in February 2024.

During the financial years ended January 31, 2024 and 2023, ROU assets obtained in exchange for operating lease liabilities totaled $0 and $366,960, respectively.

6. Income taxes

The domestic and foreign components of income before provision (benefit) from income taxes consisted of the following:

(In US$)

	For the years ended January 31,	
	2024	2023
Domestic	345,655	(10,068,300)
Foreign	2,291,299	3,289,147
	2,636,954	(6,779,153)

The federal income tax provision differed from the federal income tax provision (benefit) computed at the statutory rate for the following reasons:

(In US$)

	For the years ended January 31,	
	2024	2023
Federal income tax benefit at statutory rate	553,759	(1,288,513)
State income tax benefit, net of federal tax benefit	101,500	(236,175)
Permanent difference related to stock compensation expense and goodwill amortization	534,340	831,386
Change in tax rate	84,724	96,779
Change in valuation allowance	(575,158)	551,665
Deferred tax accounting during the year	(574,631)	–
Other	144,695	264,525
	269,229	219,667

Deferred income tax assets (liabilities) consisted of the following:

(In US$)

	For the years ended January 31,	
	2024	2023
Net operating loss carry forwards	7,927,109	9,447,691
Accrued expenses and allowances	1,048,703	905,875
Lease	4,260	53,033
Depreciation	13,996	(22,953)
Prepaid expenses	(209,903)	(214,037)
Intangibles	586,245	496,913
Valuation allowance	(9,083,228)	(10,666,522)
	287,182	–

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 the Management's assessments of realizability. The Management has evaluated the available evidence about future taxable income and other possible sources of realization of deferred income tax assets. The Company has decided to account deferred tax assets on carry forward and temporary differences based on the future projection available, which shows that sufficient profit will be available to offset deferred tax assets accounted.

As of January 31, 2024, the Company has net operating loss (NOL) carry forwards available to offset future taxable income of approximately $32 million, which will begin to expire in 2036. The utilization of the NOL carryforwards is subject to annual limitations under Section 382 of the Internal Revenue Code. Section 382 imposes limitations on a corporation's ability to utilize its NOL carry forwards 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.

7. 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 financial years ended January 31, 2024 and 2023 totaled $918,102 and $903,397, respectively.

8. Related party transactions

During the financial year ended January 31, 2024, 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, 2024 and 2023 was $4,617,615 and $3,863,118, respectively, included in accounts receivable on the accompanying consolidated Balance Sheet. Revenues from Infosys during the years ended January 31, 2024 and 2023 totaled $70,240,482 and $45,931,037, respectively. The professional services performed by Infosys for Simplus totaled $1,380,349 and $1,450,549, respectively.

9. Subsequent events

The Management has evaluated subsequent events through April 30, 2024, which is the date the accompanying financial statements were available to be issued.

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Infosys Technologies, S. de R. L. de C. V.

Independent Auditor's report

To the Members 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 Balance Sheet as at December 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). 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, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1.2 to the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company, Infosys Limited under the requirements of section 129 (3) of the Companies Act, 2013 and for issuing Annual Performance Report ("APR") which is required to be furnished by the Holding Company to Authorized Bank in accordance with regulation 10 of Foreign Exchange Management (Overseas Investment) Regulations. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for the above purpose and is not to be used, referred to or distributed for any other purpose without our prior consent.

Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

i) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

iii) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

For Shenoy & Kamath
Chartered Accountants

Firm Registration Number. 006673S

(M Rathnakar Kamath)
Partner

Membership Number. 202841

UDIN : 24202841BKADEG1867

Place: Bengaluru

Date: May 30, 2024

Balance Sheet

(In MXN)

Particulars	Note no.	As at December 31, 2023	As at December 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	2.1	19,761,854	31,039,990
Right to use of Asset	2.8	107,337,214	69,442,076
Capital work-in-progress		–	4,075,188
Financial assets			
Other financial assets		2,820,570	3,538,365
Deferred tax assets (net)		50,342,891	47,456,496
Other non-current assets		1,081,687	–
Income tax assets (net)	2.14	28,974,206	12,407,332
Total non-current assets		210,318,424	167,959,447
Current assets			
Financial assets			
Trade receivables	2.3	281,527,216	130,544,203
Cash and cash equivalents	2.4	319,980,058	173,652,758
Loans	2.5	511,198,524	556,399,086
Other financial assets	2.2	97,040,491	89,125,269
Other current assets	2.6	130,625,629	210,764,128
Total current assets		1,340,371,919	1,160,485,445
Total assets		1,550,690,342	1,328,444,892
Equity and liabilities			
Equity			
Equity share capital	2.9	175,000,000	175,000,000
Other equity	2.9	924,657,542	832,612,969
Total equity		1,099,657,542	1,007,612,969
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease Liability	2.8	113,211,081	66,411,810
Other financial liabilities		4,183,414	19,836,803
Total non-current liabilities		117,394,495	86,248,613
Current liabilities			
Financial liabilities			
Lease Liability	2.8	15,318,142	18,447,067
Trade payables	2.10	17,362,814	15,599,647
Other financial liabilities	2.11	128,567,906	123,641,231
Other current liabilities	2.12	137,985,312	70,827,405
Provisions	2.13	6,174,940	6,067,959
Income tax liabilities (net)	2.14	28,229,191	–
Total current liabilities		333,638,305	234,583,310
Total equity and liabilities		1,550,690,342	1,328,444,892

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants

Firm Registration Number : 006673S

M. Rathnakar Kamath
Partner

Membership No. 202841

Place: Bengaluru

Date: May 30, 2024

for and on behalf of Board of Directors of Infosys Technologies, S. de R. L. de C. V.

Nrusinha Prasad
Director

Statement of Profit and Loss

(In MXN)

Particulars	Note No.	Years ended December 31, 2023	2022
Revenue from operations	2.15	1,324,466,027	1,368,615,399
Other income, net	2.16	(45,223,517)	(2,700,190)
Total income		1,279,242,510	1,365,915,209
Expenses			
Employee benefit expenses	2.17	983,618,961	944,212,214
Cost of technical sub-contractors		65,878,482	111,808,659
Travel expenses		12,613,105	7,932,053
Communication expenses		13,123,840	11,890,232
Consultancy and professional charges		19,381,821	22,293,811
Depreciation & Amortization expenses	2.1	29,890,297	33,850,299
Finance cost		12,898,428	10,722,639
Other expenses	2.17	19,192,166	66,153,401
Total expenses		1,156,597,099	1,208,863,308
Profit / (loss) before tax		122,645,411	157,051,901
Tax expense			
Current tax	2.14	33,487,233	48,434,366
Deferred tax	2.14	(2,886,395)	(7,955,399)
Profit/(loss) for the year		92,044,573	116,572,934
Total comprehensive income for the year		92,044,573	116,572,934
Earnings per equity share			
Equity shares of par value MXN 1/- each			
Basic and Diluted (MXN)		0.53	0.67
Weighted average equity shares used in computing earnings per equity share			
Basic and diluted		175,000,000	175,000,000

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

Place: Bengaluru
Date: May 30, 2024

for and on behalf of Board of Directors of Infosys Technologies, S. de R. L. de C. V.

Nrusinha Prasad
Director

Statement of Changes in Equity

(In MXN)

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, 2023	175,000,000	832,612,969	1,007,612,969
Changes in equity for the year ended December 31, 2023			
Profit for the year	–	92,044,573	92,044,573
Balance as of December 31, 2023	175,000,000	924,657,542	1,099,657,542
Balance as of January 1, 2022	175,000,000	716,126,834	891,126,834
Changes in equity for the year ended December 31, 2022			
Prior period adjustment	–	(86,800)	(86,800)
Profit for the year	–	116,572,934	116,572,934
Balance as of December 31, 2022	175,000,000	832,612,969	1,007,612,969

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants

Firm Registration Number : 006673S

M. Rathnakar Kamath
Partner

Membership No. 202841

Place: Bengaluru

Date: May 30, 2024

for and on behalf of Board of Directors of Infosys Technologies, S. de R. L. de C. V.

Nrusinha Prasad
Director

Statements of Cash Flows

(In MXN)

Particulars	Years ended December 31	
	2023	2022
Cash flows from operating activities		
Profit / (loss) for the year	92,044,573	116,572,934
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation expense	29,890,297	33,850,299
Income tax expense	30,600,838	40,478,967
Allowances / (Reversals) for credit losses on financial assets	4,068,700	2,066,625
Provision / (Reversal) for post-sales client support	(438,817)	2,174,293
Interest Income on loan to subsidiary	(29,713,747)	(12,937,912)
Finance Cost	12,898,428	10,722,639
Gain on sale of asset	(201,167)	–
Prior period adjustment in reserves	–	(86,800)
Exchange differences on translation of assets and liabilities	37,727,061	4,961,128
Changes in assets and liabilities		
Trade receivables	(151,844,428)	59,167,922
Loans, other financial assets and other assets	67,537,717	23,227,801
Trade payables	2,271,095	4,315,235
Other financial liabilities and other liabilities and provisions	88,041,530	(1,052,062)
Cash generated from operations	182,882,080	283,461,070
Income taxes paid	(21,548,400)	(57,013,255)
Net cash generated in operating activities	161,333,680	226,447,815
Cash flow from investing activities		
Expenditure on property, plant and equipment	(124,802)	(26,738,385)
Expenditure on Capital WIP	–	(4,075,188)
Loan given to fellow subsidiary	(17,366,667)	(564,865,131)
Interest receipts on loan lent to fellow subsidiaries	38,777,804	–
Net cash from/(used) in investing activities	21,286,335	(595,678,704)
Cash flow from/used in financing activities		
Payment of lease liability	(17,824,783)	(24,149,376)
Other receipts / (payments)	(18,467,932)	(18,271,417)
Net cash (used) in financing activities	(36,292,715)	(42,420,793)
Net increase/ (decrease) in cash and cash equivalents	146,327,300	(411,651,682)
Cash and cash equivalents at the beginning of the year	173,652,758	585,304,440
Cash and cash equivalents at the end of the year	319,980,058	173,652,758

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants

Firm Registration Number : 006673S

M. Rathnakar Kamath
Partner

Membership No. 202841

Place: Bengaluru

Date: May 30, 2024

for and on behalf of Board of Directors of Infosys Technologies, S. de R. L. de C. V.

Nrusinha Prasad
Director

Notes to the financial statements

Company overview

Infosys Technologies, S. de R. L. de C. V. is a wholly-owned subsidiary of Infosys Limited w.e.f . June 20, 2007. 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 and for issuing Annual Performance Report ("APR") which is required to be furnished by the Holding Company, to Authorized Bank in accordance with regulation 10 of Foreign Exchange Management (Overseas Investment) Regulations.

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis. 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 Mexican Peso (MXN).

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 balance of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.5 Revenue recognition

The Company derives revenues primarily from business IT services comprising software development and related services, consulting and package implementation and from the licensing of software products and platforms across our core and digital offerings ("together called as software-related services").

The following is a summary of new and/or revised significant accounting policies related to revenue recognition.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Arrangements with customers for software related services are either on a fixed-price, fixed-timeframe or on a time-and-material basis.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method.

When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

In arrangements for software development and related services and maintenance services, the Company has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company uses the expected cost-plus margin approach in estimating the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period. Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS). The Company has applied the principles under Ind AS 115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost-plus margin approach. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized ratably over the period in which the services are rendered.

The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts / incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the Company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The Company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Deferred contract costs are incremental costs of obtaining a contract which are recognized as assets and amortized over the term of the contract.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract. If the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company presents revenues net of indirect taxes in its Statement of Profit and Loss.

Rendering of services

Revenue from a contract to provide services is recognized in the period in which the services are provided in accordance with the terms of the contract. At each year end revenue from unbilled services provided are included within accrued income and any amounts invoiced in advance are deferred to the accounting period when those services will be provided.

The stage of completion is determined on the basis of the actual completion of a proportion of the total services to be rendered. An expected loss on a contract is recognized immediately in the Profit and Loss Account.

1.6 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

1.7 Post-sales client support and others

The Company provides its clients with a fixed-period post sales support for corrections of errors and support on all its fixed-price, fixed-timeframe contracts. Costs associated with such support services are accrued at the time when related revenues are recorded and included in cost of sales. The Company estimates such costs based on historical experience and the estimates are reviewed annually for any material changes in assumptions.

1.8 Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Company recognizes any impairment loss on the assets associated with that contract.

1.9 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Computer equipment[(1)]	3-5 years
Furniture and fixtures[(1)]	5 years
Office Equipment[(1)]	5 years
Plant and Machinery [(1)]	5 years
Leasehold Improvements	Over lease term

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

(1) Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

1.10 Financial instruments

1.10.1 Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables, which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

1.10.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss

A financial asset, which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Investment in subsidiaries

Investment in subsidiaries is carried at cost in the separate financial statements.

1.11 Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

1.12 Impairment

a. Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets, which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

b. Non-financial assets

(i) Property, plant and equipment

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

1.13 Employee Benefits

Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

1.14 Foreign currency

Functional currency

The functional currency of the company is the MXN.

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 an option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors, such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Group has concluded that no changes are required to lease period relating to the existing lease contracts (Refer to Note no. 2.8).

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings and vehicles. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low-value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

1.21 Borrowing Cost

Borrowing cost are charged to the Statement of Profit and Loss in the period in which they were incurred.

2.1 Property, plant and equipment

The changes in the carrying value of property, plant and equipment for the year ended December 31, 2023 are as follows:

(In MXN)

Particulars	Plant and machinery	Office Equipment	Computer equipment	Furniture and fixtures	Software	Leasehold Improvement	Total
Gross carrying value as of January 1, 2023	11,053,933	5,602,342	102,355,545	36,154,042	–	374,684	155,540,547
Additions	–	15,540	4,098,149	215,703	–	272,932	4,602,323
Deletions	(537,225)	(2,199,625)	(28,156,096)	(4,989,147)	–	–	(35,882,093)
Gross carrying value as of December 31, 2023	10,516,708	3,418,256	78,297,597	31,380,598	–	647,616	124,260,776
Accumulated depreciation as of January 1, 2023	(11,009,000)	(5,602,319)	(71,633,307)	(35,918,845)	–	(337,086)	(124,500,557)
Depreciation	(12,767)	(822)	(15,565,467)	(42,121)	–	(58,116)	(15,679,292)
Accumulated depreciation on deletions	537,225	2,199,625	28,156,096	4,787,980	–	–	35,680,927
Accumulated depreciation as of December 31, 2023	(10,484,542)	(3,403,515)	(59,042,678)	(31,172,986)	–	(395,202)	(104,498,922)
Carrying value as of December 31, 2023	32,167	14,741	19,254,920	207,612	–	252,414	19,761,854
Carrying value as of January 1, 2023	44,933	23	30,722,238	235,197	–	37,598	31,039,990

The changes in the carrying value of property, plant and equipment for the year ended December 31, 2022 are as follows:

(In MXN)

Particulars	Plant and machinery	Office Equipment	Computer equipment	Furniture and fixtures	Software	Leasehold Improvement	Total
Gross carrying value as of January 1, 2022	11,159,045	5,606,352	84,349,131	36,393,939	13,844	374,684	137,896,995
Additions	–	–	26,751,705	–	–	–	26,751,705
Deletions	(105,112)	(4,010)	(8,745,291)	(239,897)	(13,844)	–	(9,108,153)
Gross carrying value as of December 31, 2022	11,053,933	5,602,342	102,355,545	36,154,042	–	374,684	155,540,547
Accumulated depreciation as of January 1, 2022	(11,101,319)	(5,532,352)	(66,420,366)	(36,092,959)	(13,844)	(100,478)	(119,261,318)
Depreciation	(12,793)	(73,976)	(13,958,231)	(65,783)	–	(236,608)	(14,347,392)
Accumulated depreciation on deletions	105,112	4,010	8,745,291	239,897	13,844	–	9,108,153
Accumulated depreciation as of December 31, 2022	(11,009,000)	(5,602,319)	(71,633,307)	(35,918,845)	–	(337,086)	(124,500,557)

Particulars	Plant and machinery	Office Equipment	Computer equipment	Furniture and fixtures	Software	Leasehold Improvement	Total
Carrying value as of December 31, 2022	44,933	23	30,722,238	235,197	–	37,598	31,039,990
Carrying value as of January 1, 2022	57,726	73,999	17,928,765	300,980	–	274,207	18,635,677

2.2 Other financial assets

(In MXN)

Particulars	As at December 31	
	2023	2022
Current		
Unbilled Revenues	91,756,020	86,233,210
Interest accrued but not due	713,000	–
Others[1]	4,571,471	2,892,059
Total Other Current financial assets	97,040,491	89,125,269
Total Other financial assets	97,040,491	89,125,269
Financial assets carried at amortized cost	97,040,491	89,125,269
[1] Includes dues from related parties (Refer to Note No.2.18)	495,735,493	556,194,799

2.3 Trade receivables

(In MXN)

Particulars	As at December 31	
	2023	2022
Current		
Unsecured		
Considered good[1]	286,516,557	131,949,927
	286,516,557	131,949,927
Less: Allowances for credit losses	(4,989,341)	(1,405,724)
Total trade receivables	281,527,216	130,544,203
[1] Includes dues from related parties (Refer to Note No.2.18)	56,887,923	54,418,616

Years ended December 31, 2023 and December 31, 2022

(In MXN)

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	58,216,301	239,925,811	22,365,067	15,649,554	(6,586,716)	(43,053,460)	286,516,557
	56,686,951	115,060,374	10,106,280	(5,431,944)	(10,451,029)	(34,020,706)	131,949,927
Less: Allowance for credit loss							4,989,341
							1,405,724
Total trade receivables							281,527,216
							130,544,203

2.4 Cash and cash equivalents

(In MXN)

Particulars	As at December 31	
	2023	2022
Balances with banks		
In current accounts	239,980,058	173,652,758
Fixed Deposit	80,000,000	–
Total Cash and Cash equivalents	319,980,058	173,652,758

2.5 Loans

(In MXN)

Particulars	As at December 31	
	2023	2022
Current		
Unsecured, considered good		
Loans to subsidiaries	510,941,124	556,194,799
Loans to employees	257,400	204,288
Total current loans	511,198,524	556,399,086

2.6 Other current assets

(In MXN)

Particulars	As at December 31	
	2023	2022
Current		
Others		
Prepaid Expenses	27,995,960	72,368,417
Unbilled Revenues	91,026,999	138,056,897
Withholding taxes and others	11,579,943	–
Interest accrued not due	–	–
Others	22,727	338,815
Total current other assets	130,625,629	210,764,128
(1) Includes dues from subsidiaries (Refer to Note 2.18)	–	(4,304,681)

2.7 Financial instruments

Financial instruments by category

(In MXN)

Particulars	As at December 31	
	2023	2022
Assets		
Cash and cash equivalents (Refer to Note No.2.4)	319,980,058	173,652,758
Trade receivables (Refer to Note No.2.3)	281,527,216	130,544,203
Loans (Refer to Note No.2.5)	511,198,524	556,399,086
Other financial assets (Refer to Note No.2.2)	97,040,491	89,125,269
Total	1,209,746,289	949,721,317
Liabilities		
Trade payables (Refer to Note No.2.10)	17,362,814	15,599,647
Other financial liabilities (Refer to Note No.2.11)	82,659,884	98,052,423
Total	100,022,698	113,652,071

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, 2023:

(In MXN)

Particulars	US Dollars	Euro	UK Pound Sterling	Swiss Francs	Other currencies	Total
Net Financial Assets	385,931,705	498,056,771	(19,087)	(249,572)	(1,049)	883,718,767
Net Financial Liabilities	(47,190,005)	(44,285,553)	–	–	(1,172,892)	(92,648,450)
Net assets / (liabilities)	338,741,700	453,771,217	(19,087)	(249,572)	(1,173,942)	791,070,316

The following table analyses the foreign currency risk from monetary assets and liabilities as at December 31, 2022:

(In MXN)

Particulars	US Dollars	Euro	UK Pound Sterling	Swiss Francs	Other currencies	Total
Net Financial Assets	210,840,342	558,433,743	(20,749)	(260,369)	68,000	769,060,967
Net Financial Liabilities	(12,406,537)	(66,579,540)	–	–	(2,316,801)	(81,302,878)
Net assets / (liabilities)	198,433,804	491,854,203	(20,749)	(260,369)	(2,248,802)	687,758,088

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 MXN 281,527,216 and MXN 130,544,203 as of December 31, 2023 and December 31, 2022, respectively and unbilled revenue amounting to MXN 91,756,020 and MXN 138,056,897 as of December 31, 2023 and December 31, 2022, respectively. Trade receivables and unbilled revenue are typically unsecured. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. As per Ind AS 109, the Company uses ECL model to assess the impairment loss or gain. The Company uses a provision matrix to compute the ECL allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes, credit ratings from international credit rating agencies and the Company's historical experience for customers.

Credit risk exposure

Provision of MXN 4,068,700 and MXN 2,066,625 for ECL on customer balances was done for the year ended December 31, 2023 and December 31, 2022 respectively.

(In MXN)

Particulars	Years ended December 31,	
	2023	2022
Balance at the beginning	997,208	(1,069,417)
Impairment loss recognized / reversed	4,068,700	2,066,625
Amounts written off	–	–
Translation differences	–	–
Balance at the end	5,065,908	997,208

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, 2023 and December 31,2022, the Company had cash and cash equivalents of MXN 319,980,058 and MXN 173,652,758 respectively.

As of December 31, 2023 and December 31, 2022, the outstanding compensated absences were MXN 45,908,022 and MXN 25,588,808 respectively.

2.8 Leases

The weighted average incremental borrowing rate applied to lease liabilities as at January 1, 2023 is 9.9%

Following are the changes in the carrying value of right of use assets for the year ended December 31, 2023:

(In MXN)

Particulars	Category of ROU asset		Total
	Buildings	Computer Equipment	
Balance as of January 1, 2023	69,397,840	44,236	69,442,076
Modifications/ Additions	46,967,436	28,007,847	74,975,283
Deletion	(22,869,139)	–	(22,869,139)
Depreciation	(11,868,834)	(2,342,171)	(14,211,005)
Balance as of December 31, 2023	81,627,302	25,709,912	107,337,214

Following are the changes in the carrying value of right of use assets for the year ended December 31, 2022:

(In MXN)

Particulars	Category of ROU asset		Total
	Buildings	Computer Equipment	
Balance as of January 1, 2022	82,425,414	95,926	82,521,340
Additions	6,436,963	–	6,436,963
Deletion	–	(13,319)	(13,319)
Depreciation	(19,464,537)	(38,370)	(19,502,907)
Balance as of December 31, 2022	69,397,840	44,236	69,442,076

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, 2023 and December 31, 2022:

(In MXN)

Particulars	As at December 31,	
	2023	2022
Current lease liabilities	15,318,142	18,447,067
Non-current lease liabilities	113,211,081	66,411,810
Total	128,529,223	84,858,877

The following is the movement in lease liabilities during the year ended December 31, 2023 and December 31, 2022:

(In MXN)

Particulars	Years ended December 31,	
	2023	2022
Balance at the beginning	84,858,877	96,053,613
Additions	74,975,283	6,436,963
Deletions	(22,869,139)	–
Finance cost accrued during the period	10,083,884	6,517,677
Payment of lease liabilities	(17,824,783)	(24,149,376)
Gain/Loss on lease	–	–
Translation Difference	(694,899)	–
Balance at the end	128,529,222	84,858,877

The table below provides details regarding the contractual maturities of lease liabilities as at December 31, 2023 and December 31, 2022 on an undiscounted basis:

(In MXN)

Particulars	As at December 31,	
	2023	2022
Less than one year	15,318,142	18,447,067
One to five years	54,302,992	44,571,176
More than five years	32,346,012	37,790,186
Total	101,967,146	100,808,430

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 is Nil for the year ended December 31, 2023 and December 31, 2022.

2.9 Equity

Equity share capital

(In MXN, except as otherwise stated)

Particulars	As at December 31,	
	2023	2022
Authorized		
175,000,000 (175,000,000) equity shares of MX01/- par value, fully paid	175,000,000	175,000,000
Issued, Subscribed and Paid-Up		
175,000,000 (175,000,000) equity shares of MX01/- par value, fully paid.	175,000,000	175,000,000
(Of the above, 175,000,000 equity shares are held by the holding company, Infosys Limited as at December 31,2023)		
	175,000,000	175,000,000

The details of shareholders holding more than 5% shares as at December 31, 2023 and December 31, 2022 are as follows :

(In MXN, except as otherwise stated)

Name of the shareholder	As at December 31,			
	2023		2022	
	Number of shares	% held	Number of shares	% held
Infosys Limited	174,999,990	100	174,999,990	100

The reconciliation of the number of shares outstanding and the amount of share capital as at December 31, 2023 and December 31, 2022 is as follows :

(In MXN except as stated otherwise)

Particulars	As at December 31,			
	2023		2022	
	Number of shares	Amount	Number of shares	Amount
Number of shares at the beginning of the period	175,000,000	175,000,000	175,000,000	175,000,000
Issue of Shares during the year	–	–	–	–
Number of shares at the end of the period	175,000,000	175,000,000	175,000,000	175,000,000

2.10 Trade payables

(In MXN)

Particulars	As at December 31,	
	2023	2022
Trade payables *	17,362,814	15,599,647
Total trade payables	17,362,814	15,599,647
*Includes dues to related parties (Refer to Note No.2.18)	15,016,131	5,723,559

Years ended December 31, 2023 and December 31, 2022

(In MXN)

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
Others	7,443,574	8,850,985	(87,992)	1,064,807	91,440	17,362,814
	2,541,745	11,901,655	832,087	324,160	–	15,599,647
Total trade payables	7,443,574	8,850,985	(87,992)	1,064,807	91,440	17,362,814
	2,541,745	11,901,655	832,087	324,160	–	15,599,647

2.11 Other financial liabilities

(In MXN)

Particulars	As at December 31,	
	2023	2022
Current		
Others		
Accrued compensation to employees*	14,853,584	11,404,727
Accrued expenses [(1)]*	7,096,392	63,557,590
Compensated absences	45,908,022	25,588,808
Other payables [(2)] *	60,709,908	23,090,105
Total current other financial liabilities	128,567,906	123,641,231
* Financial liability carried at amortized cost	82,659,884	98,052,423
[(1)] Includes dues to related parties (Refer to Note No.2.18)	3,744,371	11,661,646
[(2)] Includes dues to related parties (Refer to Note No.2.18)	44,917,191	9,011,284

2.12 Other current liabilities

(In MXN)

Particulars	As at December 31,	
	2023	2022
Current		
Unearned revenue	55,605,878	18,563,384
Others		
Withholding taxes and others	82,379,434	52,264,021
Gratuity obligation - unamortized amount relating to plan amendment, current	–	–
Advance received from clients	–	–
Interest accrued but not due	–	–
Total other current liabilities	137,985,312	70,827,405

2.13 Provisions

(In MXN)

Particulars	As at December 31,	
	2023	2022
Current		
Others		
Post-sales client support	6,174,940	6,067,959
Total current Provisions	6,174,940	6,067,959

2.14 Income taxes

Income tax expense in the Statement of Profit and Loss comprises

(In MXN)

Particulars	Years ended December 31,	
	2023	2022
Current taxes	33,487,233	48,434,366
Deferred taxes	(2,886,395)	(7,955,399)
Income tax expense	30,600,838	40,478,967

Income tax expense for the years ended December 31, 2023 includes reversals (net of provisions) amounting to MXN 10,140,388 and December 31, 2022 includes provisions (net of reversals) amounting to MXN 1,375,120 pertaining to prior years.

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 MXN)

Particulars	Years ended December 31,	
	2023	2022
Profit / (loss) before income tax	122,645,411	157,051,901
Enacted tax rates in Mexico (%)	30.00%	30.00%
Computed expected tax expense	36,793,623	47,115,570
Tax reversals, overseas and domestic	(10,140,388)	1,375,120
Effect of unrecognized deferred tax assets	(1,840,901)	260,252
Effect of non-deductible expenses	5,742,505	(8,309,243)
Others	45,999	37,268
Income tax expense	30,600,838	40,478,967

The applicable Mexico statutory tax rate for year ended December 31, 2023 and December 31, 2022 is 30%.

The details of income tax assets and income tax liabilities are as follows

(In MXN)

Particulars	As at December 31,	
	2023	2022
Income tax assets	28,974,206	12,407,332
Current income tax liabilities	(28,229,191)	–
Net current income tax assets / (liability) at the end	745,015	12,407,332

The gross movement in the current income tax asset / (liability) is as follows:

(In MXN)

	As at December 31,	
	2023	2022
Net current income tax asset / (liability) at the beginning	12,407,332	2,624,974
Income tax paid / (set-off)	21,548,400	57,013,255
Forex	(37,071)	(7,984)
Movement due to Customer WHT	313,586	1,211,453
Current income tax expense	(33,487,233)	(48,434,366)
Net current income tax asset / (liability) at the end	745,015	12,407,332

2.15 Revenue from operations

Revenue from operations for the year ended December 31, 2023 and December 31, 2022 is as follows:

(In MXN)

Particulars	Years ended December 31,	
	2023	2022
Revenue from software services	1,324,466,027	1,368,615,399
Revenue from products and platforms	–	–
Total revenue from operations	1,324,466,027	1,368,615,399

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, 2023, the company recognized revenue of MXN 55,605,878 arising from opening unearned revenue of MXN 18,563,384 as of January 1, 2023.

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, 2023, other than those meeting the exclusion criteria mentioned above, is MXN Mn. Out of this, the Group expects to recognize revenue of around 53.04% 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 MXN)

Particulars	Years ended December 31,	
	2023	2022
Interest received on financial assets carried at amortized cost		
Deposits with banks and others	33,902,110	22,211,380
Exchange gains / (losses) on translation of other assets and liabilities	(83,198,762)	(29,201,433)
Miscellaneous income, net	4,073,135	4,289,863
Total other income	(45,223,517)	(2,700,190)

2.17 Expenses

(In MXN)

Particulars	Years ended December 31,	
	2023	2022
Employee benefit expenses		
Salaries including bonus	981,575,096	940,793,182
Share-based payments to employees	1,139,974	1,334,650
Staff welfare	903,892	2,084,382
Total employee benefit expenses	983,618,961	944,212,214
Other expenses		
Power and fuel	2,651,528	3,514,404
Brand and marketing	2,055,248	277,047
Rates and taxes	89,932	169,177
Repairs and maintenance	8,451,330	7,897,585
Consumables	3,508,609	2,163,095
Insurance	450,257	72,819

Particulars	Years ended December 31,	
	2023	2022
Provision / (Reversal) for post-sales client support	(438,817)	2,174,293
Cost of software packages and others	(3,303,748)	46,155,535
Allowances / (Reversals) for credit losses on financial assets	4,068,700	2,066,625
Others	1,659,128	1,662,821
Total other expenses	19,192,166	66,153,401

2.18 Related party transactions

List of related parties:

Name of the holding companies	Country	Holding as at December 31,	
		2023	2022
Infosys Limited	India	100%	100%

Name of the ultimate holding company	Country
Infosys Limited	India

Name of fellow subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)[(1)]	China
Infosys Consulting Ltda. (Infosys Brazil)[(1)]	Brazil
Infosys Technologies (Sweden) AB (Infosys Sweden)[(1)]	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)[(1)]	China
Infosys Nova Holdings LLC. (Infosys Nova)[(1)]	U.S.
EdgeVerve Systems Limited (EdgeVerve)[(1)]	India
Infosys Austria GmbH[(1)]	Austria
Skava Systems Private Limited (Skava Systems)[(1)(22)]	India
Infosys Chile SpA[(1)]	Chile
Infosys Arabia Limited[(2)(22)]	Saudi Arabia
Infosys Luxembourg S.a.r.l[(1)]	Luxembourg
Infosys Americas Inc. (Infosys Americas)[(1)(39)]	U.S.
Infosys Public Services, Inc. USA (Infosys Public Services)[(1)]	U.S.
Infosys BPM Limited[(1)(27)]	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 [(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
Infy Consulting Company Ltd[(4)]	U.K.
Infy Consulting B.V.[(4)]	The Netherlands
Infosys Consulting S.R.L.[(29)]	Argentina
Infosys Consulting (Belgium) NV[(4)]	Belgium
Panaya Inc. (Panaya)[(1)]	U.S.
Panaya Ltd.[(5)]	Israel

Name of fellow subsidiaries	Country
Infosys Financial Services GmbH. (formerly Panaya GmbH) [38]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[1][22]	U.K.
Brilliant Basics Limited [6][22]	U.K.
Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)[1]	Singapore
Infosys Middle East FZ LLC [7]	Dubai
Fluido Oy [7]	Finland
Fluido Sweden AB [9]	Sweden
Fluido Norway A/S[9]	Norway
Fluido Denmark A/S[9]	Denmark
Fluido Slovakia s.r.o[9]	Slovakia
Infosys Compaz Pte. Ltd [8]	Singapore
Infosys South Africa (Pty) Ltd[7]	South Africa
WongDoody Inc. [1]	U.S.
HIPUS Co., Ltd[8]	Japan
Stater N.V.[8]	The Netherlands
Stater Nederland B.V.[10]	The Netherlands
Stater XXL B.V.[10]	The Netherlands
HypoCasso B.V.[10]	The Netherlands
Stater Participations B.V.[44]	The Netherlands
Stater Belgium N.V./S.A.[10][44]	Belgium
Stater Gmbh[10]	Germany
Outbox systems Inc. dba Simplus (US)[12]	U.S.
Simplus ANZ Pty Ltd.[13]	Australia
Simplus Australia Pty Ltd[14]	Australia
Simplus Philippines, Inc.[13]	Philippines
Infosys Fluido UK, Ltd.[9]	U.K.
Infosys Fluido Ireland, Ltd.[16]	Ireland
Infosys Limited Bulgaria EOOD[1]	Bulgaria
Kaleidoscope Animations, Inc.[12]	U.S.
Kaleidoscope Prototyping LLC[18][43]	U.S.
GuideVision s.r.o.[11]	Czech Republic
GuideVision Deutschland GmbH[17]	Germany
GuideVision Suomi Oy[17]	Finland
GuideVision Magyarország Kft[17]	Hungary
GuideVision Polska Sp. z.o.o[17]	Poland
GuideVision UK Ltd[17][22]	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[12]	U.S.
Beringer Capital Digital Group Inc[12][25]	U.S.
Mediotype LLC[19][25]	U.S.
Beringer Commerce Holdings LLC[19][25]	U.S.
SureSource LLC[20][23]	U.S.
Blue Acorn LLC[20][23]	U.S.
Simply Commerce LLC[20][23]	U.S.
iCiDIGITAL LLC[21][24]	U.S.
Infosys BPM UK Limited[3]	U.K.
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[1]	Turkey
Infosys Germany Holding Gmbh[1]	Germany

Name of fellow subsidiaries	Country
Infosys Automotive and Mobility GmbH & Co. KG[(1)]	Germany
Infosys Green Forum[(1)]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[(7)]	Malaysia
Infosys Business Solutions LLC[(1)(26)]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[(28)]	Germany
Wongdoody Gmbh (formerly known as oddity GmbH) [(30)]	Germany
oddity (Shanghai) Co., Ltd. [(31)]	China
oddity Limited (Taipei) [(31)]	Taiwan
oddity space GmbH [(30)(42)]	Germany
oddity jungle GmbH [(30)(42)]	Germany
oddity code GmbH [(30)(42)]	Germany
WongDoody d.o.o (formerly known as oddity code d.o.o) [(31)(42)]	Serbia
oddity waves GmbH [(30)(42)]	Germany
oddity group services GmbH [(30)(42)]	Germany
Infosys Public Services Canada Inc. [(15)(32)]	Canada
BASE life science AG [(34)]	Switzerland
BASE life science GmbH [(34)]	Germany
BASE life science A/S [(33)]	Denmark
BASE life science S.A.S [(34)]	France
BASE life science Ltd. [(34)]	U.K.
BASE life science S.r.l. [(34)]	Italy
Innovisor Inc.[(34)]	U.S.
BASE life science Inc.[(34)]	U.S.
BASE life science S.L.[(34)(35)]	Spain
Panaya Germany GmbH [(5)(36)]	Germany
Infosys Norway [(7)(37)]	Norway
Infosys BPM Canada Inc [(3)(40)]	Canada
Danske IT and Support Services India Private Limited ("Danske IT") [(41)]	India

(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 Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)
(8) Majority owned and controlled subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)
(9) Wholly-owned subsidiary of Fluido Oy
(10) Wholly-owned subsidiary of Stater N.V
(11) Wholly-owned subsidiary of Infy Consulting Company Limited
(12) Wholly-owned subsidiary of Infosys Nova Holdings LLC
(13) Wholly-owned subsidiary of Outbox systems Inc. dba Simplus (US)
(14) Wholly-owned subsidiary of Simplus ANZ Pty Ltd
(15) Wholly-owned subsidiary of Infosys Public Services, Inc.
(16) Wholly-owned subsidiary of Infosys Fluido UK, Ltd.
(17) Wholly-owned subsidiary of GuideVision s.r.o.
(18) Wholly-owned subsidiary of Kaleidoscope Animations, Inc.
(19) Wholly-owned subsidiary of Blue Acorn iCi Inc
(20) Wholly-owned subsidiary of Beringer Commerce Holdings LLC
(21) Wholly-owned subsidiary of Beringer Capital Digital Group Inc.
(22) Under liquidation

[23] Merged with Beringer Commerce Holdings LLC, effective January 1, 2022

[24] Merged with Beringer Capital Digital Group Inc, effective January 1, 2022

[25] Merged with Blue Acorn iCi Inc, effective January 1, 2022

[26] Incorporated on February 20, 2022

[27] On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

[28] On March 22, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.), a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")).

[29] Infosys Consulting S.R.L. (Argentina) (formerly a Wholly-owned subsidiary of Infosys Consulting Holding AG) became the majority owned and controlled subsidiary of Infosys Limited with effect from April 1, 2022

[30] On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.)) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and Wongdoody Gmbh (formerly known as oddity GmbH)

[31] Wholly-owned subsidiary of Wongdoody Gmbh (formerly known as oddity GmbH)

[32] Incorporated on July 8, 2022

[33] On September 1, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.) (a Wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

[34] Wholly-owned subsidiary of BASE life science A/S

[35] Incorporated on September 6, 2022

[36] Incorporated effective December 15, 2022

[37] Incorporated effective September 22, 2022

[38] Infosys Financial Services GmbH. (formerly Panaya GmbH) became a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.) with effect from February 23, 2023.

[39] Liquidated effective July 14, 2023

[40] Incorporated on August 11, 2023

[41] On September 1, 2023 Infosys Ltd. acquired 100% of voting interests in Danske IT and Support Services India Private Limited ("Danske IT").

[42] On September 29, 2023, oddity space GmbH, oddity waves GmbH, oddity jungle GmbH, oddity group services GmbH and oddity code GmbH merged into WongDoody GmbH and oddity code d.o.o which was formerly a subsidiary of oddity code Gmbh has become a subsidiary of Wongdoody Gmbh (formerly known as oddity GmbH).

[43] Liquidated effective November 1, 2023

[44] On November 24, 2023 Stater Participations B.V (Wholly-owned subsidiary of Stater N.V) merged with Stater N.V and Stater Belgium N.V./S.A which was formerly a wholly owned subsidiary of Stater Participations B.V. became a wholly owned subsidiary of Stater N.V.

The details of amounts due to or due from related parties as at December 31, 2023 and December 31, 2022 are as follows :

(In MXN)

Particulars	As at December 31	
	2023	2022
Trade receivables		
Infosys Consulting S.R.L. (Argentina)- 'Lodestone Argentina	1,876,292	1,876,292
Infosys Limited	54,664,357	52,115,551
Infosys Chile SPA	98,363	84,865
Infosys BPM Ltd	248,911	341,909
	56,887,923	54,418,616
Trade payables		
EdgeVerve Systems Limited	2,523,891	388,625
Infosys Chile SPA	–	139,851
Infosys Consulting S.R.L. (Argentina)	103,641	561,610
Infosys Limited	12,165,112	4,622,346
Infosys Tech (Shanghai) Co. Ltd	8,135	–
Infosys Technologies China	76,943	(86,418)
Infosys (Czech Republic) Ltd	26,024	50,448
Infosys BPM Ltd	112,385	47,097
	15,016,131	5,723,559

Particulars	As at December 31	
	2023	2022
Other Financial Assets		
EdgeVerve Systems Limited	6,170	–
Infosys Limited	1,833,633	2,568,575
Infosys Automotive and Mobility	495,735,493	556,194,799
Infosys Chile SPA	17,041,557	–
	495,735,493	556,194,799
Other Financial Liabilities		
EdgeVerve Systems Limited	72	–
Infosys Automotive and Mobility	44,271,359	6,733,966
Panaya Limited	–	1,345,871
Infosys Limited	645,760	931,447
	44,917,191	9,011,284
Accrued expenses		
Infosys Limited	–	15,966,327
Panaya Limited	3,744,371	(4,304,681)
	3,744,371	11,661,646

(In MXN)

Particulars	Years ended December 31	
	2023	2022
Revenue transactions		
Purchase of services and shared services, facilities and personnel		
Panaya Limited	9,595,908	9,400,907
Infosys Chile SPA	177,412	1,496,701
Infosys Limited	43,232,286	63,917,947
Infosys BPM Ltd	615,823	158,932
EdgeVerve Systems Limited	9,492,041	16,469,606
Infosys Tech (Shanghai) Co. Ltd	8,007	2,912,292
Infosys Technologies China	1,748	4,969,270
Infosys (Czech Republic) Ltd	301,356	174,921
	63,424,581	99,500,575
Sale of services		
Infosys Limited	626,303,115	552,049,819
McCamish Systems LLC	–	2,453,133
Infosys Chile SPA	1,180,435	1,967,903
Infosys BPM Limited	3,282,118	3,897,146
	630,765,668	560,368,001
Other income		
Infosys Automotive and Mobility	29,653,823	12,937,912
Infosys Chile SPA	59,924	–
	29,713,747	12,937,912

2.19 Ratios

The ratios for the years ended December 31, 2023 and December 31, 2022 are as follows:

Particulars	Numerator	Denominator	Years ended December 31,		Variance
			2023	2022	
Current Ratio	Current assets	Current liabilities	4.0	4.9	(18.8%)
Debt – Equity Ratio	Total Debt (represents lease liabilities) [1]	Shareholder's Equity	0.12	0.08	3.3%
Debt Service Coverage Ratio	Earnings available for debt service[2]	Debt Service[3]	7.6	6.7	13.4%
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	8.7%	12.3%	(3.5%)
Trade receivables turnover ratio	Revenue	Average Trade Receivable	6.4	8.6	(25.5%)*
Trade payables turnover ratio	Purchases of services and other expenses	Average Trade Payables	7.7	15.8	(51.3%)**
Net capital turnover ratio	Revenue	Working Capital	1.3	1.5	(11.0%)
Net profit ratio	Net Profit	Revenue	6.9%	8.5%	(1.6%)
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed[4]	11.0%	15.4%	(4.3%)

(1) Debt represents only lease liabilities

(2) Net Profit after taxes + Non-cash operating expenses + Interest + other adjustments like loss on sale of Fixed assets etc.

(3) Lease payments for the current year

(4) Tangible net worth + deferred tax liabilities + Lease Liabilities

* Decrease in Trade Receivable turnover ratio is due to increase in Trade Receivables

** Decrease in Trade payable turnover ratio is due to drop in expenses and increase in Trade Payables

2.20 Segment reporting

The Company is engaged in providing consultancy service in a single geography. Based on the 'Management approach', as defined in Ind AS 108, Segment Reporting the Chief Operating Decision Maker (CODM) evaluates the performance and allocates resources based on the analysis of the performance of the Company as a whole. Its operations are, therefore, considered to constitute a single segment in the context of Ind AS 108, Segment Reporting .

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Infosys Consulting GmbH

Independent Auditor's report

To the Members 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, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are pre ared 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 afore aid 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, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1.2 to the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared for inclusion in the annual report of the Ultimate Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act, 2013. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for the above purpose and is not to be used, referred to or distributed for any other purpose without our prior consent.

Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives is to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

i) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

iii) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

For Shenoy & Kamath
Chartered Accountants

Firm Registration Number: 006673S

(M. Rathnakar Kamath)
Partner

Membership Number. 202841

UDIN: 24202841BKACJB3680

Place: Bengaluru

Date: May 7, 2024

Balance Sheet

(In €)

Particulars	Note	As at December 31, 2023	2022
Assets			
Non-current assets			
Property, plant and equipment	2.1	249,832	418,965
Capital work in progress		10,079	–
Right-of-use assets	2.18	355,605	995,607
Financial assets			
Other financial assets	2.3	2,687,040	3,377,516
Income tax assets, net	2.13	759,080	1,117,668
Total non-current assets		4,061,636	5,909,756
Current assets			
Financial assets			
Trade receivables	2.4	8,656,129	10,670,065
Cash and cash equivalents	2.5	7,717,346	961,086
Loans	2.2	20,285	78,631
Other financial assets	2.3	2,574,698	2,912,532
Other current assets	2.6	2,040,439	2,609,704
Total current assets		21,008,897	17,232,018
Total assets		25,070,533	23,141,774
Equity and liabilities			
Equity			
Equity share capital	2.8	86,000	86,000
Other equity		13,331,833	7,514,307
Total equity		13,417,833	7,600,307
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	2.18	383,414	1,294,457
Other financial liabilities	2.10	–	18,804
Total non-current liabilities		383,414	1,313,261
Current liabilities			
Financial liabilities			
Trade payables	2.9	3,454,312	5,969,349
Lease liabilities	2.18	1,025,694	1,360,326
Other financial liabilities	2.10	4,046,629	5,049,355
Other current liabilities	2.11	996,310	915,103
Provisions	2.12	36,287	93,558
Income tax liabilities, net	2.13	1,710,054	840,515
Total current liabilities		11,269,286	14,228,206
Total equity and liabilities		25,070,533	23,141,774

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 no. : 006673S

M. Rathnakar Kamath
Partner
Membership no. 202841

Place : Bengaluru
Date : May 7, 2024

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	Note	Year ended December 31, 2023	2022
Revenue from operations	2.14	64,587,471	53,470,300
Other income, net	2.15	125,684	(115,964)
Total income		64,713,155	53,354,336
Expenses			
Employee benefit expenses	2.16	26,078,261	19,956,032
Cost of technical sub-contractors		12,204,693	8,928,677
Travel expenses		915,400	733,156
Cost of software packages and others	2.16	15,776,825	20,906,753
Communication expenses		103,160	131,699
Consultancy and professional charges		1,144,506	900,041
Depreciation expense	2.10	685,155	724,269
Finance cost		2,678	9,159
Other expenses	2.17	465,286	524,422
Total expenses		57,375,964	52,814,208
Profit / (loss) before tax		7,337,191	540,128
Tax expense			
Current tax	2.13	1,519,665	687,449
Profit / (Loss) for the year		5,817,526	(147,321)
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		5,817,526	(147,321)

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 no. : 006673S

M. Rathnakar Kamath
Partner
Membership no. 202841

Place : Bengaluru
Date : May 7, 2024

for and on behalf of the Board of Directors of
Infosys Consulting GmbH

Ann Kathrin Sauthoff Bloch
Executive Director

Statement of Changes in Equity

(In €)

Particulars	Equity share capital	Other equity – Reserves and Surplus – Retained earnings	Other equity – Reserves and Surplus – Capital reserve	Total equity attributable to equity holders of the Company
Balance as of January 1, 2022	86,000	5,665,671	2,000,000	7,751,671
Changes in equity for the year ended December 31, 2022				
Impact on adoption of amendment to Ind AS 37 #	–	(4,043)	–	(4,043)
Profit for the year	–	(147,321)	–	(147,321)
Balance as of December 31, 2022	86,000	5,514,307	2,000,000	7,600,307
Changes in equity for the year ended December 31, 2023				
Profit for the year	–	5,817,526	–	5,817,526
Balance as of December 31, 2023	86,000	11,331,833	2,000,000	13,417,833

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 no. : 006673S

M. Rathnakar Kamath
Partner
Membership no. 202841

Place : Bengaluru
Date : May 7, 2024

for and on behalf of the Board of Directors of
Infosys Consulting GmbH

Ann Kathrin Sauthoff Bloch
Executive Director

Statements of Cash Flows

(In €)

Particulars	Note	Year ended December 31, 2023	Year ended December 31, 2022
Cash flows from operating activities			
Profit / (Loss) for the year		5,817,526	(147,321)
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation and amortization expense	2.1 & 2.18	685,155	724,269
Income tax expense	2.13	1,519,665	687,449
Impairment loss recognized / (reversed) under expected credit loss model		17,293	23,152
Finance cost		2,678	9,159
Provision for post-sales client support and warranties		(57,272)	(6,294)
Interest and dividend income		(93,785)	(10,890)
Exchange differences on translation of assets and liabilities		8,862	129,646
Changes in assets and liabilities			
Trade receivables		1,996,643	(2,867,633)
Other financial assets and other assets		1,597,575	1,336,439
Trade payables		(2,515,037)	4,033,759
Other financial liabilities, other liabilities and provisions		(949,184)	(5,591,264)
Cash generated from / (used in) operations		8,030,119	(1,679,529)
Income taxes paid	2.13	(291,538)	(444,557)
Net cash generated by / (used in) operating activities		7,738,581	(2,124,086)
Cash flow from investing activities			
Expenditure on property, plant and equipment net-of-sale proceeds		–	(403,130)
Expenditure on capital work-in-progress		(10,079)	–
Expenditure on right-of-use assets		–	–
Loans and advances to employees		58,346	24,603
Loans repaid by Pparent company and other subsidiaries		–	4,237,705
Loan given to subsidiaries		–	–
Interest and dividend received on investments		93,785	10,890
Net cash from / (used in) investing activities		142,052	3,870,068
Cash flow from financing activities			
Payment of lease liabilities (net)		(1,121,695)	(1,527,737)
Interest and finance expenses paid		(2,678)	(7,116)
Net cash from / (used in) financing activities		(1,124,373)	(1,534,853)
Net increase / (decrease) in cash and cash equivalents		6,756,260	211,129
Cash and cash equivalents at the beginning of the year	2.5	961,086	749,957
Cash and cash equivalents at the end of the year	2.5	7,717,346	961,086

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 no. : 006673S

M. Rathnakar Kamath
Partner
Membership no. 202841

Place : Bengaluru
Date : May 7, 2024

for and on behalf of the Board of Directors of
Infosys Consulting GmbH

Ann Kathrin Sauthoff Bloch
Executive Director

Significant accounting policies

Company overview

Infosys Consulting GmbH ("the Company") 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 operates in ("the functional currency"). The functional currency of the Company is Euro and the financial statements are also presented in €. All amounts included in the financial statements are reported in €, 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 is 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 the 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 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 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. Assets to be disposed of 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 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 that 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.

1.10.3 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 that 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 that 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 Euro. These financial statements are presented in €.

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 comprises primarily 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 is charged to the Statement of Profit and Loss in the period in which it occurred.

1.19 Leases:

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings and computers. The Company assesses whether a contract contains a lease at 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: (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 (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.

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 option to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate 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 ROU 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, 2023 are as follows:

(In €)

Particulars	Plant and machinery	Computer equipment	Furniture and fixtures	Office Equipment	Total
Gross carrying value as of January 1, 2023	1	995,012	193,201	2,364	1,190,578
Additions	–	–	–	–	–
Deletions	(1)	(384,834)	(15,670)	(4)	(400,509)
Gross carrying value as of December 31, 2023	–	610,178	177,531	2,360	790,069

Particulars	Plant and machinery	Computer equipment	Furniture and fixtures	Office Equipment	Total
Accumulated depreciation as of January 1, 2023	(1)	(576,759)	(193,201)	(1,652)	(771,613)
Depreciation	–	(168,770)	–	(363)	(169,133)
Accumulated depreciation on deletions	1	384,834	15,670	4	400,509
Accumulated depreciation as of December 31, 2023	–	(360,695)	(177,531)	(2,011)	(540,237)
Carrying value as of December 31, 2023	–	249,483	–	349	249,832
Carrying value as of January 1, 2023	–	418,253	–	712	418,965

The changes in the carrying value of property, plant and equipment for the year ended December 31, 2022 are as follows:

(In €)

Particulars	Plant and machinery	Computer equipment	Furniture and fixtures	Office Equipment	Total
Gross carrying value as of January 1, 2022	1	641,458	217,692	6,171	865,322
Additions	–	403,130	–	–	403,130
Deletions	–	(49,576)	(24,491)	(3,807)	(77,874)
Gross carrying value as of December 31, 2022	1	995,012	193,201	2,364	1,190,578
Accumulated depreciation as of January 1, 2022	(1)	(547,705)	(216,483)	(4,815)	(769,004)
Depreciation	–	(78,630)	(1,209)	(644)	(80,483)
Accumulated depreciation on deletions	–	49,576	24,491	3,807	77,874
Accumulated depreciation as of December 31, 2022	(1)	(576,759)	(193,201)	(1,652)	(771,613)
Carrying value as of December 31, 2022	–	418,253	–	712	418,965
Carrying value as of January 1, 2022	–	93,753	1,209	1,356	96,318

2.2 Loans

(In €)

Particulars	As at December 31,	
	2023	2022
Current		
Loans receivables considered good – Secured		
Loan to subsidiary	–	–
Loans and advances to employees	20,285	78,631
Total current loans	20,285	78,631

2.3 Other financial assets

(In €)

Particulars	As at December 31,	
	2023	2022
Non-current		
Investment in lease[1]	2,687,040	3,377,516
	2,687,040	3,377,516
Current		
Unbilled revenues[1]	1,140,101	2,156,047
Rental deposits [1]	64,286	66,686
Investment in lease[1]	1,296,274	667,291
Others [1][2]	74,037	22,508
Total current other financial assets	2,574,698	2,912,532
Total	5,261,738	6,290,048
[1] Financial assets carried at amortized cost	5,261,738	6,290,048
[2] Includes dues from related party (Refer to Note 2.19)	62,203	290

2.4 Trade receivables

(In €)

Particulars	As at December 31,	
	2023	2022
Current		
Trade Receivable considered good - Unsecured	8,656,129	10,670,065
Less: Allowance for expected credit loss	–	–
Total trade receivables	8,656,129	10,670,065
[1] Includes dues from related parties (Refer to Note 2.19)	2,246,980	4,858,195

Trade receivables ageing schedule for the year ended as on December 31, 2023

(In €)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good		10,039,797	(469,916)	(659,076)	85,734	(340,410)	8,656,129

Trade payables ageing schedule for the year ended as on December 31, 2023

(In €)

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Outstanding trade payables	–	3,448,993	5,319	–	–	3,454,312

The trade receivables ageing schedule for the year ended as on December 31, 2022 was as follows:

(In €)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good		11,374,997	(466,522)	101,992	1,069,934	(1,410,336)	10,670,065

The trade payables ageing schedule for the year ended as on December 31, 2022 is as follows:

(In €)

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Outstanding trade payables	–	5,969,349	–	–	–	5,969,349

2.5 Cash and cash equivalents

(In €)

Particulars	As at December 31,	
	2023	2022
Balances with banks		
In current accounts	7,715,752	960,185
Cash on hand	1,594	901
Total cash and cash equivalents	7,717,346	961,086

2.6 Other assets

(In €)

Particulars	As at December 31,	
	2023	2022
Current		
Others		
Prepaid expenses	883,461	960,384
Advance for supply of goods and rendering of services	–	7,336
Unbilled revenues	151,588	–
Withholding taxes and others	1,005,390	1,641,984
Total current other assets	2,040,439	2,609,704

2.7 Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories as of December 31, 2023 and December 31, 2022 were as follows:

(In €)

Particulars	As at December 31, 2023	As at December 31, 2022
Assets		
Cash and cash equivalents (Refer to Note 2.5)	7,717,346	961,086
Trade receivables (Refer to Note 2.4)	8,656,129	10,670,065
Loans (Refer to Note 2.2)	20,285	78,631
Other financial assets (Refer to Note 2.3)	5,261,738	6,290,048
Total	21,655,498	17,999,830
Liabilities		
Trade payables (Refer to Note 2.9)	3,454,312	5,969,349
Lease lLiability (Refer to Note 2.18)	1,409,108	2,654,783
Other financial liabilities (Refer to Note 2.10)	3,846,164	4,726,388
Total	8,709,584	13,350,520

All the above financial assets and liabilities are carried at amortized cost and the carrying values approximate 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.

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 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(s) contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the Euro 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 Euro appreciates / depreciates against these currencies.

The foreign currency risk from financial instruments as of December 31, 2023 is as follows:

(In €)

Particulars	USD	CHF	GBP	INR	Other currencies	Total
Net financial assets	784,813	–	1,957,528	–	11,414	2,753,755
Net financial liabilities	(758,334)	(150,346)	(112,854)	(351,433)	–	(1,372,967)
Net assets / (liabilities)	26,479	(150,346)	1,844,674	(351,433)	11,414	1,380,788

The foreign currency risk from financial instruments as of December 31, 2022 is as follows:

(In €)

Particulars	USD	CHF	GBP	INR	Other currencies	Total
Net financial assets	2,686,591	42,574	4,727,045	–	–	7,456,210
Net financial liabilities	(606,076)	–	(214,381)	(292,516)	(16,570)	(1,129,543)
Net assets / (liabilities)	2,080,515	42,574	4,512,664	(292,516)	(16,570)	6,326,667

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.

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 €8,656,129 and €10,670,065 as of December 31, 2023 and December 31, 2022, respectively and unbilled revenue amounting to €1,140,101 and €2,156,047 as of December 31, 2023 and December 31, 2022, respectively. Trade receivables and unbilled revenue are typically unsecured. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. 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, 2023 was €17,293 and allowance for year ended December 31, 2022 was €23,152, respectively.

(In €)

Particulars	Year ended December 31,	
	2022	2021
Balance at the beginning	61,930	32,410
Impairment loss recognized / (reversed)	17,293	23,152
Translation differences	70	6,368
Balance at the end	79,293	61,930

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, 2023, the Company had a working capital of € 9,758,631 including cash and cash equivalents of €7,717,346. As of December 31, 2022, the Company had a working capital of €3,003,812 including cash and cash equivalents of €961,086.

As of December 31, 2023 and December 31, 2022, the outstanding compensated absences were €200,465 and €341,771, respectively.

The details regarding the contractual maturities of significant financial liabilities as at December 31, 2023 are as follows:

(In €)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables (Refer to Note 2.9)	3,454,312	–	–	–	3,454,312
Accrued expenses (Refer to Note 2.10)	2,243,482	–	–	–	2,243,482
Accrued compensation to employees (Refer to Note 2.10)	1,301,406	–	–	–	1,301,406
Other payables (Refer to Note 2.10)	301,276	–	–	–	301,276

The details regarding the contractual maturities of significant financial liabilities as at December 31, 2022 were as follows:

(In €)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables (Refer to Note 2.9)	5,969,349	–	–	–	5,969,349
Accrued expenses (Refer to Note 2.10)	3,572,591	–	–	–	3,572,591
Accrued compensation to employees (Refer to Note 2.10)	1,127,595	–	–	–	1,127,595
Other payables (Refer to Note 2.10)	7,398	–	–	–	7,398

2.8 Equity

Equity share capital

As at December 31, 2023, 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, 2023	2022
Trade payables*	3,454,312	5,969,349
Total trade payables	3,454,312	5,969,349
* Includes dues to related parties (Refer to Note 2.19)	320,766	283,973

2.10 Other financial liabilities

(In €)

Particulars	As at December 31, 2023	2022
Non-current		
Others		
Other payables	–	18,804
	–	18,804
Current		
Others		
Accrued compensation to employees	1,301,406	1,127,595
Accrued expenses [1]	2,243,482	3,572,591
Compensated absences	200,465	341,771
Other payables [2]	301,276	7,398
	4,046,629	5,049,355
Total other financial liabilities	4,046,629	5,068,159
Financial liability carried at amortized cost	3,846,164	4,726,388
Financial liability carried at fair value through profit or loss	–	–
[1] Includes dues to related party (Refer to Note 2.19)	117,675	318,398
[2] Includes dues to related parties (Refer to Note 2.19)	341,358	85,470

2.11 Other liabilities

(In €)

Particulars	As at December 31, 2023	2022
Current		
Unearned revenue	825	59,511
Others		
Withholding taxes and others	969,303	850,142
Advance received from clients	26,182	5,450
Total current other liabilities	996,310	915,103

2.12 Provisions

(In €)

Particulars	As at December 31, 2023	2022
Current		
Others		
Post-sales client support	36,287	93,558
Total current provisions	36,287	93,558

Provision for post-sales client support

The movement in the provision for post-sales client support is as follows:

(In €)

Particulars	Years ended December 31, 2023	2022
Balance at the beginning	93,558	95,810
Provision recognized / (reversed)	(57,271)	(2,252)
Balance at the end	36,287	93,558

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	Years ended December 31, 2023	2022
Current taxes	1,519,665	687,449
Income tax expense	1,519,665	687,449

Current tax expense for the years ended December 31, 2023 and December 31, 2022 includes reversal (net of provisions) amounting to €143,614 and provisions (net of reversals) of €674,174, respectively, pertaining to prior periods.

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized as follows:

(In €)

Particulars	Years ended December 31, 2023	2022
Profit / (Loss) before income tax	7,337,191	540,128
Enacted tax rates in Germany (%)	27.38%	27.38%
Computed expected tax expense	2,008,556	147,860
Effect of unrecognized deferred tax assets	(410,197)	213,340
Tax provision (reversals)	(143,614)	317,194
Others	64,920	9,055
Income tax expense	1,519,665	687,449

The applicable Germany statutory tax rate for year ended December 31, 2023 is 27.38% and tax rate for the year ended December 31, 2022 was 27.38%.

The details of income tax assets and income tax liabilities are as follows:

(In €)

Particulars	Years ended December 31,	
	2023	2022
Income tax assets	759,080	1,117,668
Current income tax liabilities	1,710,054	840,515
Net current income tax assets / (liability) at the end	(950,974)	277,153

The gross movement in the current income tax asset / (liability) is as follows:

(In €)

Particulars	Year ended December 31,	
	2023	2022
Net current income tax asset / (liability) at the beginning	277,153	520,045
Income tax paid	291,538	444,557
Current income tax expense	(1,519,665)	(687,449)
Net current income tax asset / (liability) at the end	(950,974)	277,153

2.14 Revenue from operations

(In €)

Particulars	Year ended December 31,	
	2023	2022
Income from consultancy services	64,587,471	53,470,300
Total revenue from operations	64,587,471	53,470,300

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 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 the 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 December 31, 2023, the Company recognized revenue of €67,789 arising from opening unearned revenue as of January 1, 2023.

During the year ended December 31, 2022, the Company recognized revenue of €432,706 arising from opening unearned revenue as of January 1, 2022.

During the year ended December 31, 2023 , nil of unbilled revenue pertaining to fixed-price development contracts as of January 1, 2023 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, 2023, other than those meeting the exclusion criteria mentioned above, is €1,617,475. 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,	
	2023	2022
Interest received on financial assets carried at amortized cost		
Interest received on employee loans and others	93,785	–
Interest income on loan to subsidiary	–	10,890
Finance income under revenue deals	22,704	2,478
Exchange gains / (losses) on translation of assets and liabilities	(8,862)	(129,794)
Others	18,057	462
	125,684	(115,964)

2.16 Employee benefit expenses and cost of software

(In €)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Employee benefit expenses		
Salaries including bonus	26,078,261	19,956,032
Total employee benefit expenses	26,078,261	19,956,032
Cost of software packages and others		
For own use	3,514	23,567
Third-party items bought for service delivery to clients	15,773,311	20,883,186
Total cost of software packages and others	15,776,825	20,906,753

2.17 Other expenses

(In €)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Other expenses		
Power and fuel	51,584	48,578
Brand and marketing	215,666	120,492
Printing and stationery	11,944	17,552
Rates and taxes	22,354	68,365
Repairs and maintenance	43,840	63,884
Insurance	65,112	57,426
Provision for post-sales client support and others	(57,272)	(6,294)
Statutory audit fees	33,306	33,125
Bank charges	4,828	7,454
Others	73,924	113,840
Total other expenses	465,286	524,422

2.18 Leases

The changes in the carrying value of right-of-use assets for the year ended December 31, 2023 are as follows:

(In €)

Particulars	Category of ROU asset			Total
	Buildings	Computer equipment	Vehicles	
Balance as of January 1, 2023	246,453	733,813	15,341	995,607
Additions	–	322,337	–	322,337
Sub-lease	–	(409,137)	–	(409,137)
Modification	(37,180)	–	–	(37,180)
Depreciation	(185,668)	(330,354)	–	(516,022)
Balance as of December 31, 2023	23,605	316,659	15,341	355,605

The changes in the carrying value of right-of-use assets for the year ended December 31, 2022 were as follows:

(In €)

Particulars	Category of ROU asset			Total
	Buildings	Computer equipment	Vehicles	
Balance as of January 1, 2022	399,076	1,345,425	19,436	1,763,937
Additions	24,320	782,246	–	806,566
Deletion	–	(931,110)	–	(931,110)
Depreciation	(176,943)	(462,748)	(4,095)	(643,786)
Balance as of December 31, 2022	246,453	733,813	15,341	995,607

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

The break-up of current and non-current lease liabilities is:

(In €)

Particulars	As at December 31,	
	2023	2022
Current lease liabilities	1,025,694	1,360,326
Non-current lease liabilities	383,414	1,294,457
Total	1,409,108	2,654,783

The movement in lease liabilities during the year ended is as follows:

(In €)

Particulars	Years ended December 31,	
	2023	2022
Balance at the beginning	2,654,783	3,398,231
Additions	322,337	782,246
Modifications	(37,180)	–
Finance cost accrued during the period	2,984	2,043
Payment of lease liabilities	(1,533,816)	(1,527,737)
Balance at the end	1,409,108	2,654,783

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,	
		2023	2022
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]	US
EdgeVerve Systems Limited (EdgeVerve)[1]	India
Infosys Austria GmbH[1]	Austria
Skava Systems Private Limited (Skava Systems)[1][22]	India
Infosys Chile SpA[1]	Chile
Infosys Arabia Limited[2][22]	Saudi Arabia
Infosys Consulting Ltda.[1]	Brazil
Infosys Luxembourg S.a.r.l[1]	Luxembourg
Infosys Americas Inc. (Infosys Americas)[1][39]	US
Infosys Public Services, Inc. USA (Infosys Public Services)[1]	US
Infosys BPM Limited[1][27]	India

Name of fellow subsidiaries	Country
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 [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
Infy Consulting Company Ltd[4]	UK
Infy Consulting B.V.[4]	The Netherlands
Infosys Consulting S.R.L.[29]	Argentina
Infosys Consulting (Belgium) NV[4]	Belgium
Panaya Inc. (Panaya)[1]	US
Panaya Ltd.[5]	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH) [38]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[1][22]	UK
Brilliant Basics Limited [6][22]	UK
Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)[1]	Singapore
Infosys Middle East FZ LLC [7]	Dubai
Fluido Oy [7]	Finland
Fluido Sweden AB [9]	Sweden
Fluido Norway A/S[9]	Norway
Fluido Denmark A/S[9]	Denmark
Fluido Slovakia s.r.o[9]	Slovakia
Infosys Compaz Pte. Ltd [8]	Singapore
Infosys South Africa (Pty) Ltd[7]	South Africa
WongDoody Inc. [1]	US
HIPUS Co., Ltd[8]	Japan
Stater N.V.[8]	The Netherlands
Stater Nederland B.V.[10]	The Netherlands
Stater XXL B.V.[10]	The Netherlands
HypoCasso B.V.[10]	The Netherlands
Stater Participations B.V.[44]	The Netherlands
Stater Belgium N.V./S.A.[10][44]	Belgium
Stater Gmbh[10]	Germany
Outbox systems Inc. dba Simplus (US)[12]	US
Simplus ANZ Pty Ltd.[13]	Australia
Simplus Australia Pty Ltd[14]	Australia
Simplus Philippines, Inc.[13]	Philippines
Infosys Fluido UK, Ltd.[9]	UK
Infosys Fluido Ireland, Ltd.[16]	Ireland
Infosys Limited Bulgaria EOOD[1]	Bulgaria
Kaleidoscope Animations, Inc.[12]	US
Kaleidoscope Prototyping LLC[18][43]	US

Name of fellow subsidiaries	Country
GuideVision s.r.o.[11]	Czech Republic
GuideVision Deutschland GmbH[17]	Germany
GuideVision Suomi Oy[17]	Finland
GuideVision Magyarország Kft[17]	Hungary
GuideVision Polska Sp. z.o.o[17]	Poland
GuideVision UK Ltd[17][22]	UK
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[12]	US
Beringer Capital Digital Group Inc[12][25]	US
Mediotype LLC[19][25]	US
Beringer Commerce Holdings LLC[19][25]	US
SureSource LLC[20][23]	US
Blue Acorn LLC[20][23]	US
Simply Commerce LLC[20][23]	US
iCiDIGITAL LLC[21][24]	US
Infosys BPM UK Limited[3]	UK
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[1]	Turkey
Infosys Germany Holding Gmbh[1]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1]	Germany
Infosys Green Forum[1]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[7]	Malaysia
Infosys Business Solutions LLC[1][26]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[28]	Germany
Wongdoody Gmbh (formerly known as oddity GmbH) [30]	Germany
oddity (Shanghai) Co., Ltd. [31]	China
oddity Limited (Taipei) [31]	Taiwan
oddity space GmbH [30][42]	Germany
oddity jungle GmbH [30][42]	Germany
oddity code GmbH [30][42]	Germany
WongDoody d.o.o (formerly known as oddity code d.o.o) [31][42]	Serbia
oddity waves GmbH [30][42]	Germany
oddity group services GmbH [30][42]	Germany
Infosys Public Services Canada Inc. [15][32]	Canada
BASE life science AG [34]	Switzerland
BASE life science GmbH [34]	Germany
BASE life science A/S [33]	Denmark
BASE life science S.A.S [34]	France
BASE life science Ltd. [34]	UK
BASE life science S.r.l. [34]	Italy
Innovisor Inc.[34]	US
BASE life science Inc.[34]	US
BASE life science S.L.[34][35]	Spain
Panaya Germany GmbH [5][36]	Germany
Infosys Norway [7][37]	Norway
Infosys BPM Canada Inc [3][40]	Canada
Danske IT and Support Services India Private Limited ("Danske IT") [41]	India

[1] Wholly-owned subsidiary of Infosys Limited

[2] Majority-owned and controlled subsidiary of Infosys Limited

[3] Wholly-owned subsidiary of Infosys BPM Limited

[5] Wholly-owned subsidiary of Panaya Inc.

[6] Wholly-owned subsidiary of Brilliant Basics Holding Limited.

[7] Wholly-owned subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

[8] Majority-owned and controlled subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

[9] Wholly-owned subsidiary of Fluido Oy

[10] Wholly-owned subsidiary of Stater N.V

[11] Wholly-owned subsidiary of Infy Consulting Company Limited

[12] Wholly-owned subsidiary of Infosys Nova Holdings LLC

[13] Wholly-owned subsidiary of Outbox systems Inc. dba Simplus (US)

[14] Wholly-owned subsidiary of Simplus ANZ Pty Ltd

[15] Wholly-owned subsidiary of Infosys Public Services, Inc.

[16] Wholly-owned subsidiary of Infosys Fluido UK, Ltd.

[17] Wholly-owned subsidiary of GuideVision s.r.o.

[18] Wholly-owned subsidiary of Kaleidoscope Animations, Inc.

[19] Wholly-owned subsidiary of Blue Acorn iCi Inc

[20] Wholly-owned subsidiary of Beringer Commerce Holdings LLC

[21] Wholly-owned subsidiary of Beringer Capital Digital Group Inc.

[22] Under liquidation

[23] Merged with Beringer Commerce Holdings LLC, effective January 1, 2022

[24] Merged with Beringer Capital Digital Group Inc, effective January 1, 2022

[25] Merged with Blue Acorn iCi Inc, effective January 1, 2022

[26] Incorporated on February 20, 2022

[27] On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% voting interests in Infosys BPM Limited.

[28] On March 22, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.), a wholly-owned subsidiary of Infosys Limited acquired 100% voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")).

[29] Infosys Consulting S.R.L. (Argentina) (formerly a wholly-owned subsidiary of Infosys Consulting Holding AG) became the majority-owned and controlled subsidiary of Infosys Limited with effect from April 1, 2022.

[30] On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.)) acquired 100% voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and WongDoody Gmbh (formerly known as oddity GmbH)

[31] Wholly-owned subsidiary of WongDoody Gmbh (formerly known as oddity GmbH)

[32] Incorporated on July 8, 2022

[33] On September 1, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.) (a wholly-owned subsidiary of Infosys Limited) acquired 100% voting interests in BASE life science A/S.

[34] Wholly-owned subsidiary of BASE life science A/S

[35] Incorporated on September 6, 2022

[36] Incorporated effective December 15, 2022

[37] Incorporated effective February 7, 2023.

[38] Infosys Financial Services GmbH (formerly Panaya GmbH) became a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.) with effect from February 23, 2023.

[39] Liquidated effective July 14, 2023

[40] Incorporated on August 11, 2023

[41] On September 1, 2023 Infosys Ltd. acquired 100% voting interests in Danske IT and Support Services India Private Limited ("Danske IT").

[42] On September 29, 2023, oddity space GmbH, oddity waves GmbH, oddity jungle GmbH, oddity group services GmbH and oddity code GmbH merged into WongDoody GmbH and oddity code d.o.o which was formerly a subsidiary of oddity code Gmbh has become a subsidiary of WongDoody Gmbh (formerly known as oddity GmbH).

[43] Liquidated effective November 1, 2023

[44] On November 24, 2023 Stater Participations B.V (a wholly-owned subsidiary of Stater N.V) merged with Stater N.V and Stater Belgium N.V./S.A, which was formerly a wholly-owned subsidiary of Stater Participations B.V., became a wholly-owned subsidiary of Stater N.V.

The details of amounts due to or due from related parties as at December 31, 2023 and December 31, 2022 are as follows:

(In €)

Particulars	As at December 31,	
	2023	2022
Trade receivables		
Infosys Automotive and Mobility GmbH & Co. KG	35,067	123,501
Infosys Consulting AG	238,834	5,945
Infy Consulting Company Limited	1,958,573	4,727,045
Infosys Consulting S.R.L. (Romania)	12,822	–
Infosys Consulting S.R.L. (Argentina)	1,684	1,684
Infosys (Czech Republic) Limited s.r.o.	–	20
	2,246,980	4,858,195
Other financial assets		
Infosys Automotive and Mobility GmbH & Co. KG	270	270
Infosys Consulting Holding AG	–	20
Infosys Consulting S.R.L. (Romania)	11,626	–
Infy Consulting Company Limited	50,207	–
Infosys Limited	100	–
	62,203	290
Trade payables		
Infosys Poland Sp z.o.o	19,597	155,351
Infosys Consulting AG	161,822	7,843
Infosys Consulting S.R.L. (Romania)	–	17,863
Infosys Singapore Pte. Ltd. (Infosys Singapore)	1,408	–
Infy Consulting Company Limited	137,939	102,916
	320,766	283,973
Other financial liabilities		
Infosys Limited	341,358	34,891
Infosys Consulting AG	–	50,559
Infosys (Czech Republic) Limited s.r.o.	–	20
	341,358	85,470
Accrued expenses		
Infosys Limited	117,675	318,398
	117,675	318,398

The details of the related parties transactions entered into by the Company for the year ended December 31, 2023 and December 31, 2022 are as follows:

(In €)

Particulars	Year ended December 31,	
	2023	2022
Revenue transactions		
Purchase of services, shared facilities and personnel		
Infosys Consulting S.R.L. (Romania)	84,646	221,431
Infosys Singapore Pte. Ltd. (Infosys Singapore)	1,424	–
Infosys Poland Sp z.o.o	348,661	1,166,747
Infosys Limited	157,111	129,369
Infosys Consulting AG	278,683	66,026
Panaya Limited	–	11,731
Infy Consulting Company Limited	2,373,598	1,446,147

Particulars	Year ended December 31,	
	2023	2022
	3,244,123	3,041,451
Interest Income		
Infosys Consulting Holding AG (Infosys Lodestone) (formerly Lodestone Holding AG)	–	10,890
	–	10,890
Sale of services		
Infosys Consulting AG	2,925,013	259,429
Infosys Automotive and Mobility GmbH & Co. KG	149,966	90,451
Infy Consulting Company Limited	32,911,996	26,776,950
	35,986,975	27,126,830

2.20 Segment reporting

The Company is engaged in providing consultancy service in a single geography. Based on the 'management approach', as defined in Ind AS 108, Segment Reporting, the Chief Operating Decision Maker (CODM) evaluates the performance and allocates resources based on the analysis of the performance of the Company as a whole. Its operations are, therefore, considered to constitute a single segment in the context of Ind AS 108, Segment Reporting.

2.21 Ratios

The ratios for the years ended December 31, 2023 and December 31, 2022 are as follows:

Particulars	Numerator	Denominator	Years ended December 31,		Variance	
			2023	2022		
Current Ratio	Current assets	Current liabilities	1.9	1.2	53.9%	
Debt-equity ratio	Total Debt (represents lease liabilities) (1)	Shareholder's Equity	0.1	0.3	(69.9%)	
Debt service coverage ratio	Earnings available for debt service(2)	Debt Service(3)	5.8	0.4	1411.7%	(4)
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	55.4%	(1.9%)	(2984.3%)	(5)
Trade receivables turnover ratio	Revenue	Average Trade Receivable	6.7	5.8	15.8%	(6)
Trade payables turnover ratio	Purchases of services and other expenses	Average Trade Payables	6.5	8.1	(19.8%)	(7)
Net capital turnover ratio	Revenue	Working Capital	6.6	17.8	(62.7%)	(8)
Net profit ratio	Net Profit	Revenue	9.0%	(0.3%)	(3369.2%)	(9)
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed	49.5%	5.3%	839.6%	(10)

(1) Debt represents only lease liabilities

(2) Net profit after taxes + Non-cash operating expenses + Interest + Other adjustments like loss on sale of fixed assets etc.

(3) Lease payments for the current year

(4) Increase in earnings and decrease in debt

(5) Incrase in net profit; the sign is in negative as the result of the last year was a loss,

(6) Increase in revenue and increase in trade receivables

(7) Decrease in credit purchase and increase in trade payables

(8) Increase in revenue and increase in working capital

(9) Increase in net profit. Further, the previous year was a loss.

(10) Increase in net profit before taxes

Infosys (Czech Republic) Limited s.r.o.

Introduction

The nature of the services (business process outsourcing) provided by the company Infosys (Czech Republic) Limited s.r.o. are in line with the following trade licenses in the Czech Republic:

1. Production, trade and services not listed in annexes 1 to 3 of the Trade Licensing Act

Fields of activity:

- services in the area of administration and services of an organizational and economic nature,
- provision of software, information technology consulting, data processing, hosting and related activities and web portals,
- guidance and consulting activities, production of expert studies and opinions,
- research and development in the field of natural and technical sciences or social sciences,
- intermediation in trade and services,
- translation and interpretation activities

2. Activities of accounting advisors and accounts keeping

Description of activities:

Technical Contact Center

Providing technical support to Infosys clients' personnel and/or customers via phone, mail, or chat.

Support provided in most of European languages.

Finance and Accounting

Providing expert accounting support in the following areas:

- Trade payables
- Trade receivables
- Travel expenses
- General ledger

Insurance services

Processes:

Underwriting Support (all stages of insurance policies)

Banking Services

Providing services to European clients of American banking institutions in the process of onboarding new reporting software.

Digital Content Management

Analyzing, updating, and reporting on digital content for a major American Hi-Tech Manufacturer.

Sales Support

Support of Sales and sales activities in the European region for an American Hi-Tech Manufacturer.

Other Services

Small client operations with the following processes:

- Translation & interpretation support
- Remote Warehouse software support
- Remote quality control
- Transition and due-diligence support
- Project Management support
- Process and Operation Consulting
- Application Development and

Maintenance

- IT Services Management

Information according to Sec 21(2) of Act No. 563/1991, Act of Accounting

- •about facts which occurred after the balance sheet date and are material for the fulfilment of the purpose of this Annual Report

No such facts occurred after the Balance Sheet date.

Change of the Statutory Executive:

On 14 April 2023, Mr. Kapil Jain ceased to be the Statutory Executive of the Company. On 15 April 2023, Mr. Ritesh Gandhi became the

Statutory Executive of the Company. This change of the Statutory Executive was registered in the Register of Companies on 17 April 2023.

Changes in the Supervisory Board:

On 14 April 2023, Mr. Ritesh Gandhi ceased to be a member and the chairman of the Supervisory Board of the Company. This change in the Supervisory Board was registered in the Register of Companies on 17 April 2023.

On 26 June 2023, Mr. Vijay Arvind Narsapur became a member of the Supervisory Board of the Company. On 25 July 2023, Mr. Vijay Arvind Narsapur became the chairman of the Supervisory Board of the Company. These changes in the Supervisory Board were registered in the Register of Companies on 22 August 2023.

- about forecasted development in activities of the reporting unit

The revenues from services for 2023-24 amounted to CZK 1,335,975 thousand compared with CZK 1,205,873 thousand for 2022-23. The number of employees as at 31 March 2024 (including employees on maternity and parental leave) amounted to 1,269 (31 March 2023 – 1,592 employees).

It is expected that in 2024-25, there will be 1,117 employees (excluding employees on maternity and parental leave) and a turnover of CZK 1,061,168 thousand.

The Statutory Executive of the Company is not aware of any other matter or circumstance that has occurred since the end of the financial period that has significantly affected or may affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

•about any R&D activities: none

•about acquisition of own shares or own ownership interests

The Company acquired no own shares or ownership interests.

•about any activities in the area of environmental protection

The Company tries to reach for ecological and thrifty handling with raw materials, energy, water and other sources when providing services in order to improve the inputs efficiency.

- About labour-law relations

The Company fulfils and meets all conditions and duties stipulated by the Czech Labour Code.

- The Company does not have any branch or other component of its business enterprise abroad.

Enclosures:

1. Balance Sheet as at 31 March 2024
2. Profit and Loss Statement for the period from 1 April 2023 to 31 March 2024
3. Notes to the Financial Statements
4. Report on Relations 2023-24
5. Independent Auditor's Report

Date:: May 29, 2024

Ritesh Gandhi
Company Statutory Executive

Independent Auditor's Report

To the Partner of Infosys (Czech Republic) Limited s.r.o.

Having its registered office at: Vlněna 526/1, Trnitá, 602 00 Brno

Opinion

We have audited the accompanying financial statements of Infosys (Czech Republic) Limited s.r.o. (hereinafter also the "Company") prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the balance sheet as of 31 March 2024, and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Infosys (Czech Republic) Limited s.r.o. as of 31 March 2024, and of its financial performance and its cash flows for the year then ended in accordance with accounting regulations applicable in the Czech Republic.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application guidelines. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information in the Annual Report

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. The Statutory Executive is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- The other information is prepared in compliance with applicable law or regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

Responsibilities of the Company's Statutory Executive and Supervisory Board for the Financial Statements

The Statutory Executive is responsible for the preparation and fair presentation of the financial statements in accordance with accounting regulations applicable in the Czech Republic and for such internal control as the Statutory Executive determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Statutory Executive is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Statutory Executive either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and
- related disclosures made by the Statutory Executive.
- Conclude on the appropriateness of the Statutory Executive's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Statutory Executive and Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

In Prague on 29 May 2024

Audit firm:
Deloitte Audit s.r.o.
Registration no. 079

Statutory auditor:
Miroslav Zigáček
registration no. 2222

Balance Sheet

(In CZK thousand)

Sl. No.	Particulars	As at March 31,			
		2024			2023
		Gross	Adjustment	Net	Net
	Total assets	729,397	158,259	571,138	635,514
B.	Fixed assets	190,467	158,007	32,460	31,226
B.I.	Intangible fixed assets	3,092	3,092	–	482
B.I.2.	Valuable rights	3,092	3,092	–	482
B.I.2.1.	Software	3,092	3,092	–	482
B.II.	Tangible fixed assets	187,375	154,915	32,460	30,744
B.II.1.	Land and structures	48,373	41,828	6,545	9,744
B.II.1.2.	Structures	48,373	41,828	6,545	9,744
B.II.2.	Tangible movable assets and sets of tangible movable assets	131,946	113,087	18,859	21,000
B.II.5.	Prepayments for tangible fixed assets and tangible fixed assets under construction	7,056	–	7,056	–
B.II.5.2.	Tangible fixed assets under construction	7,056		7,056	–
C.	Current assets	521,240	252	520,988	590,816
C.II.	Receivables	309,446	252	309,194	357,536
C.II.1.	Long-term receivables	33,921	–	33,921	24,696
C.II.1.4.	Deferred tax asset	23,142	–	23,142	13,520
C.II.1.5.	Receivables - other	10,779	–	10,779	11,176
C.II.1.5.2.	Long-term prepayments made	10,779	–	10,779	11,176
C.II.2.	Short-term receivables	275,525	252	275,273	332,840
C.II.2.1.	Trade receivables	207,678	252	207,426	206,012
C.II.2.4.	Receivables - other	67,847	–	67,847	126,828
C.II.2.4.3.	State - tax receivables	19,824	–	19,824	13,074
C.II.2.4.4.	Short-term prepayments made	202	–	202	–
C.II.2.4.5.	Estimated receivables	47,612	–	47,612	99,206
C.II.2.4.6.	Sundry receivables	209	–	209	14,548
C.IV.	Cash	211,794	–	211,794	233,280
C.IV.1.	Cash on hand	–	–	–	4,976
C.IV.2.	Cash at bank	211,794	–	211,794	228,304
D.	Other assets	17,690	–	17,690	13,472
D.1.	Deferred expenses	17,690	–	17,690	13,369
D.3.	Accrued income	–	–	–	103

(In CZK thousand)

Sl. No.	Particulars	As at March 31,	
		2024	2023
	Total equity and liabilities	571,138	635,514
A.	Equity	307,453	271,846
A.I.	Share capital	18,750	18,750
A.I.1.	Share capital	18,750	18,750
A.III.	Funds from profit	1,875	1,875
A.III.1.	Other reserve funds	1,875	1,875
A.IV.	Retained earnings (+/-)	251,221	263,645
A.IV.1.	Accumulated profits or losses brought forward (+/-)	251,221	263,645
A.V.	Profit or loss for the current period (+/-)	35,607	(12,424)
B.+C.	Liabilities	248,449	349,797
B.	Reserves	22,295	42,564
B.IV.	Other reserves	22,295	42,564
C.	Payables	226,154	307,233
C.II.	Short-term payables	226,154	307,233
C.II.3.	Short-term prepayments received	115	115
C.II.4.	Trade payables	64,447	101,824
C.II.8.	Other payables	161,592	205,294
C.II.8.3.	Payables to employees	409	183
C.II.8.4.	Social security and health insurance payables	(24)	22
C.II.8.5.	State - tax payables and subsidies	3	2
C.II.8.6.	Estimated payables	156,299	203,886
C.II.8.7.	Sundry payables	4,905	1,201
D.	Other liabilities	15,236	13,871
D.1.	Accrued expenses	15,238	13,871
D.2.	Deferred income	–	

Profit and Loss Account

(In CZK thousand)

Sl. No.	Particulars	Year ended March 31, 2024	2023
I.	Sales of products and services	1,335,975	1,205,873
A.	Purchased consumables and services	183,124	389,418
A.2.	Consumed material and energy	8,068	12,999
A.3.	Services	175,056	376,419
D.	Staff costs	1,110,988	785,827
D.1.	Payroll costs	790,828	575,524
D.2.	Social security and health insurance costs and other charges	320,160	210,303
D.2.1.	Social security and health insurance costs	269,829	194,935
D.2.2.	Other charges	50,331	15,368
E.	Adjustments to values in operating activities	20,053	18,822
E.1.	Adjustments to values of intangible and tangible fixed assets	20,078	18,714
E.1.1.	Adjustments to values of intangible and tangible fixed assets - permanent	20,078	18,714
E.3.	Adjustments to values of receivables	25	108
III.	Other operating income	211	27,663
III.3.	Sundry operating income	211	27,663
F.	Other operating expenses	5,674	38,993
F.3.	Taxes and charges	186	64
F.4.	Reserves relating to operating activities and complex deferred expenses	(20,268)	33,985
F.5.	Sundry operating expenses	25,756	4,944
*	Operating profit or loss (+/-)	16,347	476
VI.	Interest income and similar income	1,145	4,274
VI.2.	Other interest income and similar income	1,145	4,274
VII.	Other financial income	45,936	21,423
K.	Other financial expenses	21,753	38,660
*	Financial profit or loss (+/-)	25,328	(12,963)
**	Profit or loss before tax (+/-)	41,675	(12,487)
L.	Income tax	6,068	(63)
L.1.	Due income tax	15,689	7,357
L.2.	Deferred income tax (+/-)	(9,621)	(7,420)
**	Profit or loss net of tax (+/-)	35,607	(12,424)
***	Profit or loss for the current period (+/-)	35,607	(12,424)
*	Net turnover for the current period	1,383,267	1,259,233

Statement of Changes in Equity

(In CZK thousand)

Particulars	Share capital	Funds from profit, reserve fund	Accumulated profits or losses brought forward	Profit or loss for the current period	TOTAL EQUITY
Balance at March 31, 2022	18,750	1,875	234,193	29,452	284,270
Distribution of profit or loss			29,452	(29,452)	
Profit or loss for the current period				(12,424)	(12,424)
Balance at March 31, 2023	18,750	1,875	263,645	(12,424)	271,846
Distribution of profit or loss			(12,424)	12,424	
Profit or loss for the current period				35,607	35,607
Balance at March 31, 2024	18,750	1,875	251,221	35,607	307,453

Cash Flow Statement

(In CZK thousand)

Sl. No.	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
P.	Opening balance of cash and cash equivalents	233,280	200,020
	Cash flows from ordinary activities (operating activities)		
Z.	Profit or loss before tax	41,675	(12,487)
A.1.	Adjustments for non-cash transactions	(1,361)	48,532
A.1.1.	Depreciation of fixed assets	20,078	18,714
A.1.2.	Change in provisions and reserves	(20,294)	34,092
A.1.3.	Profit/(loss) on the sale of fixed assets		
A.1.5.	Interest expense and interest income	(1,145)	(4,274)
A.*	Net operating cash flow before changes in working capital	40,314	36,045
A.2.	Change in working capital	(16,641)	13,544
A.2.1.	Change in operating receivables and other assets	63,073	(188,294)
A.2.2.	Change in operating payables and other liabilities	(79,714)	201,838
A.**	Net cash flow from operations before tax	23,673	49,589
A.4.	Interest received	1,145	4,274
A.5.	Income tax paid from ordinary operations	(24,992)	(17,499)
A.***	Net operating cash flows	(174)	36,364
	Cash flows from investing activities		
B.1.	Fixed assets expenditures	(21,312)	(7,163)
B.2.	Proceeds from fixed assets sold		4,059
B.***	Net investment cash flows	(21,312)	(3,104)
	Cash flow from financial activities		
C.***	Net financial cash flows		
F.	Net increase or decrease in cash and cash equivalents	(21,486)	33,260
R.	Closing balance of cash and cash equivalents	211,794	233,280

Notes to the Financial Statements (unconsolidated)

1. General Information and Description of the Business

Incorporation and Description of the Company

Infosys (Czech Republic) Limited s.r.o. (hereinafter "the Company") was incorporated on February 4, 2004 following its registration in the Register of Companies held by the Regional Court in Brno, Insert No. 45386, File C. The principal business activities of the Company include the production, trade and services not listed in Appendices 1 to 3 of the Trade Licensing Act, and accounting advisory, book-keeping and tax records keeping.

Reporting period

April 1, 2023 – March 31, 2024

Company Owners

The Company's shareholder as of March 31, 2024:

INFOSYS BPM LIMITED100 %

561 229 Bengaluru, Electronics City, Hosur Road, Plot Nos. 26/3, 26/4, 26/6 India

Registered Office of the Company

Infosys (Czech Republic) Limited s.r.o.

Vlněna 526/1, Trnitá Postcode 602 00, Brno

Corporate ID

269 18 757

Statutory Body

The sole Statutory Executive of the Company as of March 31, 2024 is: RITESH GANDHI

Acting on behalf of the Company

The Statutory Executive acts on behalf of the Company independently.

Members of the Supervisory Board as of March 31, 2024:

Chairman of the Supervisory Board:

Vijay Arvind Narsapur

Member of the Supervisory Board

Jan Skoták

The consolidated financial statements of the broadest group of reporting entities, including the Company as a consolidated entity, are prepared by Infosys Limited, based in Electronics City, Hosur Road, Bengaluru, 560 100 India. The consolidated financial statements can be obtained in the consolidating entity's registered office.

The consolidated financial statements of the narrowest group of reporting entities, including the Company as a consolidated entity, are prepared by Infosys BPM Limited based at Plot Nos. 26/3, 26/4, 26/6, Electronics City, Hosur Road, Bengaluru, 561 229 India. The consolidated financial statements can be obtained at the consolidating entity's registered office.

Changes in the Corporate Records made in the Register of Companies:

In the year ended March 31, 2024, the following changes were recorded:

Statutory Executive:

Ritesh Gandhi, born on April 23, 1975

GU151HD Camberley, 216 Upper Chobham Road, United Kingdom of Great Britain and Northern Ireland

Date of appointment: April 15, 2023

Kapil Jain, born on March 3, 1967

SW193LA London, 8 Tybenham Road, United Kingdom of Great Britain and Northern Ireland

Date of termination of office: April 14, 2023

Chairman of the Supervisory Board

Ritesh Gandhi, born on April 23, 1975

GU151HD Camberley, 216 Upper Chobham Road, United Kingdom of Great Britain and Northern Ireland

Date of termination of office: April 14, 2023

Date of termination of membership: April 14, 2023

Chairman of the Supervisory Board

Vijay Arvind Narsapur, born on January 1, 1972

560066 Whitefield Main Road, Varthur Kodi, Bangalore, B-174 Prestige Ozone, India Date of appointment: 25 July 2023

Date of membership: June 26, 2023

Organizational structure

The Company is managed by the Statutory Executive.

2. Significant accounting policies applied by the Company

The financial statements were prepared in accordance with Act No. 563/1991 Coll., on Accounting, as amended (hereinafter "the Accounting Act") and Regulation No. 500/2002 Coll. of the Ministry of Finance of the Czech Republic, which provides implementation guidance on certain provisions of the Accounting Act for reporting entities that are businesses maintaining double-entry accounting records, as amended (hereinafter "the Regulation").

The financial statements were prepared under the assumption of the Company's ability to operate as a going concern.

Estimation of uncertainties concerning the war in Ukraine: The Company assessed possible impacts on the carrying amounts of receivables and uninvoiced revenues that may arise from the ongoing war in Ukraine. In developing assumptions concerning potential future uncertainties in the global economic conditions due to this situation, the Company used both internal and external information sources and related information and economic forecasts as of the date of approval of these financial statements. The Company expects to recover the carrying amount of these assets and will continue to thoroughly monitor all significant changes in future economic conditions.

Based on the information currently available, the Company's management does not expect the ongoing military conflict to have an impact on the going concern assumption. Potential financial consequences (e.g. in relation to the rising energy prices, fuel prices, wage costs and services, etc.) cannot be reliably estimated at the Balance Sheet date.

(a) Tangible and intangible fixed assets

Tangible and intangible fixed assets are stated at cost. Tangible and intangible fixed assets with an acquisition cost of less than CZK 2.5 thousand are not presented on the face of the Balance Sheet and are expensed in the year of acquisition. The following table shows the depreciation methods and periods by asset type:

Asset	Depreciation method	Time of depreciation
Office equipment	Straight-line	60 months
PC equipment	Straight-line	30-60 months

Technical improvements on tangible assets held under a lease (buildings) are depreciated on a straight-line basis over the shorter of the lease term or the estimated useful life.

(b) Non-current financial assets

Non-current financial assets are valued in line with Sections 25 and 27 of the Accounting Act and Sections 48 and 51 of the Regulation.

In line with the Act and the Regulation, securities, and equity investments are measured at acquisition cost. In the event of impairment of the financial assets, the Company recognizes a provision.

(c) Provisions and reserves receivables

The Company establishes provisions against doubtful receivables based on an analysis of individual debtor's solvency.

Reserves

Reserve for outstanding vacation days

The reserve for outstanding vacation days at the Balance Sheet date is established based on an analysis of the outstanding vacation days and the average payroll costs, including the costs of social security and health insurance payments per employee.

Income tax reserve

The income tax reserve is established due to the fact that the date of preparing the financial statements precedes the date at which the tax liability is determined. In the subsequent reporting period, the reserve is released, and the identified tax liability is recognized. The Company recognizes the income tax reserve in an amount corresponding to the created reserve net of income tax prepayments made if these are lower than the anticipated tax. If such prepayments are higher than or equal to the anticipated tax liability, no income tax reserve is recognized by the Company.

Reserve for warranty claims

The Company establishes a reserve for the risk of warranty claims arising from projects and engagements implemented in the prior reporting period.

Reserve for other risks

The reserve for other risks is established for sundry risks arising from other matters identified by the Company as of the Balance Sheet date.

(d) Foreign currency translation

Transactions denominated in foreign currencies are translated using a fixed monthly exchange rate determined based on the daily exchange rate promulgated by the Czech National Bank as of the first business day of each calendar month. The exchange rate is applicable for all transactions occurring in the relevant month. Customer invoices are translated using the exchange rate promulgated by the Czech National Bank as of the date of the invoice issuance. Payments in CZK from a bank account maintained in a foreign currency (EUR, USD) are translated using an internal exchange rate of Citi Bank a.s., Deutsche Bank. During the reporting period, solely realized foreign exchange rate gains and losses are reported.

At the Balance Sheet date, the relevant assets and liabilities denominated in foreign currencies are translated at the Czech National Bank's exchange rate prevailing as of that date. Unrealized foreign exchange rate gains and losses are recognized in the profit or loss for the reporting period.

(e) Assets Held under Leases

The Company reports leasehold assets by including the lease payments in expenses on a straight- line basis over the lease period. Upon the expiry of the lease and exercise of the option to purchase the leased asset, the subject of the lease is reported as part of the Company's assets at purchase (replacement) cost.

(f) Income Taxation

The tax payable for the given period includes the tax currently payable and the change in the deferred tax balance.

The tax currently payable includes the estimate of the tax calculated from the tax base using the tax rate applicable on the last day of the reporting period and all additional taxes and tax refunds for prior periods.

The deferred tax is based on all temporary differences between the accounting and tax values of assets and liabilities, using the anticipated tax rate valid for the period in which the tax asset will be realized or the liability settled.

A deferred tax asset is recognized only if it is likely that it will be realized in the following reporting periods.

(g) Classification of Payables

The Company classifies a portion of long-term payables, bank loans and financial borrowings maturing within less than one year from the Balance Sheet date as short-term payables.

Accrued expenses and deferred income are recognized in Balance Sheet item D 'Other liabilities' as long-term. The presentation treatment corresponds to that of deferred expenses and accrued income in both the current and previous periods.

(h) Other Operating Income

The Company reports income arising from received grants in the reporting period in which the relevant authorities rule to provide the funding under the grants.

(i) Accruals and Deferrals Accounts

Deferred expenses include expenses relating to the costs of future reporting periods.

Accrued expenses include expenses relating the current reporting period, but the respective cost has not yet been incurred. This principally relates to the impacts of rental/ operating lease payments distributed evenly over the contract term on an accrual basis.

Deferred income consists of income relating to future reporting periods. Income from accrual contracts is recognized when the relating services are carried out, and the unbilled income of the current reporting period is recognized as estimated items.

(j) Revenue recognition

Revenues are recognized as of the date of realizing sales net of discounts and income taxes. With regard to long-term contracts for which the course of billing precedes the course of delivering services defined based on the proportion of the time spent to the total contract term, the Company recognizes a proportionate part of such billing on an accrual basis in the form of deferred income. Otherwise, when services are delivered prior to billing, the Company recognizes a proportionate part of such billing on an accrual basis in the form of estimated receivables.

Reserves for potential losses arising from contracts in progress are recognized in the period in which they are likely to be incurred based on estimated contracts as of the Balance Sheet date.

(k) Cash and cash equivalents

Cash on hand includes cash on hand and stamps and vouchers, or cash in transit relating to this item.

Cash on bank accounts relates to balances on accounts, especially bank accounts, or cash relating to this item.

Cash flows are recognized using the indirect method, with the profit for the period being adjusted by the impacts of non-cash transactions, deferrals, accruals or deferrals of past or future operating income or payments, and income and expense items relating to the investments of cash flows. Cash flows from the Company's operating, investment, and financial activities are separated. All highly- liquid investments that are easily convertible into cash are considered known cash equivalents.

(l) Employee benefits

The Company has prepared a policy on compensated cumulated absence. The estimated costs of cumulated absence are determined based on an actuarial valuation conducted by an independent actuary as of each Balance Sheet date using the method of estimated unit time period.

(m) Related party transactions

The Company's related parties refer to:

- Parties that may exercise, directly or indirectly, a material or controlling influence over the Company and their subsidiaries; and
- Members of the statutory, supervisory, and management bodies of the Company or its parent company and close persons of the aforementioned parties, including associates and subsidiaries of those members or persons.

The Company has entered into a transfer pricing agreement with the parent company and fellow subsidiaries. All related party transactions are recorded in line with this transfer pricing agreement.

(n) Subsequent events

The impact of events that occurred between the Balance Sheet date and the date of preparing the financial statements is presented in the financial statements when these events provided additional information on facts that existed as of the Balance Sheet date.

When significant post-Balance Sheet events occurred between the Balance Sheet date and the date of preparing the financial statements, the impacts of those events are disclosed in the notes to the financial statements but are not presented in the financial statements.

3. Changes in accounting principles and policies

In the year ended March 31, 2024, no changes were made in the accounting principles and policies.

4. Tangible fixed assets

(In CZK thousand)

	Buildings	Machinery and equipment, Account No. 042	Total
Cost			
Balance at April 1, 2023	46,823	119,240	166,063
Additions	1,550	19,762	21,312
Disposals			
Exchange rate differences			
Reclassification			
Balance at March 31, 2024	48,373	139,002	187,375

	Buildings	Machinery and equipment, Account No. 042	Total
Accumulated depreciation			
Balance at April 1, 2023	37,079	98,240	135,319
Depreciation	4,749	14,847	19,596
Accumulated depreciation on disposals			
Reclassification			
Balance at March 31, 2024	41,828	113,087	154,915
Net book value at April 1, 2023	9,744	21,000	30,744
Net book value at March 31, 2024	6,545	25,915	32,460

Major additions to fixed assets in the reporting period primarily included new office premises equipment and also the purchase of IT equipment and computers.

None of the Company's assets have been pledged as security.

(In CZK thousand)

Particulars	Buildings	Machinery and equipment, Account No. 042	Total
Cost			
Balance at April 1, 2022	46,823	112,077	158,900
Additions		7,163	7,163
Disposals			
Exchange rate differences			
Reclassification			
Balance at March 31, 2023	46,823	119,240	166,063
Accumulated depreciation			
Balance at April 1, 2022	32,612	84,611	117,223
Depreciation	4,467	13,629	18,096
Accumulated depreciation on disposals			
Reclassification			
Balance at March 31, 2023	37,079	98,240	135,319
Net book value at April 1, 2022	14,211	27,466	41,677
Net book value at March 31, 2023	9,744	21,000	30,744

5. Assets held under leases

Operating leases

In the reporting period, the Company held non-residential premises under leases; the premises were located at the following address: Vlněna 526/1, Trnitá, Brno (new lease agreements were entered into with the validity from March 15, 2020 with the option of further extension). The validity of the lease agreement at Holandská 9, Brno, 639 00 was terminated as of March 15, 2020. The total lease expenses amounted to CZK 56,497 thousand and CZK 42,199 thousand in the years ended March 31, 2024 and 2023, respectively.

6. Trade receivables and payables

(a) Short-term trade receivables amounted to CZK 207,678 thousand (March 31, 2023: CZK 206,289 thousand), of which CZK 46,099 thousand (March 31, 2023: CZK 83,962 thousand) included past-due receivables. The provision against doubtful receivables amounted to CZK 252 thousand and CZK 277 thousand as of March 31, 2024 and 2023, respectively.

(b) Short-term trade payables amounted to CZK 64,447 thousand (March 31, 2023: CZK 101,824 thousand), of which CZK 49,838 thousand (March 31, 2023: CZK 5,747) included past-due payables. The Company records no payables with maturity exceeding five years.

7. Advance payments made

Short-term advance payments made include prepayments for the lease of residential and non-residential premises in the amount of CZK 202 thousand (March 31, 2023: CZK 0 thousand).

Long-term advance payments made include prepayments (deposit) for the lease of office premises in the amount of CZK 10,779 thousand (March 31, 2023: CZK 11,176 thousand).

8. Statement of Changes in Equity

As of the date of signing the financial statements, no decision was made about the transfer of profit for 2023-24. The Company's management anticipates transferring the profit generated in the reporting period to retained earnings.

9. Reserves

(In CZK thousand)

	Reserve for outstanding vacation days	Reserve for risks	Reserve for income	Reserve for other risks	Total
Balance at April 1, 2023	21,175	407	–	20,982	42,564
Change in reserves	6,955	(349)	–	13,663	20,269
Other adjustments			–*		–
Balance at March 31, 2024	14,220	756	–	7,319	22,295

* The income tax reserve in the amount of CZK 0 thousand (March 31, 2023: CZK 1,875 thousand), the advance payments made in the amount of CZK 16,505 thousand (March 31, 2023: CZK 9,077 thousand), and the resulting receivable is reported in the line 'State – tax receivables' in the amount of CZK 16,505 thousand (March 31, 2023: 'Income tax reserve' in the amount of CZK 7,202 thousand). The value added tax receivable in the amount of CZK 3,321 thousand as at March 31, 2024 (March 31, 2023: CZK 5,872 thousand) is also reported in the line 'State – tax receivables'.

The reserve for risks includes the costs of estimated losses and support subsequent to the sale/generation of income from the sale of services in the amount of CZK 756 thousand (March 31, 2023: CZK 407 thousand) and the reserve for other risks amounts to CZK 7,319 thousand (March 31, 2023: CZK 20,982 thousand). The reserve for outstanding vacation days amounts to CZK 14,220 thousand (March 31, 2023: CZK 21,175 thousand).

10. Sales

In the reporting period, the sales of services were as follows:

(In CZK thousand)

Particulars	Year ended March 31, 2024				Year ended March 31, 2023			
	In- country	Europe + US	India	Total	In- country	Europe + US	India	Total
Advisory, HW and SW consulting	116,527	240,882	978,566	1,335,975	92,268	267,983	845,622	1,205,873
Total	116,527	240,882	978,566	1,335,975	92,268	267,983	845,622	1,205,873

11. Related party transactions

(a) Trade receivables and payables

(In CZK thousand)

Particulars	Receivables at March 31, 2024	Receivables at March 31, 2023	Payables at March 31, 2024	Payables at March 31, 2023
Infosys Poland Sp.z.o.o	332	57	–	–
Infosys BPM Ltd	2,323	283	15	394
Infosys Limited	93,492	68,513	567	1,371
Infosys Austria GmbH	229	2,768	–	–
Infosys Automotive and Mobility GmbH & Co.KG	34,146	54,470	41,676	91,785
Infosys Consulting (Belgium)	157	212	–	–
Infosys Consulting AG (Switzerland)	191	705	–	–

Particulars	Receivables at March 31, 2024	Receivables at March 31, 2023	Payables at March 31, 2024	Payables at March 31, 2023
Infosys Consulting Co. Ltd.	499	552	–	–
Portland Group Pty. Limited	31	883	–	–
Infosys Luxembourg S.a.r.l	0	3	–	–
Infosys McCamish System LLC	1,238	2,193	–	–
Infosys Technologies (China) Co. Limited (Infosys China)	475	1,587	1	42
Infosys Technologies (Sweden) AB (Infosys Sweden)(	224	35	–	–
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)	35	238	–	–
Infosys Turkey Bilgi Teknolojileri Limited Sirketi	11,172	7,549	–	–
Infosys Consulting S.R.L. (Romania)	239	579	–	–
Infosys Consulting S.R.L (Lodestone Argentina)	668	419		–
Infosys Consulting Ltda.	327	962	–	–
Infosys Singapore Pte. Ltd.	44	1,070	–	–
Infosys Middle East FZ LLC	29	12	–	–
Total	145,851	143,090	42,275	93,592

(b) Sales of goods and services and purchases thereof

(In CZK thousand)

Year ended March 31, 2024	Sales for the year	Purchases for the year
Infosys Automotive and Mobility GmbH	77,619	–
Infosys Turkey Bilgi Teknolojileri Limited Sirketi	2,867	–
Infosys Austria GmbH	462	–
Infosys Technologies (China) Co. Limited (Infosys China)	2,292	119
Infosys Consulting S.R.L.(Lodestone Argentina)	206	–
Infosys Consulting (Belgium) NV	941	–
Infosys Consulting AG (Switzerland)	364	–
Infy Consulting Company Ltd	3,768	–
Infosys Consulting S.R.L.(Romania)	528	–
Infosys Luxembourg S.a.r.l	3	–
Infosys Poland Sp z.o.o	2,499	–
Infosys Technologies (Sweden) AB (Infosys Sweden)	1,286	–
Infosys Limited	971,481	(66)
Infosys BPM Ltd	5,185	2,391
Infosys McCamish Systems LLC	5,402	–
Portland Group Pty Ltd	383	–
Infosys Corp. LTDA (BR)	284	–
Lodestone Singapore	50	–
Lodestone Brazil	1,826	–
Lodestone Mexico	165	–
Total	1,077,611	2,444

(In CZK thousand)

Year ended March 31, 2023	Sales for the year	Purchases for the year
Infosys Automotive and Mobility GmbH & Co. KG	86,237	–
Infosys Turkey Bilgi Teknolojikeri Limited Sirketi	7,776	–
Infosys Austria GmbH	3,994	–
Infosys Technologies (China) Co. Limited (Infosys China)	3,723	410
Infosys Consulting S.R.L. (Lodestone Argentina)	372	–
Infosys Consulting (Belgium) NV	2,547	–
Infosys Consulting AG (Switzerland)	2,249	–
Infy Consulting Company Ltd	3,783	–
Infosys Consulting S.R.L. (Romania)	1,374	–
Infosys Luxembourg S.a.r.l	12	–
Infosys Technologies S. de R. L. de C. V(Mexico). (Infosys Mexico)	403	–
Infosys Poland Sp z.o.o	2,386	–
Infosys Technologies (Sweden) AB (Infosys Sweden)	2,767	–
Infosys Limited	845,225	(4 293)
Infosys BPM Limited	3,806	2 116
Infosys McCamish Systems LLC	8,146	–
Portland Group Pty Ltd	1,410	–
Infosys Corp. LTDA (BR)	2,064	–
Infosys Singapore Pte. Ltd	1,405	–
Infosys Middle East FZ LLC	1,792	–
Total	981,471	(1 767)

(c) Benefits and loans provided to the members of statutory and supervisory bodies

In the years ended March 31, 2024 and 2023, the Company did not provide any benefits and loans to the members of its statutory bodies.

12. Services

The total costs of services amounted to CZK 175,056 thousand (March 31, 2023: CZK 376,419 thousand), which principally included the lease expenses in the amount of CZK 56,497 thousand (March 31, 2023: CZK 42,199 thousand).

13. Other operating expenses

Other operating expenses primarily include insurance costs and the costs of a failed investment in fixed assets.

14. Employees and managers

The average re-calculated number of employees and managers, and the staff costs for the years ended March 31, 2024 and 2023 were as follows:

(In CZK thousand)

Year ended March 31, 2024	Headcount	Payroll costs	Social security and health insurance costs	Social costs
Employees	1,275	786,805	268,907	50,316
Managers	1	4,023	922	15
Total	1,276	790,828	269,829	50,331

(In CZK thousand)

Year ended March 31, 2023	Headcount	Payroll costs	Social security and health insurance costs	Social costs
Employees	1,651	572,454	194,163	15,355
Managers	1	3,070	772	13
Total	1,652	575,524	194,935	15,368

15. Estimated receivables

Total estimated receivables amounted to CZK 47,612 thousand (March 31, 2023: CZK 99,206 thousand) and included estimated unbilled services of CZK 47,612 thousand (March 31, 2023: CZK 99,206 thousand) and accrual contracts income.

16. Estimated payables

Total estimated payables amounted to CZK 156,299 thousand (March 31, 2023: CZK 203,886 thousand) and included estimated unbilled services as well as items included in remuneration of employees.

17. Accrued expenses

Total accrued expenses amount to CZK 15,238 thousand (March 31, 2023: CZK 13,871 thousand). Lease payments under operating leases are charged to expenses on a straight-line basis in the profit and loss account over the lease term. An outstanding part of the lease arising from straight-line recognition (lease incentives) is recorded as accrued expenses.

18. Deferred income

Total deferred income amounts to CZK (2) thousand (March 31, 2023: CZK 103 thousand) and represents deferred income from long-term projects with customers.

19. Other financial expenses and income

Other financial expenses in the amount of CZK 21,753 thousand (March 31, 2023: CZK 38,660 thousand) and other financial income in the amount of CZK 45,936 thousand (March 31, 2023: CZK 21,423 thousand) principally included realized and unrealized foreign exchange rate gains and losses.

20. Due amounts arising from Social Security and health insurance

The amounts due arising from social security and health insurance amounted to CZK 21,428 thousand (March 31, 2023: CZK 21,428 thousand), of which the amount of CZK 12,021 thousand (March 31, 2023: CZK 15,756 thousand) included estimated social security payments by the employer and the amount of CZK 4,328 thousand (March 31, 2023: CZK 5,672 thousand) included estimated health insurance payments by the employer. As of March 31, 2024, and 2023, these estimated due amounts are reported in the line 'Estimated payables'. None of these amounts were past their due dates.

21. Fees paid to the Statutory Auditor

This information is presented in the notes to the consolidated financial statements prepared for the consolidation group in which the Company is included.

22. Income taxation

(a) Tax currently payable

The income tax payable comprises the estimated tax amount for the taxation period ended March 31, 2024 in the amount of CZK 0 thousand (taxation period ended March 31, 2023: CZK 1,875 thousand), and an adjustment of the estimated income tax for the taxation period ended March 31, 2023 of CZK 15,689 thousand (taxation period ended March 31, 2022: CZK 5,482 thousand).

(b) Deferred tax

(In CZK thousand)

Asset	Asset		Liabilities	
	Balance at March 31, 2024	Balance at March 31, 2023	Balance at March 31, 2024	Balance at March 31, 2023
Fixed assets	7,496	5,380	–	–
Receivables	53	53	–	–
Reserves	4,682	8,087	–	–
Other temporary differences	10,911	–	–	–
Deferred tax asset/(liability)	23,142	13,520	–	–

In line with the accounting policies presented in Note 2 (f) above, the Company recognized a deferred tax asset, as it assumes that the deferred asset will be recovered, with regard to the result for the year ended March 31, 2024.

In line with the accounting policies presented in Note 2 (f) above, in calculating deferred tax as of March 31, 2024, the applied tax rate amounted to 21% (2023 – 19%).

23. Off-Balance Sheet Commitments

The Company has no contractual liabilities reported off the Balance Sheet. The Company is not aware of any contingent liabilities.

The Company is not aware of any off-Balance Sheet payables or payables arising from guarantees not reported on the Balance Sheet.

24. Cash Flow Statement

For the purposes of the cash flow statement, cash and cash equivalents are defined as cash on hand, cash in transit, cash at bank, and other financial assets, the value of which can be reliably determined, and which are easily convertible into cash. The balance of cash and cash equivalents as of the Balance Sheet date was as follows:

(In CZK thousand)

Particulars	Balance at March 31,	
	2024	2023
Total current financial assets	**211,794**	233,280
Cash and cash equivalents	**211,794**	233,280

Cash flows from operating, investment and financial activities presented in the cash flow statement are not offset.

25. Significant Post Balance Sheet Events

Between April 1, 2024, and the date of these financial statements, the following changes were made to the Register of Companies: none.

As of the Balance Sheet date, the Company's management is not aware of any other significant post Balance Sheet events that would have a material impact on the financial statements as of March 31, 2024.

Prepared on:	Signature of the statutory body or natural person who acts as the entity
29-May-24	RITESH GANDHI
	Statutory Executive

Report on related party transactions

Report on relations

The Statutory Executive of the Company has drawn up the following Report on the Relations between the controlling person and the controlled person and between the controlled person and other persons controlled by the same controlling person in the sense of Section 82 of Act No. 90/2012 Coll., the Act on Business Corporations, as amended, for the period April 1, 2023 – March 31, 2024 (hereinafter referred to as the "Decisive Period"). Upon description of the relations, the obligation to keep the trade secrets of the Company has been complied with.

1) Structure of the relations

According to the information available to the Statutory Executive of the Company acting with due managerial care, during the Decisive Period, the Company was a member of the Infosys BPM group, in which the controlling person was Infosys BPM Limited (hereinafter referred to as "the Infosys BPM Group"). Infosys BPM Limited is a majority-owned and controlled subsidiary of Infosys Limited. The information about the persons belonging to the Infosys BPM Group is stated as at March 31, 2024 and is based on the information available to the Statutory Executive of the Company acting with due managerial care. The structure of the relationships in the Infosys BPM Group is shown in the overview, which forms Annexure 1.

Controlling person:	Infosys BPM Limited, Plot Nos. 26/3, 26/4 and 26/6, Electronics City, Hosur Road, Bengaluru, 561229 India
Controlled person:	Infosys (Czech Republic) Limited s.r.o, Brno, Vlněna 526/1, Trnitá, 602 00 Brno, Czech Republic ID No. 269 18 757,

Infosys BPM Limited is the founder and sole shareholder of the Company.

2) Role of the Company in the Infosys BPM Group

The Company is a majority-owned and controlled subsidiary of Infosys BPM Limited. Like other companies within the Infosys BPM Group, it leverages the benefits of service delivery globalization, process redesign, and technology to drive efficiency and cost-effectiveness into clients' business processes. By managing their business processes, the Company improves their competitive position and provides increased value. The Company is a leading provider of business process management services to organizations that outsource their business processes.

The Company provides services to these organizations (customers) mostly directly, partially also as a subcontractor of Infosys Poland Sp.z.o.o., Infosys Limited, or Infosys BPM Limited. In the latter cases, Infosys Poland Sp.z.o.o., Infosys Limited, or Infosys BPM Limited acts as the prime contractor to the customer and assumes all major risks in relation to the contract with the customer.

3) Manner and means of control of the Company

The Company is controlled in particular via decisions of its sole shareholder (i.e. Infosys BPM Limited) in the capacity of the general meeting of the Company. Infosys BPM Limited is a 100% shareholder of the Company.

4) Overview of actions made by the controlled person in the interest or at the initiative of the controlling person or persons controlled by the controlling person

In the Decisive Period, the Company made no actions in the interest or at the initiative of the controlling person or persons controlled by the controlling person which related to property exceeding 10 percent of the equity of the Company asserted in accordance with the last financial statements.

5) Overview of mutual contracts between controlled and controlling persons and between the controlled person and the persons controlled by the same controlling person

a) Contracts between the controlled and the controlling person:

During the entire Decisive Period, the subcontracting agreements between the Company (as vendor, respectively supplier) and Infosys BPM Limited (as customer) and Infosys Limited (as customer) were in effect.

(In CZK thousand)

Particulars	Sales for the Decisive Period	Purchases for the Decisive Period in
Infosys BPM Limited	5,185	2,391
Infosys Limited	971,481	-66

b) Contracts between the controlled person and the persons controlled by the same controlling person:

During the entire decisive period, the subcontracting agreement between the Company (as vendor, respectively supplier) and any of the direct or indirect subsidiaries of Infosys Limited and/or Infosys BPM Limited was in effect.

(In CZK thousand)

Particulars	Sales for the Decisive Period
Portland Group Pty Ltd	383
Infosys Automotive and Mobility GmbH & Co. KG	77,619
Infosys Turkey Bilgi Teknolojileri Limited Sirketi	2,867
Infosys Austria GmbH	462
Infosys Technologies (China) Co. Limited (Infosys China)	2,292
Infosys Consulting S.R.L.(Lodestone Argentina)	206
Infosys Consulting (Belgium) NV	941
Infosys Consulting (Lodestone Brazil)	1,826
Infosys Consulting (Lodestone Switzerland)	364
Infy Consulting Company Ltd	3,768

Particulars	Sales for the Decisive Period
Infosys Consulting S.R.L. (Romania)	528
Infosys Consulting (Lodestone Singapore)	284
Infosys Luxembourg S.a.r.l	3
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)	165
Infosys Poland Sp z.o.o	2,499
Infosys Technologies (Sweden) AB (Infosys Sweden)	1,286
Infosys Middle East FZ-LLC	50
Infosys McCamish Systems LLC	5,402

(In CZK thousand)

Particulars	Purchases for the Decisive Period
Infosys Technologies (China) Co. Limited (Infosys China)	119

6) Assessment of detriment and assessment of its settlement

On the ground of the contracts concluded between the Company and the controlling person, and between the Company and the persons controlled by the same controlling person and on the ground of actions made by the Company in the interest or at the initiative of the controlling person or persons controlled by the controlling person, no detriment arose to the Company.

7) Assessment of advantages, disadvantages, and risks ensuing from the relations between the controlled person and the controlling person and between the controlled person and other persons controlled by the same controlling person

Participation in the Infosys BPM Group is advantageous for the Company as Infosys and Infosys BPM are global groups with strong brands and reputation among potential customers and employees which the Company utilizes in negotiating with customers and potential customers and in attracting qualified and motivated employees.

There are no disadvantages related to the Company's membership in the Infosys BPM Group. No risks ensue from the Company's membership in the Infosys BPM Group.

On May 29, 2024

Ritesh Gandhi,
Statutory Executive

Infosys (Czech Republic) Limited s.r.o.

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Infosys Technologies (Shanghai) Co. Limited

Auditor's Report

De Shi Bao (Shen) Zi (24) No. P07432

The Board of Directors of Infosys Technologies (Shanghai) Co. Limited:

Opinion

We have audited the accompanying financial statements of Infosys Technologies (Shanghai) Co. Limited (the "Company"), which comprise the Balance Sheet as at December 31, 2023, 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, 2023, and the Company's results of operation and cash flow for the year ended in accordance with Accounting Standards for Business Enterprises.

Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the code of ethics for Chinese Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The management of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with Accounting Standards for Business Enterprises, and designing, implementing and maintaining internal control that is necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with China Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with China Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

(1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

(4) Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(5) Evaluate the overall presentation, structure and content of the financial statements (including the disclosures), and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

Deloitte Touche Tohmatsu CPA LLP
Chinese Certified Public Accountant

Chinese Certified Public Accountant
Gao, Sunchao

Chinese Certified Public Accountant
Shen, Ashley Yuanyuan

Place: Shanghai, China

Date: May 29, 2024

The auditor's report and the accompanying financial statements are English translations of the Chinese auditors' report and statutory financial statements prepared under accounting principles and practices generally accepted in the People's Republic of China. These financial statements are not intended to present the financial position, 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, 2023	As at December 31, 2022
Assets			
Current assets			
Cash and bank balances	1	29,416,496.27	22,002,332.99
Accounts receivable	2	46,814,226.03	91,007,104.87
Prepayments		187,883.41	121,471.62
Other receivables	3	1,470,314.19	1,384,249.09
Other current assets		851,780.16	–
Total current assets		78,740,700.06	114,515,158.57
Non-current assets			
Property plant and equipment	4	583,511,944.47	630,295,021.12
Right-of-use assets	5	6,533,577.59	9,654,467.72
Intangible assets	6	53,239,885.12	54,647,820.76
Long-term deferred expenses	7	1,474,910.95	2,279,407.84
Total non-current assets		644,760,318.13	696,876,717.44
Total assets		723,501,018.19	811,391,876.01
Liabilities and owners' equity			
Current liabilities			
Short-term loans	8	95,413,500.00	84,823,000.00
Accounts payable		61,636,356.85	59,491,332.84
Employee benefits payable	9	22,600,649.74	21,362,610.83
Taxes payable	10	5,932,120.90	12,262,802.87
Other payables		27,839,524.27	36,921,483.16
Other current liabilities		3,596,245.07	6,321,133.42
Non-current liabilities due within one year	11	4,852,838.47	5,830,330.90
Total current liabilities		221,871,235.30	227,012,694.02
Non-current liabilities			
Long-term loans	12	41,200,000.00	41,200,000.00
Lease liabilities	13	3,670,151.60	5,652,807.98
Other non-current liabilities	14	35,286,416.00	36,570,536.00
Total Non-current liabilities		80,156,567.60	83,423,343.98
Total liabilities		302,027,802.90	310,436,038.00
Owners' equity			
Paid-in capital	15	1,052,400,443.23	1,052,400,443.23
Accumulated losses		(630,927,227.94)	(551,444,605.22)
Total owners' equity		421,473,215.29	500,955,838.01
Total liabilities and owners' equity		723,501,018.19	811,391,876.01

The accompanying notes form part of the financial statements.

The financial statements on pages 438 to 455 were signed by the following:

Stone Zhu
Legal Representative

Subrata Das
Head of Accounting Department

Statement of income

(In RMB)

	Particulars	Note VIII	Years ended December 31, 2023	2022
I.	Operating income	16	367,787,114.73	408,492,719.60
	Less: Operating costs		393,964,795.08	432,650,945.17
	Taxes and surcharges		10,963,203.91	8,188,965.27
	Administrative expenses		35,671,878.44	35,929,126.21
	Selling expenses		5,297,115.59	4,444,421.05
	Financial expenses	17	8,679,185.50	8,467,615.62
	Add: Other income	18	6,450,565.32	6,503,490.43
	Credit impairment (loss) profit	19	(982,352.44)	24,410.16
	Asset disposal income		39,997.18	-
II.	Operating loss		(81,280,853.73)	(74,660,453.13)
	Add: Non-operating income		1,798,231.01	-
	Less: Non-operating expenses	20	-	2,572,336.62
III.	Total loss		(79,482,622.72)	(77,232,789.75)
	Less: Income tax expenses	21	-	-
IV	Total loss and total comprehensive expense		(79,482,622.72)	(77,232,789.75)

The accompanying notes form part of the financial statements.

Statement of cash flows

(In RMB)

	Particulars	Note VIII	Years ended December 31, 2023	2022
I.	Cash flows from operating activities			
	Cash receipts from the sale of goods and the rendering of services		423,706,519.09	425,162,190.76
	Other cash receipts relating to operating activities		5,514,880.37	5,263,853.42
	Sub-total of cash inflows from operating activities		429,221,399.46	430,426,044.18
	Payments for goods purchased and services received		7,267,782.42	12,051,910.82
	Payments to and on behalf of employees		351,818,990.21	383,015,759.59
	Payments of various types of taxes		28,544,108.54	17,072,609.18
	Other cash payments relating to operating activities		26,591,680.68	24,342,715.26
	Sub-total of cash outflows from operating activities		414,222,561.85	436,482,994.85
	Net Cash Flow Generated from(Used In) Operating Activities	22	14,998,837.61	(6,056,950.67)
II.	Cash flows from investing activities			
	Payments for acquisition of property plant and equipment, intangible assets and other long-term deferred expenses		1,482,572.86	3,364,531.20
	Sub-total of cash outflows from investing activities		1,482,572.86	3,364,531.20
	Net cash flow used in investing activities		(1,482,572.86)	(3,364,531.20)
III.	Cash flow from financing activities			
	Cash received from borrowings		10,000,000.00	–
	Subtotal of cash inflows from financing activities		10,000,000.00	–
	Cash payments to other financing-related activities		4,171,223.14	4,510,557.56
	Cash payments for distribution of dividends or profit or interest expenses		11,974,726.29	–
	Subtotal of cash outflows from investment activities		16,145,949.43	4,510,557.56
	Net Cash Flow Used In Financing Activities		(6,145,949.43)	(4,510,557.56)
IV.	Effect of foreign exchange rate changes on cash and cash equivalents		43,847.96	43,605.28
V.	Net Increase (Decrease) in Cash and Cash Equivalents	22	7,414,163.28	(13,888,434.15)
	Add: Opening balance of cash and cash equivalents.		22,002,332.99	35,890,767.14
VI.	Closing balance of cash and cash equivalents	22	29,416,496.27	22,002,332.99

The accompanying notes form part of the financial statements.

Statement of Changes in Owners' Equity

(In RMB)

	Particulars	Paid-in capital	Accumulated losses	Total owners' equity
I.	Balance at 1 January 2023	1,052,400,443.23	(551,444,605.22)	500,955,838.01
II.	Changes in equity during the year			
	Total comprehensive expense	-	(79,482,622.72)	(79,482,622.72)
III.	Balance at 31 December 2023	1,052,400,443.23	(630,927,227.94)	421,473,215.29

	Particulars	Paid-in capital	Accumulated losses	Total owners' equity
I.	Balance at December 31, 2021	1,052,400,443.23	(474,210,820.49)	578,189,622.74
	Changes in accounting policies	–	(994.98)	(994.98)
II.	Balance at January 1, 2022	1,052,400,443.23	(474,211,815.47)	578,188,627.76
III.	Changes in equity during the year			
	Total comprehensive expense	–	(77,232,789.75)	(77,232,789.75)
IV.	Balance at December 31, 2022	1,052,400,443.23	(551,444,605.22)	500,955,838.01

The accompanying notes form part of the financial statements.

Notes to the financial statements

For the year ended December 31, 2023

I. Basic information

Infosys Technologies (Shanghai) Co., Limited. ("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 the 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 the 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 91310000569580636B on December 19, 2020. As at December 31, 2023, the details of capital contribution by the investing parties are set out in Note VIII, 15.

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 technology-related consulting services and after sale services; develop computer and network technology; provide testing and maintenance of software solutions; and provide business process management.

II. Basis for the preparation of financial statements

Going concern

As of December 31, 2023, the Company's accumulated losses is RMB 630,927,227.94. Total current liabilities exceed total current assets of RMB 143,130,535.24. The parent company agrees not to collect the amount owed by the Company in the foreseeable future and to provide all necessary financial assistance for the repayment of the amount owed by the Company in the foreseeable future to maintain the Company's ability to continue as a going concern. Therefore, the financial statements have been prepared on a 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, 2023, 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 that 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 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 the 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 Levels 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly;
- Level 3 inputs are unobservable inputs for the asset or liability.

4. Cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are the Company's short-term, highly liquid investments that are readily convertible to known amounts of cash and 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 do not contain a 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 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) 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 the amortization of the difference between the amount initially recognized and the amount at the maturity date using the effective interest method, and then net of the 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 includes 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 they are due after one year since the acquisition or presented under non-current assets due within one year if they are 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 the 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 the 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 an effective interest rate. The Company calculates and recognizes interest income by carrying the 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 the 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 an improvement of credit risk, and the improvement is linked with an event that occurred after the application of the above provisions, the Company will calculate the interest income by applying an effective interest rate to the carrying amount of the financial assets.

5.2 Impairment of financial instruments

For financial assets at amortized cost, the Company recognizes the provision for losses based on 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 in credit risk since the initial recognition of relevant financial instruments at each balance sheet date. If the credit risk has increased significantly since the 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 the 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 the 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 the 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 fulfill its contractual cash flows obligations.

5.2.2Credit-impaired financial assets

When an event or several events that are expected to have an 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 includes 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, has 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 receivables 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 the type of financial instrument, credit risk rating, overdue status, industry of the debtor, 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 the 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 can no longer reasonably expect that the contractual cash flows of financial assets can be collected in aggregate or in part, it 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 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 a distribution of profits, and dividends paid do not affect the 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. Property plant and equipment

Property plant and equipment 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 Property plant and equipment 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. Property plant and equipment are initially measured at cost.

Subsequent expenditures incurred for the Property plant and equipment are included in the cost of the Property plant and equipment and if it is probable that economic benefits associated with the asset will flow to the Company 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 Property plant and equipment 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 Property plant and equipment are as follows:

Categories	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 Property plant and equipment is the estimated amount that the Company would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the Property plant and equipment were already of the age and in the condition expected at the end of its useful life.

If a Property plant and equipment is upon disposal or no future economic benefits are expected to be generated from its use or disposal, the Property plant and equipment is derecognized. When a Property plant and equipment 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 Property plant and equipment 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 Property plant and equipment when it is ready for intended use.

8. Intangible assets

Intangible assets include land use rights. 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 Property plant and equipment, construction in progress, and other long-term assets on 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.

The recoverable amount is estimated on an 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 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 actually occurred. Non-monetary staff welfare expenses are measured at fair value.

Payment made by the Company of social security contributions for employees such as premiums or contributions on medical insurance, work injury insurance and maternity insurance, etc. and payments of housing funds, as well as trade union fund and employee education fund provided in accordance with relevant requirements, are calculated according to prescribed bases and percentages in determining the amount of employee benefits and recognized as relevant liabilities, with a corresponding charge to the profit or loss for the period or the costs of relevant assets in the accounting period in which employees provide services.

During the accounting period of rendering service to employees of the Company, amount which should be paid according to defined contribution plans is recognized as liabilities and recognized in profit or loss or related costs of assets.

A liability for a termination benefit is recognized in profit or loss for the period at the earlier of when the Company cannot unilaterally withdraw from the termination plan, or the redundancy offer and when the Company recognizes any related restructuring costs or expenses.

12. Revenue recognition

The Company's revenue is mainly from rendering of services.

The Company recognizes revenue based on the transaction price allocated to the performance obligation when the Company satisfies a performance obligation in the contract, namely, when the customer obtains control over relevant goods or services. A performance obligation is a commitment that the Company transfers a distinct good or service to a customer in the contract. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and amounts expected to be refunded to a customer.

It is a performance obligation satisfied during a period of time and the Company recognizes revenue during a period of time according to the progress of performance if one of the following conditions is met: (i) the customer obtains and consumes economic benefits at the same time of the Company's performance; (ii) the customer is able to control goods or services in progress during the Company's performance; (iii) goods or services generated during the Company's performance have irreplaceable utilization, and the Company is entitled to collect amounts of cumulative performance part which have been done up to now. Otherwise, revenue is recognized at a point in time when the customer obtains control over the relevant goods or services.

Contract assets refer to the Company's right to consideration in exchange for goods or services that the Company has transferred to a customer when that right is conditioned on something other than the passage of time. For the details of accounting policies on impairment of contract assets, please see Note IV. The Company's unconditional (i.e., depending on the passage of time only) right to receive consideration from the customer is separately presented as receivables.

Contract liabilities refer to the Company's obligation to transfer goods or services to a customer for consideration received or receivable from the customer. Contract assets and contract liabilities under the same contract will be presented on a net basis.

If there are two or more of performance obligations included in the contract, at the contract inception, the Company allocates the transaction price to each single performance obligation based on the proportion of stand-alone selling price of goods or services promised in each stand-alone performance obligation. However, if there is conclusive evidence indicating that the contract discount or variable consideration is only relative to one or more (not the whole) performance obligations in the contract, the Company will allocate the contract discount or variable consideration to relative to one or more performance obligations. Stand-alone selling price refers to the price of a single sale of goods or services. If the stand-alone selling price cannot be observed directly, the Company estimates the stand-alone selling price through comprehensive consideration of all relative information that can be reasonably acquired and maximum use of observable inputs.

In case of the existence of variable consideration in the contract, the Company shall determine the best estimate of variable consideration based on the expected value or the most probably occurred amount. The transaction price including variable consideration shall not exceed the amount of the cumulatively recognized revenue which is unlikely to be significantly reversed when relevant uncertainty is eliminated. At each balance sheet date, the Company re-estimates the amount of variable consideration which should be included in transaction price.

The Company assesses whether it controls each specified good or service before that good or service is transferred to the customer to determine whether the Company is a principal or an agent. The Company considers whether it has the primary obligation to fulfill the contract, pricing discretion, and other factors to determine whether it controls the goods or service and therefore is acting as a principal or an agent. If the Company controls the specified good or service before that good or service is transferred to a customer, the Company is a principal and recognizes revenue in the gross amount of consideration received or receivable. Otherwise, the Company is an agent and recognizes revenue in the amount of any fee or commission to which it expects to be entitled. The fee or commission is the net amount of consideration that the Company retains after paying the other party the consideration received in exchange for the goods or services to be provided by that party , or is determined in accordance with the established commission amount or percentage, etc.

Where the Company receives receipts in advance from a customer for sales of goods or rendering of services, the amount is first recognized as a liability and then transferred to revenue when the related performance obligation has been satisfied. When the Company's receipts in advance are not required to be refunded and it is probable that the customer will waive all or part of its contractual rights, the Company recognizes the said amounts as revenue on a pro-rata basis in accordance with the pattern of exercise of the customer's contractual rights, if the Company expects to be entitled to the amounts relating to the contractual rights waived by the customer; otherwise, the Company reverses the related balance of the said liabilities to revenue only when it is highly unlikely that the customer will require performance of the remaining performance obligations.

A non-refundable initial fee (including membership fee of club, X, etc.) charged to the customer at (or near) the contract commencement date is included in the transaction price. Where the initial fee is related to the goods or services committed to be transferred to the customers, and these goods or services constitute a single performance obligation, the Company recognizes revenue based on the transaction price allocated to the goods or services upon their transfer; where the initial fee is related to the goods or services committed to be transferred to the customers, but these goods or services do not constitute a single performance obligation, the Company recognizes revenue based on the transaction price allocated to the single performance obligation upon fulfilment of the single performance obligation including the goods or services; where the initial fee is not related to the goods or services committed to be transferred to the customers, the initial fee will be recognized as revenue upon their transfer in the future as receipts in advance to transfer goods or services in the future.

12.1 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.

12.2 Costs to fulfil a contract

If the costs incurred in fulfilling a contract are not within the scope of any standards other than Revenue Standards, the Company recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria: (1) the costs relate directly to a contract or to an anticipated contract that the Company can specifically identify; (2) the costs generate or enhance resources of the Company that will be used in satisfying performance obligations in the future; and (3) the costs are expected to be recovered. The asset mentioned above shall be amortized on a basis that is consistent with the revenue recognition of the goods or services to which the asset relates and recognized in profit or loss for the period.

13. Government grants

Government grants are monetary assets and non-monetary assets from the government to the Company at no consideration. A government grant is recognized only when the Company can comply with the conditions attaching to the grant and the Company will receive the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable.

A government grant related to an asset is recognized as deferred income and included in profit or loss over the useful life of the related asset.

For a government grant related to income, if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognized as deferred income over the periods in which the related costs or losses are recognized; If the grant is a compensation for related expenses or losses already incurred, the grant is recognized immediately in profit or loss.

A government grant related to the Company's daily activities is recognized in other income or written off related cost and expense based on the nature of economic activities; a government grant not related to the Company's daily activities is recognized in non-operating income and expenses.

14. Income taxes

Tax expense comprises current income tax and deferred income tax.

14.1 Current income taxes

At the balance sheet date, current income tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid (or recovered) according to the requirements of tax laws.

14.2 Deferred tax assets and deferred tax liabilities

For temporary differences between the carrying amounts of certain assets or liabilities and their tax base or between the nil carrying amount of those items that are not recognized as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognized using the balance sheet liability method.

Deferred tax is generally recognized for all temporary differences. Deferred tax assets for deductible temporary differences are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. However, for temporary differences associated with the initial recognition of goodwill and the initial recognition of an asset or liability arising from a transaction (not a business combination) that affects neither the accounting profit nor taxable profits (or deductible losses) at the time of transaction, no deferred tax asset or liability is recognized.

For deductible losses and tax credits that can be carried forward, deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deductible losses and tax credits can be utilized.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates, according to tax laws, that are expected to apply in the period in which the asset is realized, or the liability is settled.

Current and deferred tax expenses or income are recognized in profit or loss for the period, except when they arise from transactions or events that are directly recognized in other comprehensive income or in owners' equity, in which case they are recognized in other comprehensive income or in owners' equity; and when they arise from business combinations, in which case they adjust the carrying amount of goodwill.

At the balance sheet date, the carrying amount of deferred tax assets is reviewed and reduced if it is no longer probable that sufficient taxable profits will be available in the future to allow the benefit of deferred tax assets to be utilized. Such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

14.3 Income tax offsetting

When the Company has a legal right to settle on a net basis and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously, current tax assets and current tax liabilities are offset and presented on a net basis.

When the Company has a legal right to settle current tax assets and liabilities on a net basis, and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be reversed, deferred tax assets and deferred tax liabilities are offset and presented on a net basis.

15. Transactions denominated in foreign currencies

A foreign currency transaction is recorded, on initial recognition, by applying the spot exchange rate on the date of the transaction.

At the balance sheet date, foreign currency monetary items are translated into RMB using the spot exchange rates at the balance sheet date. Exchange differences arising from the differences between the spot exchange rates prevailing at the balance sheet date and those on initial recognition or at the previous balance sheet date are recognized in profit or loss for the period, except that (1) exchange differences related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalization are capitalized as part of the cost of the qualifying asset during the capitalization period; (2) exchange differences related to hedging instruments for the purpose of hedging against foreign currency risks are accounted for using hedge accounting; (3) exchange differences arising from available-for-sale non-monetary items (such as shares) denominated in foreign currencies and changes in the carrying amounts (other than the amortized cost) of available-for-sale monetary items are recognized as other comprehensive income and included in capital reserve.

Foreign currency non-monetary items measured at historical cost are translated to the amounts in functional currency at the spot exchange rates on the dates of the transactions and the amounts in functional currency remain unchanged. Foreign currency non-monetary items measured at fair value are re-translated at the spot exchange rate on the date the fair value is determined. Difference between the re-translated functional currency amount and the original functional currency amount is treated as changes in fair value (including changes of exchange rate) and is recognized in profit and loss or as other comprehensive income.

16. Leases

A lease is a contract whereby the lessor conveys to the lessee in return for a consideration the right to use an asset for an agreed period of time.

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

16.1 The Company as lessee

16.1.1 Separating components of a lease

If the contract contains one or more lease and non-lease components, the Company will separate the individual lease and non-lease components and allocate contract consideration according to the relative proportion of the sum of the stand-alone prices of the lease components and the stand-alone prices of the non-lease components.

16.1.2 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 - Property plant and equipment. 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.

16.1.3 Lease liabilities

Except for short-term leases and leases of low-value assets, at the commencement date of the lease, the Company measures the lease liabilities at the present value of the lease payments that are not paid at that date. In calculating the present value of lease payments, the Company uses the interest rate implicit in the lease as the discount rate. The Company uses the incremental borrowing rate if the interest rate implicit in the lease is not readily determinable.

Lease payments refer to payments relating to the right to use leased assets during the lease term which are made by the Company to the lessor, including:

- fixed payments and in-substance fixed payments, less any lease incentives receivable (if any);
- variable lease payments that depend on an index or a rate;
- the exercise price of a purchase option reasonably certain to be exercised by the Company;
- payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate the lease; and
- amounts expected to be paid under residual value guarantees provided by the Company.
- Variable lease payments that depend on an index or a rate, are initially measured using the index or rate as at the commencement date. Variable lease payments not included in the measurement of the lease liabilities, are recognized in profit or loss or cost of related assets in the period of those payments.

After the commencement date of the lease, the Company calculates interest expenses of lease liabilities for each period of the lease term based on fixed periodic rate and recognizes such expenses in profit or loss or cost of related assets.

After the commencement date of the lease, the Company re-measures the lease liabilities and adjusts the right-of-use assets accordingly in the following cases:

- If the book value of the right-of-use asset has been reduced to zero, but the lease liability needs to be reduced further, the Company will recognize the difference in profit or loss for the period;
- There is a change in the lease term, or in the assessment of an option to purchase the underlying asset, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment;
- There is a change in the amounts expected to be payable under a residual value guarantee, or in future lease payments resulting from a change in an index or a rate used to determine those payments, in which case the related lease liability is remeasured by discounting the revised lease payments using the unchanged discount rate. If the change of lease payment comes from the change of floating interest rate, the revised discount rate shall be used to calculate the present value.

16.1.4 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 judgments 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 judgments, 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 judgments, 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 judgments, 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.

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 RMB363,416,245.76 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, 2023, the historical observed default rates are reassessed and changes in the forward-looking information are considered. The provision of ECL will vary based on the Company's estimates. The information about the ECL and the Company's accounts receivable is disclosed in Note VIII. 2.

VI. Changes in accounting policies and corrections of prior period accounting errors

On November 30, 2022, the Ministry of Finance issued Interpretation No. 16 of the Enterprise Accounting Standards (hereinafter referred to as "Interpretation No. 16"), which clarifies that deferred income tax related to assets and liabilities arising from individual transactions is not subject to the accounting treatment of initial recognition exemption. Interpretation 16 has revised the scope of exemption for initial recognition of deferred income tax in Enterprise Accounting Standard No.

18- Income Tax, clarifying that for individual transactions that are not business combinations, do not affect accounting profits or taxable income (or deductible losses) at the time of transaction, and result in equal taxable temporary differences and deductible temporary differences due to initially recognized assets and liabilities.

The provisions of Enterprise Accounting Standard No. 18- Income Tax on exemption for initial recognition of deferred income tax liabilities and deferred income tax assets are not applicable. This regulation will come into effect on January 1, 2023, and can be implemented in advance. The Company has implemented this regulation since January 1, 2023, using the retrospective adjustment method for accounting treatment and restating the comparative annual financial statements. The specific impacts are listed below:

(In RMB)

Account	As at January 1, 2022	Reclass	As at January 1, 2022
Deferred tax assets	–	3,132,047.00	3,132,047.00
Deferred tax liabilities	–	(3,132,047.00)	(3,132,047.00)

(In RMB)

Account	As at December 31, 2022	Reclass	As at December 31, 2022
Deferred tax assets	–	2,413,616.93	2,413,616.93
Deferred tax liabilities	–	(2,413,616.93)	(2,413,616.93)

VII. Taxation

Value-added tax

Value-added tax ('VAT') on sales is calculated at 6% on revenue of rendering of services according to the relevant requirements of tax laws and paid after deducting input VAT on purchases.

Based on the zero VAT rate policy, the oversea revenue of the Company is exempted from VAT.

Income tax

The statutory income tax rate of the Company is 25% (2022: 25%). The accumulated tax loss of the Company as at December 31, 2023 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,	
	2023	2022
Deposits with banks	29,416,496.27	22,002,332.99

2. Accounts receivable

(1) The customer analysis of accounts receivable is as follows:

(In RMB)

Particulars	As at December 31,	
	2023	2022
Amounts due from other customers	47,916,774.48	91,144,032.04
Less: Credit losses provision	1,102,548.45	136,927.17
Total	46,814,226.03	91,007,104.87

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, 2023, the analysis of the credit risk and expected loss for accounts receivable is as follows:

(In RMB)

Internal credit rating	As at December 31, 2023			
	Expected average loss rate	Amount	Credit losses provision	Book value
		RMB	RMB	RMB
Risk free	0.00%	39,050,545.00	–	39,050,545.00
Low risk	1.88%	7,912,370.10	148,689.07	7,763,681.03
High risk	100.00%	953,859.38	953,859.38	–
Total		47,916,774.48	1,102,548.45	46,814,226.03

(2) The analysis of the movements of expected credit losses provision for accounts receivable is as follows:

(In RMB)

Particulars	Expected credit losses
January 1, 2023	136,927.17
Provision during the year	1,102,961.94
Reverse during the year	(137,340.66)
December 31, 2023	1,102,548.45

3. Other receivables

3.1 Summary of other receivables

The ageing analysis of other receivables is as follows:

(In RMB)

	As at December 31, 2023				As at December 31, 2022			
Aging	Amount	Ratio	Bad debt provision	Book value	Amount	Ratio	Bad debt provision	Book value
Within 1 year	188,274.03	12.62	(21,990.54)	166,283.49	394,132.73	27.40	(54,114.34)	340,018.39
1 to 2 years	300,000.00	20.10	–	300,000.00	1,044,230.70	72.60	–	1,044,230.70
2 to 3 years	1,004,030.70	67.28	–	1,004,030.70	–	–	–	–
Total	1,492,304.73	100.00	(21,990.54)	1,470,314.19	1,438,363.43	100.00	(54,114.34)	1,384,249.09

4. Property plant and equipment

(In RMB)

Cost	Electronic equipment	Office equipment	Buildings	Total
1 January 2023	35,604,359.89	93,468,824.56	775,097,899.22	904,171,083.67
Additions during the year	1,437,100.85	45,472.01	–	1,482,572.86
Decrease during the year	(7,685,708.79)	(11,634,755.09)	–	(19,320,463.88)
Balance at December 31, 2023	29,355,751.95	81,879,541.48	775,097,899.22	886,333,192.65
Accumulated depreciation				
1 January 2023	(29,842,016.39)	(68,259,293.55)	(175,774,752.61)	(273,876,062.55)
Charge for the year	(3,226,268.16)	(14,032,366.79)	(31,007,014.56)	(48,265,649.51)
Decrease during the year	7,685,708.79	11,634,755.09	–	19,320,463.88
Balance at December 31, 2023	(25,382,575.76)	(70,656,905.25)	(206,781,767.17)	(302,821,248.18)
Carrying amounts				
1 January 2023	5,762,343.50	25,209,531.01	599,323,146.61	630,295,021.12
31 December 2023	3,973,176.19	11,222,636.23	568,316,132.05	583,511,944.47

5. Right-of-use assets

(In RMB)

Particulars	Buildings
Cost	
At January 1, 2023	17,293,060.46
Provided for the year	2,709,775.38
Decrease for the year	(4,518,979.23)
At December 31, 2023	15,483,856.61
Accumulated depreciation	
At January 1, 2023	7,638,592.74
Provided for the year	4,088,389.77
Decrease for the year	(2,776,703.49)
At December 31, 2023	8,950,279.02
Carrying amounts	
At December 31, 2023	6,533,577.59
At January 1, 2023	9,654,467.72

6. Intangible assets

(In RMB)

Particulars	Land use right
Cost	
Balance at 1 January 2023 and 31 December 2023	70,540,000.00
Accumulated amortization	
1 January 2023	(15,892,179.24)
Charge for the year	(1,407,935.64)
Balance at December 31, 2023	(17,300,114.88)
Carrying amounts	
1 January 2023	53,239,885.12
December 31, 2023	54,647,820.76

7. Long-term deferred expenses

(In RMB)

Particulars	As at December 31,	
	2023	2022
Office decoration	1,474,910.95	2,279,407.84

8. Short-term loans

(In RMB)

Particulars	As at December 31,	
	2023	2022
Unsecured loans	95,413,500.00	84,823,000.00

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, 2023: equivalent to RMB 35,413,500.00), 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 17 May 2018, and was extended to 17 May 2024. Since 18 May 2022, bearing interest per annum has been adjusted to 12 months LIBOR+1.25% , simple interest. Since 18 May 2023, bearing interest per annum has been adjusted to One-year USD guaranteed overnight financing rate+1.20% spread (12 months SOFR+1.20%), simple interest.

Short-term loans include loans of RMB 50,000,000.00 from Infosys Technologies (China) Co. Limited for the purpose of business operation, bearing an interest rate of 6.00% per annum. The loans were originally due in 2018 and then was extended until the lender requires repayment.

Short-term loans include loans of RMB 10,000,000.00 from Infosys Technologies (China) Co. Limited for the purpose of business operation, bearing an interest rate of 6.00% per annum. The loans were due until the lender requires repayment.

9. Employee benefits payable

(In RMB)

Items	As at January 1, 2023	Provision for the year	Payment for the year	As at December 31, 2023
Wages or salaries, bonus, allowances, subsidies	21,362,610.83	279,461,626.20	(282,954,438.05)	17,869,798.98
Social security contributions	–	23,375,816.28	(21,873,174.90)	1,502,641.38
Including: Medical insurance	–	20,604,440.18	(19,279,948.06)	1,324,492.12
Maternity and work injury insurance	–	2,771,376.10	(2,593,226.84)	178,149.26
Defined contribution plans (Note)	–	37,516,396.67	(35,104,772.21)	2,411,624.46
Housing funds	–	12,703,189.97	(11,886,605.05)	816,584.92
Total	21,362,610.83	353,057,029.12	(351,818,990.21)	22,600,649.74

Note: Defined contribution plans

(In RMB)

Items	As at January 1, 2023	Provision for the year	Payment for the year	As at December 31, 2023
Basic pension insurance	–	36,536,669.52	(34,188,023.76)	2,348,645.76
Unemployment insurance	–	979,727.15	(916,748.45)	62,978.70
Total	–	37,516,396.67	(35,104,772.21)	2,411,624.46

The Company participates in basic pension insurance plan established by government in accordance with the relevant requirements. According to the plan, the Company makes a monthly contribution equivalent to the ratio of 16%, 16% and 15%, in Shanghai, Nanjing and Shenzhen respectively, of the employee's monthly basic wage based on last year's salary. The Company no longer undertake further payment obligation. The corresponding cost charges to the profit or loss for the current period or the cost of a relevant asset when occur.

10. Taxes payable

(In RMB)

Categories	As at December 31,	
	2023	2022
Individual income tax	3,277,963.54	3,147,875.30
Housing tax	2,013,216.67	4,100,950.60
Withholding income tax and VAT	640,940.69	1,987,421.64
Other	–	2,979,457.30
VAT	–	47,098.03
Total	5,932,120.90	12,262,802.87

11. Non-current liabilities due within one year

(In RMB)

Particulars	As at December 31,	
	2023	2022
Subsidies due within one year	1,284,120.00	1,284,120.00
Lease liabilities due within one year	3,568,718.47	4,546,210.90
Total	4,852,838.47	5,830,330.90

12. Long-term loans

(In RMB)

Particulars	As at December 31,	
	2023	2022
Unsecured loans	41,200,000.00	41,200,000.00

The long-term loans of RMB 41,200,000.00 from Infosys Singapore Pte. Ltd. in 2020 are for the purpose of business operation, bearing an interest rate of 4.00% per annum. The term of loan is one year. It was originally due on 19 January 2022 and subsequently extended to 19 January 2025. The interest rate was changed to 12 months LIBOR+0.8%, simple interest since 20 January 2023. The interest rate was changed to one-year US guaranteed overnight financing rate+1.2% spread (12 months SOFR+1.2%), simple interest since 1 July 2023. This rate is adjusted on the first day of each quarter.

13. Lease liabilities

(In RMB)

Particulars	As at December 31,	
	2023	2022
Lease Liabilities	7,238,870.07	10,199,018.88
Less: Lease liabilities recognized in non-current liabilities due within one year	3,568,718.47	4,546,210.90
Total	3,670,151.60	5,652,807.98

14. Other non-current liabilities

(In RMB)

Particulars	Subsidies
Cost	
Balance at January 1, 2023, December 31, 2023	48,966,000.00
Depreciation	
Balance at January 1, 2023	11,111,344.00
Additions during the year	1,284,120.00
Balance at December 31, 2023	12,395,464.00
Net book value	
Net book value at December 31, 2023	36,570,536.00
Less: Subsidies recognized in non-current liabilities due within one year	1,284,120.00
Balance at December 31, 2023	35,286,416.00
Balance at December 31, 2022	36,570,536.00

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.

15. Paid-in capital

The registered capital of the Company is USD 165,000,000.00. As at December 31, 2023, the contribution by the investor according to the Articles of Association is as follows:

(In RMB)

Particulars	As at December 31,					
	2023			2022		
	USD	Ratio	Equivalent to RMB	USD	Ratio	Equivalent to RMB
		%			%	
Infosys Limited	164,599,982.00	100	1,052,400,443.23	164,599,982.00	100	1,052,400,443.23

16. Operating income

(In RMB)

Particulars	As at December 31,	
	2023	2022
Income from principal activities		
-Rendering of services	367,759,152.73	407,582,424.92
Other operating income		
- Rental income	27,962.00	910,294.68
Total	367,787,114.73	408,492,719.60

17. Financial expenses

(In RMB)

Particulars	As at December 31, 2023	As at December 31, 2022
Interest income	(451,231.31)	(271,176.21)
Interest expenses	7,951,844.03	6,202,669.04
Interest expenses of lease liabilities	283,571.87	420,727.56
Exchange gains	895,000.91	2,115,395.23
Total	8,679,185.50	8,467,615.62

18. Other income

(In RMB)

Government Grants	Related to assets/income	As at December 31, 2023	As at December 31, 2022
Development zone supporting fund	Related to income	4,050,000.00	4,150,000.00
Technological support subsidy	Related to assets	1,284,120.00	1,284,120.00
Subsidy for job stabilization	Related to income	393,446.53	215,355.16
Export subsidy	Related to income	360,183.00	–
Refund of service charge for withholding and remit individual income tax	Related to income	293,683.95	271,024.78
Additional deduction of VAT input of Service Industry	Related to income	64,359.83	191,308.16
Training subsidy	Related to income	2,000.00	300.00
Subsidy for disabled employment	Related to income	1,772.01	9,184.25
Others	Related to income	1,000.00	382,198.08
Total		6,450,565.32	6,503,490.43

19. Credit impairment profit (loss)

(In RMB)

Particulars	As at December 31, 2023	As at December 31, 2022
Bad debt (loss) reverse	(982,352.44)	24,410.16

20. Non-operating expense

(In RMB)

Particulars	As at December 31, 2023	As at December 31, 2022
Tax late fees and penalties	–	2,572,336.62

During the previous year, the tax bureau conducted tax inspections on the Company's tax payments in past years and made recoveries on taxable matters that had not been paid in previous years, and the Company made a provision of RMB2,572,336.62 for tax late fees and penalties.

21. Income tax expenses

(In RMB)

Particulars	As at December 31, 2023	As at December 31, 2022
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, 2023 amounting to RMB363,416,245.76 is not recognized. Among the accumulated losses, RMB96,537,470.05, RMB76,877,840.43, RMB60,012,718.45, RMB57,378,962.65 and RMB72,609,254.18 will expire in 2024, 2025, 2026, 2027 and 2028 respectively.

Reconciliation of income tax expenses to the accounting losses is as follows:

(In RMB)

Particulars	As at December 31,	
	2023	2022
Accumulated losses	(79,482,622.72)	(77,232,789.75)
Expected income tax expense at tax rate of 25%	(19,870,655.68)	(19,308,197.44)
Tax effect of non-deductible expenses	505,706.27	182,390.84
Unused deductible loss	18,152,313.54	14,769,461.81
Temporary differences for deferred tax assets not recognized	1,212,635.87	4,356,344.79
Income tax expenses	–	–

22. Supplementary information to the cash flow statement

(1) Reconciliation of net loss to cash flows from operating activities:

(In RMB)

Particulars	As at December 31,	
	2023	2022
Net loss	(79,482,622.72)	(77,232,789.75)
Add: Provisions (Reversal) for impairment losses on credit	982,352.44	(24,410.16)
Depreciation of Property plant and equipment	48,265,649.51	48,959,562.60
Depreciation of right-of-use assets	4,088,389.77	3,990,183.81
Financial expenses	8,782,067.94	3,321,622.28
Amortization of intangible assets	1,407,935.64	1,410,839.91
Amortization of long-term deferred expenses	804,496.89	910,135.58
Income from disposal of other long-term assets	(39,997.18)	–
Decrease (Increase) in operating receivables	42,206,269.35	(579,759.67)
(Decrease) Increase in operating payables	(12,015,704.03)	13,187,664.73
Net cash flow generated from (used in) operating activities	14,998,837.61	(6,056,950.67)

(2) Net changes in cash and cash equivalents:

(In RMB)

Particulars	As at December 31,	
	2023	2022
Cash and cash equivalents at the end of the year	29,416,496.27	22,002,332.99
Less: Cash and cash equivalents at the beginning of the year	22,002,332.99	35,890,767.14
Net increase (decrease) in cash and cash equivalents	7,414,163.28	(13,888,434.15)

IX . Related party relationships and transactions

(1) 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 24 billion	100%	100%

(2) The details of 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
Infosys Singapore Pte. Ltd.	Controlled by the same parent company
Infosys Technologies (China) Co. Limited	Controlled by the same parent company
Infosys Technologies S.De.R.L	Controlled by the same parent company
Panaya Ltd.	Controlled by the same parent company
Infosys Compaz Pte Ltd	Controlled by the same parent company

(3) Significant transactions between the Company and the related parties in current year

(a) Sales and purchases

The details of sales and purchases between the Company and its related parties are as follows:

(In RMB)

Particulars	As at December 31,	
	2023	2022
Sales		
Infosys Technologies (China) Co. Limited	203,405,915.60	280,556,901.31
Infosys Limited	150,702,124.47	116,939,855.41
Panaya Ltd.	1,349,639.82	1,019,241.88
Infosys Technologies S.De.R.L	(3,421.95)	954,598.90
Infosys Compaz Pte Ltd	208,753.06	162,634.28
Total	355,663,011.00	399,633,231.78
Purchases		
Infosys Limited	1,060,733.42	3,220,498.27
Infosys Technologies (China) Co. Limited	469,922.69	663,349.31
Total	1,530,656.11	3,883,847.58

(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 2023	As at 31 December 2023	Incurred amount in 2022	As at 31 December 2022
Borrowings from				
Infosys Poland Sp. z o.o. (Note VIII 8)	590,500.00	35,413,500.00	2,944,500.00	34,823,000.00
Infosys Technologies (China) Co. Limited (Note VIII 8)	10,000,000.00	60,000,000.00	-	50,000,000.00
Infosys Singapore Pte. Ltd. (Note VIII 12)		41,200,000.00	-	41,200,000.00
Total	10,590,500.00	136,613,500.00	2,944,500.00	126,023,000.00

(In RMB)

Particulars	As at December 31,	
	2023	2022
Interest expenses		
Infosys Technologies (China) Co. Limited	3,009,863.01	3,000,000.00
Infosys Poland Sp. z o.o.	2,296,963.61	1,473,521.98
Infosys Singapore Pte. Ltd.	2,645,017.41	1,729,147.06
Total	7,951,844.03	6,202,669.04

(c) Amounts due to/from related companies

(In RMB)

Accounts	Name of the related parties	As at December 31, 2023	2022
Accounts receivable	Infosys Technologies (China) Co. Limited	22,545,347.26	75,471,496.91
	Infosys Limited	16,454,738.55	12,563,756.54
	Infosys Compaz Pte Ltd	1.72	162,771.52
	Infosys Technologies S.De.R.L	(3,392.90)	–
	Panaya Ltd.	132,878.11	68,455.47
Total		39,129,572.74	88,266,480.44

(In RMB)

Accounts	Name of the related parties	As at December 31, 2023	2022
Accounts payable	Infosys Technologies (China) Co. Limited	56,856,049.16	55,907,594.06
	Infosys Limited	4,780,307.69	3,583,738.78
Total		61,636,356.85	59,491,332.84

(In RMB)

Accounts	Name of the related parties	As at December 31, 2023	2022
Other payables	Infosys Technologies (China) Co. Limited	19,509,041.09	16,499,178.08
	Infosys Poland Sp. z o.o.	1,486,493.77	7,459,449.18
	Infosys Singapore Pte. Ltd.	2,519,385.63	4,961,936.10
Total		23,514,920.49	28,920,563.36

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 stand-alone basis.

1.Risk management objectives and policies

The Company's risk management objectives are to achieve proper balance between risks and yield, minimize the adverse impacts of risks on the Company's operation performance, and maximize the benefits of the shareholders and other equity investors. Based on these risk management objectives, the Company's basic risk management strategy is to identify and analyze the industry's exposure to various risks, establish appropriate bottom line for risk tolerance, implement risk management, and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

1.1 Market risk

1.1.1 Foreign currency risk

Foreign currency risk is the risk that losses will occur because of changes in foreign exchange rates. The Company's exposure to the foreign currency risk is primarily associated with USD and INR. The Company's principal activities are settled in RMB. As at December 31, 2023, 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,	
	2023	2022
Cash and bank balances	4,576,622.45	671,298.92
Accounts receivable	20,314,257.68	12,794,983.53
Short-term loans	(35,413,500.00)	(34,823,000.00)
Other payable	(1,486,493.77)	(7,459,449.18)
Accounts payable	(5,399,433.21)	(3,583,738.78)
Total	(17,408,546.85)	(32,399,905.51)

Sensitivity analysis on currency risk

The assumption for the sensitivity analysis on currency risk is that all hedges of net investments in foreign operations and the cash flow hedges are highly effective.

On the basis of the above assumption, where all other variables are held constant, the reasonably possible changes in the foreign exchange rate may have the following pre-tax effect on the profit or loss for the period and owners' equity:

(In RMB)

Item	Changes in exchange rate	As at December 31,			
		2023		2022	
		Effect on profit	Effect on Owners' equity	Effect on profit	Effect on Owners' equity
		RMB	RMB	RMB	RMB
Foreign currencies	10% increase against RMB	(1,740,854.69)	(1,740,854.69)	(3,239,990.55)	(3,239,990.55)
Foreign currencies	10% decrease against RMB	1,740,854.69	1,740,854.69	3,239,990.55	3,239,990.55

1.2 Credit risk

As at December 31, 2023, the Company's maximum exposure to credit risk which will cause a financial loss to the Company due to failure to discharge an obligation by the counterparties.

The Company reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the management of the Company consider that the Company credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit rating.

1.3 Liquidity risk

In the management of the liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows. The management monitors use of loans and ensures to observe loan agreements.

XI. Capital management

The Company's primary objectives when managing capital are to safeguard the Company's ability to continue as a going concern.

The Company defines "capital" as including all components of equity. The balance of related party transactions are not regarded by the Company as capital.

The Company's capital structure is regularly reviewed and managed with due regard to the capital management practices of the Infosys Limited Group to which the Company belongs. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Company. The results of the Board of Directors' review of the Company's capital structure are used as a basis for the determination of the level of dividends, if any, that are declared.

The Company is not subject to externally imposed capital requirements.

XII. Commitments

(1) Capital commitments

(In RMB)

Particulars	As at December 31,	
	2023	2022
Capital commitments that have been entered into but have not been performed:	19,955.77	1,219,606.45

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Infosys Consulting Ltda

Independent Auditor's Report

To The Members Of Infosys Consulting Ltda.

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of INFOSYS CONSULTING Ltda. ("the Company"), which comprise the Balance Sheet as at December 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of preparation referred to in Section 1.2 of the special purpose financial statements, of the state of affairs of the Company as at December 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1.2 to the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company, Infosys Limited under the requirements of section 129 (3) of the Companies Act, 2013 and for issuing Annual Performance Report ("APR") which is required to be furnished by the Holding Company to Authorized Bank in accordance with regulation 10 of Foreign Exchange Management (Overseas Investment) Regulations. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for the above purpose and is not to be used, referred to or distributed for any other purpose without our prior consent.

Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

i) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

iii) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

For Shenoy & Kamath
Chartered accountants,
Firm Registration Number. 006673S

(M Rathnakar Kamath)
Partner
Membership Number. 202841

UDIN : 24202841BKAC1W4557

Place: Bengaluru.
Date: 7 May, 2024

Balance Sheet

(In BRL)

Particulars	Note	As at December 31, 2023	As at December 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	2.1	5,667,240	9,594,007
Right to use of asset	2.8	15,378,927	13,504,792
Capital work-in-progress		87,944	11,189
Financial assets			
Other financial assets		7,470,782	3,632,699
Other non-current assets		180,578	–
Income tax assets (net)	2.14	13,676,616	1,708,519
Total non-current assets		42,462,087	28,451,206
Current assets			
Financial assets			
Trade receivables	2.3	50,761,135	45,184,976
Cash and cash equivalents	2.4	60,158,858	50,152,873
Loans	2.5	826,703	789,153
Other financial assets	2.2	22,655,778	42,285,471
Other current assets	2.6	14,415,114	31,574,349
Total current assets		148,817,588	169,986,822
Total assets		191,279,675	198,438,028
Equity and liabilities			
Equity			
Equity share capital	2.9	275,071,070	275,071,070
Other equity	2.9	(196,619,308)	(213,379,355)
Total equity		78,451,762	61,691,715
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	2.8	15,776,111	4,647,118
Other financial liabilities		605,020	16,818,529
Total non-current liabilities		16,381,131	21,465,647
Current liabilities			
Financial liabilities			
Lease liabilities	2.8	9,798,900	11,307,012
Trade payables	2.10	4,136,756	18,852,932
Other financial liabilities	2.11	52,220,507	54,204,777
Other current liabilities	2.12	30,064,278	30,193,320
Provisions	2.13	226,341	722,625
Total current liabilities		96,446,782	115,280,666
Total equity and liabilities		191,279,675	198,438,028

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants
Firm's Registration Number : 006673S

M. Rathnakar Kamath
Partner
Membership No. 202841

Place: Bengaluru
Date: 7 May 2024

for and on behalf of Board of Directors of Infosys Consulting Ltda.

Angelo Mazzocchi
Director

Statement of Profit and Loss

(In BRL)

Particulars	Note	Years ended December 31, 2023	2022
Revenue from operations	2.15	252,990,054	216,018,992
Other income, net	2.16	5,448,253	5,200,573
Total income		258,438,307	221,219,565
Expenses			
Employee benefit expenses	2.17	177,936,561	143,408,530
Cost of technical sub-contractors		15,828,264	25,112,403
Travel expenses		2,325,940	1,260,408
Communication expenses		2,474,543	4,123,415
Consultancy and professional charges		3,217,748	4,141,136
Depreciation and amortization expenses	2.1	12,786,368	8,225,306
Finance cost		5,461,289	2,119,818
Other expenses	2.17	20,006,377	16,486,615
Total expenses		240,037,090	204,877,631
Profit / (Loss) before tax		18,401,217	16,341,934
Tax expense			
Current tax	2.14	1,741,294	6,147,642
Prior year tax	2.14	(100,124)	5,091,723
Profit / (Loss) for the year		16,760,047	5,102,569
Total comprehensive income for the year		16,760,047	5,102,569
Earnings per equity share			
Equity shares of par value BRL 1/-each			
Basic and diluted (BRL)		0.06	0.02
Weighted average equity shares used in computing earnings per equity share			
Basic and diluted		275,071,070	275,071,070

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for and on behalf of Board of Directors of Infosys Consulting Ltda.

for Shenoy & Kamath
Chartered Accountants
Firm's Registration Number : 006673S

M. Rathnakar Kamath
Partner
Membership No. 202841

Angelo Mazzocchi
Director

Place: Bengaluru
Date: 7 May 2024

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, 2023	275,071,070	(203,265,879)	(10,113,476)	61,691,715
Changes in equity for the year ended December 31, 2023				
Profit for the year	–	16,760,047	–	16,760,047
Balance as of December 31, 2023	275,071,070	(186,505,832)	(10,113,476)	78,451,762
Balance as of January 1, 2022	275,071,070	(206,136,959)	(10,113,476)	58,820,635
Changes in equity for the year ended December 31, 2022				
Ind AS 37 Adjustment	–	(2,231,489)	–	(2,231,489)
Profit for the year	–	5,102,569	–	5,102,569
Balance as of December 31, 2022	275,071,070	(203,265,879)	(10,113,476)	61,691,715

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 Infosys Consulting Ltda.

for Shenoy & Kamath
Chartered Accountants
Firm's Registration Number : 006673S

M. Rathnakar Kamath
Partner
Membership No. 202841

Angelo Mazzocchi
Director

Place: Bengaluru
Date: 7 May 2024

Statement of Cash Flows

(In BRL)

Particulars	Year ended December 31, 2023	2022
Cash flows from operating activities		
Profit / (loss) for the year	16,760,047	5,102,569
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation expense	12,786,368	8,225,306
Income tax expense	1,641,170	8,979,763
Impairment loss recognized / (reversed) under expected credit loss model	(64,989)	618,445
Finance cost	5,461,289	2,119,818
Other adjustments	5,382,185	(3,340,320)
Exchange differences on translation of assets and liabilities	4,867,529	3,685,209
Changes in assets and liabilities		
Trade receivables	(4,966,718)	(15,420,395)
Other financial assets and other assets	30,923,571	(28,926,707)
Trade payables	(14,914,558)	12,954,953
Other financial liabilities and other liabilities and provisions	(20,915,821)	26,798,834
Cash generated from operations	36,960,073	20,797,475
Income taxes paid	(13,609,267)	(2,038,061)
Net cash generated in operating activities	23,350,806	18,759,414
Cash flow from investing activities		
Expenditure on property, plant and equipment	(210,324)	(7,845,012)
Net cash used in investing activities	(210,324)	(7,845,012)
Cash flow from / used in financing activities		
Payment of lease liability	(11,604,046)	(5,915,620)
Other receipts / (payments)	(1,530,451)	1,966,034
Net cash used in financing activities	(13,134,497)	(3,949,586)
Net increase in cash and cash equivalents	10,005,985	6,964,816
Cash and cash equivalents at the beginning of the year	50,152,873	43,188,057
Cash and cash equivalents at the end of the year	60,158,858	50,152,873

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 Infosys Consulting Ltda.

for Shenoy & Kamath
Chartered Accountants
Firm's Registration Number : 006673S

M. Rathnakar Kamath
Partner
Membership No. 202841

Angelo Mazzocchi
Director

Place: Bengaluru
Date: 7 May 2024

Significant accounting policies

Company overview

Infosys Consulting Ltda. is a wholly-owned subsidiary of Infosys Limited w.e.f. August 14, 2018 .The Company renders professional management consulting services, thereby enabling its clients to enhance business performance.

1 Significant accounting policies

1.1 Accounting year

The accounting year of the Company is from January 1 to December 31.

1.2 Basis of preparation of financial statements

These special purpose financial statements are prepared for inclusion in the Annual Report of the holding company, Infosys Limited under the requirements of Section 129 (3) of the Companies Act 2013 and for issuing Annual Performance Report ("APR") which is required to be furnished by the Holding Company, to Authorized Bank in accordance with regulation 10 of Foreign Exchange Management (Overseas Investment) Regulations.

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis. 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 Brazilian real (BRL).

1.4 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.5 Revenue recognition

The Company derives revenues primarily from business IT services comprising of software development and related services, consulting and package implementation and from the licensing of software products and platforms across our core and digital offerings ("together called as software-related services").

The following is a summary of new and / or revised significant accounting policies related to revenue recognition.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Arrangements with customers for software-related services are either on a fixed-price, fixed-timeframe or on a time-and-material basis.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method.

When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

In arrangements for software development and related services and maintenance services, the Company has applied the guidance in Ind AS 115, Revenue from Contract with Customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company uses the expected cost-plus margin approach in estimating the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period. Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS). The Company has applied the principles under Ind AS 115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost-plus margin approach. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized ratably over the period in which the services are rendered.

The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts / incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount / incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The Company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Deferred contract costs are incremental costs of obtaining a contract which are recognized as assets and amortized over the term of the contract.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company presents revenues net of indirect taxes in its Statement of Profit and Loss.

Rendering of services

Revenue from a contract to provide services is recognized in the period in which the services are provided in accordance with the terms of the contract. At each year end, revenue from unbilled services provided are included within accrued income and any amounts invoiced in advance are deferred to the accounting period when those services will be provided.

The stage of completion is determined on the basis of the actual completion of a proportion of the total services to be rendered. An expected loss on a contract is recognized immediately in the Profit and Loss account.

1.6 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

1.7 Post-sales client support and others

The Company provides its clients with a fixed-period post-sales support for corrections of errors and support on all its fixed-price, fixed-timeframe contracts. Costs associated with such support services are accrued at the time when related revenues are recorded and included in cost of sales. The Company estimates such costs based on historical experience and the estimates are reviewed annually for any material changes in assumptions.

1.8 Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

1.9 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by 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.

(iv) Investment in subsidiaries

Investment in subsidiaries is carried at cost in the separate financial statements.

1.11 Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

1.12 Impairment

a. Financial assets

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets, which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

b. Non-financial assets

(i) Property, plant and equipment

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the 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 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 the 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 2.8.

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings and vehicles. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

1.21 Borrowing cost

Borrowing cost are charged to the Statement of Profit and Loss in the period in which they were incurred.

2.1 Property, plant and equipment

The changes in the carrying value of property, plant and equipment for the year ended December 31, 2023 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, 2023	1,261,184	276,207	20,038,808	4,641,919	1,818,265	28,036,383
Additions	–	1,265	132,305	(0)	–	133,570
Deletions	(6,103)	(14,326)	(2,826,263)	(1,477)	–	(2,848,169)
Gross carrying value as of December 31, 2023	1,255,081	263,146	17,344,850	4,640,442	1,818,265	25,321,784
Accumulated depreciation as of January 1, 2023	(1,257,463)	(265,910)	(10,492,859)	(4,607,879)	(1,818,265)	(18,442,376)
Depreciation	(2,649)	(5,993)	(4,022,635)	(29,059)	–	(4,060,336)
Accumulated depreciation on deletions	6,103	14,326	2,826,262	1,477	–	2,848,168
Accumulated depreciation as of December 31, 2023	(1,254,009)	(257,577)	(11,689,232)	(4,635,461)	(1,818,265)	(19,654,544)
Carrying value as of December 31, 2023	1,072	5,569	5,655,618	4,981	–	5,667,240
Carrying value as of January 1, 2023	3,721	10,297	9,545,949	34,040	–	9,594,007

The changes in the carrying value of property, plant and equipment for the year ended December 31, 2022 were as follows:

(In BRL)

Particulars	Plant and machinery	Office equipment	Computer equipment	Furniture and fixtures	Leasehold improvement	Total
Gross carrying value as of January 1, 2022	1,261,184	274,614	13,409,628	4,827,172	1,818,265	21,590,863
Additions	–	3,623	7,830,200	–	–	7,833,823
Deletions	–	(2,030)	(1,201,020)	(185,253)	–	(1,388,303)
Gross carrying value as of December 31, 2022	1,261,184	276,207	20,038,808	4,641,919	1,818,265	28,036,383
Accumulated depreciation as of January 1, 2022	(1,253,601)	(260,217)	(8,827,552)	(4,744,137)	(1,368,243)	(16,453,750)
Depreciation	(3,862)	(7,723)	(2,866,327)	(48,995)	(450,022)	(3,376,929)
Accumulated depreciation on deletions	–	2,030	1,201,020	185,253	–	1,388,303
Accumulated depreciation as of December 31, 2022	(1,257,463)	(265,910)	(10,492,859)	(4,607,879)	(1,818,265)	(18,442,376)
Carrying value as of December 31, 2022	3,721	10,297	9,545,949	34,040	–	9,594,007
Carrying value as of January 1, 2022	7,583	14,397	4,582,076	83,035	450,022	5,137,113

2.2 Other financial assets

(In BRL)

Particulars	As at December 31,	
	2023	2022
Current		
Unbilled revenues	9,309,972	42,242,227
Interest accrued but not due	2,054,748	–
Others[1]	11,291,058	43,244
Total other current financial assets	22,655,778	42,285,471
Total other financial assets	22,655,778	42,285,471
Financial assets carried at amortized cost	22,655,778	42,285,471
[1] Includes dues from related parties (Refer to Note 2.18)	6,100,115	–

2.3 Trade receivables

(In BRL)

Particulars	As at December 31,	
	2023	2022
Current		
Unsecured		
Considered good[1]	55,302,690	50,402,077
	55,302,690	50,402,077
Less: Allowances for credit losses	(4,541,555)	(5,217,101)
Total trade receivables	50,761,135	45,184,976
[1] Includes dues from related parties (Refer to Note 2.18)	13,716,192	13,132,391

Years ended December 31, 2023 and December 31, 2022:

(In BRL)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	40,660,133	15,557,750	(104,831)	1,107,140	1,209,025	(3,126,526)	55,302,690
	33,594,684	13,675,861	3,131,533	–	–	–	50,402,077
Less: Allowance for credit loss							4,541,555
							5,217,101
Total trade receivables							50,761,135
Total trade receivables							45,184,976

2.4 Cash and cash equivalents

(In BRL)

Particulars	As at December 31,	
	2023	2022
Balances with banks		
In current accounts	27,471,858	14,353,873
Fixed deposit	32,687,000	35,799,000
Total cash and cash equivalents	60,158,858	50,152,873

2.5 Loans

(In BRL)

Particulars	As at December 31,	
	2023	2022
Current		
Unsecured, considered good		
Loans to employees	826,703	745,097
Total current loans	826,703	745,097

2.6 Other current assets

(In BRL)

Particulars	As at December 31,	
	2023	2022
Current		
Others		
Prepaid expenses	–	(10,951)
Unbilled revenues	4,660,369	–
Withholding taxes and others	9,754,745	15,131,026
Interest accrued not due	–	2,620,823
Others	–	13,833,451
Total current other assets	14,415,114	31,574,349
[(1)] Includes dues from subsidiaries (Refer to Note 2.18)	–	10,951

2.7 Financial instruments

Financial instruments by category

(In BRL)

Particulars	As at December 31, 2023	As at December 31, 2022
ASSETS		
Cash and cash equivalents (Refer to Note 2.4)	60,158,858	50,152,873
Trade receivables (Refer to Note 2.3)	50,761,135	45,184,976
Loans (Refer to Note 2.5)	826,703	789,153
Other financial assets (Refer to Note 2.2)	22,655,778	42,285,471
Total	134,402,474	138,412,473
LIABILITIES		
Trade payables (Refer to Note 2.10)	4,136,756	18,852,932
Other financial liabilities (Refer to Note 2.11)	38,466,889	42,141,369
TOTAL	42,603,645	60,994,301

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 analysis of the foreign currency risk from monetary assets and liabilities as at December 31, 2023 is as follows:

(In BRL)

Particulars	US Dollar	Euro	UK Pound Sterling	Swiss Franc	Other currencies	Total
Net financial assets	25,324,128	6,346,272	(9,836)	4,319,883	(46,773)	35,933,674
Net financial liabilities	(416,561)	(18,408,015)	–	–	(631,797)	(19,456,373)
Net assets / (liabilities)	24,907,567	(12,061,743)	(9,836)	4,319,883	(678,570)	16,477,301

The analysis of the foreign currency risk from monetary assets and liabilities as at December 31, 2022 was as follows:

(In BRL)

Particulars	US Dollar	Euro	UK Pound Sterling	Swiss Franc	Other currencies	Total
Net financial assets	28,736,280	265,543	(9,836)	1,289,244	28,464,198	58,745,429
Net financial liabilities	(717,076)	(16,289,413)	–	–	(1,008,827)	(18,015,316)
Net assets / (liabilities)	28,019,204	(16,023,870)	(9,836)	1,289,244	27,455,372	40,730,114

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 50,761,135 and BRL 45,184,976 as of December 31, 2023 and December 31, 2022, respectively and unbilled revenue amounting to BRL 9,309,972 and BRL 42,242,227 as of December 31, 2023 and December 31, 2022, respectively. Trade receivables and unbilled revenue are typically unsecured. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. As per Ind AS 109, the Company uses ECL model to assess the impairment loss or gain. The Company uses a provision matrix to compute the ECL allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes, credit ratings from international credit rating agencies and the Company's historical experience for customers.

Credit risk exposure

Provision of BRL (64,989) and BRL 618,445 for ECL on customer balances was done for the year ended December 31, 2023 and December 31, 2022 respectively.

(In BRL)

Particulars	Year ended December 31,	
	2023	2022
Balance at the beginning	3,318,533	2,700,088
Impairment loss recognized / reversed	(64,989)	618,445
Amounts written off	–	–
Translation differences	–	–
Balance at the end	3,253,544	3,318,533

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, 2023 and December 31,2022, the Company had cash and cash equivalents of BRL 60,158,858 and BRL 50,152,873, respectively.

As of December 31, 2023 and December 31, 2022, the outstanding compensated absences were BRL 13,753,618 and BRL 12,063,408, respectively.

2.8 Leases

The weighted average incremental borrowing rate applied to lease liabilities as at January 1, 2023 is 9.9%

The changes in the carrying value of right-of-use assets for the year ended December 31, 2023 are as follows:

(In BRL)

Particulars	Category of ROU asset			Total
	Buildings	Vehicles	Computer equipment	
Balance as of January 1, 2023	7,003,121	2,028,169	4,473,502	13,504,792
Modifications / additions	1,235,950	1,152,020	13,983,910	16,371,880
Deletion	–	(126,247)	(5,645,467)	(5,771,714)
Depreciation	(1,874,524)	(1,305,030)	(5,546,477)	(8,726,031)
Balance as of December 31, 2023	6,364,547	1,748,912	7,265,468	15,378,927

The changes in the carrying value of right-of-use assets for the year ended December 31, 2022 were as follows:

(In BRL)

Particulars	Category of ROU asset			Total
	Buildings	Vehicles	Computer equipment	
Balance as of January 1, 2022	4,292,616	830,388	–	5,123,004
Additions	4,549,326	2,802,463	7,282,528	14,634,317
Deletion	–	(58,236)	(1,345,919)	(1,404,155)
Depreciation	(1,838,822)	(1,546,445)	(1,463,107)	(4,848,374)
Balance as of December 31, 2022	7,003,121	2,028,169	4,473,502	13,504,792

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The break-up of current and non-current lease liabilities as at December 31, 2023 and December 31, 2022 is as follows:

(In BRL)

Particulars	As at December 31,	
	2023	2022
Current lease liabilities	9,798,900	4,647,118
Non-current lease liabilities	15,776,111	11,307,012
Total	25,575,011	15,954,130

The movement in lease liabilities during the years ended December 31, 2023 and December 31, 2022 are as follows:

(In BRL)

Particulars	As at December 31,	
	2023	2022
Balance at the beginning	15,954,130	6,192,894
Additions	16,117,545	14,634,317
Deletions	(129,284)	(58,237)
Finance cost accrued during the period	3,930,838	1,100,775
Payment of lease liabilities	(11,604,046)	(5,915,620)
Gain / loss on lease	(5,910)	–
Translation difference	1,311,738	–
Balance at the end	25,575,011	15,954,130

The details regarding the contractual maturities of lease liabilities as at December 31, 2023 and December 31, 2022 on an undiscounted basis are as follows:

(In BRL)

Particulars	As at December 31,	
	2023	2022
Less than one year	9,798,900	4,647,118
One to five years	24,027,757	14,244,201
More than five years	–	–
Total	33,826,657	18,891,319

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 is Nil for the year ended December 31,2023 and December 31,2022.

2.9 Equity

Equity share capital

(in BRL, except as otherwise stated)

Particulars	As at December 31, 2023	As at December 31, 2022
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 31,2023)		
	275,071,070	275,071,070

The details of shareholders holding more than 5% shares as at December 31, 2023 and December 31, 2022 are as follows :

Name of the shareholder	As at December 31, 2023		As at December 31, 2022	
	Number of shares	% held	Number of shares	% held
Infosys Limited	275,071,070	100	275,071,070	100

The reconciliation of the number of shares outstanding and the amount of share capital as at December 31, 2023 and December 31, 2022 is as follows:

Particulars	As at December 31, 2023		As at December 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Number of shares at the beginning of the period	275,071,070	275,071,070	275,071,070	275,071,070
Issue of shares during the year	–	–	–	–
Number of shares at the end of the period	275,071,070	275,071,070	275,071,070	275,071,070

2.10 Trade payables

(In BRL)

Particulars	As at December 31, 2023	As at December 31, 2022
Trade payables *	4,136,756	18,852,932
Total trade payables	4,136,756	18,852,932
*Includes dues to related parties (Refer to Note 2.18)	518,728	596,918

Year ended December 31, 2023 and December 31, 2022

((In BRL))

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Others	467,830	1,528,393	2,140,532	–	–	4,136,756
	1,996,152	14,818,739	2,038,041	–	–	18,852,932
Total trade payables	467,830	1,528,393	2,140,532	–	–	4,136,756
Total trade payables	1,996,152	14,818,739	2,038,041	–	–	18,852,932

2.11 Other financial liabilities

(In BRL)

Particulars	As at December 31,	
	2023	2022
Current		
Others		
Accrued compensation to employees*	2,217,314	2,730,255
Accrued expenses [(1)]*	19,887,021	29,417,530
Compensated absences	13,753,618	12,063,408
Other payables [(2)] *	16,362,554	9,993,584
Total current other financial liabilities	52,220,507	54,204,777
* Financial liability carried at amortized cost	38,466,889	42,141,369
[(1)] Includes dues to related parties (Refer to Note 2.18)	322,683	7,213,296
[(2)] Includes dues to related parties (Refer to Note 2.18)	15,565,664	9,200,495

2.12 Other current liabilities

(In BRL)

Particulars	As at December 31,	
	2023	2022
Current		
Unearned revenue	7,720,276	10,089,958
Others		
Withholding taxes and others	22,344,002	20,103,362
Total other current liabilities	30,064,278	30,193,320

2.13 Provisions

(In BRL)

Particulars	As at December 31,	
	2023	2022
Current		
Others		
Post-sales client support	226,341	722,625
Total current provisions	226,341	722,625

2.14 Income taxes

Income tax expense in the Statement of Profit and Loss comprises:

(In BRL)

Particulars	Year ended December 31,	
	2023	2022
Current taxes	1,741,294	6,147,642
Prior period tax	(100,124)	5,091,723
Income tax expense	1,641,170	11,239,365

Income tax expense for the years ended December 31, 2023 and December 31, 2022 includes provisions (net of reversals) amounting to BRL 1,641,170 and BRL 11,239,365, 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,	
	2023	2022
Profit / (loss) before income tax	18,401,217	16,341,934
Enacted tax rates in Brazil (%)	34%	34%
Computed expected tax expense	6,256,414	5,556,258
Tax reversals, overseas and domestic	(100,124)	5,091,723
Effect of unrecognized deferred tax assets	(4,437,133)	553,450
Effect of non-deductible expenses	9,520	10,199
Others	(87,507)	27,735
Income tax expense	1,641,170	11,239,365

The applicable Brazil statutory tax rate for years ended December 31, 2023 and December 31, 2022 is 34%.

The details of income tax assets and income tax liabilities are as follows:

(In BRL)

	Year ended December 31,	
	2023	2022
Income tax assets	15,417,910	1,708,519
Current income tax liabilities	(1,741,294)	–
Net current income tax assets / (liability) at the end	13,676,616	1,708,519

The gross movement in the current income tax asset / (liability) is as follows:

(In BRL)

	Year ended December 31,	
	2023	2022
Net current income tax asset / (liability) at the beginning	1,708,519	3,558,498
Income tax paid / (set-off)	2,620,230	2,038,061
Forex	(100,115)	(41,020)
Movement due to customer WHT	11,089,152	2,300,622
Current income tax expense	(1,641,170)	(6,147,642)
Net current income tax asset / (liability) at the end	13,676,616	1,708,519

2.15 Revenue from operations

Revenue from operations for the years ended December 31, 2023 and December 31, 2022 is as follows:

(In BRL)

Particulars	Year ended December 31,	
	2023	2022
Revenue from software services	252,990,054	215,606,237
Revenue from products and platforms	–	412,755
Total revenue from operations	252,990,054	216,018,992

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, 2023, the Company recognized revenue of BRL 6,053,111 arising from opening unearned revenue of BRL 10,089,958 as of January 1, 2023.

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, 2023, other than those meeting the exclusion criteria mentioned above, is BRL 44.72 Mn. Out of this, the Group expects to recognize revenue of around 53.04% 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, 2023	2022
Interest received on financial assets carried at amortized cost		
Deposits with banks and others	4,108,560	3,935,010
Interest received on financial assets fair valued through other comprehensive income		
Exchange gains / (losses) on translation of other assets and liabilities	(1,645,427)	17,687
Miscellaneous income, net	2,985,120	1,247,876
Total other income	5,448,253	5,200,573

2.17 Expenses

(In BRL)

Particulars	Year ended December 31, 2023	2022
Employee benefit expenses		
Salaries including bonus	177,519,325	142,873,784
Share-based payments to employees	228,387	253,238
Staff welfare	188,849	281,508
Total employee benefit expenses	177,936,561	143,408,530

(In BRL)

Particulars	Year ended December 31, 2023	2022
Other expenses		
Power and fuel	31,729	23,662
Brand and marketing	352,096	333,144
Rates and taxes	5,124,110	2,218,281
Repairs and maintenance	2,374,490	2,459,195
Consumables	25,141	132,919
Insurance	95,967	672,408
Provision / (reversal) for post-sales client support	(500,208)	(2,454,749)
Cost of software packages and others	12,273,478	11,966,761
Allowances / (reversals) for credit losses on financial assets	(64,989)	618,445
Others	294,563	516,549
Total other expenses	20,006,377	16,486,615

2.18 Related party transactions

List of related parties:

Name of the holding company	Country	Holding as at December 31, 2023	December 31 2022
Infosys Limited	India	100%	100%

Name of the ultimate holding company	Country
Infosys Limited	India

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

Name of fellow subsidiaries	Country
Skava Systems Private Limited (Skava Systems)[(1)(22)]	India
Infosys Chile SpA[(1)]	Chile
Infosys Arabia Limited[(2)(22)]	Saudi Arabia
Infosys Luxembourg S.a.r.l[(1)]	Luxembourg
Infosys Americas Inc. (Infosys Americas)[(1)(39)]	US
Infosys Public Services, Inc. USA (Infosys Public Services)[(1)]	US
Infosys BPM Limited[(1)(27)]	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 [(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
Infy Consulting Company Ltd[(4)]	UK
Infy Consulting B.V.[(4)]	The Netherlands
Infosys Consulting S.R.L.[(29)]	Argentina
Infosys Consulting (Belgium) NV[(4)]	Belgium
Panaya Inc. (Panaya)[(1)]	U.S.
Panaya Ltd.[(5)]	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH) [(38)]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[(1)(22)]	UK
Brilliant Basics Limited [(6)(22)]	UK
Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)[(1)]	Singapore
Infosys Middle East FZ LLC [(7)]	Dubai
Fluido Oy [(7)]	Finland
Fluido Sweden AB [(9)]	Sweden
Fluido Norway A/S[(9)]	Norway
Fluido Denmark A/S[(9)]	Denmark
Fluido Slovakia s.r.o[(9)]	Slovakia
Infosys Compaz Pte. Ltd [(8)]	Singapore
Infosys South Africa (Pty) Ltd[(7)]	South Africa
WongDoody Inc. [(1)]	US
HIPUS Co., Ltd[(8)]	Japan
Stater N.V.[(8)]	The Netherlands
Stater Nederland B.V.[(10)]	The Netherlands
Stater XXL B.V.[(10)]	The Netherlands
HypoCasso B.V.[(10)]	The Netherlands
Stater Participations B.V.[(44)]	The Netherlands
Stater Belgium N.V./S.A.[(10)(44)]	Belgium
Stater Gmbh[(10)]	Germany

Name of fellow subsidiaries	Country
Outbox systems Inc. dba Simplus (US)[12]	US
Simplus ANZ Pty Ltd.[13]	Australia
Simplus Australia Pty Ltd[14]	Australia
Simplus Philippines, Inc.[13]	Philippines
Infosys Fluido UK, Ltd.[9]	UK
Infosys Fluido Ireland, Ltd.[16]	Ireland
Infosys Limited Bulgaria EOOD[1]	Bulgaria
Kaleidoscope Animations, Inc.[12]	US
Kaleidoscope Prototyping LLC[18][43]	US
GuideVision s.r.o.[11]	Czech Republic
GuideVision Deutschland GmbH[17]	Germany
GuideVision Suomi Oy[17]	Finland
GuideVision Magyarország Kft[17]	Hungary
GuideVision Polska Sp. z.o.o[17]	Poland
GuideVision UK Ltd[17][22]	UK
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[12]	US
Beringer Capital Digital Group Inc[12][25]	US
Mediotype LLC[19][25]	US
Beringer Commerce Holdings LLC[19][25]	US
SureSource LLC[20][23]	US
Blue Acorn LLC[20][23]	US
Simply Commerce LLC[20][23]	US
iCiDIGITAL LLC[21][24]	US
Infosys BPM UK Limited[3]	UK
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[1]	Turkey
Infosys Germany Holding Gmbh[1]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1]	Germany
Infosys Green Forum[1]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[7]	Malaysia
Infosys Business Solutions LLC[1][26]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[28]	Germany
Wongdoody Gmbh (formerly known as oddity GmbH) [30]	Germany
oddity (Shanghai) Co., Ltd. [31]	China
oddity Limited (Taipei) [31]	Taiwan
oddity space GmbH [30][42]	Germany
oddity jungle GmbH [30][42]	Germany
oddity code GmbH [30][42]	Germany
WongDoody d.o.o (formerly known as oddity code d.o.o) [31][42]	Serbia
oddity waves GmbH [30][42]	Germany
oddity group services GmbH [30][42]	Germany
Infosys Public Services Canada Inc. [15][32]	Canada
BASE life science AG [34]	Switzerland
BASE life science GmbH [34]	Germany
BASE life science A/S [33]	Denmark
BASE life science S.A.S [34]	France

Name of fellow subsidiaries	Country
BASE life science Ltd. [34]	UK
BASE life science S.r.l. [34]	Italy
Innovisor Inc.[34]	US
BASE life science Inc.[34]	US
BASE life science S.L.[34][35]	Spain
Panaya Germany GmbH [5][36]	Germany
Infosys Norway [7][37]	Norway
Infosys BPM Canada Inc [3][40]	Canada
Danske IT and Support Services India Private Limited ("Danske IT") [41]	India

(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 Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)
(8) Majority-owned and controlled subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)
(9) Wholly-owned subsidiary of Fluido Oy
(10) Wholly-owned subsidiary of Stater N.V.
(11) Wholly-owned subsidiary of Infy Consulting Company Limited
(12) Wholly-owned subsidiary of Infosys Nova Holdings LLC
(13) Wholly-owned subsidiary of Outbox systems Inc. dba Simplus (US)
(14) Wholly-owned subsidiary of Simplus ANZ Pty Ltd.
(15) Wholly-owned subsidiary of Infosys Public Services, Inc.
(16) Wholly-owned subsidiary of Infosys Fluido UK, Ltd.
(17) Wholly-owned subsidiary of GuideVision s.r.o.
(18) Wholly-owned subsidiary of Kaleidoscope Animations, Inc.
(19) Wholly-owned subsidiary of Blue Acorn iCi Inc
(20) Wholly-owned subsidiary of Beringer Commerce Holdings LLC
(21) Wholly-owned subsidiary of Beringer Capital Digital Group Inc.
(22) Under liquidation
(23) Merged with Beringer Commerce Holdings LLC, effective January 1, 2022
(24) Merged with Beringer Capital Digital Group Inc, effective January 1, 2022
(25) Merged with Blue Acorn iCi Inc, effective January 1, 2022
(26) Incorporated on February 20, 2022
(27) On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.
(28) On March 22, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.), a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")).
(29) Infosys Consulting S.R.L. (Argentina) (formerly a wholly-owned subsidiary of Infosys Consulting Holding AG) became the majority owned and controlled subsidiary of Infosys Limited with effect from April 1, 2022
(30) On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.)) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and Wongdoody Gmbh (formerly known as oddity GmbH)
(31) Wholly-owned subsidiary of Wongdoody Gmbh (formerly known as oddity GmbH)
(32) Incorporated on July 8, 2022
(33) On September 1, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.) (a wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.
(34) Wholly-owned subsidiary of BASE life science A/S
(35) Incorporated on September 6, 2022
(36) Incorporated effective December 15, 2022
(37) Incorporated effective February 7, 2023.
(38) Infosys Financial Services GmbH. (formerly Panaya GmbH) became a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.) with effect from February 23, 2023.
(39) Liquidated effective July 14, 2023
(40) Incorporated on August 11, 2023
(41) On September 1, 2023 Infosys Limited acquired 100% of voting interests in Danske IT and Support Services India Private Limited ("Danske IT").

(42) On September 29, 2023, oddity space GmbH, oddity waves GmbH, oddity jungle GmbH, oddity group services GmbH and oddity code GmbH merged into WongDoody GmbH and oddity code d.o.o which was formerly a subsidiary of oddity code Gmbh has become a subsidiary of Wongdoody Gmbh (formerly known as oddity GmbH).

(43) Liquidated effective November 1, 2023

(44) On November 24, 2023, Stater Participations B.V (a wholly-owned subsidiary of Stater N.V.) merged with Stater N.V and Stater Belgium N.V./S.A which was formerly a wholly owned subsidiary of Stater Participations B.V. became a wholly owned subsidiary of Stater N.V.

The details of amounts due to or due from related parties as at December 31, 2023 and December 31, 2022 are as follows :

(In BRL)

Particulars	As at December 31,	
	2023	2022
Trade receivables		
Infosys Consulting S.R.L. (Argentina)	587,087	122,277
Infosys Consulting AG	1,089,428	1,172,812
Infosys Limited	10,777,921	10,628,240
Infosys BPM Limited	1,234,951	1,179,892
Infosys Compaz Pte. Ltd	26,805	29,170
	13,716,192	13,132,391
Trade payables		
Infosys Consulting S.R.L. (Argentina)	50,286	153,108
Infosys Limited	11,689	179,916
Infosys Technologies China	15,851	22,719
Infosys (Czech Republic) Ltd	83,560	124,729
Infosys BPM Limited	357,342	116,446
	518,728	596,918
Other financial assets		
Infosys Automotive and Mobility	6,100,115	–
	6,100,115	–
Other financial liabilities		
Infosys Consulting AG	1,089,428	3,943,340
Infosys Automotive and Mobility	12,014,734	2,683,254
Infosys Compaz Pte. Ltd	26,805	29,170
Infosys Limited	2,434,697	2,544,731
	15,565,664	9,200,495
Accrued expenses		
Infosys Limited	311,732	7,202,345
Panaya Limited	10,951	10,951
	322,683	7,213,296

(In BRL)

Particulars	For the year ended December 31,	
	2023	2022
Purchase of services and shared services, facilities and personnel		
Infosys Consulting S.R.L. (Argentina)	94,762	655,823
Panaya Limited	–	7,542
Infosys Management Consulting Pty Ltd	–	54,857
Infosys Limited	(1,389,100)	6,752,118
Infosys Automotive and Mobility	9,460,426	2,537,821
Infosys BPM Limited	1,321,408	212,447

Particulars	For the year ended December 31,	
	2023	2022
Infosys Technologies China	85,362	43,721
Infosys (Czech Republic) Ltd	558,128	243,212
	10,130,986	10,507,541
Sale of services		
Infosys Limited	94,490,892	61,147,179
Infosys Consulting S.R.L. (Argentina)	464,810	122,127
Infosys Compaz Pte. Ltd	–	135,079
Infosys BPM Limited	7,504,043	4,688,722
	102,459,745	66,093,107

2.19 Ratios

The ratios for the years ended December 31, 2023 and December 31, 2022 are as follows:

Particulars	Numerator	Denominator	Years ended December 31,		Variance %
			2023	2022	
Current ratio	Current assets	Current liabilities	1.5	1.5	4.6%
Debt – Equity ratio	Total Debt (represents lease liabilities) [(1)]	Shareholder's Equity	0.33	0.26	6.7%
Debt service coverage ratio	Earnings available for debt service[(2)]	Debt Service[(3)]	3.0	2.6	15.5%
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	23.9%	8.5%	15.5%
Trade receivables turnover ratio	Revenue	Average Trade Receivable	5.3	5.7	(7.4%)
Trade payables turnover ratio	Purchases of services and other expenses	Average Trade Payables	3.9	4.5	(15.0%)
Net capital turnover ratio	Revenue	Working Capital	4.8	3.9	22.3%
Net profit ratio	Net Profit	Revenue	6.6%	2.4%	4.3%
Return on Capital Employed (ROCE)	Earning before interest and taxes	Capital Employed[(4)]	22.9%	23.8%	(0.8%)

(1) Debt represents only lease liabilities

(2) Net profit after taxes + Non-cash operating expenses + Interest + other adjustments like loss on sale of fixed assets etc.

(3) Lease payments for the current year

(4) Tangible net worth + deferred tax liabilities + Lease liabilities

2.20 Segment reporting

The Company is engaged in providing consultancy service in a single geography. Based on the 'Management approach', as defined in Ind AS 108, Segment Reporting, the Chief Operating Decision Maker (CODM) evaluates the performance and allocates resources based on the analysis of the performance of the Company as a whole. Its operations are, therefore, considered to constitute a single segment in the context of Ind AS 108, Segment Reporting .

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Infosys Consulting S.R.L. (Romania)

Independent Auditor's report

To the Members of Infosys Consulting S.R.L

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Infosys consulting S.R.L. ("the Company"), which comprise the Balance Sheet as at December 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of preparation referred to in Section 1.2 of the special purpose financial statements, of the state of affairs of the Company as at December 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1.2 to the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company, Infosys Limited under the requirements of section 129 (3) of the Companies Act, 2013 and for issuing Annual Performance Report ("APR") which is required to be furnished by the Holding Company to Authorized Bank in accordance with regulation 10 of Foreign Exchange Management (Overseas Investment) Regulations. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for the above purpose and is not to be used, referred to or distributed for any other purpose without our prior consent.

Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- • Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

i) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

iii) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

For Shenoy & Kamath
Chartered Accountants,

Firm Registration Number. 006673S

(M Rathnakar Kamath)
Partner

Membership Number. 202841

UDIN : : 24202841BKACIX2536

Place: Bengaluru.

Date: May 7, 2024

Balance Sheet

(In RON)

Particulars	Note no.	As at December 31, 2023	As at December 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	2.1	6,064,478	12,121,444
Right to Use of asset	2.13	8,234,585	14,404,523
Deferred tax asset	2.12	1,454,729	2,386,928
Other financial assets	2.3	2,438,618	2,292,452
Total non-current assets		18,192,410	31,205,347
Current assets			
Financial assets			
Trade receivables	2.4	26,928,745	28,029,646
Cash and cash equivalents	2.5	26,763,718	514,109
Loans	2.2	186	89,379
Other financial assets	2.3	18,667,044	11,150,538
Other current assets	2.6	14,040,886	9,134,648
Total current assets		86,400,580	48,918,320
Total assets		104,592,990	80,123,667
Equity and liabilities			
Equity			
Equity share capital	2.8	9,918,300	9,918,300
Other equity		43,960,643	27,729,928
Total equity		53,878,943	37,648,228
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease Liability	2.13	7,527,796	9,583,147
Other financial liabilities	2.9	1,522,909	–
Total non-current liabilities		9,050,705	9,583,147
Current liabilities			
Financial liabilities			
Trade payables	2.10	6,222,341	206,349
Borrowings	2.9	–	1,957,362
Lease Liability	2.13	4,781,828	6,948,045
Other financial liabilities	2.9	22,752,952	16,572,039
Other current liabilities	2.11	7,642,542	5,440,750
Income tax liabilities, net	2.12	263,678	1,767,747
Total current liabilities		41,663,342	32,892,292
Total equity and liabilities		104,592,990	80,123,667

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

for and on behalf of the Board of Directors of Infosys Consulting S.R.L.

M. Rathnakar Kamath
Partner
Membership No. 202841

Lilly Vasanthini
Director

Place: Bengaluru

Date: May 7, 2024

Statement of Profit and Loss

(In RON, except equity share and per equity share data)

Particulars	Note no.	Years ended December 31,	
		2023	2022
Revenue from operations	2.14	214,355,603	188,864,501
Other income, net	2.15	3,522,824	963,191
Total income		217,878,427	189,827,692
Expenses			
Employee benefit expenses	2.16	156,625,958	146,539,665
Cost of technical sub-contractors		5,794,593	2,260,542
Travel expenses		1,190,379	1,081,506
Communication expenses		1,181,802	1,196,657
Consultancy and professional charges		7,156,962	5,951,426
Depreciation and amortization expenses	2.1	10,613,569	12,499,067
Finance Cost		240,730	195,235
Other expenses	2.16	16,899,845	10,490,204
Total expenses		199,703,839	180,214,302
Profit before tax		18,174,588	9,613,390
Tax expense			
Current tax	2.12	1,011,675	4,730,017
Deferred tax	2.12	932,199	(2,386,928)
Profit for the year		16,230,715	7,270,301
Earnings per equity share			
Equity shares of RON 100 par value each			
Basic (RON)		163.64	73.30
Diluted (RON)		163.64	73.30
Weighted average equity shares used in computing earnings per equity share			
Basic		99,183	99,183
Diluted		99,183	99,183

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

for and on behalf of the Board of Directors of Infosys Consulting S.R.L.

M. Rathnakar Kamath
Partner
Membership No. 202841

Lilly Vasanthini
Director

Place: Bengaluru

Date: May 7, 2024

Statements of Cash Flows

(In RON)

Particulars	Note no.	Years ended December 31, 2023	2022
Cash flows from operating activities			
Profit for the year		16,230,715	7,270,301
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation expense	2.1	10,613,569	12,499,067
Finance cost		240,730	195,235
Interest Income on prepaid contract cost		–	(64,074)
Income tax expense	2.12	1,943,873	2,343,089
Currency translation differences		671,233	669,468
Changes in assets and liabilities			
Trade receivables		1,100,901	(21,026,652)
Other financial assets and other assets		(12,333,553)	(13,696,998)
Trade payables		6,015,992	204,579
Other financial liabilities, other liabilities and provisions		9,905,615	9,837,510
Cash generated from / (used in) operations		34,389,074	(1,768,475)
Income taxes paid		(2,515,744)	(1,078,068)
Net cash generated by / (used in) operating activities		31,873,331	(2,846,543)
Cash flow from investing activities			
Expenditure on property, plant and equipment net of sale proceeds		1,141,247	(2,849,731)
Net cash generated by / (used in) investing activities		1,141,247	(2,849,731)
Cash flow from financing activities			
Proceeds from borrowings		(1,957,362)	1,957,363
Payment of lease liabilities		(4,807,606)	(4,807,606)
Net cash used in financing activities		(6,764,968)	(2,850,243)
Net decrease in cash and cash equivalents		26,249,610	(8,546,517)
Cash and cash equivalents at the beginning of the year	2.5	514,109	9,060,626
Cash and cash equivalents at the end of the year	2.5	26,763,719	514,109

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

for and on behalf of the Board of Directors of Infosys Consulting S.R.L.

M. Rathnakar Kamath
Partner
Membership No. 202841

Lilly Vasanthini
Director

Place: Bengaluru

Date: May 7, 2024

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, 2022	99,18,300	8,00,000	1,93,91,740	147,887	120,000	3,03,77,927
Changes in equity for the year ended December 31, 2022						
Profit for the year	–	–	7,270,301	–	–	7,270,301
Balance as at December 31, 2022	9,918,300	8,00,000	2,66,62,041	1,47,887	1,20,000	3,76,48,228
Changes in equity for the year ended December 31, 2023						
Profit for the year	–	–	16,230,715	–	–	16,230,715
Balance as at December 31, 2023	9,918,300	800,000	42,892,756	147,887	120,000	53,878,943

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

for and on behalf of the Board of Directors of Infosys Consulting S.R.L.

M. Rathnakar Kamath
Partner
Membership No. 202841

Lilly Vasanthini
Director

Place: Bengaluru

Date: May 7, 2024

Significant accounting policies

Company overview

Infosys Consulting S.R.L. (formerly S.C. Infosys Consulting S.R.L.) (registered in Romania) became a wholly-owned subsidiary of Infosys Limited w.e.f 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 Holding Company Infosys Limited under the requirements of Section 129 (3) of the Companies Act 2013 and for issuing Annual Performance Report ("APR") which is required to be furnished by the Holding Company, to Authorized Bank in accordance with regulation 10 of Foreign Exchange Management (Overseas Investment) Regulations. These financial statements are prepared in accordance with Indian Accounting Standards (Ind-AS) under the historical cost convention on the accrual basis. 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.

1.5 Revenue recognition

The Company derives revenues primarily from consultancy services.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Arrangements with customers for software related services are either on a fixed-timeframe or on a time-and-material basis.

1.5.1 T&M

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

1.5.2 Licenses

Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period. Arrangements to deliver software products generally have three elements: license, implementation, and Annual Technical Services (ATS). The Company has applied the principles under Ind-AS 115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost-plus margin approach. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized ratably over the period in which the services are rendered.

1.5.3 Volume Discounts

The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts/ incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the Company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The Company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

1.5.4 Contract Modification

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

1.5.5 Tax

The Company presents revenues net of indirect taxes in its statement of Profit and loss.

1.6 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

1.7 Post-sales client support

The Company provides its clients with a fixed-period post-sales support for corrections of errors and support on all its fixed-price, fixed-timeframe contracts. Costs associated with such support services are accrued at the time when related revenues are recorded and included in cost of sales. The Company estimates such costs based on historical experience and the estimates are reviewed annually for any material changes in assumptions.

1.8 Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Company recognizes any impairment loss on the assets associated with that contract.

1.9 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by Management. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Plant and Machinery	5 years
Office Equipment	5 years
Computer equipment	3-5 years
Furniture and fixtures	5 years
Leasehold Improvements	Over the lease tenure

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Based on technical evaluation, the Management believes that the useful lives as given above best represent the period over which Management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

1.10 Financial instruments

1.10.1 Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

1.10.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss

A financial asset, which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

1.11 Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

1.12 Impairment

a. Financial assets

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets, which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

b. Non-financial assets

(i) Property, plant and equipment

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

1.13 Employee Benefits

Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

1.14 Foreign currency

Functional currency

The functional currency of the Company is the Romanian Lei. These financial statements are presented in its functional currency.

Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

1.15 Income taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

1.16 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.17 Earnings per share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.

1.18 Other Income

Other income is comprised primarily of interest income, dividend income and exchange gain/loss on forward and options contracts and on translation of other assets and liabilities. Interest income is recognized using the effective interest method.

1.19 Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.1 Property, plant and equipment

The changes in the carrying value of Property, plant and equipment for the year ended 31st December 2023 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, 2023	84,053	1,806,016	13,424,273	6,599,974	12,266,642	34,180,958
Additions/Adjustments	–	–	–	–	–	–
Other Adjustments	–	(26,834)	(1,112,244)	(14,795)	–	(1,153,874)
Gross carrying value as at December 31, 2023	84,053	1,779,182	12,312,029	6,585,179	12,266,642	33,027,084
Accumulated depreciation as at January 1, 2023	14,662	1,098,646	9,551,242	3,254,092	8,140,872	22,059,514
Depreciation	16,776	355,875	2,421,433	1,318,616	1,944,007	6,056,707
Other Adjustments	–	(26,833)	(1,112,245)	(14,536)	–	(1,153,615)
Accumulated depreciation as at December 31, 2023	31,438	1,427,688	10,860,430	4,558,172	10,084,879	26,962,606
Carrying value as at December 31, 2023	52,615	351,494	1,451,599	2,027,007	2,181,763	6,064,478
Carrying value as at January 1, 2023	69,391	707,370	3,873,031	3,345,882	4,125,770	12,121,444

The changes in the carrying value of Property, plant and equipment for the year ended 31st December 2022 are as follows:

(In RON)

Particulars	Plant and machinery	Office Equipment	Computer equipment	Furniture and fixtures	Leasehold Improvements	Total
Gross carrying value as at January 1, 2022	–	1,481,362	9,990,971	3,693,217	8,397,769	23,563,319
Additions	84,053	324,654	3,490,193	2,906,757	3,868,873	10,674,530
Deletions	–	–	(56,891)	–	–	(56,891)
Gross carrying value as at December 31, 2022	84,053	1,806,016	13,424,273	6,599,974	12,266,642	34,180,958
Accumulated depreciation as at January 1, 2022	–	701,166	6,086,914	1,830,492	5,465,304	14,083,876
Depreciation	14,662	397,480	3,521,219	1,423,600	2,675,568	8,032,529
Other Adjustments	–	–	(56,891)	–	–	(56,891)
Accumulated depreciation as at December 31, 2022	14,662	1,098,646	9,551,242	3,254,092	8,140,872	22,059,514
Carrying value as at December 31, 2022	69,391	707,370	3,873,031	3,345,882	4,125,770	12,121,444
Carrying value as at January 1, 2022	–	780,196	3,904,057	1,862,725	2,932,465	9,479,443

2.2 Loans

(In RON)

Particulars	As at December 31	
	2023	2022
Current		
Unsecured, considered good		
Other loans		
Loans and advances to employees	186	89,379
Total loans	186	89,379

2.3 Other financial assets

(In RON)

Particulars	As at December 31	
	2023	2022
Current		
Rental deposits [2]	2,499,939	2,490,756
Unbilled revenues [2]	5,319,650	5,900,522
Others [1] [2]	10,847,455	2,759,260
	18,667,044	11,150,538
Non current		
Net investment in lease	2,438,618	2,292,452
	2,438,618	2,292,452
Total	21,105,662	13,442,990
[1] Includes dues from related parties (Refer to Note No.2.17)	6,763,548	21,135
[2] Financial assets carried at amortized cost (Refer to Note No.2.7)	21,105,662	13,442,990

2.4 Trade receivables

(In RON)

Particulars	As at December 31	
	2023	2022
Current		
Unsecured		
Considered good[(1)]	27,935,448	28,029,646
Considered doubtful	–	1,196,515
	27,935,448	29,226,161
Less: Allowances for credit loss	(1,006,703)	(1,196,515)
	26,928,745	28,029,646
[(1)] Includes dues from related parties (Refer to Note No.2.17)	15,520,819	10,493,613

(In RON)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	14,269,339	11,820,022	(153,746)	1,999,099	524	–	27,935,238
	8,547,952	19,178,926	1,492,134	7,149	–	–	29,226,161
Undisputed Trade receivables – credit impaired	–	–	–	–	–	–	–
	–	–	–	–	–	–	–
Less: Allowance for credit loss							1,006,493
							1,196,515
Total trade receivables							26,928,745
							28,029,646

2.5 Cash and cash equivalents

(In RON)

Particulars	As at December 31	
	2023	2022
Balances with banks		
In current accounts	26,763,718	514,109
Total Cash and Cash Equivalents	26,763,718	514,109

2.6 Other assets

(In RON)

Particulars	As at December 31	
	2023	2022
Current		
Advances other than capital advance	9,815,473	4,045,524
Others		
Prepaid expenses	1,893,201	716,189
Deferred contract cost	(516)	64,075
Withholding taxes and others	2,332,729	4,308,860
	14,040,888	9,134,648
Total current other assets	14,040,888	9,134,648

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	
	2023	2022
Assets		
Cash and cash equivalents (Refer to Note No.2.5)	26,763,718	514,109
Trade receivables (Refer to Note No.2.4)	26,928,745	28,029,646
Loans (Refer to Note No.2.2)	186	89,379
Other financial assets (Refer to Note No.2.3)	21,105,662	13,442,990
Total	74,798,311	42,076,124
Liabilities		
Trade payables (Refer to Note No.2.10)	6,222,341	206,349

Particulars	As at December 31	
	2023	2022
Lease Liability (Refer to Note No.2.13)	12,309,625	16,531,192
Other financial liabilities (Refer to Note No.2.9)	17,687,708	14,447,104
Total	36,219,673	31,184,645

All the above financial assets and financial 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 primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

The gross carrying amount of a financial asset is written off (either partially or in full) when there is no realistic prospect of recovery.

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 and purchases from overseas suppliers in various foreign currencies. The exchange rate between the Romanian leu 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 Romanian leu appreciates/ depreciates against these currencies.

The following table analyses the foreign currency risk from financial assets and liabilities as at December 31, 2023:

(In RON)

Particulars	U.S. dollars	EUR	Others	Total
Net financial assets	1,332,377	50,933,213	1,346	52,266,936
Net financial liabilities	(6,334,319)	(36,589,018)	(233,642)	(43,156,978)
Total	(5,001,941)	14,344,195	(232,296)	9,109,958

The Foreign currency risk from financial assets and liabilities as at December 31, 2022 are as follows:

(In RON)

Particulars	U.S. dollars	EUR	Others	Total
Net financial assets	2,435,995	15,011,626	198,130	17,645,751
Net financial liabilities	(1,485,473)	(34,986,060)	(439,694)	(36,911,227)
Total	950,523	(19,974,434)	(241,564)	(19,265,475)

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 26,928,745 and RON 28,029,646 as of December 31, 2023 and December 31, 2022, respectively and unbilled revenue amounting to RON 5,319,650 and 5,900,522 as of December 31, 2023 and December 31, 2022, respectively. Trade receivables and unbilled revenue are typically unsecured. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind-AS 109, the Company uses ECL model to assess the impairment loss or gain. The Company uses a provision matrix to compute the ECL allowance for trade receivables 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, 2023, the Company had a working capital of RON 43,214,330 including cash and cash equivalents of RON 26,763,718. As of December 31, 2022, the Company had a working capital of RON 16,026,028 including cash and cash equivalents of RON 514,109.

As of December 31, 2023 and December 31, 2022 the outstanding compensated balances were RON 5,065,244 and RON 4,082,297 respectively.

2.8 Equity

Equity share capital

(In RON, except as stated otherwise)

Particulars	As at December 31,	
	2023	2022
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,			
	2023		2022	
	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, 2023 and December 31, 2022 is as follows :

(In RON, except as stated otherwise)

Particulars	As at December 31,			
	2023		2022	
	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,	
	2023	2022
Current		
Others		
Accrued compensation to employees [1]	4,415,471	3,619,484
Accrued expenses [1] [2]	2,404,489	2,930,396
Short-term borrowings	–	1,957,362
Compensated absences	5,065,244	4,082,297
Other payables [1][3]	10,867,748	5,939,862
	22,752,952	18,529,401
Non-Current		
Others	1,522,909	–
Total financial liabilities	24,275,861	18,529,401
[1] Financial liability carried at amortized cost	17,687,708	14,447,104
[2] Includes dues to related parties (Refer to Note No.2.17)	855,748	2,049,265
[3] Includes dues to related parties (Refer to Note No.2.17)	7,458,729	3,234,285

2.10 Trade payables

(In RON)

Particulars	As at December 31,	
	2023	2022
Trade payables(1)	6,222,341	206,349
	6,222,341	206,349
(1) Includes dues to related parties (Refer to Note No.2.17)	6,222,341	206,349

Trade payables ageing schedule

Year ended December 31, 2023 and December 31, 2022

(In RON)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Others	829,251	5,393,090	–	–	–	6,222,341
	105,378	100,971	–	–	–	206,349
Total trade payables	829,251	5,393,090	–	–	–	6,222,341
	105,378	100,971	–	–	–	206,349

2.11 Other liabilities

(In RON)

Particulars	As at December 31,	
	2023	2022
Current		
Unearned revenue	3,366,554	196,621
Others		
Withholding taxes and others	4,275,988	5,244,129
	7,642,542	5,440,750

2.12 Income taxes

Income tax expense in the Statement of Profit and Loss comprises:

(In RON)

Particulars	Years ended December 31,	
	2023	2022
Current taxes	1,011,675	4,730,017
Deferred taxes	932,199	(2,386,928)
Income tax expense	1,943,873	2,343,089

Current tax expense for the years ended December 31, 2023 and December 31, 2022 includes Income tax cost (net of provisions) amounting to RON (1,606,162) and RON 1,892,652 respectively, pertaining to prior periods.

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized as follows:

(In RON)

Particulars	Years ended December 31,	
	2023	2022
Profit before income tax	18,174,588	9,613,390
Enacted tax rates in Romania (%)	16.00%	16.00%
Computed expected tax expense	2,907,934	1,538,142
Tax reversals, overseas and domestic - Prior year	(1,606,162)	1,892,652
Effect of unrecognized deferred tax assets	1,153,522	(1,158,999)
Effect of non-deductible expenses	(22,831)	41,429
Overseas/PE Taxes	11,405	29,864
Others	(499,996)	–
Income tax expense	1,943,873	2,343,089

The applicable Romanian statutory tax rate for the year ended December 31, 2023 and December 31, 2022, is 16%.

The details of income tax assets and income tax liabilities are as follows:

(In RON)

Particulars	As at December 31	
	2023	2022
Income tax assets	–	–
Current income tax liabilities	263,678	1,767,747
Net current income tax assets / (liability) at the end	(263,678)	(1,767,747)

The gross movement in the current income tax asset / (liability) is as follows:

(In RON)

Particulars	Year ended December 31,	
	2023	2022
Net current income tax asset / (liability) at the beginning	(1,767,747)	1,884,202
Income tax paid	2,515,744	1,078,068
Current income tax expense	(1,011,675)	(4,730,017)
Net current income tax asset / (liability) at the end	(263,678)	(1,767,747)

The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

(In RON)

Particulars	As at December 31,	
	2023	2022
Deferred income tax assets		
Accrued compensation to employees	810,439	1,733,760
Compensated absences	644,290	653,168
Total Deferred income tax assets	1,454,729	2,386,928

2.13 Leases

The changes in the carrying value of right of use assets for the year ended December 31, 2023 are as follows:

(In RON)

Particulars	Category of ROU asset			Total
	Computer	Buildings	Vehicles	
Balance as of January 1, 2023	3,097,366	11,296,987	10,170	14,404,523
Additions, Net	–	–	–	–
Deletion	(1,613,076)	–	–	(1,613,076)
Depreciation	(561,713)	(3,984,979)	(10,170)	(4,556,862)
Balance as of December 31, 2023	922,577	7,312,008	–	8,234,585

The changes in the carrying value of right of use assets for the year ended December 31, 2022 are as follows:

(In RON)

Particulars	Category of ROU asset			Total
	Computer	Buildings	Vehicles	
Balance as of January 1, 2022	–	15,316,250	35,082	15,351,332
Additions	3,519,729	–	–	3,519,729
Depreciation	(422,363)	(4,019,263)	(24,912)	(4,466,538)
Balance as of December 31, 2022	3,097,366	11,296,987	10,170	14,404,523

The 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 is as follows:

(In RON)

Particulars	As at December 31,	
	2023	2022
Current lease liabilities	4,781,828	6,948,045
Non-current lease liabilities	7,527,796	9,583,147
Total	12,309,625	16,531,192

The movement in lease liabilities during the year ended is as follows:

(In RON)

Particulars	As at December 31,	
	2023	2022
Balance at the beginning	16,531,192	17,018,439
Additions	–	3,519,729
Finance cost accrued during the period	129,397	129,397
Payment of lease liabilities	(4,807,606)	(4,807,606)
Translation Difference	456,642	671,233
Balance at the end	12,309,625	16,531,192

The details regarding the contractual maturities of lease liabilities as at December 31, 2023 and December 31, 2022 on an undiscounted basis are as follows:

(In RON)

Particulars	As at December 31,	
	2023	2022
Less than one year	3,909,999	5,720,921
One to five years	11,421,142	11,421,142
More than five years	–	–
Total	15,331,141	17,142,063

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 2,764,209 for the year ended December 31,2023.

2.14 Revenue from operations

(In RON)

Particulars	Years ended December 31,	
	2023	2022
Income from consultancy services	214,355,603	188,864,501
	214,355,603	188,864,501

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, 2023 and December 31, 2022, the Company recognized revenue of RON 193,558 and RON 19,051 arising from opening unearned revenue as of January 1, 2022 and January 1, 2021 respectively.

During the year ended December 31, 2023 and December 31, 2022, RON 62,061 and RON NIL of unbilled revenue pertaining to other fixed price and fixed time frame contracts as of January 1, 2022 and January 1, 2021, respectively has been reclassified to Trade receivables upon billing to customers on completion of milestones.

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind-AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time-and-material and 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, 2023, other than those meeting the exclusion criteria mentioned above, is RON 31,274,833. Out of this, the Company expects to recognize revenue of around 38.8% within the next one year and the remaining thereafter. The aggregate value of performance obligations that are completely or partially unsatisfied as at December 31, 2022 is RON 44,331,760. 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 RON)

Particulars	Years ended December 31,	
	2023	2022
Miscellaneous income, net	3,522,824	963,191
	3,522,824	963,191

2.16 EXPENSES

(In RON)

Particulars	Years ended December 31,	
	2023	2022
Employee benefit expenses		
Salaries including bonus	152,804,934	143,231,531
Staff welfare	3,821,024	3,308,134
	156,625,958	146,539,665
Other expenses		
Power and fuel	1,053,592	433,426
Cost of software packages and others for own use	3,806,628	3,306,144
Brand and marketing	182,775	248,469
Rental Expenses	2,764,210	1,357,272
Rates and taxes	31,829	21,483
Repairs and maintenance	3,141,877	1,925,546
Consumables	913,618	821,851
Insurance	287,255	277,785
Others	4,718,061	2,098,228
	16,899,845	10,490,204

2.17 Related party transactions

List of related parties:

Name of the holding companies	Country	Holding as at December 31,	
		2023	2022
Infosys Limited (w.e.f 01st February 2019)	India	**100%**	100%

Name of fellow subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)[(1)]	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)[(1)]	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)[(1)]	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)[(1)]	China
Infosys Nova Holdings LLC. (Infosys Nova)[(1)]	U.S.
EdgeVerve Systems Limited (EdgeVerve)[(1)]	India
Infosys Austria GmbH[(1)]	Austria
Skava Systems Private Limited (Skava Systems)[(1)(22)]	India
Infosys Chile SpA[(1)]	Chile
Infosys Arabia Limited[(2)(22)]	Saudi Arabia
Infosys Consulting Ltda.[(1)]	Brazil
Infosys Luxembourg S.a.r.l[(1)]	Luxembourg
Infosys Americas Inc. (Infosys Americas)[(1)(39)]	U.S.
Infosys Public Services, Inc. USA (Infosys Public Services)[(1)]	U.S.
Infosys BPM Limited[(1)(27)]	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 [(1)]	Switzerland
Infosys Management Consulting Pty Limited[(4)]	Australia
Infosys Consulting AG[(4)]	Switzerland
Infosys Consulting GmbH[(4)]	Germany
Infosys Consulting SAS[(4)]	France
Infy Consulting Company Ltd[(4)]	U.K.
Infy Consulting B.V.[(4)]	The Netherlands
Infosys Consulting S.R.L.[(29)]	Argentina
Infosys Consulting (Belgium) NV[(4)]	Belgium
Panaya Inc. (Panaya)[(1)]	U.S.
Panaya Ltd.[(5)]	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH) [(38)]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[(1)(22)]	U.K.
Brilliant Basics Limited [(6)(22)]	U.K.
Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)[(1)]	Singapore
Infosys Middle East FZ LLC [(7)]	Dubai
Fluido Oy [(7)]	Finland
Fluido Sweden AB [(9)]	Sweden
Fluido Norway A/S[(9)]	Norway
Fluido Denmark A/S[(9)]	Denmark
Fluido Slovakia s.r.o[(9)]	Slovakia

Name of fellow subsidiaries	Country
Infosys Compaz Pte. Ltd [8]	Singapore
Infosys South Africa (Pty) Ltd[7]	South Africa
WongDoody Inc. [1]	U.S.
HIPUS Co., Ltd[8]	Japan
Stater N.V.[8]	The Netherlands
Stater Nederland B.V.[10]	The Netherlands
Stater XXL B.V.[10]	The Netherlands
HypoCasso B.V.[10]	The Netherlands
Stater Participations B.V.[44]	The Netherlands
Stater Belgium N.V./S.A.[10][44]	Belgium
Stater Gmbh[10]	Germany
Outbox systems Inc. dba Simplus (US)[12]	U.S.
Simplus ANZ Pty Ltd.[13]	Australia
Simplus Australia Pty Ltd[14]	Australia
Simplus Philippines, Inc.[13]	Philippines
Infosys Fluido UK, Ltd.[9]	U.K.
Infosys Fluido Ireland, Ltd.[16]	Ireland
Infosys Limited Bulgaria EOOD[1]	Bulgaria
Kaleidoscope Animations, Inc.[12]	U.S.
Kaleidoscope Prototyping LLC[18][43]	U.S.
GuideVision s.r.o.[11]	Czech Republic
GuideVision Deutschland GmbH[17]	Germany
GuideVision Suomi Oy[17]	Finland
GuideVision Magyarország Kft[17]	Hungary
GuideVision Polska Sp. z.o.o[17]	Poland
GuideVision UK Ltd[17][22]	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[12]	U.S.
Beringer Capital Digital Group Inc[12][25])	U.S.
Mediotype LLC[19][25]	U.S.
Beringer Commerce Holdings LLC[19][25]	U.S.
SureSource LLC[20][23]	U.S.
Blue Acorn LLC[20][23]	U.S.
Simply Commerce LLC[20][23]	U.S.
iCiDIGITAL LLC[21][24]	U.S.
Infosys BPM UK Limited[3]	U.K.
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[1]	Turkey
Infosys Germany Holding Gmbh[1]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1]	Germany
Infosys Green Forum[1]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[7]	Malaysia
Infosys Business Solutions LLC[1][26]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")[28]	Germany
Wongdoody Gmbh (formerly known as oddity GmbH) [30]	Germany
oddity (Shanghai) Co., Ltd. [31]	China
oddity Limited (Taipei) [31]	Taiwan

Name of fellow subsidiaries	Country
oddity space GmbH [30][42]	Germany
oddity jungle GmbH [30][42]	Germany
oddity code GmbH [30][42]	Germany
WongDoody d.o.o (formerly known as oddity code d.o.o) [31][42]	Serbia
oddity waves GmbH [30][42])	Germany
oddity group services GmbH [30][42]	Germany
Infosys Public Services Canada Inc. [15][32]	Canada
BASE life science AG [34]	Switzerland
BASE life science GmbH [34]	Germany
BASE life science A/S [33]	Denmark
BASE life science S.A.S [34]	France
BASE life science Ltd. [34]	U.K.
BASE life science S.r.l. [34]	Italy
Innovisor Inc.[34]	U.S.
BASE life science Inc.[34]	U.S.
BASE life science S.L.[34][35])	Spain
Panaya Germany GmbH [5][36])	Germany
Infosys Norway [7][37]	Norway
Infosys BPM Canada Inc [3][40]	Canada
Danske IT and Support Services India Private Limited ("Danske IT") [41]	India

[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 Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

[8] Majority owned and controlled subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

[9] Wholly-owned subsidiary of Fluido Oy

[10] Wholly-owned subsidiary of Stater N.V

[11] Wholly-owned subsidiary of Infy Consulting Company Limited

[12] Wholly-owned subsidiary of Infosys Nova Holdings LLC

[13] Wholly-owned subsidiary of Outbox systems Inc. dba Simplus (US)

[14] Wholly-owned subsidiary of Simplus ANZ Pty Ltd

[15] Wholly-owned subsidiary of Infosys Public Services, Inc.

[16] Wholly-owned subsidiary of Infosys Fluido UK, Ltd.

[17] Wholly-owned subsidiary of GuideVision s.r.o.

[18] Wholly-owned subsidiary of Kaleidoscope Animations, Inc.

[19] Wholly-owned subsidiary of Blue Acorn iCi Inc

[20] Wholly-owned subsidiary of Beringer Commerce Holdings LLC

[21] Wholly-owned subsidiary of Beringer Capital Digital Group Inc.

[22] Under liquidation

[23] Merged with Beringer Commerce Holdings LLC, effective January 1, 2022

[24] Merged with Beringer Capital Digital Group Inc, effective January 1, 2022

[25] Merged with Blue Acorn iCi Inc, effective January 1, 2022

[26] Incorporated on February 20, 2022

[27] On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

[28] On March 22, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.), a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")).

[29] Infosys Consulting S.R.L. (Argentina) (formerly a Wholly-owned subsidiary of Infosys Consulting Holding AG) became the majority owned and controlled subsidiary of Infosys Limited with effect from April 1, 2022

[30] On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.)) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity

code GmbH and Wongdoody Gmbh (formerly known as oddity GmbH)

(31) Wholly-owned subsidiary of Wongdoody Gmbh (formerly known as oddity GmbH)

(32) Incorporated on July 8, 2022

(33) On September 1, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.) (a Wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

(34) Wholly-owned subsidiary of BASE life science A/S

(35) Incorporated on September 6, 2022

(36) Incorporated effective December 15, 2022

(37) Incorporated effective February 7, 2023.

(38) Infosys Financial Services GmbH. (formerly Panaya GmbH) became a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.) with effect from February 23, 2023.

(39) Liquidated effective July 14, 2023

(40) Incorporated on August 11, 2023

(41) On September 1, 2023 Infosys Ltd. acquired 100% of voting interests in Danske IT and Support Services India Private Limited ("Danske IT").

(42) On September 29, 2023, oddity space GmbH, oddity waves GmbH, oddity jungle GmbH, oddity group services GmbH and oddity code GmbH merged into WongDoody GmbH and oddity code d.o.o which was formerly a subsidiary of oddity code Gmbh has become a subsidiary of Wongdoody Gmbh (formerly known as oddity GmbH).

(43) Liquidated effective November 1, 2023

(44) On November 24, 2023 Stater Participations B.V (Wholly-owned subsidiary of Stater N.V) merged with Stater N.V and Stater Belgium N.V./S.A which was formerly a wholly-owned subsidiary of Stater Participations B.V. became a wholly-₹₹ owned subsidiary of Stater N.V.

The details of amounts due to or due from related parties as at December 31, 202 and December 31, 2022 are as follows

(In RON)

Particulars	As at December 31, 2023	As at December 31, 2022
Trade receivables		
Infosys Consulting AG	160,885	133,905
Infosys Consulting Sp. z.o.o	40,965	76,281
Infosys Consulting GmbH	(63,660)	97,121
Infosys Limited	15,382,629	10,186,306
	15,520,819	10,493,613
Prepaid and other financial assets		
Infosys Limited	1,266	–
Infosys Poland Sp. Z.o.o	12,321	12,321
Infosys BPM Limited	2,130,048	–
Infosys Automotive and Mobility GmbH & Co. KG	4,619,913	–
Infosys Consulting GmbH	–	8,813
	6,763,548	21,135
Trade payables		
Infosys (Czech Republic) Limited s.r.o.	24,955	105,305
Infosys Technologies (China) Co. Limited (Infosys China)	4,734	8,980
Infosys BPM Limited	6,192,652	92,064
	6,222,341	206,349
Other payables & Financial liabilities		
Infosys Limited	1,173,486	97,815
Infosys BPO Ltd.	116,571	116,571
Infosys Consulting Holding AG (Infosys Lodestone)	–	1,957,362
Infosys Automotive and Mobility GmbH & Co. KG	6,168,672	864,641
Infosys Turkey Bilgi Teknolojikeri Limited Sirketi	–	197,896
	7,458,729	3,234,285
Accrued expenses		
Infosys Limited	855,748	2,049,265
	855,748	2,049,265

(In RON)

Particulars	Year ended December 31, 2023	2022
Revenue transactions		
Purchase of shared services including facilities and personnel		
Infosys Limited	(648,996)	1,534,733
Infosys Technologies (China) Co.Limited	31,513	31,446
Infosys (Czech Republic) Ltd	208,094	200,043
Infosys BPM Limited	5,626,676	181,357
	5,217,287	1,947,578
Sale of shared services including facilities and personnel		
Infosys BPM Limited	2,130,048	–
Sale of services		
Infosys Consulting AG	1,808,183	1,179,961
Infosys Luxembourg S.à.r.l	53,154	–
Infosys Consulting Sp. z.o.o	324,013	480,361
Infosys Consulting GmbH	416,638	1,090,932
Infosys Limited	149,759,154	140,614,709
	152,361,142	143,365,962
Interest expense		
Infosys Consulting Holding AG (Infosys Lodestone)	39,195	1,762
Interest income		
Infosys Turkey Bilgi Teknoloji	8,060	–
	47,255	1,762

2.18 Segment reporting

The Company is engaged in providing consultancy service in a single geography. Based on the 'Management approach', as defined in Ind-AS 108, Segment Reporting the Chief Operating Decision Maker (CODM) evaluates the performance and allocates resources based on the analysis of the performance of the Company as a whole. Its operations are, therefore, considered to constitute a single segment in the context of Ind-AS 108 Segment Reporting.

2.19 Ratios

The ratios for the years ended December 31, 2023 and Dec 31, 2022 are as follows:

Particulars	Numerator	Denominator	Years ended December 31, 2023	2022	Variance %
Current Ratio	Current assets	Current liabilities	2.1	1.5	41.9%*
Debt – Equity Ratio	Total Debt (represents lease liabilities) (1)	Shareholder's Equity	0.2	0.4	(21.1%)**
Debt Service Coverage Ratio	Earnings available for debt service(2)	Debt Service(3)	5.6	4.2	35.7%***
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	35.5%	21.4%	14.1%
Trade receivables turnover ratio	Revenue	Average Trade Receivable	7.8	10.8	(27.7%)#
Trade payables turnover ratio	Purchases of services and other expenses	Average Trade Payables	8.6	181.5	(95.3%)##
Net capital turnover ratio	Revenue	Working Capital	4.8	11.8	(59.3%)###
Net profit ratio	Net Profit	Revenue	8.5%	5.1%	3.4%
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed(4)	27.4%	18.9%	8.5%

(1) Debt represents only lease liabilities

(2) Net Profit after taxes + Non-cash operating expenses + Interest + other adjustments like loss on sale of Fixed assets etc.

(3) Lease payments for the current year

(4) Tangible net worth + deferred tax liabilities + Lease Liabilities

* Current ratio has increased as a result of increase in current asset (Cash & Cash Equivalents).

** Debt Equity ratio has decreased as a result of increase in shareholder equity (Profits).

*** Debt Service Coverage ratio has increased as a result of increase in Net Profits.

Trade receivable turnover ratio has decreased as a result of higher collection.

Trade payable turnover ratio has decreased as a result of increased in average trade payable.

NET capital turnover ratio has decreased as a result of increased in working capital.

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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, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of 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, 2024, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1.2 to the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared for inclusion in the annual report of the Ultimate Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act, 2013. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for the above purpose and is not to be used, referred to or distributed for any other purpose without our prior consent.

Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

i) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

iii) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

UDIN : 24202841BKACVV4801

For Shenoy & Kamath
Chartered accountants,

Firm Registration Number. 006673S

(M Rathnakar Kamath)
Partner

Membership Number. 202841

Place: Bengaluru.

Date: May 21, 2024

Balance Sheet

(In ¥ million)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
Assets			
Non-current assets			
(a) Property, Plant and equipment	2	113	127
(b) Right of use asset	2B	347	487
(c) Other intangible assets	2A	115	146
(d) Deferred tax assets	8	203	184
(e) Financial assets			
(i) Others	4	162	119
Total non-current assets		940	1,063
Current assets			
(a) Financial assets			
(i) Trade receivables	6	11,843	12,767
(ii) Cash and cash equivalents	7	5,253	3,665
(iii) Others	4	6,179	6,186
(b) Other current assets	5	2,045	1,766
Total current assets		25,320	24,384
Total assets		26,260	25,447
Equity and liabilities			
Equity			
(a) Equity share capital	3	500	500
(b) Other equity	3	1,823	1,446
Total equity		2,323	1,946
Liabilities			
Non-current liabilities			
(a) Provisions	9	299	270
(b) Other financial liabilities			
(i) Lease liability	10	199	340
Total non-current liabilities		498	610
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	11	22,125	21,779
(ii) Other financial liabilities	10	674	598
(b) Other current liabilities	12	442	367
(c) Income tax liabilities net	21	198	147
Total current liabilities		23,439	22,891
Total equity and liabilities		26,260	25,447

The accompanying notes form an integral part of these financial statements.

As per our reports of even date attached

for Shenoy & Kamath
Chartered Accountants

Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner

Membership No. 202841

Place: Bengaluru

Date: May 21, 2024

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	Note	For the year ended March 31,	
			2024	2023
I	Revenue from operations	13	6,328	5,833
	Other income	14	84	90
	Total income (I)		6,412	5,923
II	Expenses			
	Employee benefits expense	15	2,598	2,422
	Depreciation and amortization expense	16	218	216
	Cost of technical subcontractors		2,234	1,961
	Travel expenses		76	18
	Other expenses	17	471	539
	Total expenses (II)		5,598	5,156
III	Profit before tax (I-II)		814	767
IV	Tax expense			
	(i) Current tax	21	288	214
	(ii) Deferred tax	21	(19)	(4)
	Total tax expense (IV)		269	210
V	Profit for the year (III- IV)		545	557
VI	Other Comprehensive income/ (loss)			
	(i) Items that will not be reclassified subsequently to profit or loss		–	–
	Other comprehensive expense for the year		–	–
VII	Total comprehensive income for the year (V+VI)		545	557
	Earnings per share (EPS)			
	Basic and diluted (¥)	18	545,325	557,125
	Weighted average equity shares used in computing earnings per equity share		1,000	1,000

The accompanying notes form an integral part of these financial statements.

As per our reports 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 HIPUS Co., Ltd

Anantha Radhakrishnan
Director

Rajeev Ranjan
Director

Place: Bengaluru

Date: May 21, 2024

Statement of Changes in Equity

(In ¥ million)

Particulars	Equity	Reserve and surplus		Total equity attributable to the equity holders of the Company
		Legal capital reserve	Retained earnings	
Balance as at March 31, 2022	500	1	1,015	1,516
Changes in equity				
Dividend (including tax on dividend)	–	–	(127)	(127)
Profit/ (loss) for the year	–	–	557	557
Total comprehensive income	–	–	557	557
Balance as at March 31, 2023	500	1	1,445	1,946
Changes in equity				
Dividend (including tax on dividend)	–	–	(168)	(168)
Profit/ (loss) for the year	–	–	545	545
Total comprehensive income	–	–	545	545
Balance as at March 31, 2024	500	1	1,822	2,323

The accompanying notes form an integral part of these financial statements.

As per our reports of even date attached

for Shenoy & Kamath
Chartered Accountants

Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner

Membership No. 202841

Place: Bengaluru
Date: May 21, 2024

for and on behalf of the Board of Directors HIPUS Co., Ltd

Anantha Radhakrishnan
Director

Rajeev Ranjan
Director

Cash flow statement

(In ¥ million)

Particulars	Note No.	For the year ended March 31, 2024	2023
Cash flows from operating activities			
Profit before tax for the year:		814	767
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation and amortization expense		218	216
Interest income		(83)	(90)
Other adjustments		(269)	(210)
Changes in assets and liabilities:			
Trade receivables		924	(929)
Other financial asset and other assets		(334)	(504)
Trade payables		346	2,495
Other financial liabilities, other liabilities and provisions		476	429
Cash used in operations		2,092	2,174
Income taxes paid (net of refunds)		(237)	(166)
Net cash generated by operating activities (A)		1,855	2,008
Cash flows from investing activities			
Loan given		–	(669)
Expenditure on property plant and equipment, Intangibles		(33)	(23)
Interest income		83	70
Net cash generated/ (used in) investing activities (B)		50	(622)
Cash flows from financing activities			
Payments of dividends.		(169)	(127)
Payment of lease liabilities		(148)	(147)
Net cash used in financing activities (C)		(317)	(274)
Net increase / (decrease) in cash and cash equivalents (A+B+C)		1,588	1,111
Cash and cash equivalents at the beginning of the year		3,665	2,554
Cash and cash equivalents at the end of the year	7	5,253	3,665

The accompanying notes form an integral part of these financial statements.

As per our reports of even date attached

for Shenoy & Kamath
Chartered Accountants

Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner

Membership No. 202841

Place: Bengaluru

Date: May 21, 2024

for and on behalf of the Board of Directors HIPUS Co., Ltd

Anantha Radhakrishnan
Director

Rajeev Ranjan
Director

Notes to the financial statement

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 Ultimate Holding Company Infosys Limited under the requirements of Section 129 (3) of the Companies Act 2013. These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendments 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 Japanese Yen (JPY).

1.4 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions that affect the accounting policies and reported balances of assets and liabilities, and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Examples of such estimates include computation of percentage of completion which requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts to be expended, impairment losses on financial assets, income taxes, post-sales customer support, and the useful lives of property, plant, and equipment and intangible assets.

1.5 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the value of the consideration received or receivable, excluding discounts, value-added tax and other sales taxes.

Arrangements with customers for services are either on a fixed-price, fixed-timeframe or on a transactional basis.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method.

The Company presents revenues net of indirect taxes in its statement of Profit and loss.

1.6 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

1.7 Property, plant, and equipment

Property, plant, and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the Management. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows :

Asset	Life of asset
Furniture and fixture	5 years
Building	8 - 12 years

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

1.8 Intangible assets

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software, and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labor, overhead costs that are directly attributable to preparing the asset for its intended use.

1.9 Leased assets

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all 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 ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate 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

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. 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

Provision for director bonus and employee bonus recognized based on the estimated payment amount for bonus to directors and employees.

1.14 Income taxes

Income tax is computed basis the consolidated tax system.

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date.

A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

1.15 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.16 Earning per share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.

Note 2: Property, plant and equipment:

(In ¥ million)

Description of assets	Buildings	Furniture and fixtures	Total
Gross block			
Balance as at March 31, 2022	99	52	151
Additions	1	5	6
Deletions	–	–	–
Balance as at March 31, 2023	100	57	157
Additions	–	1	1
Deletions	–	–	–
Balance as at March 31, 2024	100	58	158
Accumulated depreciation			
Balance as at March 31, 2022	5	9	14
Depreciation expense for the year	9	7	16
Deletions	–	–	–

Description of assets	Buildings	Furniture and fixtures	Total
Balance as at March 31, 2023	14	16	30
Depreciation expense for the year	9	7	16
Deletions	–	–	–
Balance as at March 31, 2024	22	23	45
Net block as at March 31, 2023	86	41	127
Net block as at March 31, 2024	78	35	113

Note 2A: Goodwill and other intangible assets

(In ¥ million)

Particulars	Other intangible assets	
	Software	Construction in progress
Balance as at March 31, 2022	388	19
Additions	29	3
Deletions	–	(22)
Balance as at March 31, 2023	417	0
Additions	7	17
Deletions	–	(1)
Balance as at March 31, 2024	424	16
Accumulated amortization and impairment losses		
Balance as at March 31, 2022	218	–
Amortization expense for the year	53	–
Deletions	–	–
Balance as at March 31, 2023	271	–
Amortization expense for the year	54	–
Deletions	–	–
Balance as at March 31, 2024	325	–
Net block as at March 31, 2023	146	0
Net block as at March 31, 2024	99	16

Note 2B: Leases

The changes in the carrying value of right-of-use assets for the year ended March 31, 2024 are as follows:

(In ¥ million)

Particulars	Category of ROU asset	Total
	Buildings	
Balance as at April 1, 2023	487	487
Additions	11	11
Deletion	(3)	(3)
Depreciation	(148)	(148)
Balance as at March 31, 2024	347	347

The changes in the carrying value of right-of-use assets for the year ended March 31, 2023 were as follows:

(In ¥ million)

Particulars	Category of ROU asset	Total
	Buildings	
Balance as at April 1, 2022	627	627
Additions	7	7
Deletion	–	–
Depreciation	(147)	(147)
Balance as at March 31, 2023	487	487

The 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, 2024 and March 31, 2023 is as follows:

(In ¥ million)

Particulars	As at March 31,	
	2024	2023
Current lease liabilities	148	147
Non-current lease liabilities	199	340
Total	347	487

The movement in lease liabilities during the years ended March 31, 2023 and March 31, 2024 is as follows:

(In ¥ million)

Particulars	For the year ended March 31,	
	2024	2023
Balance at the beginning	487	627
Additions	11	7
Finance cost accrued during the period	–	1
Deletions	(3)	–
Payment of lease liabilities	(148)	(147)
Balance at the end	347	487

The details regarding the contractual maturities of lease liabilities as at March 31, 2024 and March 31, 2023 on an undiscounted basis are as follows:

(In ¥ million)

Particulars	As at March 31,	
	2024	2023
Less than one year	148	148
1-5 years	199	340
More than five years	–	–
Total	347	488

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,	
	2024	2023
Authorized		
Equity shares, JPY 500,000 par value 1,000 common stock	500	500
Issued, subscribed and paid-up capital		
Equity shares, JPY 500,000 par value 1,000 common stock	500	500

The details of shareholder holding more than 5% shares as at March 31, 2024 and March 31, 2023 is as follows:

Name of shareholder	As at March 31,			
	2024		2023	
	Number of shares	Holding %	Number of shares	Holding %
Infosys Singapore Pte Limited	810	81	810	81
Hitachi Limited	150	15	150	15

The number of shares outstanding and the amount of share capital as at March 31, 2024 and March 31, 2023 is as follows;

(In ¥ million)

Number of shares at the beginning and end of the period	As at March 31,			
	2024		2023	
	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,			
	2024		2023	
	Non-current	Current	Non-current	Current
Considered good				
(a) Loan	–	6,179	–	6,186
(b) Others	162	–	119	–
	162	6,179	119	6,186

Note 5: Other assets

(In ¥ million)

Particulars	As at March 31,			
	2024		2023	
	Non-current	Current	Non-current	Current
Considered good				
(a) Prepaid expenses	–	81	–	95
(b) Balances with statutory/government authorities	–	257	–	475
(c) Others	–	1,707	–	1,196
	–	2,045	–	1,766

Note 6: Trade receivables

(In ¥ million)

Particulars	As at March 31,	
	2024	2023
Trade receivables (unsecured)		
Considered good	11,843	12,767
Less: Allowance for expected credit loss	–	–
	11,843	12,767

Outstanding payments as at March 31, 2024

(In ¥ million)

Particulars	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables – considered good	11,821	22	–	–	–	–	11,843
Undisputed trade receivables – credit impaired	–	–	–	–	–	–	–
Disputed trade receivables – considered good	–	–	–	–	–	–	–
Disputed trade receivables – credit impaired	–	–	–	–	–	–	–
Less: Allowance for credit loss	–	–	–	–	–	–	–
Total trade receivables							11,843

Outstanding payments as at March 31, 2023

(In ¥ million)

Particulars	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables – considered good	12,591	176	–	–	–	–	12,767
Undisputed trade receivables – credit impaired	–	–	–	–	–	–	–
Disputed trade receivables – considered good	–	–	–	–	–	–	–
Disputed trade receivables – credit impaired	–	–	–	–	–	–	–
Less: Allowance for credit loss	–	–	–	–	–	–	–
Total trade receivables							12,767

Refer to Note 22 for related party balances.

Note 7: Cash and cash equivalents

(In ¥ million)

Particulars	As at March 31, 2024	2023
(a) Cash on hand	–	–
(b) Balances with bank		
In current accounts	5,253	3,665
	5,253	3,665

Note 8 : Recognized deferred tax (net)

(In ¥ million)

Particulars	As at March 31, 2024	2023
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	199	179
Provisions for property, plant and equipment	4	5
Provision for unused tax losses	–	–
Deferred tax assets (net) [1]	203	184

[1] Net deferred tax assets has 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,			
	2024		2023	
	Non-current	Current	Non-current	Current
Asset retirement obligation	21	–	21	–
Provision for retirement benefits	278	–	249	–
	299	–	270	–

Note 10: Other financial liabilities

(In ¥ million)

Particulars	As at March 31,			
	2024		2023	
	Non-current	Current	Non-current	Current
Accrued expenses	–	235	–	205
Deposits received	–	36	–	15
Employee benefits payable	–	255	–	231
Lease liability	199	148	340	147
	199	674	340	598

Note 11: Trade payables

(In ¥ million)

Particulars	As at March 31,	
	2024	2023
Trade payables	22,125	21,779
	22,125	21,779

As at March 31, 2024

(In ¥ million)

Particulars	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Trade payables	22,125	–	–	–	–	22,125

As at March 31, 2023

(In ¥ million)

Particulars	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Trade payables	21,779	–	–	–	–	21,779

Refer to Note 22 for related party balances.

Note 12: Other liabilities

(In ¥ million)

Particulars	As at March 31,	
	2024	2023
Provision for dividend distribution tax	–	–
Others	442	367
	442	367

Note 13: Revenue from operations

(In ¥ million)

Particulars	For the year ended March 31,	
	2024	2023
Revenue from services	6,328	5,833
	6,328	5,833

Trade receivables

The Company classifies the right to consideration in exchange for deliverables as a receivable. Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers.

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Group expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2024, other than those meeting the exclusion criteria mentioned above, is NIL. Out of this, the Group expects to recognize revenue of around 100% within the next one year and the remaining thereafter. The contracts can generally be terminated by the customers and typically includes an enforceable termination penalty payable by them.

The impact on account of applying the erstwhile Ind AS 18, Revenue standard instead of Ind AS 115, Revenue from Contract with Customers, on the financials results of the Group for the year ended March 31, 2024 is insignificant.

Note 14: Other income

(In ¥ million)

Particulars	For the year ended March 31,	
	2024	2023
Interest income	83	90
Miscellaneous income (net)	1	0
	84	90

Note 15: Employee benefits expense

(In ¥ million)

Particulars	For the year ended March 31,	
	2024	2023
Salaries and wages	2,089	1,947
Staff welfare expenses	380	344
Pension costs	99	113
Directors remuneration	30	18
	2,598	2,422

Note 16: Depreciation and amortization expense

(In ¥ million)

Particulars	For the year ended March 31,	
	2024	2023
Depreciation of property, plant and equipment *	164	163
Amortization of intangible assets	54	53
	218	216

* Including RoU Amortization

Note 17: Other expenses

(In ¥ million)

Particulars	For the year ended March 31,	
	2024	2023
Communication expenses	26	27
Office expenses	276	323
Rental	8	45
Recruitment	72	72
Consumables	4	7
Auditor's remuneration		
Statutory audit fees	–	14
Miscellaneous expenses	33	10
Rates and taxes	52	41
	471	539

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.

(Amount in ¥ million, except equity share and per equity share data)

Particulars	For the year ended March 31,	
	2024	2023
a. Profit after tax (¥ Mn)	545	557
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) ¥	545,325	557,125

Note 19: Financial instruments

Set out below, is a comparison by class of the carrying amount and fair value of the Company's financial instruments other than those with carrying amount that are reasonable approximations of fair values:

As at March 31, 2024

(In ¥ million)

Particulars	Note	Amortized 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	6,340	–	–	6,340	–	–	–	–
Trade receivables	6	11,843	–	–	11,843	–	–	–	–
Cash and cash equivalents	7	5,253	–	–	5,253	–	–	–	–
Total financial assets		23,436	–	–	23,436	–	–	–	–
Liabilities									
Financial liabilities									
Trade payables	11	22,125	–	–	22,125	–	–	–	–
Other financial liabilities	10	873	–	–	873	–	–	–	–
Total financial liabilities		22,998	–	–	22,998	–	–	–	–

As at March 31, 2023

(In ¥ million)

Particulars	Note	Amortized cost	Financial assets/liabilities: Fair value through profit and loss	Financial assets/liabilities: Fair value through other comprehensive income	Total carrying value	Fair value: Level 1	Fair value: Level 2	Fair value: Level 3	Fair value: Total
Assets									
Financial assets									
Other financial assets	4	6,304	–	–	6,304	–	–	–	–
Trade receivables	6	12,767	–	–	12,767	–	–	–	–
Cash and cash equivalents	7	3,665	–	–	3,665	–	–	–	–
Total financial assets		22,736	–	–	22.736	–	–	–	–
Liabilities									
Financial liabilities									
Trade payables	11	21,779	–	–	21,779	–	–	–	–
Other financial liabilities	10	937	–	–	937	–	–	–	–
Total financial liabilities		22,716	–	–	22,716	–	–	–	–

Notes :

The carrying value of all the items in the table above have been classified as amortized cost. Amortized cost is deemed to be the carrying value.

Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Note 20: Financial risk management

The Company's principal financial liabilities comprise loans and borrowings, Trade and other payables and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents and other bank balances that derive directly from its operations.

The Company's activities exposes it to market risk, credit risk and liquidity risk.

(a) Risk management framework

The Company's risk management is carried out by the management under the policies approved by the Board of Directors that help in identification, measurement, mitigation and reporting all risks associated with the activities of the Company. These risks are identified on a continuous basis and assessed for the impact on the financial performance. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

(b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, trade receivables, trade payables, deposits and investments.

(i) Foreign Currency Risk

The Company operates primarily in Japan and does not have any foreign currency risk.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any debt and hence does not carry any interest rate risk.

(c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to the credit risk from its trade receivables, unbilled revenue, investments, cash and cash equivalents, bank deposits and loans. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

(i) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a credit evaluation before entering into an arrangement. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets . The Company does not hold collateral as security. The Company considers the credit risk with respect to trade receivables as low, since majority of the customers are parties with good repute and are regular in discharging their obligation within the credit period provided by the Company.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information.

Expected credit loss for the years ended March 31, 2024 and March 31, 2023 is nil.

(ii) Financial instrument and cash deposit

The company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The company does not expect any losses from nonperformance by these counter-parties and does not have any significant concentration of exposures to specific industry sectors.

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Company has unutilized credit limits with banks. The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2024 are as follows:

(In ¥ million)

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
As at March 31, 2024				
Trade payables	22,125	–	–	22,125
Other financial liabilities	674	199	–	873
	22,799	199	–	22,998

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2023 were as follows:

(In ¥ million)

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
March 31, 2023				
Trade payables	21,779	–	–	21,779
Other financial liabilities (non-current)	598	340	–	937
	22,377	340	–	22,716

Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

Note 21: Income taxes

Income tax expense in the Statement of Profit and loss comprises :

(In ¥ million)

Particulars	For the year ended March 31,	
	2024	2023
Current taxes	288	214
Deferred taxes	(19)	(4)
Income tax expense	269	210

Reconciliation of tax charge

(In ¥ million)

Particulars	As at March 31,	
	2024	2023
Profit before tax	814	767
Adjustments for deviations from JGAAP		
G&A expense allocation to external sale – IFRS	5	5
Interest expense on lease liability	0	1
Adjusted profit before tax	819	773
Enacted tax rate in Japan	30.6%	30.6%
Income tax expense at tax rates applicable	251	237

Particulars	As at March 31,	
	2024	2023
Tax effects of:		
Item not deductible for tax		
Entertainment expenses	2	1
Directors' remuneration and bonus	2	3
Stock-based compensation expenses-directors (Exercise)	1	1
Accrued directors' bonus	–	1
Stock-based compensation expenses-directors (Accrual)	0	1
Corporate residential tax – per capital basis	4	3
Reversal gain on ESOP-lapsed units	3	–
Special tax credit	–	(43)
Non-deductible foreign tax	6	6
Income tax expense	269	210

The details of income tax assets and income tax liabilities as of March 31, 2024 and March 31, 2023 are as follows:

(In ¥ million)

Particulars	As at March 31,	
	2024	2023
Income tax assets	–	–
Current income tax liabilities	198	147
Net current income tax assets/ (liability) at the end	(198)	(147)

The gross movement in the current income tax assets/ (liabilities) for the year ended March 31, 2024 and March 31, 2023 is as follows:

(In ¥ million)

Particulars	As at March 31,	
	2024	2023
Net current income tax assets/ (liabilities) at the beginning	(147)	(99)
Income tax paid	237	166
Current income tax expense	(288)	(214)
Net current income tax assets/ (liabilities) at the end	(198)	(147)

The movement in gross deferred income tax asset/ (liabilities) for the year ended March 31,2024 is as follows:

(In ¥ million)

Particulars	Carrying value as on March 31, 2023	Changes through Profit and Loss account	Carrying value as on March 31, 2024
Deferred income tax assets / (liabilities)			
Property plant and equipment	5	(1)	4
Accrued compensation to employees	179	19	198
Total deferred income tax assets / (liabilities)	184	18	202

The movement in gross deferred income tax asset/ (liabilities) for the year ended March 31,2023 was as follows:

(In ¥ million)

Particulars	Carrying value as on March 31, 2022	Changes through Profit and Loss account	Carrying Value as on March 31, 2023
Deferred income tax assets / (liabilities)			
Property plant and equipment	4	1	5
Accrued compensation to employees	176	3	179
Total deferred income tax assets / (liabilities)	180	4	184

Note 22: Related party transactions

Name of shareholders	Relationship with related party	Country	% of Holding For the year ended March 31, 2024	% of Holding For the year ended March 31, 2023
Infosys Singapore Pte Limited (Holding Company)	Parent entity	Singapore	81	81
Hitachi Limited (former parent entity)	Shareholder (parent entity)	Japan	15	15

Name of Ultimate holding company	Relationship with related party	Country	% of Holding For the year ended March 31, 2024	% of Holding For the year ended March 31, 2023
Infosys Ltd	Ultimate Parent entity	India	81	81

Related party transactions

List of related parties:

Name of fellow subsidiaries and related parties	Country
Infosys Technologies (China) Co. Limited (Infosys China)[(1)]	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)[(1)]	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)[(1)]	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)[(1)]	China
EdgeVerve Systems Limited (EdgeVerve)[(1)]	India
Infosys Austria GmbH[(1)]	Austria
Skava Systems Private Limited (Skava Systems)[(1)(22)]	India
Infosys Chile SpA[(1)]	Chile
Infosys Arabia Limited[(2)(22)]	Saudi Arabia
Infosys Consulting Ltda.[(1)]	Brazil
Infosys Luxembourg S.a.r.l[(1)]	Luxembourg
Infosys Americas Inc. (Infosys Americas)[(1)(30)]	US
Infosys Consulting S.R.L.[(1)(19)]	Argentina
Infosys Consulting S.R.L.[(1)]	Romania
Infosys Limited Bulgaria EOOD[(1)]	Bulgaria
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[(1)]	Turkey
Infosys Germany Holding Gmbh[(1)]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[(1)]	Germany
Infosys Green Forum[(1)]	India
Infosys Business Solutions LLC[(1)]	Qatar
WongDoody Inc. [(1)]	US

Name of fellow subsidiaries and related parties	Country
Danske IT and Support Services India Private Limited (Danske IT) [1][32]	India
Infosys Public Services, Inc. USA (Infosys Public Services)[1]	US
Infosys Public Services Canada Inc. [12][23]	Canada
Infosys BPM Limited[1]	India
Infosys BPM UK Limited[3]	UK
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 BPM Canada Inc [3][31][36]	Canada
Panaya Inc. (Panaya)[1]	US
Panaya Ltd.[4]	Israel
Panaya Germany GmbH [4][27]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[1][22]	UK
Brilliant Basics Limited [5][22]	UK
Infosys Consulting Holding AG [1]	Switzerland
Infosys Management Consulting Pty Limited[6]	Australia
Infosys Consulting AG[6]	Switzerland
Infosys Consulting GmbH[6]	Germany
Infosys Consulting SAS[6]	France
Infy Consulting B.V.[6]	The Netherlands
Infosys Consulting (Belgium) NV[6]	Belgium
Infy Consulting Company Ltd[6]	UK
GuideVision s.r.o.[7]	Czech Republic
GuideVision Deutschland GmbH[8]	Germany
GuideVision Suomi Oy[8]	Finland
GuideVision Magyarország Kft[8]	Hungary
GuideVision Polska Sp. z.o.o[8]	Poland
GuideVision UK Ltd[8][22]	UK
Infosys Nova Holdings LLC. (Infosys Nova)[1]	US
Outbox systems Inc. dba Simplus (US)[9]	US
Simplus ANZ Pty Ltd.[10]	Australia
Simplus Australia Pty Ltd[11]	Australia
Simplus Philippines, Inc.[10]	Philippines
Kaleidoscope Animations, Inc.[9]	US
Kaleidoscope Prototyping LLC[18][34]	US
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[9]	US
Infosys Financial Services GmbH. (formerly Panaya GmbH) [13][29]	Germany
Infosys South Africa (Pty) Ltd[13]	South Africa
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[13]	Malaysia
Infosys Middle East FZ LLC [13]	Dubai
Infosys Norway [13][28]	Norway
Infosys Compaz Pte. Ltd [14]	Singapore
Fluido Oy [13]	Finland
Fluido Sweden AB [15]	Sweden
Fluido Norway A/S[15]	Norway

Name of fellow subsidiaries and related parties	Country
Fluido Denmark A/S[15]	Denmark
Fluido Slovakia s.r.o[15]	Slovakia
Infosys Fluido UK, Ltd.[15]	UK
Infosys Fluido Ireland, Ltd.[16]	Ireland
Stater N.V.[14]	The Netherlands
Stater Nederland B.V.[17]	The Netherlands
Stater XXL B.V.[17]	The Netherlands
HypoCasso B.V.[17]	The Netherlands
Stater Participations B.V.[35]	The Netherlands
Stater Belgium N.V./S.A.[17][35]	Belgium
Stater Gmbh[17]	Germany
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[13]	Germany
WongDoody Gmbh (formerly known as oddity GmbH) [20]	Germany
WongDoody (Shanghai) Co. Limited (formerly known as oddity (Shanghai) Co., Ltd.) [21]	China
WongDoody limited (Taipei) (formerly known as oddity Limited (Taipei)) [21]	Taiwan
oddity space GmbH [20][33]	Germany
oddity jungle GmbH [20][33]	Germany
oddity code GmbH [20][33]	Germany
WongDoody d.o.o (formerly known as oddity code d.o.o) [21][33]	Serbia
oddity waves GmbH [20][33]	Germany
oddity group services GmbH [20][33]	Germany
BASE life science A/S [13][24]	Denmark
BASE life science AG [25]	Switzerland
BASE life science GmbH [25]	Germany
BASE life science S.A.S [25]	France
BASE life science Ltd. [25]	UK
BASE life science S.r.l. [25]	Italy
Innovisor Inc.[25]	US
BASE life science Inc.[25]	US
BASE life science S.L.[25][26]	Spain
Panasonic Corporation [37]	Japan
Pasona Inc.[37]	Japan
Hitachi, Ltd.[37]	Japan
HITACHI HIGH-TECH CORPORATION[38]	Japan
Hitachi Industrial Equipment Systems Co, Ltd.[38]	Japan
Hitachi Real Estate Partners, Ltd.[38]	Japan
HITACHI DOCUMENT SOLUTIONS CO., LTD.[38]	Japan
HITACHI SYSTEMS,LTD.[38]	Japan
HITACHI KE SYSTEMS, LTD.[38]	Japan
HITACHI ICT BUSINESS SERVICES, LTD.[38]	Japan
HITACHI SOLUTIONS, LTD.[38]	Japan

(1) Wholly-owned subsidiary of Infosys Limited

(2) Majority-owned and controlled subsidiary of Infosys Limited

(3) Wholly-owned subsidiary of Infosys BPM Limited

(4) Wholly-owned subsidiary of Panaya Inc.

(5) Wholly-owned subsidiary of Brilliant Basics Holding Limited.

(6) Wholly-owned subsidiary of Infosys Consulting Holding AG

(7) Wholly-owned subsidiary of Infy Consulting Company Limited

(8) Wholly-owned subsidiary of GuideVision s.r.o.

(9) Wholly-owned subsidiary of Infosys Nova Holdings LLC

(10) Wholly-owned subsidiary of Outbox systems Inc. dba Simplus (US)

(11) Wholly-owned subsidiary of Simplus ANZ Pty Ltd

(12) Wholly-owned subsidiary of Infosys Public Services, Inc.

(13) Wholly-owned subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

(14) Majority owned and controlled subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

(15) Wholly-owned subsidiary of Fluido Oy

(16) Wholly-owned subsidiary of Infosys Fluido UK, Ltd.

(17) Wholly-owned subsidiary of Stater N.V.

(18) Wholly-owned subsidiary of Kaleidoscope Animations, Inc.

(19) Infosys Consulting S.R.L. (Argentina) (formerly a wholly-owned subsidiary of Infosys Consulting Holding AG) became the majority-owned and controlled subsidiary of Infosys Limited with effect from April 1, 2022

(20) On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.)) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and WongDoody Gmbh (formerly known as oddity GmbH)

(21) Wholly-owned subsidiary of WongDoody Gmbh (formerly known as oddity GmbH)

(22) Under liquidation

(23) Incorporated on July 8, 2022

(24) On September 1, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.) (a wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

(25) Wholly-owned subsidiary of BASE life science A/S

(26) Incorporated on September 6, 2022

(27) Incorporated effective December 15, 2022

(28) Incorporated effective September 22, 2022.

(29) Infosys Financial Services GmbH. (formerly Panaya GmbH) became a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.) with effect from February 23, 2023.

(30) Liquidated effective July 14, 2023

(31) Incorporated on August 11, 2023

(32) On September 1, 2023 Infosys Limited acquired 100% of voting interests in Danske IT and Support Services India Private Limited (Danske IT).

(33) On September 29, 2023, oddity space GmbH, oddity waves GmbH, oddity jungle GmbH, oddity group services GmbH and oddity code GmbH merged into WongDoody GmbH and oddity code d.o.o which was formerly a subsidiary of oddity code Gmbh has become a subsidiary of WongDoody Gmbh (formerly known as oddity GmbH).

(34) Kaleidoscope Prototyping LLC, a wholly-owned subsidiary of Kaleidoscope Animations is liquidated effective November 1, 2023

(35) On November 24, 2023, Stater Participations B.V (a wholly-owned subsidiary of Stater N.V.) merged with Stater N.V. and Stater Belgium N.V./S.A which was formerly a wholly-owned subsidiary of Stater Participations B.V. became a wholly-owned subsidiary of Stater N.V.

(36) On March 15, 2024, Infosys BPM Canada Inc., a wholly-owned subsidiary of Infosys BPM Limited got dissolved.

(37) Minority shareholders of HIPUS Co, Ltd.

(38) Subsidiaries of Hitachi, Ltd.

The details of amounts due to or from related parties as at March 31, 2024 and March 31, 2023 are as follows:

(In ¥ million)

Particulars	For the year ended March 31,	
	2024	2023
Trade payables		
Payable to EdgeVerve Systems Limited	**5**	34
Payable to Infosys Limited	**38**	17
Payable to Infosys China	**54**	11
Payable to HITACHI	**45**	34
Payable to Pasona	**0**	–
Payable to HITACHI HIGH-TECH CORPORATION	**–**	22
Payable to Hitachi Industrial Equipment Systems Co, Ltd.	**28**	17
Payable to Hitachi Real Estate Partners, Ltd.	**340**	398
Payable to HITACHI DOCUMENT SOLUTIONS CO., LTD.	**552**	768
Payable to HITACHI SYSTEMS,LTD.	**668**	548

Particulars	For the year ended March 31,	
	2024	2023
Payable to HITACHI KE SYSTEMS, LTD.	–	90
Payable to HITACHI ICT BUSINESS SERVICES, LTD.	–	117
Payable to HITACHI HIGH-TECH CORPORATION	16	–
Payable to HITACHI SOLUTIONS, LTD.	73	105
Trade Receivables		
Receivable to Infosys Limited	3	3
Receivable to HITACHI	4,802	5,578
Receivable to Panasonic	695	522
Receivable to HITACHI HIGH-TECH CORPORATION	734	511
Receivable to Hitachi Industrial Equipment Systems Co, Ltd.	1,253	1,349
Receivable to Hitachi Real Estate Partners, Ltd.	5	10
Receivable to HITACHI SYSTEMS,LTD.	3	3
Receivable to HITACHI KE SYSTEMS, LTD.	–	6
Receivable to HITACHI ICT BUSINESS SERVICES, LTD.	–	3
Receivable to HITACHI DOCUMENT SOLUTIONS CO., LTD.	0	–
Receivable to HITACHI SOLUTIONS, LTD.	162	401
Sale of Goods or services (Net)		
Sales to HITACHI	2,394	2,206
Sales to Panasonic	475	492
Sales to HITACHI HIGH-TECH CORPORATION	718	510
Sales to Hitachi Industrial Equipment Systems Co, Ltd.	234	194
Sales to Hitachi Real Estate Partners, Ltd.	55	105
Sales to HITACHI DOCUMENT SOLUTIONS CO., LTD.	2	2
Sales to HITACHI SYSTEMS,LTD.	7	7
Sales to HITACHI KE SYSTEMS, LTD.	–	1
Sales to HITACHI ICT BUSINESS SERVICES, LTD.	–	37
Sales to HITACHI SOLUTIONS, LTD.	1	0
Purchase of Goods or services		
Purchase from HITACHI	258	313
Purchase from Pasona	2	1
Purchase from HITACHI HIGH-TECH CORPORATION	128	66
Purchase from Hitachi Industrial Equipment Systems Co, Ltd.	149	119
Purchase from Hitachi Real Estate Partners, Ltd.	3,677	4,166
Purchase from HITACHI DOCUMENT SOLUTIONS CO., LTD.	1,756	1,822
Purchase from HITACHI SYSTEMS,LTD.	1,409	1,278
Purchase from HITACHI KE SYSTEMS, LTD.	–	902
Purchase from HITACHI ICT BUSINESS SERVICES, LTD.	–	690
Purchase from HITACHI SOLUTIONS, LTD.	311	425
Inter-company revenue		
Services provided to Infosys Limited	–	–
Intercompany Sub-contractors		
Services taken from EdgeVerve Systems Limited	5	34
Services taken from Infosys China	133	129

Particulars	For the year ended March 31,	
	2024	2023
Loan		
Loan given to Infosys Singapore	6,096	6,096
Interest accrued		
Interest accrued on loan given to Infosys Singapore	83	90

Transaction with key management personnel:

The details regarding the compensation to key management personnel which comprise directors and executive officers are as follows:

(In ¥ million)

Particulars	For the year ended March 31,	
	2024	2023
Salaries and other employee benefits to whole-time directors and executive officers	30	43
Commission and other benefits to non-executive/independent directors	–	–
Total	30	43

Note 23: Segment reporting

The Company is engaged in developing and marketing solutions in a single geography. Its operations are therefore considered to constitute a single segment. Based on the 'management approach' as defined in Ind AS 108, Segment reporting, the Chief Operating Decision Maker (CODM) evaluates performance of the Company as a whole. Its operations are, therefore, considered to constitute a single segment in the context of Ind AS 108, Segment reporting.

Note 24: Ratios

Particulars	Numerator	Denominator	March 31, 2024	March 31, 2023	Variance	Reason (If variation is more than 25%)
Current ratio	Current assets	Current liabilities	1.1	1.1	1.4%	
Debt – Equity ratio	Total debt (represents lease liabilities) [1]	Shareholder's equity	0.1	0.3	(40.3%)	Debt has decreased due to reduction in lease rentals
Debt service coverage ratio	Earnings available for debt service[2]	Debt service[3]	5.2	5.2	(1.3%)	
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	23%	29%	(5%)	
Trade receivables turnover ratio	Revenue	Average trade receivables	0.1	0.1	8.5%	
Trade payables turnover ratio	Net Credit Purchases	Average trade payables	0.0	0.0	3.3%	
Net capital turnover ratio	Revenue	Average working capital	0.9	1.2	(20.0%)	
Net profit ratio	Net profit	Net sales	9%	9%	(1%)	
Return on Capital Employed (ROCE)	EBIT	Capital employed[4]	35%	34%	1%	

(1) Debt represents only lease liabilities

(2) Earnings available for debt service represents Net profit after taxes + Non-cash operating expenses + finance cost

(3) Lease payments for the current year

(4) Tangible net worth + Deferred tax liabilities + Lease Liabilities

Kaleidoscope Animations, Inc. and Subsidiary

Independent Auditor's Report

To the Board of Directors of Kaleidoscope Animations, Inc.:

Opinion

We have audited the consolidated financial statements of Kaleidoscope Animations, Inc. and subsidiary (the "Company"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the related consolidated statements of income and comprehensive income, changes in stockholder's equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, 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, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Deloitte & Touche LLP

Date: May 28, 2024

Consolidated Balance Sheet

(In US$)

Particulars	As at December 31, 2023	As at December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	8,651,220	6,326,896
Contract receivables	11,310,584	8,951,250
Prepaid expenses and other current assets	299,139	386,572
Total current assets	20,260,943	1,56,64,718
Property and equipment – Net	1,318,067	940,748
Other assets:		
Deposits	46,198	46,198
Deferred taxes – net	–	115,953
Operating lease right-of-use asset – net	1,319,766	1,803,085
Total other assets	1,365,964	1,965,236
Total assets	22,944,974	18,570,702
Liabilities and stockholder's equity		
Current liabilities:		
Accounts payable	1,251,825	286,550
Accrued expenses	1,782,091	646,732
Short-term operating lease liability	374,563	461,619
Other short-term payable	24,886	18,360
Unearned revenue	1,190,595	1,312,072
Total current liabilities	4,623,960	2,725,333
Long-term liabilities:		
Deferred taxes – net	14,632	–
Operating lease liabilities – net of current portion	978,652	1,353,214
Total long-term liabilities	993,284	1,353,214
Total liabilities	5,617,244	4,078,547
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	12,815,722	9,980,147
Total stockholder's equity	17,327,730	14,492,155
Total liabilities and stockholder's equity	22,944,974	18,570,702

See notes to consolidated financial statements.

Consolidated Statements of Income and Comprehensive Income

(In US$)

Particulars	Years ended December 31, 2023	2022
Revenue	44,991,211	35,700,693
Cost of revenue, excluding depreciation and amortization	34,705,788	25,672,366
Gross profit	10,285,423	10,028,327
Operating expenses:		
Salaries and related expenses	3,838,570	2,873,026
Occupancy and office expenses	1,159,196	1,113,460
Depreciation and amortization	450,787	323,561
Real estate and other taxes expenses	172,391	144,244
Travel, meals, and entertainment expenses	354,461	383,299
Information technology expenses	572,911	608,966
Insurance expenses	4,495	5,265
Departmental and other staff-related expenses	353,481	335,393
Professional fees	596,108	702,969
Total operating expenses	7,502,400	6,490,183
Operating income	2,783,023	3,538,144
Other income (expenses):		
Other income	365,810	31,931
Total other income (expenses)	365,810	31,931
Net income and comprehensive income before		
Income taxes	3,148,833	3,570,075
Provision for income taxes	(313,258)	(616,773)
Net income and comprehensive income	2,835,575	2,953,302

See notes to consolidated financial statements.

Consolidated statements of changes in stockholder's equity

(In US$)

Particulars	Paid In Capital	Retained Earnings	Total
Balance – January 1, 2022	4,512,008	7,026,845	11,538,853
Plus: net income and total comprehensive income	–	2,953,302	2,953,302
Balance – December 31, 2022	4,512,008	9,980,147	14,492,155
Plus: net income and total comprehensive income	–	2,835,575	2,835,575
Balance – December 31, 2023	4,512,008	12,815,722	17,327,730

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

(In US$)

Particulars	Years ended December 31, 2023	2022
Cash flows from operating activities:		
Net income	2,835,575	2,953,302
Adjustments to reconcile net income to net cash		
provided by operating activities:		
Depreciation and amortization	450,787	323,561
Non-cash operating lease expense	21,701	11,748
Deferred income tax expense	130,585	202,692
Changes in operating assets and liabilities:		
Contract receivables	(2,359,333)	(1,947,189)
Other current assets	87,433	(118,381)
Change in deposits	–	(18,658)
Accounts payable	965,275	32,804
Accrued expenses	1,135,359	(38,563)
Other short-term payable	6,526	(89,852)
Unearned revenue	(121,477)	494,039
Net cash provided by operating activities	3,152,431	1,805,503
Cash flows from investing activities:		
Purchase of property and equipment	(828,107)	(203,237)
Net cash used in investing activities	(828,107)	(203,237)
Net increase in cash and cash equivalents	2,324,324	1,602,266
Beginning cash and cash equivalents	6,326,896	4,724,630
Ending cash and cash equivalents	8,651,220	6,326,896
Income taxes paid	77,578	692,428
Non-cash financing and investing activities:		
Operating lease right-of-use assets and liabilities	–	2,122,341

See notes to consolidated financial statements.

Notes to consolidated financial statements

1. Basis of presentation and summary of significant accounting policies

General Information

Kaleidoscope Animations, Inc. ("Animations" or "the Company") is a full-service insights, design, and development firm innovating across medical, consumer, and industrial markets.

These consolidated financial statements include the accounts of its wholly-owned subsidiary Kaleidoscope Prototyping ("Prototyping"), which 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 31, 2023, Prototyping was dissolved into Animations.

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 (GAAP) using the accrual method of accounting.

Accounting Principles Adopted

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which revises the accounting requirements related to the measurement of credit losses. ASU 2016-13 requires companies to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts about collectability. Assets must be presented in the financial statements at the net amount expected to be collected. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Company that are subject to the guidance in Topic 326 were contract receivables.

The Company adopted the standard effective January 1, 2023, using the modified retrospective approach. The impact of the adoption was not considered material to the financial statements.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, amounts on deposit, and a certificate of deposit with an original maturity of less than three months at financial institutions.

Contract receivables

Contract receivables are stated at their contractual outstanding balances, net of any allowance for doubtful accounts. Accounts are considered past due if any portion of an account has not been paid in full within the contractual terms of the account. Contract receivables are generally based on amounts billed and currently due from customers and amounts currently due but unbilled.

The Company begins to assess its ability to collect receivables that are more than 120 days past due and provides for an adequate allowance for doubtful accounts based on the Company's collection history, the financial stability and recent payment history of the customer, and other pertinent factors such as reasonable and supportable forecasts about collectability. 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, 2023 and 2022.

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, 2023 and 2022.

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. Leasehold improvements are capitalized and amortized on a straight-line basis over the shorter of the estimated useful life of the improvement or the associated remaining lease term. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in the income statement for the period. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized.

Leases

The Company leases certain buildings and equipment. The determination of whether an arrangement is a lease is made at the lease's inception. Under Accounting Standards Codification (ASC) 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. The Management only reassesses its determination if the terms and conditions of the contract are changed.

Operating leases are included in operating lease right-of-use assets, net, short-term operating lease liability, and operating lease liabilities, net of current portion in the Balance Sheet.

Right-of-use ("ROU") assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Company uses the implicit rate when it is readily determinable. For leases that do not provide an implicit rate, the Company adopted the accounting policy election to use the risk-free rate for a term similar to the related lease term. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise those options.

The Company has lease agreements with lease and non-lease components, which are generally accounted for separately with amounts allocated to the lease and non-lease components based on standalone prices.

Certain building lease agreements include provisions for variable rent payments, which relate to real estate taxes paid under two leases. As these amounts vary from year-to-year, these variable costs are expensed as incurred. None of the Company's lease agreements contain any material residual value guarantees.

The Company has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or ROU assets on the Balance Sheet.

Revenue, cost recognition and contract assets and liabilities

The Company follows the practical expedient whereby costs incurred to obtain a contract are expensed as incurred when the amortization period is one year or less. All of the Company's revenue is recognized over time as the Company satisfies its performance obligations by performing consulting services, on-site services to customers, or prototyping work. There are no performance obligations satisfied at a point in time.

For contracts based on time and material, 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. Most 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

Provisions for income taxes are based on taxes payable or refundable for the current year and deferred taxes on temporary differences between the amount of taxable income and pretax financial income and between the tax bases of assets and liabilities and their reported amounts in the financial statements. Deferred tax assets and liabilities are included in the consolidated financial statements at currently enacted income tax rates applicable to the period in which the deferred tax assets and liabilities are expected to be realized or settled as prescribed in FASB ASC 740, Income Taxes. As changes in the tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes.

In assessing the realizability of deferred tax assets, management considers the likelihood that some or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of temporary differences and projected future taxable income in making this assessment.

Uncertain tax positions

The Company is required to recognize, measure, classify, and disclose in the consolidated financial statements uncertain tax positions taken or expected to be taken in the Company's tax returns. 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 is no longer subject to income tax examinations for years ended prior to December 31, 2019. 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, 2023, were US$150,183 (2022 - US$169,041) and are included in occupancy and office expenses in the Consolidated Statement of Income and Comprehensive Income.

Impairment of long-lived assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less the costs to sell. The Management has determined that no impairment exists at December 31, 2023 or 2022.

2. Contract receivables and contract liabilities

Contract receivables on the Balance Sheet consist of the following:

(In US$)

Particulars	As at December 31, 2023	As at December 31, 2022
Contracts in progress – billed	10,806,460	8,304,156
Contracts in progress – unbilled	504,124	647,094
	11,310,584	8,951,250

The Company's only contract liability is unearned revenue, which represents payments received in advance of services performed. The following table depicts activities for contract liabilities:

(In US$)

Balance at December 31, 2021	Refunds issued	Revenue recognized Included in Dec 31, 2021 Balance	Cash received in advance of performance	Balance at December 31, 2022
818,033	–	818,033	1,312,072	1,312,072

(In US$)

Balance at December 31, 2022	Refunds issued	Revenue recognized Included in Dec. 31, 2022 Balance	Cash Received in advance of performance	Balance at December 31, 2023
1,312,072	–	1,312,072	1,190,595	1,190,595

The Company expects to recognize the balance in unearned revenue as revenue within the next year.

3. Property and equipment

At the year-end, property and equipment consisted of:

(In US$)

Particulars	As at December 31, 2023	As at December 31, 2022
Furniture and equipment	2,486,744	1,906,899
Leasehold improvements	36,510	36,510
Software	257,131	8,870
Subtotal	2,780,385	1,952,279
Less: Accumulated depreciation	(1,462,318)	(1,011,531)
Net book value	1,318,067	940,748

Depreciation expense for the years ended was $450,787 and $323,561, for 2023 and 2022, respectively.

4. Income taxes

The provision for taxes on income consists of the following:

(In US$)

Particulars	As at December 31, 2023	As at December 31, 2022
Current tax expense:		
Federal	152,085	288,195
State	30,588	125,886
	182,673	414,081
Deferred tax expense:		
Federal	109,691	178,312
State	20,894	24,380
	130,585	202,692
Total provision for income taxes	313,258	616,773

FASB ASC requires the following disclosure of the Company's total deferred tax assets and liabilities at the year-end:

(In US$)

Particulars	As at December 31, 2023	As at December 31, 2022
Deferred tax asset:		
Accrued expenses	67,432	21,946
Lease liabilities	338,304	453,708
Intangibles	1,280,722	1,022,654
	1,686,458	1,498,308
Deferred tax liability:		
Property and equipment – net	(296,392)	(235,187)
ROU assets	(333,414)	(450,771)
Goodwill	(1,061,074)	(683,500)
Other current assets	(10,210)	(12,897)
	(1,701,090)	(1,382,355)
Net deferred tax asset (liability)	(14,632)	115,953

There were no valuation allowances for deferred tax assets at December 31, 2023 and 2022. There are no net operating loss carryforwards. Management does not believe that any reasonably possible changes will occur within the next 12 months that will have a material impact on the consolidated financial statements. The Company's effective income tax rate for the year ended December 31, 2023 varied from the U.S. statutory rate of 21% primarily due to the impact of certain income being exempt for tax purposes as well as additional amortization expense of goodwill and intangibles for tax purposes.

5. Concentrations, risks and uncertainties

The Company maintains cash balances at one financial institution. At times, the cash account may exceed federally insured limits of US$250,000. At December 31, 2023, the amount uninsured was US$5,065,475 (2022 — US$3,928,269).

The Company generated approximately 68% of its sales from three customers during 2023 (2022—59% from three customers). The top three customers represent 30%, 26%, and 12% of external sales (2022—34%, 13%, and 12%). At December 31, 2023, approximately 81% of Contract receivables are due from three customers (2022—75% from three customers). The top three customers represent 39%, 30%, and 12% of Contract receivables (2022—62%, 8%, and 5%).

6. Retirement plan

The Company sponsors a 401(k) retirement plan covering all employees who are 21 years old and have completed at least one year of service based on employment status of at least 1,000 service hours per year. Employees may enter the plan on either January 1, April 1, July 1, or October 1. Participants are vested over a six-year period at 20% per year beginning in year two. There is also a discretionary employer match in which the Company has the discretion to make a matching contribution to the plan in a pro rata formula based on compensation. There was US$273,390 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 2023 (2022 — US$213,281).

7. Leasing activities

Other than short-term leases, the Company is a party to five operating leases, with lease terms ranging from two to eight years. The Company leases its corporate headquarters and the buildings in which it operates and leases equipment for use in its labs.

The quantitative information concerning the Company's operating leases for the years ended December 31 is given below.

(In US$)

Particulars	As at December 31, 2023	As at December 31, 2022
Lease costs included in occupancy and office expenses:		
Operating lease cost	546,983	380,325
Short-term lease cost		19,600
Variable lease cost	90,729	60,100
Net lease costs	637,712	460,025
Other information:		
Operating lease—operating cash flows (fixed payments)	511,394	444,378
Operating lease—operating cash flows (liability reduction)	461,619	383,309

The weighted average remaining lease term and discount rate are as follows:

(In US$)

Particulars	As at December 31, 2023	As at December 31, 2022
Weighted average lease term – operating leases	4.34 years	4.87 years
Weighted average discount rate – operating leases	4.00 %	4.00 %

The maturities of lease liabilities as of December 31, 2023, were as follows:

(In US$)

Particulars	As at December 31, 2023
2024	409,254
2025	269,298
2026	264,012
2027	271,002
2028	230,689
Thereafter	
Total lease payments	1,444,255
Less: Interest	(91,040)
Present value of lease payments	1,353,215

8. Related party transactions

During the year ended December 31, 2023, the Company generated \$13,095,618 (2022—\$4,213,891) of revenue from entities affiliated with Infosys Nova Holdings, LLC. Included in Contract receivables at December 31, 2023 is \$3,397,587 (2022—\$693,255) due from Infosys. The Company provided product development, design and engineering services as part of various medical technology and industrial customer solutions.

Related party payables, included in Accounts Payable, due to Infosys were \$171,639 at December 31, 2023 (2022—\$75,241).

9. Subsequent events

In preparing these consolidated financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through May 28, 2024, the date the consolidated financial statements were available to be issued. Management has determined that there were no events that occurred that require additional disclosure.

10. Immaterial restatement

Subsequent to the issuance of the financial statements for the year ended December 31, 2022, the Company identified that Depreciation and Amortization and the Provision for Income Taxes were inappropriately classified as Other Income (Expense) within the consolidated statement of income and comprehensive income. The Company has corrected these classifications within the consolidated statement of income and comprehensive income for the year ended December 31, 2022. The Company has concluded that the incorrect classifications did not have a material impact to the previously issued financial statements and had no impact on Net Income or other financial statement disclosures.

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Portland Group Pty. Ltd.

Independent Auditor's Report

To the Members of Portland Group Pty Limited

Opinion

We have audited the financial report of Portland Group Pty Limited (the "Company") which comprises the statement of financial position as at 31 March 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

- Giving a true and fair view of the Company's financial position as at 31 March 2024 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards – Simplified Disclosures and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 March 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards – Simplified Disclosures and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

David Sartorio *Partner*	**Deloitte Touche Tohmatsu** *Chartered Accountants*

Date: 24 May, 2024
Place: Parramatta

Directors' report

The Directors present their report together with the financial report of Portland Group Pty Ltd (the Company), for the financial year ended 31 March 2024 and the auditor's report thereon.

1. Directors

The directors of the Company at any time during or since the end of the financial year are:

Mr. Andrew James Jarvis

Mr. Andrew Stewart Groth

Mr. Abhay Harigobind Das Chauhan

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

2. Principal activities

The principal activities of the Company include provision of sourcing and category management service, project based consultancy support and ongoing management services. The Company offers complete clients procurement and supply chain functions from innovative, high-end strategy to effective, low cost transactional processing and resale of software.

3. Operating and financial review

The profit after tax for the year ended 31st March 2024 amounted to $2,040,700 (2023: profit after tax of $4,951,223). This was primarily a result of increase of revenue from $56,033,417 for the year ended March 31, 2023 to $63,506,497 for the year ended March 31, 2024 off-set by increase in cost of sales from $ 47,364,332 for the year ended 31st March 2023 to $58,168,044 for the year ended 31st March 2024.

4. Environmental regulation

The Company's operations are not regulated by any significant environmental regulation under a law of the commonwealth or of a state or territory. However, the Board believes that the Company has adequate systems in place for the management of its environmental requirements, and is not aware of any breach of those environmental requirements as they apply to the Company.

5. Events subsequent to reporting date

No matters or circumstances, except as mentioned in note 26 have arisen since the end of the financial year and the date of this report which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

6. Likely developments

The Company will continue to pursue its policy of increasing the profitability and market share of its major business sectors during the next financial year.

Further information about likely developments in the operations of the Company and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Company.

7. Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Company.

8. Lead auditor's independence declaration

The Lead auditor's independence declaration forms part of the directors' report for the financial year ended March 31, 2024.

The Directors are not aware of any other matter or circumstance that has occurred since the end of the financial period that has significantly affected or may affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

This report is made with a resolution of the directors:

Andrew Jarvis
Director

Date: 24 May 2024
Place: Sydney

Statement of Financial Position

(In AUD)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
Assets			
Current assets			
Cash and cash equivalents	12a	11,175,959	22,564,144
Trade and other receivables	10	20,810,997	14,226,385
Income tax assets		1,377,118	–
Prepayments	11a	273,683	1,046,485
Other current assets	11c	348,511	113,919
Total current assets		33,986,268	37,950,933
Non-current assets			
Deferred tax assets	16a	624,798	514,072
Property, plant and equipment	13	98,784	157,264
Right-of-use assets	19	1,744,839	1,132,761
Trade and other receivables	10	7,415,158	870,606
Prepayments	11b	23,153	1,344
Other non-current assets	11d	448,455	349,679
Total non-current assets		10,355,187	3,025,726
Total assets		44,341,455	40,976,659
Liabilities			
Current liabilities			
Trade and other payables	14	1,381,430	3,260,648
Lease liabilities	19	955,183	555,565
Current tax liabilities (net)		–	119,450
Provisions	17	29,993	24,770
Employee benefit obligations	18	4,035,794	4,847,892
Other current liabilities	15	20,318,795	12,298,506
Total current liabilities		26,721,195	21,106,831
Non-current liabilities			
Lease liabilities	19	1,597,307	997,637
Employee benefit obligations	18	565,469	549,847
Other non-current liabilities	15	6,708,609	1,842,169
Total non-current liabilities		8,871,385	3,389,653
Total liabilities		35,592,580	24,496,484
Net assets		8,748,875	16,480,175
Equity			
Share capital	25a	3,389,049	3,389,049
Retained earnings		5,359,826	13,091,126
Total equity		8,748,875	16,480,175
Total liabilities and equity		44,341,455	40,976,659

The notes on page 558 to 572 are an integral part of these financial statement.

Statement of Profit or Loss and Other Comprehensive Income

(In AUD)

Particulars	Note	Years ended March 31,	
		2024	2023
Revenue	5	63,506,497	56,033,417
Cost of sales	6	(58,168,044)	(47,364,332)
Gross profit		5,338,453	8,669,085
Selling and distribution expenses		(78,071)	(115,739)
Administrative expenses		(2,620,711)	(1,705,528)
Operating profit		2,639,671	6,847,818
Finance income	7	358,378	306,831
Finance costs		(78,851)	(79,416)
Net finance income		279,527	227,415
Profit before tax		2,919,198	7,075,233
Income tax expense	16b and c	(878,498)	(2,124,010)
Profit after tax		2,040,700	4,951,223
Other comprehensive income			
Items that will never be reclassified to profit or loss:		–	–
Items that are or may be reclassified subsequently to profit or loss:		–	–
Other comprehensive income, net of tax		–	–
Total comprehensive income		2,040,700	4,951,223

The notes on page 558 to 572 are an integral part of these financial statement.

Statement of Cash Flows

(In AUD)

Particulars	Note	Years ended March 31, 2024	2023
Cash flows from operating activities			
Cash receipts from customers (inclusive of GST)		63,272,535	59,000,211
Cash paid to suppliers and employees		(63,505,597)	(49,357,506)
Cash generated from operations		(233,062)	9,642,705
Net income taxes paid		(997,948)	(1,957,898)
Net cash(used in) / from operating activities	12b	(1,231,010)	7,684,807
Cash flows from investing activities			
Interest received on deposit with bank	7	318,180	146,310
Interest income on loan to subsidiary	7	–	115,807
Purchase of plant equipment	13	(14,907)	(154,362)
Net cash from investing activities		303,273	107,755
Cash flows from financing activities:			
Payment of lease liability	19	(688,448)	(80,372)
Dividends paid	25(b)	(9,772,000)	–
Net cash used in financing activities		(10,460,448)	(80,372)
Net (decrease) / increase in cash and cash equivalents		(11,388,185)	7,712,190
Cash and cash equivalents at April 1		22,564,144	14,851,954
Cash and cash equivalents as at March 31	12a	11,175,959	22,564,144

The notes on page 558 to 572 are an integral part of these financial statement.

Statement of Changes in Equity

(In AUD)

Particulars	Share capital	Retained earnings	Total equity
Balance as on April 1, 2022	3,389,049	8,139,903	11,528,952
Total other comprehensive income	–	–	–
Profit for the year	–	4,951,223	4,951,223
Total comprehensive income	–	13,091,126	16,480,175
Transactions with owners of the Company			
Issue of ordinary shares	–	–	–
Dividends	–	–	–
Total transactions with owners of the Company	–	–	–
Balance as at March 31, 2023	3,389,049	13,091,126	16,480,175
Balance as on April 1, 2023	3,389,049	13,091,126	16,480,175
Total other comprehensive income	–	–	–
Profit for the year	–	2,040,700	2,040,700
Total comprehensive income	3,389,049	15,131,826	18,520,875
Transactions with owners of the Company			
Issue of ordinary shares	–	–	–
Dividends	–	(9,772,000)	(9,772,000)
Total transactions with owners of the Company	–	(9,772,000)	(9,772,000)
Balance as at March 31, 2024	3,389,049	5,359,826	8,748,875

The notes on page 558 to 572 are an integral part of these financial statement.

Notes to the financial statements

1. Reporting entity

Portland Group Pty Ltd ("the Company") is a Company domiciled in Australia. The Company's registered office and principal place of business is Suite 9.01,Level 9, 130 Pitt Street, Sydney NSW 2000, Australia. The parent of the Company is Infosys BPM Limited, India and the ultimate parent is Infosys Limited, India. The Company is a for-profit entity and primarily is involved in provision of project-based consultancy support and ongoing management services to improve the Company's profitability in the long term.

2. Basis of preparation

(a) Statement of compliance

The Company is for profit entity and the financial statements have been prepared as a general purpose financial report to satisfy the directors' reporting requirements under Corporations Act 2001. Simplified disclosure regime (SDR) has been adopted in the preparation of these financial statements.

In the opinion of the directors, the Company is not publicly accountable nor a reporting entity. The financial report of the Company has been drawn up as a financial report for distribution to the members and for the purpose of fulfilling the requirements of the Corporations Act, 2001.

The financial report has been prepared in accordance with the recognition, measurement and classification aspects of all applicable Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB).

The annual financial statements were approved by the Board of Directors on the date of signing of the directors report.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis, unless otherwise stated.

(c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company's functional currency.

(d) Use of estimates and judgments

In preparing these financial statements, the Management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

(e) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the year ending March 31, 2024 are:

(i) Recognition of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

(ii) AASB 16 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts (Refer to Note 19).

3. Material accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

(a) Revenue

The Company's main source of income is from provision of sourcing and category management service, project-based consultancy support and ongoing management services.

Fixed-price:

Revenue from fixed-price, fixed-time frame contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method using input method such as efforts expended, time elapsed or costs incurred.

(a) Maintenance:

Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement.

(b) Non-maintenance:

Efforts or costs expended have been used to measure progress toward completion, as there is a direct relationship between input and productivity.

(i) Licenses:

Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS). The Company has applied the principles under AASB 15 to account for revenues from these performance obligations. ATS revenue is recognized ratably over the period in which the services are rendered.

(ii) Agency revenue:

Where the Company acts as an agent on behalf of any group company, revenue is recognized on a net basis—revenue less costs. (Refer to Note 5).

Time & Material:

Revenue on time-and-material contracts is recognized using an output method, such as hours of service provided, or units delivered or serviced. Revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

Uncertainty:

When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress toward completion, as there is a direct relationship between input and productivity.

Contract modification:

Contract modifications are accounted for when additions, deletions, or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Unbilled / unearned:

Revenues in excess of invoicing are classified as contract assets (which we refer to as unbilled revenue), while invoicing in excess of revenues is classified as contract liabilities (which we refer to as unearned revenues).

Tax:

The Company presents revenues net of indirect taxes in its Statement of Profit and Loss and other comprehensive income.

(b) Contracts in progress

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims, and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. When the outcome of a contract can be estimated reliably, contract revenue is recognized in profit or loss in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to surveys of work performed. When the outcome of a contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.

Contract expenses are recognized as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognized immediately in profit or loss.

Contracts in progress represent the gross amount expected to be collected from customers for contract work performed to date. It is measured at costs plus profits recognized to date, less progress billings, and recognized losses.

Contracts in progress are presented as part of trade and other receivables in the Statement of Financial Position for all contracts in which costs incurred plus recognized profits exceed progress billings and recognized losses. If progress billings and recognized losses exceed costs incurred plus recognized profits, then the difference is presented as deferred income in the statement of financial position. Customer advances are presented as deferred income in the Statement of Financial Position.

(c) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognized in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

(d) Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonuses or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(iii) Other long-term employee benefits

The Company's net obligation with respect to long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. The discount rate is the yield at the repayment date on Australian corporate bonds that have maturity dates approximately the term of the Company's obligations. Remeasurements are recognized in profit or loss in the period in which they arise.

(iv) Termination benefits

Termination benefits are expensed when the Company can no longer withdraw the offer of those benefits or when it recognizes costs for restructuring. If benefits are payable more than 12 months after the reporting date, they are discounted to their present value.

(e) Income tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

(ii) Deferred tax

Deferred tax is recognized with respect to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for temporary differences in the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

A deferred tax asset is recognized for unused tax losses, tax credits, and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(iii) Tax exposures

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

(f) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Purchased software that is integral to the functionality of related equipment is capitalized as part of that equipment. If significant parts of an item of property, plant, and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant, and equipment.

Any gain and loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated to write off the cost of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives and is generally recognized in profit or loss. The estimated useful lives of property, plant and equipment are as follows:

Particulars	2024
Plant and machinery	5 years
Computer equipment	3-5 years
Furniture and fixtures	5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(g) Financial instruments

The Company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables.

The Company classifies non-derivative financial liabilities into the other financial liabilities category.

(i) Non-derivative financial assets and financial liabilities – recognition and derecognition

The Company initially recognizes loans and receivables issued on the date they are originated. All other financial assets and financial liabilities are recognized initially on the trade date.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire. Any interest in such transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

The Company derecognizes a financial liability when its contractual obligations are discharged, canceled or expired.

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(ii) Non-derivative financial assets – measurement

Financial assets at fair value through profit or loss:

A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, which take into account any dividend income, are recognized in profit or loss.

Held-to-maturity financial assets:

These are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

Loans and receivables:

These assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

Cash and cash equivalents:

In the statement of cash flows, cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

(iii) Non-derivative financial liabilities – measurement

Non-derivative financial liabilities are initially recognized at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest rate method.

(iv) Share capital

Ordinary shares:

Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognized as a deduction from equity.

(h) Impairment

(i) Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss, including an interest in an equity-accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

- Objective evidence that financial assets are impaired includes:
- default or delinquency by a debtor;
- restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security.

(ii) Financial assets measured at amortized cost

The Company considers evidence of impairment for these assets measured at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

(iii) Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated to reduce the carrying amount of any goodwill allocated to the CGU (or group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (or group of CGUs) on a pro-rata basis An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(i) Other current assets

Other Current Assets include Rental deposits made to lease vendors as per the lease agreement and Interest accrued but not due on fixed deposits made to the bank. Once the interest amount is received, the asset account is decreased.

(j) Prepayments

Prepaid expenses are future expenses that are paid in advance and, hence, recognized initially as an asset. As the benefits of the expenses are recognized, the related asset account is decreased and expensed.

(k) Trade and Other Payables

Trade payables are obligations to pay for goods or services that have been acquired from suppliers in the ordinary course of business. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. The average credit period on purchases is 30 days from the date of invoice. No interest is charged on overdue payables. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

(l) Other current and non-current liabilities

Other current and non-current liabilities consist of accrued expenses and deferred revenue relating to contract revenue majorly. Other liabilities are classified as current if payment is due within 12 months.

(m) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance cost.

Post-sales client support

A provision for post-sales client support is recognized when the underlying services are sold, based on historical post-sales client support data and a weighting of all possible outcomes against their associated probabilities.

(n) Capital Management

The Directors' policy is to maintain strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. There were no changes to the Company's capital management during the year.

(o) Goods and service tax

Revenue, expenses and assets are recognized net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognized as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(p) Leases

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contact involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined as Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(q) Finance income

Finance income comprises interest income on funds invested, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, and reclassification of amounts previously recognized in other comprehensive income. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(r) Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Trade and other receivables

The fair value of trade and other receivables, excluding construction contracts in progress is estimated as the present value of future cash flows, discounted at the market rate of interest. For trade and other receivables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(ii) Other non-derivative financial liabilities

Fair value which is calculated based on the present value of future principal and interest cash flows, is discounted at the market rate of interest at the reporting date.

4. New and amended AASB Standards that are effective for the current year

At the date of authorization of these financial statements, the Company has not applied the new and revised AASB standards that have been issued but not yet effective. These standards, amendments or interpretations are not expected to have a material impact on the Company in current or future.

Standard / Amendment	Impact
AASB 17 Insurance Contracts (as amended)	No material impact
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	No material impact
AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	No material impact
AASB 2023-4 Amendments to Australian Accounting Standards – International Tax Reform –Pillar Two Model Rules: Tier 2 Disclosures	Note 16

5. Revenue

(In AUD)

Particulars	As at March 31,	
	2024	2023
Related party revenue	**6,529,183**	18,205,719
Third party revenue (Principal)	**56,977,314**	37,827,698
	63,506,497	56,033,417

At March 31, 2024, the Company has deferred revenue of $179,485 (2023: $1,684,513), which represents the fair value of that portion of the revenue and the Company has unbilled revenue of $23,271,221 (2023: $6,728,111).

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by contract-type for each of our business segments. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Revenues by Contract type

(In AUD)

Particulars	As at March 31,	
	2024	2023
Fixed price	**47,692,269**	25,808,606
Time and materials	**15,814,228**	30,224,811
Total	**63,506,497**	56,033,417

Revenues by period of recognition

(In AUD)

Particulars	As at March 31, 2024	As at March 31, 2023
Over the period	29,417,584	40,495,843
Point in time	34,088,913	15,537,574
Total	63,506,497	56,033,417

Trade receivables and Contract Balances

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognized as related service are performed. Revenue for fixed-price maintenance contracts is recognized on a straight line basis over the period of the contract. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

Revenue recognition for fixed-price development contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed-price development contracts is classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings is classified as unearned revenue.

Trade receivables and unbilled revenues are presented net of impairment in the Statement of financial position.

6. Cost of sales

(In AUD)

Particulars	As at March 31, 2024	As at March 31, 2023
Employee benefit expense	16,670,392	23,076,099
Cost of third-party software	37,268,702	19,415,511
External contractor expense and others	4,228,950	4,872,722
	58,168,044	47,364,332

7. Finance income

(In AUD)

Particulars	As at March 31, 2024	As at March 31, 2023
Interest income from deposits with banks	318,180	146,310
Interest income on prepaid contract cost	23,294	39,127
Interest income on loan to subsidiary	–	115,807
Finance income under revenue deals	16,298	5,587
Miscellaneous income	606	–
	358,378	306,831

8. Auditors' remuneration

(In AUD)

Particulars	As at March 31,	
	2024	2023
Audit of financial statements – Deloitte Touche Tohmatsu	28,350	28,350
	28,350	28,350

9. Expenses by nature

(In AUD)

Particulars	As at March 31,	
	2024	2023
Depreciation (Refer to Note 13)	73,386	73,362
Employee benefits	17,573,756	24,010,430
Amortization on ROU assets (Refer to Note 19)	558,364	399,900
Interest expenses on leases liability (Refer to Note 19)	55,557	40,289
Finance expense under revenue deals	23,294	39,127

10. Trade and other receivables

(In AUD)

Particulars	As at March 31,	
	2024	2023
Current		
Trade receivables	4,399,433	3,211,400
Unbilled revenue	15,856,063	5,857,505
	20,255,496	9,068,905
Amounts due from related party (Trade receivables, other receivables and unbilled revenue - Refer to Note 23)	555,501	5,157,480
	20,810,997	14,226,385
Non-current		
Unbilled revenue	7,415,158	870,606
	7,415,158	870,606

The average credit period is 30 days. No interest is charged on trade receivables. Based on the Management's best estimate, impairment in trade receivables amounting to nil and nil exist as on March 31, 2024 and March 31, 2023 respectively. Also, an exposure to credit risk from trade receivables and unbilled revenue amounting to AUD 183,375 and AUD 53,787 exist as on March 31, 2024 and March 31, 2023 respectively.

11.a. Prepayments (current)

(In AUD)

Particulars	As at March 31,	
	2024	2023
Prepaid expenses	253,601	584,257
Loans and advances to employees	20,082	44,811
Prepaid contract cost	–	417,417
	273,683	1,046,485

11.b. Prepayments (non-current)

(In AUD)

Particulars	As at March 31,	
	2024	2023
Prepaid expenses	23,153	1,344
	23,153	1,344

11.c .Other current assets

(In AUD)

Particulars	As at March 31,	
	2024	2023
Advances to PF trust	1,684	–
Interest accrued	–	5,622
GST receivable	–	76,046
Investment in lease	308,235	–
Other current assets	38,592	32,251
	348,511	113,919

11.d. Other non-current assets

(In AUD)

Particulars	As at March 31,	
	2024	2023
Investment in lease	448,455	349,679
	448,455	349,679

12.a. Cash and cash equivalents

(In AUD)

Particulars	As at March 31,	
	2024	2023
Cash at bank	11,175,959	22,564,144
	11,175,959	22,564,144

12.b. Cash flows from operating activities

(In AUD)

Particulars	As at March 31, 2024	As at March 31, 2023
Reconciliation of cash flow from operations with profit after income tax	2,040,700	4,951,223
Adjustments for:		
Depreciation and amortization	631,750	473,261
Deferred tax assets	(110,725)	62,902
Net tax assets (liabilities)	(119,450)	103,214
Finance income	16,298	5,587
Miscellaneous income	606	–
Finance cost	78,851	79,416
	2,538,030	5,675,603
Changes in:		
Trade and other receivables	(6,584,612)	(2,636,550)
Other current and non-current assets	(6,877,919)	485,624
Prepayments	750,993	803,209
Trade and other payables	(1,879,219)	2,456,954
Other current and non-current liabilities	12,886,730	(694,012)
Provisions	5,223	(1,165)
Employee benefits obligation	(796,477)	1,901,975
Finance income	(358,378)	(306,831)
Dealer type lease cost	461,737	–
Income tax asset	(1,377,118)	–
Net cash from operating activities	(1,231,010)	7,684,807

13. Property, plant and equipment

(In AUD)

Particulars	Plant and machinery	Furniture and fixtures	Computer equipment	Total
Cost				
Balance at April 1, 2022	26,514	60,607	629,473	716,594
Additions	–	–	154,362	154,362
Disposals	(2,591)	(7,550)	(265,464)	(275,605)
Balance at March 31, 2023	23,923	53,057	518,371	595,351
Balance at April 1, 2023	23,923	53,057	518,371	595,351
Additions	1,605	–	13,302	14,907
Disposals	–	(37,757)	(11,064)	(48,821)
Balance at March 31, 2024	25,528	15,300	520,609	561,437
Accumulated depreciation				
Balance at April 1, 2022	19,674	60,607	560,049	640,330
Depreciation	1,748	–	71,614	73,362
Disposals	(2,591)	(7,550)	(265,464)	(275,605)
Balance at March 31, 2023	18,831	53,057	366,199	438,087
Balance at April 1, 2023	18,831	53,057	366,199	438,087
Depreciation	1,857	–	71,529	73,386
Disposals	–	(37,757)	(11,064)	(48,821)

Particulars	Plant and machinery	Furniture and fixtures	Computer equipment	Total
Balance at March 31, 2024	20,688	15,300	426,664	462,652
Carrying amounts				
At March 31, 2023	5,092	–	152,172	157,264
At March 31, 2024	4,839	–	93,944	98,784

14. Trade and other payables

(In AUD)

Particulars	As at March 31, 2024	2023
Trade payables	186,753	811,758
Amounts due to related party	1,194,677	2,448,890
	1,381,430	3,260,648

15. Other current liabilities

(In AUD)

Particulars	As at March 31, 2024	2023
Accrued expenses – cost of third-party software	18,958,419	9,076,469
Accrued expenses – others	622,872	693,320
Deferred revenue	179,485	1,684,513
Withholding taxes payable	245,960	54,077
Accrued expenses – inter-company	–	394,147
Financial liabilities under revenue deals (current)	311,216	395,137
Loans and advances to employees	843	843
	20,318,795	12,298,506
Non-current		
Accrued expenses – cost of third-party software	6,701,496	1,562,627
Financial liabilities under revenue deals (non-current)	7,113	279,542
	6,708,609	1,842,169

16. Tax assets and liabilities

(a) Deferred tax assets

(In AUD)

Particulars	As at March 31, 2024	2023
Deferred tax assets due to timing differences:		
Provision for doubtful debts	56,622	16,792
Provision for employee benefits	559,683	492,446
Provision for post-sales customer support	8,998	7,431
Deferred tax liabilities	(505)	(2,597)
Net Deferred tax assets	624,798	514,072

(b) Reconciliation of effective tax rate

(In AUD)

Particulars	As at March 31, 2024	2023
Profit before tax	2,919,198	7,075,233
Tax using the Company's domestic tax rate of 30% (2022: 30%)	875,759	2,122,570
Adjustments in respect of prior years	(36,169)	(49,335)
Non-deductible expenses	38,908	50,775
Income tax expense for the period	878,498	2,124,010

(c) Income tax expense

(In AUD)

Particulars	As at March 31, 2024	2023
Corporation income tax		
Current year	1,025,392	2,110,446
Adjustments in respect of prior years	(36,169)	(49,335)
	989,223	2,061,111
Deferred tax expense		
Origination and reversal of temporary differences	(110,725)	62,899
Income tax expense for the period	(110,725)	62,899
Total income tax expense	878,498	2,124,010

(d) The Company has applied the temporary exception issued by IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Company neither recognizes nor discloses information about deferred tax asset and liabilities related to piller two income taxes.

17. Provisions

(In AUD)

Particulars	As at March 31, 2024	2023
Provision for post service client support	29,993	24,770
	29,993	24,770
The movement in provisions is as follows :	2024	2023
Balance at the beginning	24,770	25,935
Provision recognized/ (reversed)	5,223	(1,165)
Balance at the end	29,993	24,770

18. Employee benefit obligations

(In AUD)

Particulars	As at March 31, 2024	2023
Current		
Provision for employee bonuses	2,735,653	3,756,250
Annual leave	879,693	781,158
Long service leave	420,448	310,484
	4,035,794	4,847,892
Non-current		
Long service leave	565,469	549,847
	565,469	549,847

19. Leases

Leases as lessee

The changes in the carrying value of right-of-use assets are as follows:

(In AUD)

Particulars	As at March 31, 2024	2023
Opening balance	1,132,761	1,313,578
Additions	1,549,147	308,509
Deletions	(378,705)	(89,426)
Amortization	(558,364)	(399,900)
Closing balance	1,744,839	1,132,761

The movement in lease liabilities during the years ended March 31, 2024 and March 31, 2023 is as follows:

(In AUD)

Particulars	As at March 31, 2024	2023
Opening balance	1,553,203	1,374,203
Additions	1,632,178	308,509
Deletions	–	(89,427)
Finance cost accrued during the year	55,557	40,289
Payment of lease liabilities	(688,448)	(80,372)
Closing balance	2,552,490	1,553,202

The break-up of current and non-current lease liabilities is as follows:

(In AUD)

Particulars	As at March 31,	
	2024	2023
Current lease liabilities	955,183	555,565
Non-current lease liabilities	1,597,307	997,637
Total	2,552,490	1,553,202

The details regarding the contractual maturities of lease liabilities as at March 31, 2024 and March 31,2023 on an undiscounted basis are as follows:

(In AUD)

Particulars	As at March 31,	
	2024	2023
Less than one year	964,589	592,162
One to five years	1,659,651	1,009,346
Total	2,624,240	1,601,508

20. Key Management Personnel compensation

Key Management personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling activities of the Company. The directors of the Company are considered as Key management personnel of the Company. Further, the amounts disclosed does not include employment benefits recognized based on the actuarial valuation since they are computed for the Company as a whole and not at individual basis.

The employee compensation is as follows :

(In AUD)

Particulars	As at March 31,	
	2024	2023
Short-term employee benefits	557,622	794,205

21. Financial instruments

Financial instruments by category

(In AUD)

Particulars	As at March 31,	
	2024	2023
Financial assets		
Cash and cash equivalents	11,175,959	22,564,144
Trade and other receivables	28,089,685	14,787,729
Other current assets	348,511	113,919
	39,614,155	37,465,792
Non-financial assets	2024	2023
Trade and other receivables	136,469	309,262
Financial liabilities		
Lease liability	2,552,490	1,553,203
Trade and other payables	1,381,430	3,260,648
Other financial liabilities	26,528,738	11,386,484
	30,462,658	16,200,335

22. Capital commitment, contingent liabilities and financing facilities

a. Capital commitment

(In AUD)

Particulars	As at March 31,	
	2024	2023
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)	50,005	5,744
	50,005	5,744

b. Contingent liabilities

In the opinion of the Management, there are no contingent liabilities as at March 31, 2024 (2023: Nil)

c. Financing facilities

(In AUD)

Particulars	As at March 31,	
	2024	2023
Unsecured bank guarantee facility reviewed annually and payable at call-Amount used	293,432	293,432
	293,432	293,432

23. Related party transactions

The details of the related party transactions entered into by the Company during the years ended March 31, 2024 and March 31, 2023 are as follows:

(In AUD)

Particulars	As at March 31,	
	2024	2023
Purchase of services		
Infosys Limited	(56,333)	102,096
Infosys BPM Limited	1,342,852	1,057,342
Infosys (Czech Republic) Limited s.r.o.	25,595	93,168
Infosys Technologies (China) Co. Limited (Infosys China)	4,416	15,027
	1,316,530	1,267,633
Sale of services		
Infosys Limited	6,140,577	17,006,637
Infosys BPM Limited	388,606	1,199,082
	6,529,183	18,205,719
Purchase of shared services		
Infosys Limited	144,514	132,960
Infosys Automotive and Mobility GmbH & Co. KG	3,177,974	–
	3,322,488	132,960
Sale of shared services		
Infosys Limited	(60,464)	60,464
	(60,464)	60,464

The details of the amount due to or due from the related parties as at 31st March 2024 and 31st March 2023 are as follows

(In AUD)

Particulars	As at March 31,	
	2024	2023
Trade receivables		
Infosys Limited	539,128	5,014,219
Infosys BPM Limited	10,831	109,366
	549,959	5,123,585
Other receivables		
Infosys Limited	5,543	5,543
Infosys BPM Limited	–	28,353
	5,543	33,896
Trade payables		
Infosys Limited	9,399	–
Infosys BPM Limited	92,749	182,762
Infosys (Czech Republic) Limited s.r.o.	2,034	61,025
Infosys Technologies (China) Co. Limited (Infosys China)	323	9,017
	104,505	252,804
Other payables		
Infosys Limited	352,656	91,640
Infosys Automotive and Mobility GmbH & Co. KG	737,516	2,104,447
	1,090,172	2,196,087

Particulars	As at March 31,	
	2024	2023
Accrued expense	–	394,147
Infosys Limited	–	394,147

Other receivables and other payables consist of Cross charges from the related parties mentioned above.

24. Capital risk management

The Company manages its capital to ensure it continues as a going concern. The capital structure comprises issued capital, cash and retained earnings. There are no externally imposed capital requirements on the Company.

25. Capital and reserves

(a) Share capital

Ordinary shares

(In AUD)

Particulars	As at March 31,	
	2024	2023
On issue at April 1 (17,450,000 number of shares)	3,389,049	3,389,049
Issued for cash	–	–
On issue at March 31 (17,450,000 number of shares)	3,389,049	3,389,049

All shares rank equally with regard to the Company's residual assets.

Ordinary shares

The Company does not have authorized capital or par value in respect of its issued shares. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

(b) Dividends

(In AUD)

Particulars	As at March 31,	
	2024	2023
Dividend declared and paid	9,772,000	–
	9,772,000	–

Dividend franking account

(In AUD)

Particulars	As at March 31,	
	2024	2023
30 per cent franking credits available to shareholders of Portland Group Pty Ltd for subsequent financial years	3,175,328	5,215,875
	3,175,328	5,215,875

The above available amounts are based on the balance of the dividend franking account at year-end adjusted for:

a. franking credits/ debits that will arise from the payment/ receipts of the current tax liabilities/ assets;

b. franking debits that will arise from the payment of dividends recognized as a liability at the year-end;

c. franking credits that will arise from the receipt of dividends recognized as receivables by the tax consolidated company at the year-end; and

d. franking credits that the entity may be prevented from distributing in subsequent years.

The ability to utilize the franking credits is dependent upon there being sufficient available profits to declare dividends.

26. Events subsequent to reporting date

The Directors are not aware of any other matter or circumstance that has occurred since the end of the financial period that has significantly affected or may affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Directors' declaration

In the opinion of the directors of the Portland Group Pty Ltd ("the Company"):

(a) The Company is not publicly accountable nor a reporting entity;

(b) The financial statements and notes, set out on page 06 to 24, are in accordance with the Corporations Act 2001, including

(i) giving a true and fair view of the financial position of the Company as at March 31, 2024 and of its performance for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) to the extent described in Note 2, and the Corporations Regulations 2001; and

(c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.

Andrew Jarvis
Director

Date: 24 May 2024

Place: Sydney

Panaya Ltd.

Independent Auditors' Report

To the shareholders of Panaya Ltd.

We have audited the accompanying Statement of a Financial Position of Panaya Ltd. ("the Company ") as of December 31, 2023 and 2022, and the related Statements of Comprehensive Income (loss), changes in shareholders' deficiency and cash flows for the years then ended. These financial statements are the responsibility of the Company's Board of Directors and Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with generally accepted auditing standards, including those prescribed by the Auditors' Regulations (Auditor's Mode of Performance) - 1973. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the principles used and significant estimates made by the Board of Directors and management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, 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

March 11, 2024

Tel-Aviv, Israel

Statements of Financial Position

(NIS in thousands)

Particulars	Note	As at December 31	
		2023	2022
Assets			
Current assets			
Cash and cash equivalents		15,900	10,309
Trade receivables		6,602	3,309
Trade receivables-related parties		790	176
Other receivables-related parties		2,946	844
Other current assets		3,566	2,690
Total current assets		29,804	17,328
Property and equipment, net	3	2,652	3,381
Total assets		32,456	20,709
Liabilities and shareholders' deficiency			
Current Liabilities			
Trade payables		6,419	4,776
Trade payables - related parties		378	773*
Other payables - related parties		1,369	121,560*
Other payables		8,131	5,896
Employee related payables		14,989	13,753
Loan – related parties	4	51,995	50,539
Deferred revenue		20,318	18,286
Deferred revenue – related parties		77,132	83,016
Total current liabilities		180,731	298,599
Accrued severance pay, net of severance fund	5	195	165
Commitments and contingent liabilities	6	0	0
Total shareholders' deficiency	7	(148,470)	(278,055)
Liabilities and shareholders' deficiency		32,456	20,709

The accompanying notes are an integral part of the financial statements.

Place: Tel-Aviv , Isreal
Date: March 11, 2024

David Binny
Director

Statements of Comprehensive Income

(NIS in thousands)

Particulars	Note no.	Years ended December 31	
		2023	2022
Revenues	2H	146,671	132,502
Cost of revenues		33,669	34,657
Gross profit		113,002	97,845
Operating expenses			
Research and development	2C, 9A	41,500	36,351
Selling and marketing expenses	9B	36,461	34,872
General and administrative expenses	9C	22,027	12,891
Operating income		13,014	13,731
Financial expenses, net		(1,001)	(29,336)
Net income and comprehensive income		12,013	(15,605)

The accompanying notes are an integral part of the financial statements.

Place: Tel-Aviv , Isreal
Date: March 11, 2024

David Binny
Director

Statement of changes in shareholders' deficiency

(NIS in thousands)

Particulars	Share capital	Additional paid in capital	Share based payment capital fund	Payments on account of Shares to be allotted	Accumulated Deficit	Total shareholders' deficiency
Balance at January 1, 2022	6	79,932	15,863	68,798	(427,049)	(262,450)
Net loss	–	–	–	–	(15,605)	(15,605)
Balance at December 31, 2022	6	79,932	15,863	68,798	(442,654)	(278,055)
Conversion of parent Company balance into additional paid in capital	–	117,572	–	–	–	117,572
Net income					12,013	12,013
Balance at December 31, 2023	6	197,504	15,863	68,798	(430,641)	(148,470)

The accompanying notes are an integral part of the financial statements.

Place: Tel-Aviv , Isreal
Date: March 11, 2024

David Binny
Director

Statements of Cash Flows

(NIS in thousands)

Particulars	Years ended December 31	
	2023	2022
Cash flows from operating activities		
Net income (loss)	12,013	(15,605)
Adjustment required to reconcile net income (loss) to cash provided by (used in) operating activities		
Depreciation and amortization	1073	1,115
Increase in trade, other receivables, and other assets	(6,885)	(996)
Increase in trade and other payables	864	9,890
Increase in employee-related payables	1,236	1,011
Decrease in deferred revenue	(3,852)	(4,468)
Increase (decrease) in accrued severance pay, net	30	(160)
Increase in interest of loan and exchange rate impact	1,456	5,550
Net cash provided by (used in) operating activities	5935	(3,663)
Cash flows from investing activities		
Acquisition of property and equipment	(344)	(415)
Net cash used in investing activities	(344)	(415)
Increase (decrease) in cash and cash equivalents	5,591	(4,078)
Cash and cash equivalents at the beginning of the year	10,309	14,387
Cash and cash equivalents at the end of the year	15,900	10,309
Non-cash activities		
Conversion of parent Company balance into additional paid in capital	117,572	–

The accompanying notes are an integral part of the financial statements.

Place: Tel-Aviv , Isreal
Date: March 11, 2024

DAvid Binny
Director

Notes to the Financial Statements

Note 1- General

A. Panaya Ltd. (the "Company") was incorporated and commenced operations on January 2, 2006, as a wholly-owned subsidiary of Panaya Inc. ("the Parent Company"), which is incorporated in Delaware, U.S.

B. The Company develops and markets solutions for ERP systems, by identifying the changes on the ERP system through automated analysis.

C. The Company has incurred losses since its inception and its continued operations as a going concern are dependent on financing from the Parent Company, until it reaches sufficient profitability.

D. Related parties - Within their meaning in Opinion No. 29 of the Institute of Certified Public Accountants in Israel.

E. The functional currency of the Company is the NIS, as the NIS is the primary currency of the economic environment in which the Company has operated and expects to continue to operate in the foreseeable future.

Note 2- Significant Accounting Policies

The significant accounting policies applied are as follows:

A. Use of estimates:

The preparation of financial statements in accordance with generally accepted accounting principles in Israel requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of expenses during the reported periods. Actual results could differ from those estimates.

B. Cash equivalents:

The Company considers all highly liquid investments, which include short-term bank deposits (up to three months from date of deposit) that are not restricted as to withdrawal or use, to be cash equivalents.

C. Research and development:

Costs incurred in connection with the research of the Company's products are expensed as incurred.

D. Property and equipment

Property and equipment are stated at cost. Depreciation is computed by the straight-line method over the estimated useful life of the assets.

Annual rates of depreciation are as follows:

Particulars	%
Computers and software	33
Office furniture and equipment	7
Leasehold improvements	10
Communications equipment	15

Leasehold improvements are amortized by the straight-line method over the term of the lease, which is shorter than the estimated useful life of the improvements.

E. Intangible assets

These assets that represent acquired domains, copyrights, licenses and trademarks are stated at cost and amortized using the straight-line method over their estimated useful lives of 3 to 4 years.

F. Fair value of financial instruments

The carrying amount of some of the Company's financial instruments, including cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate their fair value, due to their short maturities.

G. Income taxes

Income taxes are accounted for using the asset and liability approach. The asset and liability approach requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequences of events that have been recognized in the Company's financial statements or tax returns. The measurement of current and deferred tax liabilities and assets is based on provisions of the relevant tax law. The measurement of deferred tax assets is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realized.

H. Revenues

The Company derives its revenue principally from the sale of its ERP systems analysis services, including activation and monthly service fees. Revenues from services are recognized as services are performed or on a straight-line basis if service is ongoing. Revenue is recognized provided that an arrangement (usually in the form of a purchase order) exists, the fee is fixed and determinable and collection is reasonably assured. If uncertainties exist, revenue is recognized when the uncertainties are resolved.

Note 3 Property and Equipment, net

The composition:

(NIS in thousands)

Particulars	As at December 31,	
	2023	2022
Cost:		
Furniture and fixtures	2,149	2,147
Computers and software	11,774	11,444
Leasehold improvements	11,337	11,337
Communication equipment	444	432
	25,704	25,360
Less - Accumulated depreciation	23,052	21,979
Net book value	2,652	3,381

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 SOFR+1.64% simple interest.

The Company repaid NIS 4.01 million (USD 1.09 million) and NIS 2.53 million (USD 0.74 million) including accrued interest in 2023 and 2022 respectively.

Note 5 Liability for Severance Pay

On February 28, 2015, the Company's employees have signed off on Section 14 of the Severance Pay law - 1963, pursuant to which the Company's regular deposits with pension funds and/or insurance companies release it from any further liability to the employees for whom such deposits are made. Therefore, the financial statements do not include a liability in respect of the amounts that were deposited from that date to cover that liability. As regards to severance pay liability until the sign off, a liability is recognized in the financial statements in respect of the employer's obligation to pay severance pay, which is calculated on the basis of their most recent salary as at Balance Sheet date, multiplied by the employee's years of employment until February 28, 2015, and is presented net of the amounts deposited for severance pay as aforesaid.

Note 6 Commitments and Contingent Liabilities-

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 until December 2025.

Future lease payments under the lease agreement for the new premises are NIS 197 thousand per months, for a period of 24 months commencing January 2024.

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,	
	2023	2022
	Authorized	Issued and fully paid
	Number of shares	
Ordinary shares NIS 1.00 par value each	10,000	6,000

Each ordinary share is entitled to one vote and to receive dividends as declared by the board of directors.

Note 8 Taxes on Income

A. The tax rate relevant to the Company in 2023 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.

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 2018.

C. As of December 31, 2023, the Company had a net carryforward tax loss of approximately NIS 338 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, 2023.

Note 9 Supplementary Statements of Operations Information

A. Research and development costs:

(NIS in thousands)

Particulars	Years ended December 31,	
	2023	2022
Payroll and related expenses	26,146	23,114
Consultants and related expenses	10,387	8,189
Depreciation and amortization	438	457
Other	4,529	4,591
	41,500	36,351

B. Selling and marketing expenses

(NIS in thousands)

Particulars	Years ended December 31,	
	2023	2022
Payroll and related expenses	17,744	16,966
Consultants and related expenses	3,250	3,268
Marketing	4,949	4,706
Travel and office expenses	1,063	1,111
Other	6,231	6,522
Related parties-subcontractors	3,224	2,299
	36,461	34,872

C. General and administrative expenses

(NIS in thousands)

Particulars	Years ended December 31,	
	2023	2022
Payroll and related expenses	11,543	10,131
Consultants and related expenses	8,325	806
Doubtful debts	126	88
Other	2,033	1,866
	22,027	12,891

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Fluido Oy

Independent Auditor's Report

To the Annual General Meeting of Fluido Oy

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Fluido Oy (business identity code 2304624-7) for the year ended 31 December 2023. The financial statements comprise the balance sheets, the income statements, cash flow statements and notes for the group as well as for 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 the Financial Statements section of our 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 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.

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 a 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 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 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 the 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 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 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.

Other reporting requirements

Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises 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 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. 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, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

In Helsinki May 29, 2024

BDO Oy,
Authorized Public Accountant Firm

Joonas Selenius
Authorized Public Accountant

Information about the year

Significant events during the financial year

Fluido Group ("the Group" or "the Company") provides professional services relating to the Salesforce software and digital transformation processes. The Group operates in Finland, Sweden, Norway, Denmark, Germany, England, Ireland, and the Netherlands. In 2023, the revenue of the Group was €65,839,872 and the profit before taxes was €4,414,699 euros. The revenue of the Group grew 2.6 % in 2023 and the Company was able to strengthen its market position as a prominent actor in the Nordics. The revenue of Fluido Oy was €37,358,955 and the loss before taxes was €231,012.

The crisis in Ukraine and the increasing inflation caused momentary changes in the business environment. The business operations of Fluido have continued steadily despite increasing costs. The Company has been able to provide its clients digital transformation services as usual. During the financial period, the business environments of different countries were very diverse, but the Group was able to distribute the workforce into the countries with higher demands for the projects. This is a prominent competitive advantage for the Group, but it affects the profit of the individual subsidiaries either positively or negatively depending on whether the subsidiary in question is a net importer or exporter of resources. The Group attained the largest individual sale in its history in November 2023 in Denmark.

The leadership and auditors of the Company

The Board of Directors consists of Dinesh Ramakrishna, Thomas Johanson and Jasmeet Singh. Dinesh Ramakrishna has acted as the Chairman of the Board and Thomas Johanson has served as the CEO of the Company. BDO Oy is the Company's auditor, and Certified Auditor Joonas Selenius is the responsible auditor.

Share capital

The share capital is fully owned by the Infosys Group. The number of shares is 157,166. The shares consist of two classes: A-shares (99,521 shares) and B-shares (57,595 shares). The owners of B-class shares have a preference to the Company assets up to the paid acquisition price. The preference is described in detail in the Articles of Association.

The Articles of Association include redemption and approval clauses relating to the shares.

The domicile of Infosys Group is Bengaluru, and it is listed in New York and Mumbai. At the end of 2023, Infosys Group had approximately 340,000 employees. The revenue of the Infosys Group at the end of the financial period (March 2024) is approximately US$19 billion and the profit for the financial year approximately US$3 billion.

Authorizations

The shareholder's meetings on December 17, 2015, and August 19, 2016 authorized the Board of Directors to decide upon issuing the other special right entitling to shares. According to the authorization, 12,000 A-class shares can be issued.

Branches

The company has branches in Germany (Business ID HRB 252914) and in the Netherlands (Business ID 80799140).

Estimate on the significant risks and insecurities of operations

The business risks relate to the general global economic developments and their impact on corporate investments.

The Company has been able to acquire professional personnel and has invested in being an attractive and interesting employer also in the future. Fluido does not have a significant client risk. Even the revenue from bigger clients is distributed in such a way that no individual client forms over 10% of the revenue.

Estimate on future developments

The financial year 2024 has started according to expectations. The Group's business plan targets for growth of revenue and profit at minimum equals the previous years.

Significant events after the end of the financial year

After the end of the financial year, there have been no significant events.

Key figures

(In € Thousands)

Parent company	For the period between January 1 and December 31,		
	2023	2022	2021
Revenue	37,359	34,736	28,247
EBITDA	(569)	1,349	2,779
Profit before taxes	(231)	1,240	2,698
Operating profit (%)	(1.80%)	3.50 %	9.30%
Equity ratio (%)	55.40%	62.60%	68.40%
Return of equity (%)	(1.40%)	6.80 %	16.80%

(In € Thousands)

Group	For the period between January 1 and December 31,		
	2023	2022	2021
Revenue	65,840	64,150	50,164
EBITDA	4,477	5,130	5,061
Profit before taxes	4,415	4,340	4,164
Operating profit (%)	6.10%	6.80 %	8.40%
Equity ratio (%)	60.10%	56.20 %	54.90%
Return of equity (%)	18.20 %	22.50 %	26.70 %

Personnel

The group employed on average 450 people during the financial year. The salaries and fees paid to the personnel by the group were in total €38,7 million.

Personnel on average	2023	2022	2021
Group	450	458	382
Parent	190	205	194

Loans and collaterals given to the related parties

Fluido Oy has irrevocably and without terms given the following collateral on behalf of Fluido Denmark A/S. Fluido Oy as the primary guarantor is liable that Fluido Denmark A/S always has the necessary liquidity and that it is able to cover current and upcoming liabilities when they are due.

In addition, Fluido Oy has given a collateral to support its subsidiary company Fluido UK Limited in such a way that Fluido UK is able to cover all its liabilities when they are due; at minimum, for the following 12 months after the date of the financial statements.

Fluido Oy has given its fully-owned subsidiary company, Fluido UK Limited, a non-warrantable loan of 2,425,000 GBP. The loan accrues market-based interest. The interest is defined by Euribor and Libor. The interests have been between 5.72% and 7.92%. The capital will be repaid when the cash flow of the companies permits.

Fluido Oy has given a capital loan to Fluido Sweden Ab for 5,333,203.10 SEK. The loan has been accounted as an increase of equity in the subsidiary company. The prerequisite of the repayment of the loan is that the equity of Fluido Sweden Ab reaches a sufficient level for the repayment of the loan. The loan does not accrue interest.

Fluido Oy has given Infosys Automotive and Mobility GmbH & Co KG a non-warrantable loan of €6,000,000. The amount of €3,417,412.67 of the loan has been withdrawn. The loan accrues a market-based interest which is 12 months Euribor + 2.5%

Fluido Norway AS has given Infosys Automotive and Mobility GmbH & Co KG a non-warrantable loan of €5,000,000. The amount of €2,824,707.62 has been withdrawn. The loan accrues a market-based interest which is 12 months Euribor + 2.5%.

Proposal of the Board of Directors for the use of distributable capital

The Board of Directors proposes to the Annual General Meeting that no dividend shall be distributed.

Consolidated Balance Sheet

(In €)

Particulars	As at December 31, 2023	2022
Assets		
Non-current assets		
Intangible assets		
Other capitalized long-term expenses	21 611,45	16 193,60
Group goodwill	250 904,10	548 560,53
Intangible assets in total	272 515,55	564 754,13
Tangible assets		
Machinery and equipment	526 421,83	505 737,88
Tangible assets in total	526 421,83	505 737,88
Non-current assets in total	798 937,38	1 070 492,01
Current assets		
Long-term receivables		
Amounts owed by group companies	6 054 086,66	6 158 066,06
Other long-term receivables	340 025,52	205 155,82
Long-term receivables in total	6 394 112,18	6 363 221,88
Short-term receivables		
Trade debtors	6 712 884,66	8 206 752,16
Other receivables	930 181,68	981 924,54
Prepayments and accrued income	4 821 082,24	3 912 172,60
Short-term receivables in total	12 464 148,58	13 100 849,30
Cash in hand and at banks	10 701 360,76	6 741 963,41
Current assets in total	29 559 621,52	26 206 034,59
Assets in total	30 358 558,90	27 276 526,60
Equity and liabilities		
Equity		
Share capital	2 500,00	2 500,00
Other reserves	5 508 279,64	5 508 279,64
Retained earnings / (loss)	10 009 276,45	6 888 045,76
Profit / (loss) for the financial year	3 049 966,20	3 121 230,69
Currency translation difference	(327 660,35)	(177 385,74)
Equity in total	18 242 361,94	15 342 670,35
Provisions	–	13 728,00
Liabilities		
Non-current liabilities		
Other creditors	–	13 301,51
Current liabilities		
Advances received	135 565,00	207 186,46
Trade creditors	1 155 023,16	1 041 101,88
Other creditors	3 610 027,46	3 313 491,44
Accruals and deferred income	7 215 581,34	7 345 046,96
Current liabilities in total	12 116 196,96	11 906 826,74
Liabilities in total	12 116 196,96	11 920 128,25
Equity and liabilities in total	30 358 558,90	27 276 526,60

Consolidated Statement of Profit and Loss

(In €)

Particulars	For the period between January 1 and December 31, 2023	2022
Revenue	65 839 871,60	64 149 710,89
Other operating income	135 508,75	164 264,92
Raw materials and services		
Raw materials and consumables		
Purchases during the financial year	(240 211,60)	(196 208,79)
Raw materials and consumables in total	(240 211,60)	(196 208,79)
External services		
External services	(6 035 496,76)	(4 582 903,62)
Raw materials and services in total	(6 275 708,36)	(4 779 112,41)
Personnel expenses		
Wages and salaries	(38 772 797,90)	(38 742 496,63)
Social security expenses		
Pension expenses	(4 631 775,97)	(4 766 014,74)
Other social security expenses	(4 602 710,15)	(4 595 774,34)
Social security expenses in total	(9 234 486,12)	(9 361 789,08)
Personnel expenses in total	(48 007 284,02)	(48 104 285,71)
Other operating expenses	(7 215 766,69)	(6 300 330,69)
EBITDA	4 476 621,28	5 130 247,00
Depreciation and amortization		
Depreciation according to plan	(481 778,06)	(763 864,30)
Depreciation and amortization in total	(481 778,06)	(763 864,30)
Operating profit / (loss)	3 994 843,22	4 366 382,70
Financial income and expenses		
Interest and other financial income		
From others	968 968,36	566 818,80
Interest and other financial income in total	968 968,36	566 818,80
Interest and other financial expenses		
For others		
Interest and other financial expenses in total	(549 112,57)	(592 935,24)
Financial income and expenses in total	419 855,79	(26 116,44)
Profit before taxes	4 414 699,01	4 340 266,26
Income taxes	(1 364 732,81)	(1 219 035,57)
Profit / (loss) for the financial year	3 049 966,20	3 121 230,69

Consolidated Cash Flow Statement

(In €)

Particulars	January 1 and December 31,	
	2023	2022
Cash flow from operating activities		
Profit before taxes	4 414 699,00	4 340 266,26
Adjustments:		
Depreciation according to plan	481 778,06	763 864,30
Financial income and expenses	(419 855,79)	26 116,44
Cash flow before change in working capital	4 476 621,27	5 130 247,00
Change in working capital:		
Increase in short-term receivables	636 700,72	227 530,74
Increase in short-term liabilities	(45 218,41)	1 585 288,61
Cash flow from operating activities before financing activities and taxes	5 068 103,58	6 943 066,35
Income taxes paid	(1 130 909,41)	(1 156 130,84)
Interests for operating activities	419 855,79	(8 753,20)
Cash flow from operating activities	4 357 049,96	5 778 182,31
Cash flow from investing activities		
Investments in tangible / intangible assets	(210 123,43)	(193 608,74)
Loans to group companies	103 979,40	(6 000 000,00)
Cash flow from investing activities	(106 144,03)	(6 193 608,74)
Cash flow from financing activities		
Increase / decrease of long-term receivables	(134 869,70)	–
Increase / decrease of long-term liabilities	(13 301,51)	–
Cash flow from financing activities	(148 171,21)	–
Change in cash	4 102 734,72	(415 426,43)
Currency translation difference	(143 338,13)	(227 711,90)
Cash funds 1.1	6 741 963,41	7 385 101,74
Cash funds 31.12	10 701 360,00	6 741 963,41

Balance Sheet, parent company

(In €)

Particulars	As at December 31, 2023	As at December 31, 2022
Assets		
Non-current assets		
Tangible assets		
Machinery and equipment	317 926,88	338 599,47
Tangible assets in total	317 926,88	338 599,47
Investments		
Holdings in group undertakings	4 482 574,96	4 482 574,96
Receivables from Group undertakings	3 622 196,45	3 373 873,59
Investments in total	8 104 771,41	7 856 448,55
Non-current assets in total	8 422 698,29	8 195 048,02
Current assets		
Long-term receivables		
Amounts owed by Group companies	3 417 412,67	3 487 668,49
Deferred tax assets	338 732,97	158 254,60
Long-term receivables in total	3 756 145,64	3 645 923,09
Short-term receivables		
Trade debtors	3 388 485,23	3 973 294,62
Amounts owed by Group companies	4 396 396,91	2 861 524,10
Other receivables	422 179,06	454 770,31
Prepayments and accrued income	2 678 432,97	2 435 427,82
Short-term receivables in total	10 885 494,17	9 725 016,85
Receivables in total	14 641 639,81	13 370 939,94
Cash in hand and at banks	3 562 095,44	2 330 803,42
Current assets in total	18 203 735,25	15 701 743,36
Assets in total	26 626 433,54	23 896 791,38
Equity and liabilities		
Equity		
Share capital	2 500,00	2 500,00
Other reserves	5 499 123,10	5 499 123,10
Retained earnings / (loss)	9 455 058,40	8 472 076,03
Profit / (loss) for the financial year	(201 695,29)	982 982,37
Equity in total	14 754 986,21	14 956 681,50
Provisions	–	13 728,00
Liabilities		
Current liabilities		
Advances received	135 565,00	207 186,46
Trade creditors	450 090,04	558 555,40
Amounts owed to Group companies	5 819 422,99	2 318 888,87
Other creditors	1 611 901,12	1 554 374,91
Accruals and deferred income	3 853 868,18	4 287 376,24
Current liabilities in total	11 871 447,33	8 926 381,88
Liabilities in total	11 871 447,33	8 926 381,88
Equity and liabilities in total	26 626 433,54	23 896 791,38

Statement of Profit and Loss, parent company

(In €)

Particulars	For the period between January 1 and December 31,	
	2023	2022
Revenue	37 358 954,60	34 736 096,07
Other operating income	51 667,37	31 653,71
Raw materials and services		
Raw materials and consumables		
Purchases during the financial year	(158 184,05)	(117 155,00)
Raw materials and consumables in total	(158 184,05)	(117 155,00)
External services		
External services	(9 440 016,96)	(5 256 110,95)
Raw materials and services in total	(9 598 201,01)	(5 373 265,95)
Personnel expenses		
Wages and salaries	(19 279 214,38)	(19 745 913,57)
Social security expenses		
Pension expenses	(2 927 743,27)	(3 032 568,60)
Other social security expenses	(1 233 997,24)	(1 154 100,21)
Social security expenses in total	(4 161 740,51)	(4 186 668,81)
Personnel expenses in total	(23 440 954,89)	(23 932 582,38)
Other operating expenses	(4 940 788,58)	(4 112 802,38)
EBITDA	(569 322,51)	1 349 099,07
Depreciation and amortization		
Depreciation according to plan	(117 200,69)	(131 361,98)
Depreciation and amortization in total	(117 200,69)	(131 361,98)
Operating profit / (loss)	(686 523,20)	1 217 737,09
Financial income and expenses		
Interest and other financial income		
From group companies	390 853,80	195 607,43
From others	65 109,17	3 176,07
Interest and other financial income in total	455 962,97	198 783,50
Interest and other financial expenses		
For others	(451,98)	(176 918,31)
Interest and other financial expenses in total	(451,98)	(176 918,31)
Financial income and expenses in total	455 510,99	21 865,19
Profit before taxes	(231 012,21)	1 239 602,28
Income taxes	29 316,92	(256 619,91)
Profit / (loss) for the financial year	(201 695,29)	982 982,37

Cash Flow Statement, parent company

(In €)

Particulars	For the period between January 1 to December 31,	
	2023	2022
Cash flow from operating activities		
Profit before taxes	(231 012,21)	1 239 602,28
Adjustments:		
Depreciation according to plan	117 200,69	131 361,98
Increase / decrease of provisions	(13 728,00)	(80 704,50)
Financial income and expenses	(455 510,99)	(21 865,19)
Other income and expense (no payment)	–	(63 473,05)
Cash flow before change in working capital	(583 050,51)	1 204 921,52
Change in working capital:		
Increase in short-term receivables	(1 029 755,59)	196 507,13
Increase in short-term liabilities	2 945 065,45	2 661 204,66
Cash flow from operating activities before financing activities and taxes	1 332 259,35	4 062 633,31
Interests for operating activities	268 264,19	(1 587,54)
Income taxes paid	(281 883,18)	(809 171,75)
Cash flow from operating activities	1 318 640,36	3 251 874,02
Cash flow from investing activities		
Investments in tangible / intangible assets	(96 528,10)	(114 425,21)
Loans to Group companies	9 179,76	(3 400 000,00)
Change in receivables from subsidiaries	–	(410 840,94)
Interest income from subsidiaries	–	–
Cash flow from investing activities	(87 348,34)	(3 925 266,15)
Cash flow from financing activities		
Increase in equity	–	–
Increase / decrease of long-term receivables	–	–
Cash flow from financing activities	–	–
Change in cash	1 231 292,02	(673 392,13)
Cash funds 1.1	2 330 803,42	3 004 195,55
Cash funds 31.12	3 562 095,44	2 330 803,42

Notes to the financial statements

Financial statements' accounting principles

The financial statements and the consolidated financial statements have been prepared in compliance with the legislation and other standards concerning the preparation of the financial statements.

The consolidated financial statements include Fluido Sweden AB, Fluido Norway A/S, Fluido Denmark A/S, Fluido Slovakia s.r.o, Infosys Fluido UK Ltd and Infosys Fluido Ireland Ltd.

The consolidated financial statements have been prepared according to the consolidation method. The inter-company holdings, receivables, debts, internal contribution margin and other transactions have been eliminated.

In the consolidation of the Statement of Profit and Loss, the average exchange rate of Bank of Finland was used, and for the consolidation of the Balance Sheet, the exchange rate of December 31, 2023.

Valuation principles and methods

The tangible assets of non-current assets are valued according to the acquisition cost reduced with the planned depreciations.

Receivables, securities, and other similar financial assets as well as debts are valued according to the Accounting Act Chapter 5 Section 2.

Periodization principles and methods

The fixed assets are depreciated according to the plan. The depreciations have been adjusted to the tax depreciation. The depreciations according to the plan have been calculated as follows:

Intangible assets	5-year straight-line depreciation
Tangible assets	25% expenditure residue depreciation
Group goodwill	5-year straight-line depreciation

Notes to the Statement of Profit and Loss

Geographical distribution of revenue

(In €)

Particulars	Group		Parent	
	2023	2022	2023	2022
Finland	27 858 497,11	21 138 206,86	22 402 117,92	21 138 206,86
Europe	15 679 935,82	20 345 176,63	6 935 798,98	5 971 243,79
Other	22 301 438,67	22 666 327,40	8 021 037,70	7 626 645,42
In total	65 839 871,60	64 149 710,89	37 358 954,60	34 736 096,07

Auditors' fees

(In €)

Particulars	Group		Parent	
	2023	2022	2023	2022
Audit	158 046,95	91 499,81	85 820,00	42 290,00
Other services	4 901,62	1 924,46	–	–
In total	162 948,57	93 424,27	85 820,00	42 290,00

Notes to the Balance Sheet

Specifications of non-current assets

(In €)

Other capitalized long-term expenses	Group		Parent	
	2023	2022	2023	2022
Starting balance 1.1.	189 060,34	189 060,34	160 856,70	160 856,70
Additions	6 799,43	–	–	–
Closing balance 31.12.	195 859,77	189 060,34	160 856,70	160 856,70
Cumulative depreciations 1.1.	(171 841,07)	(170 359,50)	(160 856,70)	(160 856,70)
Depreciations of the financial year	(1 419,27)	(1 481,57)	–	–
Cumulative depreciations 31.12.	(173 260,34)	(171 841,07)	(160 856,70)	(160 856,70)
Currency translation difference	(987,98)	(1 025,67)	–	–
Closing balance 31.12.	21 611,45	16 193,60	–	–
Group goodwill				
Starting balance 1.1.	3 297 388,62	3 297 388,62	–	–
Additions	–	–	–	–
Closing balance 31.12.	3 297 388,62	3 297 388,62	–	–
Cumulative depreciations 1.1.	(2 781 897,90)	(2 237 485,11)	–	–
Depreciations of the financial year	(297 765,16)	(544 412,79)	–	–
Cumulative depreciations 31.12.	(3 079 663,06)	(2 781 897,90)	–	–
Currency translation difference	33 178,54	33 069,81	–	–
Closing balance 31.12.	250 904,10	548 560,53	–	–
Machinery and equipment				
Starting balance 1.1.	1 348 606,36	1 130 165,74	909 433,06	795 007,85
Additions	196 542,14	218 440,62	96 528,10	114 425,21
Closing balance 31.12.	1 545 148,50	1 348 606,36	1 005 961,16	909 433,06
Cumulative depreciations 1.1.	(836 232,23)	(618 262,29)	(570 833,59)	(439 471,61)
Depreciations of the financial year	(182 593,63)	(217 969,94)	(117 200,69)	(131 361,98)
Cumulative depreciations 31.12.	(1 018 825,86)	(836 232,23)	(688 034,28)	(570 833,59)
Currency translation difference	99,16	(6 636,25)	–	–
Closing balance 31.12.	526 421,83	505 737,88	317 926,88	338 599,47
Investments				
Starting balance 1.1.	–	–	4 482 574,96	3 679 706,31
Additions	–	–	–	802 868,65
Closing balance 31.12.	–	–	4 482 574,96	4 482 574,96
Prepayments and accrued income				
Accrued income	3 534 729,28	2 773 534,31	1 703 100,65	1 652 176,38
Accrued tax receivables	713 842,96	428 958,52	713 842,96	428 958,52
Other accruals	572 509,99	709 679,77	261 489,36	354 292,92
In total	4 821 082,24	3 912 172,60	2 678 432,97	2 435 427,82

Group structure

The parent company of Fluido Oy is Infosys Ltd, domicile Bengaluru, India. The consolidated financial statements are available on the website of Infosys Ltd at www.infosys.com.

Holdings in other companies

(In €)

Company name and domicile	Holding (%)
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

Amounts owed by Group companies

(In €)

Particulars	2023	2022
Long-term		
Capital loans	514 868,67	514 868,67
Other long-term loans	3 107 327,78	2 859 004,92
Loans to Infosys Group	3 417 412,67	3 487 668,49
In total	7 039 609,12	6 861 542,08
Short-term		
Trade debtors	4 396 396,91	2 861 524,10
In total	4 396 396,91	2 861 524,10

Uncertainty relating to the valuation of trade debtors

There may be uncertainty in the valuation of trade debtors from Group companies amounting to €2.1 million if the financial standing of the debtor does not improve in such a way that it will be able to manage its liabilities.

Taxes for the financial year

Estimated tax receivable has been accounted due to temporary differences in expense accruals and due to calculated tax receivables relating to losses.

(In €)

Particulars	Group		Parent	
	2023	2022	2023	2022
Tax for the financial year	1 534 461,03	1 248 135,57	151 161,45	284 884,44
Change in calculated taxes	(169 728,22)	(29 099,99)	(180 478,37)	(28 264,53)
In total	1 364 732,81	1 219 035,58	(29 316,92)	256 619,91

Changes in capital and reserves

(In €)

Particulars	Group		Parent	
	2023	2022	2023	2022
Subscribed capital	2 500,00	2 500,00	2 500,00	2 500,00
Reserve for invested non-restricted capital	5 508 279,64	5 508 279,64	5 499 123,10	5 499 123,10
Currency translation difference	(327 660,36)	(177 385,74)	–	–
Retained earnings / (loss)	10 009 276,46	6 888 045,76	9 455 058,40	8 472 076,03
Distributed dividend	–	–	–	–
Acquisition of own shares	–	–	–	–
Profit / (loss) for the financial period	3 049 966,20	3 121 230,69	(201 695,29)	982 982,37
Unrestricted capital in total	18 239 861,94	15 340 170,35	14 752 486,21	14 954 181,50
Capital and reserves in total	18 242 361,94	15 342 670,35	14 754 986,21	14 956 681,50

Calculation of distributable unrestricted equity in accordance with Chapter 13, Section 5 of the Limited Liabilities Companies Act

(In €)

Reserve for invested non-restricted capital	5 499 123,10
Retained earnings / (loss)	9 455 058,40
Profit / (loss) for the financial year	(201 695,29)
Unrestricted capital in total	14 752 486,21
Capitalized development expenses	–
Distributable capital in total	14 752 486,21

Amounts owed to Group companies

(In €)

Particulars		
Short-term		
Trade creditors	5 819 422,99	2 318 888,87
In total	5 819 422,99	2 318 888,87

(In €)

Accruals and deferred income	Group		Parent	
	2023	2022	2023	2022
Accruals relating to salaries	5 638 243,11	6 237 450,26	3 373 009,95	3 948 953,39
Tax accruals	471 024,15	722 379,18	–	(0,36)
Other accruals	1 106 314,08	385 217,50	480 858,23	338 423,21
In total	7 215 581,34	7 345 046,94	3 853 868,18	4 287 376,24

Transactions with interested parties

During the financial year, Fluido Oy has attained €12,127,475.53 revenue from Group companies, and purchased services from Group companies with the amount of €7,380,839.25. The business transactions with group companies have been actualized according to conventional commercial terms.

Personnel

Average personnel

Group		Parent	
2023	2022	2023	2022
450	458	190	205

Collaterals and liabilities

(In €)

Rent liabilities	In total	Due in 1 year
Parent	1 967 751,15	737 889,00
Group	3 348 046,63	1 468 396,72

Signatures of the financial statements and the annual report

Date: May 29, 2024

Thomas Johanson
Chief Executive Officer,
Member of the Board of Directors

Dinesh Ramakrishna
Chairman of the Board of Directors

Jasmeet Singh
Member of the Board of Directors

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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 2023-01-01 - 2023-12-31.

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 2023 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 is 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 is also responsible for such internal control as it determines 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 is responsible for the assessment of the company's ability to continue as a going concern. It discloses, 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 intend 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 2023-01-01 - 2023-12-31 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.

Umeå, 2024- Deloitte AB

Signature on Swedish original

Jonas Lindgren
Authorized Auditor

Infosys Technologies (Sweden) AB corporate identity number 556779-1040

The Board of Directors for Infosys Technologies (Sweden) AB hereby submit the annual financial statement for the financial year 2023.

All amounts in the annual report are presented in Swedish kronor (SEK) unless otherwise stated. Data in parentheses refer to the previous year.

Directors' Report

Information about the Company

The Company offers comprehensive technical solutions where the Company's customers can improve their business results. The Company's business is to provide solutions that covers the entire software life cycle regarding technical consulting, design, development, change, maintenance, system integration, package evaluation and implementation, testing and infrastructure management.

The Company is headquartered in Stockholm.

Significant events during the financial year

No significant events during the financial year.

Expected future prospects and significant risks and uncertainties

The Company is forecasting stable growth in the future.

(in SEK '000)

Multi-year overview (Tkr)	2023	2022	2021	2020	2019
Net turnover	374,561	256,556	225,745	143,030	74,056
Profit/loss after financial items	64,690	65,472	41,292	19,041	6,596
Balance sheet total	314,382	257,797	172,495	145,895	55,530
Equity/assets ratio (%)	64,86	59,41	58,48	41,58	74,98
Number of employees	66	37	34	31	44

Changes in Equity

(In SEK)

Particulars	Share capital	Retained profit/loss	Profit/loss this year	Total
Amount at the opening of the year	100,000	100,783,459	52,287,174	153,170,633
Appropriation of earnings as per decision of the Annual General Meeting:		52,287,174	(52,287,174)	-
Profit/loss for the year			50,745,687	50,745,687
Amount at the closing of the year	100,000	153,070,633	50,745,687	203,916,320

Proposals for profit allocation

The Board of Directors recommends that the profit/loss and brought forward profits available for disposition (SEK):

(In SEK)

profit carried forward	153,070,632
profit for the year	50,745,687
	203,816,319
be distributed so that they are:	
carried over	203,816,319

The Company's earnings and financial position in general are indicated in the following income statement and balance sheet as well as the cash flow analysis with notes.

Income statement

(In SEK)

Particulars	Note	Years ended December 31, 2023	2022
Operating revenues			
Net turnover	2	374,561,368	256,556,365
		374,561,368	256,556,365
Operating expenses			
Other external costs	3, 4	(187,931,639)	(128,070,313)
Personnel costs	5	(118,753,971)	(58,999,726)
Depreciation/amortization and impairment of property, plant and equipment, and intangible assets		(33,535)	(33,604)
		(306,719,145)	(187,103,643)
Operating profit/loss	6	67,842,223	69,452,722
Profit/loss from financial items			
Other interest income and similar profit/loss items	7	550,100	204,054
Interest expense and similar profit/loss items	8	(3 701,962)	(4,184,055)
		(3,151,862)	(3,980,001)
Profit/loss after financial items		64,690,361	65,472,721
Pre-tax profit/loss		64,690,361	65,472,721
Tax on profit for the financial year	9	(13,944 674)	(13,185 547)
Net profit/loss for the year		50,745,687	52,287,174

Balance Sheet

(In SEK)

Particulars	Note	As at December 31, 2023	2022
Assets			
Fixed assets			
Tangible fixed assets			
Equipment, tools and installations	10	27 703	61,238
		27,703	61,238
Financial assets			
Deferred tax assets	11	189,848	55,671
Other long-term receivables	12	2 882,787	6,196,842
		3,072,635	6,252,513
Total fixed assets		3,100,338	6,313,751
Current assets			
Current receivables			
Accounts receivable		89,563,038	45,241,540
Receivables from group companies		137,311,655	108,158,417
Deferred expenses and accrued income	13	20,418,785	24,259,683
		247,293,478	177,659,640
Cash on hand and in bank		63,988,556	66,095,780
Total current assets		311,282,034	243,755,420
Total assets		314,382,372	250,069,171
Equity and liabilities			
Equity	14, 20		
Restricted reserves			
Share capital		100,000	100,000
		100,000	100,000
Non-restricted equity			
Retained earnings or losses		153,070,632	100,783,459
Profit/loss for the year		50,745,687	52,287,174
		203,816,319	153,070,633
Total equity		203,916,319	153,170,633
Current liabilities			
Accounts payable		904,655	2,749,907
Liabilities to group companies		17,383,238	33,678,603
Current tax liabilities		2,378,389	3,806,444
Other liabilities		22,535,437	19,291,910
Accrued expenses and deferred income	15	67,264,334	37,371,674
Total current liabilities		110,466,053	96,898,538
Total equity and liabilities		314,382,372	250,069,171

Cash flow analysis

(In SEK)

Particulars	Note	Years ended December 31,	
		2023	2022
Current activities			
Profit/loss after financial items		64,690,362	65,472,721
Adjustments for items not included in the cash flow	16	3,735,497	4,217,659
Tax paid		(15,372,729)	(8,806,018)
Cash flow from operating activities before change in working capital		53,053,130	60,884,362
Cash flow from change in the working capital			
Change in customers' accounts receivable		(44,321,498)	(22,534,031)
Change in current receivables		(25,804,729)	(36,149,354)
Change in accounts payable		(1,845,251)	-
Change in current liabilities		16,839,301	17,296,795
Cash flow from operating activities		(2,079,047)	19,497,772
Investment activities			
Investments in financial assets		(28,177)	(5,796,842)
Cash flow from investment activities		(28,177)	(5,796,842)
Annual cash flow		(2,107,224)	13,700,930
Liquid assets, opening balance	17		
Liquid assets, opening balance		66,095,780	52,394,850
Liquid assets, closing balance		63,988,556	66,095,780

Notes

Note 1 Accounting and Valuation principles

General Information

The annual report is prepared in accordance with the Swedish Annual Accounts Act and BFNAR 2012:1 Annual Reporting and consolidated reports (K3).

Receivables and liabilities in foreign currencies have been valued at the closing rate of exchange. Profit on exchange and exchange loss on operating receivables and liabilities are reported in the operating result.

The accounting principles remain unchanged as compared to the previous year.

Revenue Recognition

Revenue has been raised to the fair value of consideration received or receivable and is recognized to the extent that it is probable that the economic benefits will be available to be used by the Company and the revenue can be measured reliably.

Fixed assets

Intangible and tangible fixed assets are posted at the acquisition value less accumulated depreciation and any write-downs.

Depreciation is done on a straight-line basis over the estimated useful life of the asset taking the significant residual value into account. The following depreciation percentage is applied:

Tangible fixed assets

Equipment, tools, and installations	20%

Financial instruments

Receivables are reported as current assets with the exception of items with a due date of more than 12 months after the Balance Sheet date, which are classified as fixed assets.

Claims are taken into account to the expected amount to be paid after deduction for individually assessed bad debts.

Leasing agreements

When the risks and rewards related to the leased assets are transferred to the lessee the agreement are classified as finance leases. On initial recognition is accounted a receivable in the balance sheet. Direct expenditure incurred in connection with the Company include finance lease are distributed over the entire term of the lease. On subsequent reporting opportunity the finance income is distributed, attributable to the agreement, over the lease period so that an equal remuneration is obtained.

When the risks and rewards associated with the asset has not been transferred to the lessee the lease are classified as an operating lease. The assets of the Company are the lessor is accounted for as fixed assets or current assets dependent on when the lease term expires. The leasing fee is determined annually and is reported on a straight-line basis over the lease term.

Income taxes

Total tax consists of current tax and deferred tax. Taxes are reported in the income statement, except when the underlying transaction is reported directly in equity, whereby the associated tax effects are reported in equity.

Current tax

Current tax refers to income tax for the current financial year and the part of the income tax that has not yet been reported.

Current tax is calculated based on the tax the applies per balance date..

Employee remuneration

Remuneration to employees in the form of wages, bonuses, paid vacation, sick leave, etc., is reported in line with earnings.

Cash flow analysis

Cash flow statement is prepared using the indirect method. The reported cash flow includes only transactions that involve receipts or disbursements.

Definition of Key Business Ratios

Net turnover

Main operating revenues, invoiced expenses, side income and revenue adjustments.

Profit/loss after financial items

Profits after financial items and costs but before appropriations and taxes.

Balance Sheet total

Company's gathered assets.

Equity/assets ratio (%)

Adjusted equity (equity and untaxed reserves with deductions for deferred tax) as a percent of the balance sheet total.

Number of employees

Average number of employees during the financial year.

Note 2 Net turnover distribution

(In SEK)

Particulars	Years ended December 31,	
	2023	2022
Net turnover per line of business		
Sweden	371,180,454	252,467,400
United Kingdom	-	7,315
Rest of Europe	2,190,287	4,046,862
USA	1,238,529	560
Brazil	(47,902)	34,228
	374,561,368	256,556,365

Note 3 Leasing agreement

Leasing costs for the year pursuant to lease agreements amount to SEK 2,632,212 (SEK 1,989,403).

Future leasing fees, as regards non-terminable leasing agreements, the following mature:

(In SEK)

Particulars	Years ended December 31,	
	2023	2022
Within one year	2,767,822	2,632,212
Later than one year, but within five years	5,770,833	219,351
	8,538,655	2,851,563

Note 4 Remuneration to Auditors

Audit assignment refers to the inspection of the annual report and the accounting as well as the reports of the Board of Directors, other tasks fulfilled by the Company auditor as well as counseling or other assistance deriving from observations made in the course of the inspection or fulfillment of such other tasks.

(In SEK)

Particulars	Years ended December 31,	
	2023	2022
Deloitte AB		
Audit engagement	159,500	159,000
	159,500	159,000

Note 5 Employees and personnel costs

(In SEK)

Particulars	Years ended December 31,	
	2023	2022
Average number of employees		
Women	9	7
Men	61	30
	70	37
Salaries and other remunerations		
Other employees	81,843,211	41,990,182
	81,843,211	41,990,182
Social security expenses		
Pension costs for other employees	13,405,215	6,808,472
Other social security expenses pursuant to law and contracts	23,505,545	10,201,072
	36,910,760	17,009,544
Total salaries, remunerations, social security expenses and pension costs	118,753,971	58,999,726
Sex distribution among leading clerks		
Proportion of men in the Board of Directors	100%	100%
Proportion of men among managing clerks	100%	100%

Note 6 Purchases and dales between group companies

(In SEK)

Particulars	Years ended December 31,	
	2023	2022
Share of the total acquisitions for the year made by other companies within the group	41,83 %	57,25 %
Share of the total sales for the year made to other companies within the group	30,76 %	25,56 %

Note 7 Other interest income and similar profit/loss items

(In SEK)

Particulars	Years ended December 31,	
	2023	2022
Other interest income	550,100	204,054
	550,100	204,054

Note 8 Other interest income and similar profit/loss items

(In SEK)

Particulars	Years ended December 31,	
	2023	2022
Exchange differences	(3,701,962)	(4,184,055)
	(3,701,962)	(4,184,055)

Note 9 Current and deferred tax

(In SEK)

Particulars	Years ended December 31,	
	2023	2022
Tax on profit for the financial year		
Current tax	(13,846,009)	(13,292,811)
Adjustment for the previous year	(232,842)	100,660
Deferred tax	134,177	6,604
Total tax expense	(13,944,674)	(13,185,547)

Reconciliation of effective tax

(In SEK)

Particulars	2023		2022	
	Percent	Amounts	Percent	Amounts
Reported profit before tax		64,690,361		65,472,720
Tax at applicable tax rate	20,6	(13,326,214)	20,6	(13,487,380)
Non-deductible expenses	0,3	(210,342)	-	-
Adjustment for taxes for the previous year	0,2	(121,378)	(0,5)	301,833
Other	0,4	(286,740)	-	-
Reported effective tax	21,6	(13,944,674)	20,1	(13,185,547)

Note 10 Equipment, tools and installations

(In SEK)

Particulars	As at December 31,	
	2023	2022
Acquisition value, opening balance	167,980	167,980
Accumulated acquisition value, closing balance	167,980	167,980
Depreciation, opening balance	(106,742)	(73,138)
Depreciation for the year	(33,535)	(33,604)
Accumulated depreciation, closing balance	(140,277)	(106,742)
Book value, closing balance	27,703	61,238

Note 11 Deferred tax liability

(In SEK)

Particulars	As at December 31,	
	2023	2022
Balance at beginning of year	55,671	49,067
Provisions for the year	134,177	6,604
Balance at the end of the year	189,848	55,671

Note 12 Other long-term receivables

(In SEK)

Particulars	As at December 31,	
	2023	2022
Acquisition value, opening balance	6,196,842	400,000
Incoming accounts	2,882,787	5,796,842
Outgoing accounts	(6,196,842)	-
Accumulated acquisition value, closing balance	2,882,787	6,196,842
Book value, closing balance	2,882,787	6,196,842

Note 13 Deferred expenses and Accrued Income

(In SEK)

Particulars	As at December 31,	
	2023	2022
Other prepaid expense	7,236,286	6,094,642
Accrued income	9,840,266	18,165,041
	17,076,552	24,259,683

Note 14 Number of shares and the ratio value

(In SEK)

Name	Number of shares	Quota value
Number of A-Shares	1,000	100
	1,000	

Note 15 Accrued expenses and deferred income

(In SEK)

Particulars	Years ended December 31,	
	2023	2022
Salaries	10,188,652	4,926,414
Holiday salaries	10,408,256	4,471,436
Other expenses	20,082,073	13,537,541
Prepaid income	26,585,353	14,436,283
	67,264,334	37,371,674

Note 16 Adjustments for items not included in the cash flow

(In SEK)

Particulars	Years ended December 31,	
	2023	2022
Profit on exchange	33,535	33,605
Exchange loss	3,701,962	4,184,055
	3,735,497	4,217,660

Note 17 Liquid Assets

(In SEK)

Particulars	Years ended December 31,	
	2023	2022
Liquid assets		
Bank deposits	63,988,556	66,095,780
	63,988 556	66,095,780

Note 18 Information on the parent company

Infosys Technologies (Sweden) AB is a subsidiary to Infosys Ltd. (L85110KA1981PLC013115), with headquarter in India.

The parent company prepares consolidated accounts in which Infosys Technologies (Sweden) AB is included.

Note 19 Significant events after the financial year

No significant events after the financial year.

Note 20 Appropriation of profit or loss

(In SEK)

Particulars	Years ended December 31, 2023
Proposals for profit allocation	
The Board of Directors recommends that the profit/loss and brought forward profits available for disposition:	
profit carried forward	153,070,632
profit for the year	50,745,687
	203,816,319
be distributed so that they are: carried over	203,816,319

Stockholm

Karmesh Gul Vaswani
Board member

Our audit report was submitted

Deloitte AB

Jonas Lindgren
Authorized Public Accountant

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Infosys Management Consulting Pty Ltd

Independent Auditor's Report to the Members of Infosys Management Consulting Pty Limited

Opinion

We have audited the financial report of Infosys Management Consulting Pty Limited (the "Company"), which comprises the Statement of Financial Position as at December 31, 2023, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

- Giving a true and fair view of the Company's financial position as at December 31, 2023 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards – Simplified Disclosures and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with the Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the Directors of the Company, would be in the same terms if given to the Directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 December 31, 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards – Simplified Disclosures and the Corporations Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DELOITTE TOUCHE TOHMATSU

David Sartorio Partner
Chartered Accountants Parramatta, April 11, 2024

Directors' report

For the year ended 31 December 2023

The directors present their report together with the financial report of Infosys Management Consulting Pty Ltd (the Company), for the financial year ended 31 December 2023 and the auditor's report thereon.

1. Directors

The directors of the Company at any time during or since the end of the financial year are:

Mr Geoffrey Anton LeongAppointed 16 May 2016

2. Company Secretary

Mr Roger Gibson was appointed as Company Secretary on 09 August 2019 and resigned with effect from 17 December 2021. There is no Company Secretary from 18 December 2021 onwards.

3. Principal activities

Infosys Management Consulting Pty Ltd. supports clients in designing and delivering simple and pragmatic solutions to their complex business problems. The focus is set on processes, data and systems, enabling operating models which work pragmatically and efficiently in today's complex and global business environment.

The strategy of the business is: remaining cost competitive and to increase the market share by owning our client's business challenges, identifying new opportunities and reimagine business solutions to help create new markets and disrupt existing ones.

There were no significant changes in the nature of the activities of the Company during the year."

4. Dividends

No dividend was declared for the financial year ended 31 December 2023 (31 December 2022: $2,800,000 which is equivalent to $0.80 dividend per share).

5. Operating and financial review

The profit after tax for the year ended 31 December 2023 amounted to $2,578,158 (2022 Profit after tax of 1,811,404). This was primarily a result of an increase of revenue from $36,272,899 in year 2022 to $50,326,748 in year 2023. Gross margin has remained largely consistent at 11.8% (2022 : 13.3%).

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 22 and forms part of the directors' report for the financial year ended 31 December 2023.

This report is made with a resolution of the directors:

Geoffrey Leong
Director

Place: Sydney

Date: April 11, 2024.

Statement of Financial Position

(In AUD)

Particulars	Note	As at December 31	
		2023	2022
Assets			
Current assets			
Cash and cash equivalents	8	10,336,368	6,544,487
Trade and other receivables	9	4,627,109	3,677,931
Current tax assets		–	454,617
Other assets		28,171	32,527
Total current assets		14,991,648	10,709,562
Non-current assets			
Property, plant and equipment	10	82,414	148,869
Deferred tax asset	7a	884,058	837,750
Total non-current assets		966,472	986,619
Total assets		15,958,120	11,696,181
Liabilities			
Current liabilities			
Trade payables	11	(468,033)	(264,127)
Current tax liabilities		(330,695)	–
Other payables	12	(2,797,064)	(2,222,287)
Provisions	13	(3,049,819)	(2,503,965)
Total current liabilities		(6,645,611)	(4,990,379)
Non-current liabilities			
Provisions	13	(394,815)	(366,266)
Total non-current liabilities		(394,815)	(366,266)
Total liabilities		(7,040,426)	(5,356,645)
Net assets		8,917,694	6,339,536
Equity			
Issued capital	14	3,500,300	3,500,300
Retained earnings		5,417,394	2,839,236
Total equity		8,917,694	6,339,536

The notes on pages 620 to 630 are an integral part of these financial statements.

Statement of Profit or Loss and Other Comprehensive Income

(In AUD)

Particulars	Note	Years ended December 31	
		2023	2022
Revenue	5	50,326,748	36,272,899
Cost of sales	6b	(44,373,689)	(31,464,494)
Gross profit		5,953,059	4,808,405
Administrative expenses	6d	(866,728)	(853,148)
Other expenses	6c	(1,444,174)	(1,349,010)
Operating profit		3,642,157	2,606,247
Interest Income	6a	78,048	9,953
Other gains and losses	6f	(7,658)	(18,170)
Net finance costs		70,390	(8,217)
Profit before tax		3,712,547	2,598,030
Income tax expense	7b	(1,134,389)	(786,626)
Profit for the year		2,578,158	1,811,404
Other comprehensive income, net of tax		–	–
Total comprehensive income		2,578,158	1,811,404

The notes on pages 620 to 630 are an integral part of these financial statements.

Statement of Changes in Equity

For the financial year ended December 31, 2023

(In AUD)

	Share capital	Retained earnings	Total Equity
Balance at January 1, 2022	3,500,300	3,827,832	7,328,132
Profit for the year	–	1,811,404	1,811,404
Other Comprehensive Income	–	–	–
Total comprehensive income for the year	–	1,811,404	1,811,404
Transactions with owners of the Company			
Dividends paid to owners of the Company (Refer to Note 23)	–	(2,800,000)	(2,800,000)
Total transactions with owners of the Company	–	(2,800,000)	(2,800,000)
Balance at December 31, 2022	3,500,300	2,839,236	6,339,536
Balance at January 1, 2023	3,500,300	2,839,236	6,339,536
Profit for the year	–	2,578,158	2,578,158
Other Comprehensive Income	–	–	–
Total comprehensive income for the year	–	2,578,158	2,578,158
Transactions with owners of the Company			
Total transactions with owners of the Company	–	–	–
Balance at December 31, 2023	3,500,300	5,417,394	8,917,694

The notes on pages 620 to 630 are an integral part of these financial statements.

Statement of Cash Flows

For the financial year ended December 31, 2023

(In AUD)

	Note	2023	2022
Cash flows from operating activities			
Cash receipts from customers		49,381,926	35,300,531
Cash paid to suppliers and employees		(45,241,135)	(32,990,534)
Cash generated from operations		4,140,791	2,309,997
Interest received/ (paid) - net		52,381	(8,973)
Income tax paid		(395,384)	(849,708)
Net cash from operating activities		3,797,788	1,451,316
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(5,907)	(116,867)
Net cash used in investing activities		(5,907)	(116,867)
Cash flows from financing activities			
Dividends paid to owners of the company	23	–	(2,800,000)
Net cash used in financing activities		–	(2,800,000)
Net increase/(decrease) in cash and cash equivalents		3,791,881	(1,465,551)
Cash and cash equivalents at January 1		6,544,487	8,010,038
Cash and cash equivalents as at December 31	8	10,336,368	6,544,487

The notes on pages 620 to 630 are an integral part of these financial statements.

Notes to the financial statements

For the financial year ended December 31, 2023

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 with effective from May 1, 2020. The financial statements of the Company are as at and for the year ended December 31, 2023. The Company is a for-profit entity and is primarily involved in specialised IT consulting service.

2. Basis of preparation

(a) Statement of compliance

These financial statements are general purpose financial statements, which have been prepared in accordance with Corporations Act 2001 and Australian Accounting Standards – Simplified Disclosure Requirements("SDR"), and comply with other requirements of the law.

In the opinion of the directors, the Company is not publicly accountable nor a reporting entity. The financial report of the Company has been drawn up as a financial report for distribution to the members and for the purpose of fulfilling the requirements of the Corporations Act 2001.

The financial report has been prepared in accordance with the recognition, measurement and classification aspects of all applicable Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) under the SDR framework.

The annual financial statements were authorized by the Directors on April 11, 2024."

(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.

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

(i) Financial assets

The Company initially recognizes loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company has the following financial assets:

Financial Assets

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments in the current liabilities on the Balance sheet.

(ii) Financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

The Company classifies financial liabilities into the other financial liabilities category. Such financial liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest rate method. Other financial liabilities comprise trade and other payables.

(c) Share Capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effect.

(d) Property, plant and equipment

(i) Recognition and measurement"

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day to day servicing of property, plant and equipment are recognized in profit or loss as incurred.

(iii) Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis in profit or loss over the estimated useful lives of each component.

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative periods are as follows:

Leasehold improvement/ installation	5 years or lease term, whichever is earlier
IT equipment	3 years
Office machine	2 years
Furniture	5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

(e) Intangible assets

(i) Other intangible assets - software

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Intangible assets are amortized on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

The estimated useful lives for the current and comparative periods are as follows:

Software 3 years"

Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(f) Impairment

(i) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Indefinite life intangible assets are tested annually for impairment. An impairment loss is recognized if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (or group of CGUs) and then to reduce the carrying amounts of the other assets in the CGU (or group of CGUs) on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(ii) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired.

A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Company considers evidence of impairment for financial assets measured at amortized cost (loans and receivables and held-to-maturity financial assets) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables.

Interest in the impaired asset continues to be recognized through the unwinding of the discount. When an event occurring after the impairment was recognized causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(g) Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee expense in profit and loss when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on corporate bond rates that have maturity dates approximating the terms of the Company's obligations.

(iii) Termination benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(iv) Short term benefits

Short-term employee benefit obligations are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

If the amount of the leave is expected to be settled beyond 12 months from the reporting date, the amount is measured in accordance with a long-term benefit as noted above (note 3(g)(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.

(h) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance cost.

(i) Onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with the contract.

(j) Services – Revenue recognition

The Company derives revenues primarily from Information Technology ("IT") consultancy services. Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration we expect to receive in exchange for those services. Revenue is measured as the value of the consideration received or receivable, excluding discounts, value added tax and other sales taxes.

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved in writing, by the parties, to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognized upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration the Company has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. The Company allocates the transaction price to each distinct performance obligation based on the relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In the absence of such evidence, the primary method used to estimate standalone selling price is the expected cost plus a margin, under which the company estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services.

Revenue from a contract to provide services is recognized in the period in which the services are provided in accordance with the terms of the contract. In service arrangements, the Company satisfies the performance obligation and recognizes revenue over time. The Company recognizes revenue on the basis of contractually agreed mark up on costs incurred for Intercompany revenue. In fixed-priced contracts, revenue is recognized based on progress towards completion of performance obligation using a percentage of completion method. Efforts or costs expensed have been used to measure progress toward completion, as there is a direct relationship between input and productivity. Revenue in excess of invoicing are classified as unbilled revenue, while invoicing in excess of revenues are classified as unearned revenue. Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

(k) Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

In the case of the Company, all leases are short-term leases and hence are exempted from the recognition and measurement requirements of AASB 16 Leases.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease."

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under AASB 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in profit or loss.

As a practical expedient, AASB 16 permits a lessee not to separate non-lease components and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

(l) Tax

Tax expense comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in Other Comprehensive Income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(m) Goods and Service tax

Revenue, expenses and assets are recognized net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognized as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Balance Sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(n) New and amended AASB Standards that are effective for the current year

Standard/Amendment	Impact
AASB 17 Insurance Contracts	No material impact
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	No material impact
AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	No material impact
AASB 2023-4 Amendments to Australian Accounting Standards – International Tax Reform –Pillar Two Model Rules: Tier 2 Disclosures	Note 7

New and revised AASB Standards issued but not yet effective

At the date of authorization of these financial statements, the Company has not applied the new and revised AASB Standards that have been issued but are not yet effective. These standards, amendments or interpretations are not expected to have a material impact on the Company in the current or future reporting periods and foreseeable future transactions.

4. Determination of fair values

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

(i) Trade and other receivables

The fair value of trade and other receivables, excluding construction contracts in progress is estimated as the present value of future cash flows, discounted at the market rate of interest. For trade and other receivables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(ii) Other financial liabilities

Fair value, which is calculated based on the present value of future principal and interest cash flows, is discounted at the market rate of interest at the reporting date.

5. Revenue

(In AUD)

	Years ended December 31	
	2023	2022
Related party revenue (Refer to Note 17)	50,015,636	36,232,091
Third-party revenue	311,112	40,808
	50,326,748	36,272,899
Major products/service lines		
IT Consultancy services	50,326,748	36,272,899
Timing of revenue recognition		
Services transferred over time	50,326,748	36,272,899

6a. Interest income

(In AUD)

	Years ended December 31	
	2023	2022
Interest on financial assets measured at amortized cost		
Interest received from bank	78,048	9,953
	78,048	9,953

6b. Cost of sales

(In AUD)

	Years ended December 31	
	2023	2022
Travel	510,562	263,924
Employee benefits expense	33,433,169	23,783,564
External contractor expense	10,429,958	7,417,006
	44,373,689	31,464,494

6c. Other expenses

(In AUD)

	Years ended December 31	
	2023	2022
Depreciation expense	72,362	52,756
Bank charges	25,667	18,926
Other expense	1,346,145	1,277,328
	1,444,174	1,349,010

6d. Administrative expenses

(In AUD)

	Years ended December 31	
	2023	2022
Communications	139,180	111,107
Legal and accounting	82,060	62,585
Back office expense	14,474	(1,369)
Employee benefit expense	631,014	680,825
	866,728	853,148

6e. Employee expense

(In AUD)

	Years ended December 31	
	2023	2022
Employee salary	26,648,951	19,648,651
Employee bonus	1,954,318	1,326,299
Annual leave and long service leave	345,400	(110,051)
Superannuation	2,992,929	2,111,027
Other employee related expenses	2,137,059	1,488,463
	34,078,657	24,464,389

6f. Other gains and losses

(In AUD)

	Years ended December 31	
	2023	2022
Net foreign exchange losses	(7,658)	(18,170)
	(7,658)	(18,170)

7. Tax expense

(a) Deferred tax asset

(In AUD)

	Jan 1, 2022	Charged to P&L FY22	Dec 31, 2022	Charged to P&L FY23	Dec 31, 2023
Sundry Debtors	1	2	3	–	3
Other assets	860	1,400	2,260	(15,789)	(13,529)
Unavailed leave	556,392	(33,015)	523,377	103,621	626,998
Accrued compensation	431,120	(119,009)	312,110	(41,525)	270,586
Total	988,373	(150,622)	837,750	46,307	884,058

(b) Reconciliation of effective tax rate

(In AUD)

	Years ended December 31	
	2023	2022
Profit before tax	3,712,547	2,598,030
Tax using the Company's domestic tax rate of 30% (2022: 30%)	1,113,764	779,409
Adjustment for prior year	(4,259)	(15,390)
Non-deductible tax expenses	27,119	22,607
Others	(2,235)	–
Income tax expense for the year	1,134,389	786,626

(c) Income tax expenses

(In AUD)

	Years ended December 31	
	2023	2022
Current Tax	1,184,955	651,394
Prior Year	(4,259)	(15,390)
Deferred tax expenses		
Origination & reversal of temporary difference	(46,307)	150,622
	1,134,389	786,626

(d) The Company has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Company neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

8. Cash and cash equivalents

(In AUD)

	As at December 31	
	2023	2022
Cash and cash equivalents	10,336,368	6,544,487
	10,336,368	6,544,487

9. Trade and other receivables

(In AUD)

	As at December 31	
	2023	2022
Trade receivable due from a related party (Refer to Note 17)	4,476,705	3,564,223
Other receivables	150,404	113,708
	4,627,109	3,677,931

No allowance is recognized for expected credit losses. Based on management's best estimate, there is no impairment of receivables and exposure to credit risk from trade receivables. The average credit period on sale is 30 days. No interest is charged on trade receivables.

10. Property, plant and equipment

(In AUD)

Particulars	Leasehold improvement/ installation	IT Equipment / Office machines	Furniture	Total
Cost				
Balance at January 1, 2022	205,163	339,860	39,026	584,049
Additions	–	116,867	–	116,867
Disposals/ write off	(11,802)	(7,879)	(13,833)	(33,514)
Balance at December 31, 2022	193,361	448,848	25,193	667,402
Depreciation and impairment losses				
Balance at January 1, 2022	(205,163)	(255,102)	(39,026)	(499,291)
Depreciation for the year	–	(52,756)		(52,756)
Disposals/ write off	11,802	7,879	13,833	33,514
Balance at December 31, 2022	(193,361)	(299,979)	(25,193)	(518,533)
Carrying amounts				
As at January 1, 2022	–	84,758	–	84,758
As at December 31, 2022	–	148,869	–	148,869

(In AUD)

Particulars	Leasehold improvement/ installation	IT Equipment / Office machines	Furniture	Total
Cost				
Balance at January 1, 2023	193,361	448,848	25,193	667,402
Additions	–	5,907	–	5,907
Disposals/ write off	–	(178,571)	(4,083)	(182,654)
Balance at December 31, 2023	193,361	276,184	21,110	490,655
Depreciation and impairment losses				
Balance at January 1, 2023	(193,361)	(299,979)	(25,193)	(518,533)
Depreciation for the year	–	(72,362)	–	(72,362)
Disposals/ write off	–	178,571	4,083	182,654
Balance at December 31, 2023	(193,361)	(193,770)	(21,110)	(408,241)
Carrying amounts				
As at January 1, 2023	–	148,869	–	148,869
As at December 31, 2023	–	82,414	–	82,414

11. Trade Payables

(In AUD)

	As at December 31	
	2023	2022
Trade payables due to related party (Refer to Note 17)	19,771	–
Other trade payables	448,262	264,127
	468,033	264,127

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)

	As at December 31	
	2023	2022
Accrued superannuation expense	–	–
Accrued subcontractor expenses	2,299,432	1,457,407
Other accruals	330,696	618,694
Other accruals due to related party (Refer to Note 17)	166,936	146,186
	2,797,064	2,222,287
Deferred Income	12,643	12,653
Total Other Payables	2,784,421	2,209,634

13. Provisions

(In AUD)

	As at December 31	
	2023	2022
Current		
Annual leave	1,485,175	1,196,448
Long service leave outstanding	209,999	181,875
Incentive provision	464,011	96,044
Accrued bonus	890,634	1,029,598
Total Current	3,049,819	2,503,965
Non-current		
Long service leave outstanding	394,815	366,266
Total Non-current	394,815	366,266
Total employee provisions	3,444,634	2,870,231

Movements in provisions

	Annual Leave	Long Service Leave Outstanding	Incentive Provision	Accrued Bonus	Total
Carrying amount as at January 1, 2023	1,196,448	548,141	96,044	1,029,598	2,870,231
(+) Additions	288,727	56,673	464,011	1,724,659	2,534,070
(-) Amounts Paid	–	–	(96,044)	(1,863,623)	(1,959,667)
Carrying amount as at December 31, 2023	1,485,175	604,814	464,011	890,634	3,444,634

14. Capital and reserves

Share capital In shares

	As at December 31	
	2023	2022
On issue at January 1	3,500,300	3,500,300
Add: shares issued during the year	–	–
On issue at December 31	3,500,300	3,500,300

Ordinary shares

The Company does not have authorized capital or par value in respect of its issued shares. All issued shares are fully paid. All shares rank equally with regard to the Company's residual assets, except that preference shareholders participate only to the extent of the face value of the shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. In respect of the Company's shares that are held by the Company, all rights are suspended until those shares are reissued.

Dividend franking account

(In AUD)

	As at December 31	
	2023	2022
30% franking credits available to shareholders of Infosys Management Consulting Pty Ltd for subsequent financial years	3,460,241	3,060,900
	3,460,241	3,060,900

The above available amounts are based on the balance of the dividend franking account at year-end adjusted for:

a.	franking credits/debits that will arise from the payment/ receipts of the current tax liabilities/ assets;
b.	franking debits that will arise from the payment of dividends recognized as a liability at the year-end;
c.	franking credits that will arise from the receipt of dividends recognized as receivables at the year-end; and
d.	franking credits that the entity may be prevented from distributing in subsequent years.

The ability to utilize the franking credits is dependent upon there being sufficient available profits to declare dividends.

15. Key management personnel compensation

Key management personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling activities of the Company. The directors of the Company are considered as key management personnel of the Company.

The employee compensation is as follows:

(In AUD)

	As at December 31	
	2023	2022
Short-term employee benefits*	528,552	563,532

* 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)

	As at December 31	
	2023	2022
Reconciliation of Cash Flow from Operations with Profit after Income Tax paid		
Profit for the year after tax	2,578,158	1,811,404
Adjustments for:		
Depreciation expense	72,362	52,756
Income tax expense	1,134,389	786,626
Operating profit before changes in working capital	3,784,909	2,650,786
Increase in trade and other receivables	(944,822)	(972,369)
Increase in trade and other payables	778,693	741,263
Increase/ (decrease) in provision and employee benefits	574,403	(118,938)
(Decrease)/ increase in deferred income	(10)	282
Income tax paid	(395,385)	(849,708)
Net cash from operating activities	3,797,788	1,451,316

17. Related party transactions

The details of the related party transactions entered into by the Company during the years ended December 31, 2023 and December 31, 2022 are as follows:

(In AUD)

	As at December 31	
	2023	2022
Revenue Transactions		
Sale of services		
Infosys Limited	49,926,957	35,846,389
Infosys Consulting Ltda	–	14,589
Infosys Compaz Pte Ltd	87,062	105,453
Simplus Australia Pty Ltd	1,617	265,660
	50,015,636	36,232,091
Purchase of services		
Infosys Consulting Pte Ltd	84,903	124,084

	As at December 31	
	2023	2022
Infosys Consulting AG	50,443	113,079
	135,346	237,163
Employee stock compensation – Cross		
Charge by Infosys Limited	55,147	18,306
General insurance - Cross Charges by Infosys Limtied	23,504	21,281

The details of the amount due to or due from related parties as at December 31, 2023 and December 31, 2022 are as follows:

(In AUD)

	As at December 31	
	2023	2022
Trade receivables		
Infosys Limited	4,470,277	3,127,402
Infosys Compaz Pte Ltd	–	17,583
Simplus Australia Pty Ltd	–	292,226
Infosys Consulting AG	6,428	66,518
Infosys Consulting Pte Ltd	–	60,494
	4,476,705	3,564,223
Trade Payables		
Infosys Compaz pte ltd	641	–
Infosys Consulting Pte Ltd	19,130	–
	19,771	–
Other accruals due to related party		
Employee stock compensation – Cross		
Charge by Infosys Limited	166,936	146,186

18. Financial instruments

Financial instruments by category

(In AUD)

	As at December 31	
	2023	2022
Financial assets		
Cash and cash equivalents	10,336,368	6,544,487
Receivables	4,627,109	3,677,931
	14,963,477	10,222,418
Financial liabilities at amortized cost:		
Trade payables	(468,033)	(264,127)
Other payables	(2,797,064)	(2,222,287)
	(3,265,097)	(2,486,414)

19. Auditors' remuneration

(In AUD)

	As at December 31	
	2023	2022
Audit of financial reports*	35,000	35,000
Others	6,750	–
Total	41,750	35,000

* The auditor for financial year 2023 and 2022 is Deloitte Touche Tohmatsu.

20. Ultimate parent entity

As at, and throughout the financial year ending December 31, 2023, the parent entity of the Company was Infosys Consulting Holding AG, incorporated in Switzerland, and the ultimate parent is Infosys Ltd., India.

21. Events subsequent to reporting date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years, other than above.

22. Capital management

The Board's policy is to improve its capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors will continue to monitor the return on capital, and level of dividends to ordinary shareholders.

The Board seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security offered by a sound capital position. There were no changes to the Company's approach to capital management during the year.

The company is not subject to externally imposed capital requirements, other than any requirements that exist by way of arrangements entered into by the Company's ultimate parent entity.

23. Dividend paid to owners of the Company

No dividends were declared during financial year ended December 31, 2023 (December 31, 2022: $2,800,000, which is equivalent to $0.8 dividend per share).

Directors' Declaration

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 7 to 20 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, 2023 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: April 11, 2024

Geoffrey Leong
Director

BASE life science A/S

Independent Auditor's Report

To the Shareholders of BASE life science A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of BASE life science A/S for the financial year July 1, 2022 to June 30, 2023, which comprise a summary of significant accounting policies, income statement, Balance Sheet, Statement of Changes in Equity and notes for both the Group, the parent company, as well as Consolidated Statement of Cash Flows. The consolidated financial statements and the parent company financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the parent company at June 30, 2023, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year July 1, 2022 – June 30, 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, 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.

Management's responsibilities for the consolidated financial statements and the parent company financial statements

The Management is responsible for the preparation of consolidated financial statements and the parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as the Management determines is necessary to enable the preparation of consolidated financial statements and Parent Company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the Parent Company financial statements, the Management is responsible for assessing the Group's and the Parent 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 in preparing the consolidated financial statements and the Parent Company financial statements unless the Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the Parent Company 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 and the additional requirements applicable in Denmark 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 and the Parent Company financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, 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 and the Parent Company 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 and 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 in preparing the consolidated financial statements and the Parent Company financial statements 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 and 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 consolidated financial statements and the Parent Company 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 and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the consolidated financial statements and the Parent Company financial statements, including the disclosures, and whether the consolidated financial statements and the Parent Company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- 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 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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Consolidated Financial Statements and the Parent Company Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our Audit of the Consolidated Financial Statements and the Parent Company financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Consolidated Financial Statements and the Parent Company Financial Statements or our knowledge obtained during the Audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen V, September 15, 2023

RSM Danmark

Statsautoriseret Revisionspartnerselskab

Company Reg. no. 25 49 21 45

Peter Aren't Benkjer
State Authorized Public Accountant

Consolidated Financial Highlights

DKK in thousands

Particulars	Years ended June 30,		
	2023	2022	2021
Income statement			
Gross profit	202,295	158,136	110,195
Profit from operating activities	(24,455)	31,815	20,726
Net financials	(552)	(347)	(251)
Net profit or loss for the year	(31,224)	24,195	17,277
Statement of financial position			
Balance Sheet total	119,658	100,285	57,389
Investments in property, plant and equipment	2,704	3,525	463
Equity	21,496	50,215	28,914
Cash flows			
Operating activities	11,563	3,068	10,943
Investing activities	(3,010)	(4,707)	(4,598)
Financing activities	–	(4,032)	(3,595)
Total cash flows	8,553	(5,671)	2,750
Employees			
Average number of full-time employees	199	153	97
Key figures (in %):			
Acid test ratio	113.9	187.3	206.8
Solvency ratio	18.0	50.1	50.4

Calculations of key figures and ratios follow the recommendations of the Danish Association of Finance Analysts.

Management´s Review

The principal activities of the Group

The Company's purpose is to conduct business with consultancy within business development.

Development in activities and financial matters

The gross profit for the Parent Company for the year totals DKK 84,928,000 against DKK 117,471,000 last year. Income or loss from ordinary activities after tax totals DKK (31,224,000) against DKK 24,195.000 last year. The Management considers the net loss for the year satisfactory and according to their expectations.

The gross profit for the Group for the year totals DKK 202,295,000 against DKK 158,136,000 last year. Income or loss from ordinary activities after tax totals DKK (31,224,000) against DKK 24,195,000 last year. The Management considers the net loss for the year satisfactory and according to their expectations.

In fiscal 2023, the Parent Company's cash and cash equivalents increased by DKK 4,009,000, i.e. from DKK 114,000 to DKK 4,123,000.

In fiscal 2023, the Group's cash and cash equivalents increased by DKK 8,553,000, i.e. from DKK 3,676,000 to DKK 12,229,000.

Research and Development activities

The Company has worked with the development of software for use on client projects to improve operations and development processes.

Expected developments

The Management expects continued growth in the coming financial year based on improvements of operations. But due to investments in development and retention of employees the management expects a deficit of DKK -10.000.000 to -15.000.000 before tax.

Events occurring after the end of the financial year

There has not occurred any events after the end of the financial year which could dislocate the Company's financial position significantly.

Accounting Policies

The Annual Report for BASE life science A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C Enterprises (medium sized Enterprises).

Changes in the accounting policies in the Parent Company

Recognition of investments in subsidiaries

The Company has changed the accounting principle for the recognition and measurement of investments in subsidiaries to better reflect the activities in the Group.

Changes in the accounting principle affects the comparative figures for affiliated companies and the equity at the beginning of 2021/22 by DKK 3,036,713 and the equity at the end of 2021/22 by DKK 6,435,591 due to changes in the results brought forward.

Except for the above, the accounting policies remain unchanged from last year and the Annual Report is presented in DKK.

The comparative figures have been adjusted to the changed accounting policies.

Recognition and measurement in general

Income is recognized in the income statement concurrently with its realization, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognized in the income statement, including depreciations amortization s, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognized in the income statement.

Assets are recognized in the Statement of Financial Position when it seems probable that future economic benefits will flow to the Group and the value of the asset can be reliably measured.

Liabilities are recognized in the Statement of Financial Position when it is seems probable that future economic benefits will flow out of the Group and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets, and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks, which may arise prior to the presentation of the Annual Report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognized in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognized directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognized in the income statement under financial income and expenses.

The Group Enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the Balance Sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of the Group Enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognized directly in equity in the fair value reserve in the consolidated financial statements. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Consolidated financial statements

The consolidated income statements comprise the Parent Company BASE life science A/S and those Group Enterprises of which BASE life science A/S directly or indirectly owns more than 50% of the voting rights or in other ways exercise control.

Consolidation policies

The consolidated financial statements have been prepared as a summary of the Parent Company's and the Group Enterprises' financial statements by adding together uniform accounting records calculated in accordance with the Group's accounting policies.

Investments in the Group Enterprises are eliminated by the proportionate share of the Group Enterprises' fair value of net assets and liabilities at the acquisition date.

In the consolidated financial statements, the accounting records of the Group Enterprises are recognized by 100%. The minority interests' share of the profit for the year and of the equity in the Group Enterprises, which are not 100% owned, is included in the Group's profit and equity but presented separately.

Purchases and sales of minority interests under continuing control are recognized directly in equity as a transaction between shareholders.

Investments in associates are measured in the Statement of Financial Position at the proportionate share of the Enterprises' equity value is calculated in accordance with the Parent Company's accounting policies and with proportionate elimination of unrealized intercompany gains and losses. In the income statement, the proportional share of the associates' results is recognized after elimination of the proportional share of intercompany gains and losses.

The Group's activities in joint operations are recognized in the consolidated financial statements record by record.

Non-controlling interests

Non-controlling interests constitute a share of the Group's total equity. By distribution of net profit, profit or loss for the year is distributed on the share attributable to the non-controlling interests and the share attributable to the Parent Company's shareholders respectively.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalized, other operating income, and external costs.

Revenue is recognized in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of external consultants.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortization, and write-down for impairment

Depreciation, amortization, and write-down for impairment comprise depreciation on, amortization of, and write-down for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognized in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, realized and unrealized capital gains and losses relating to debt and transactions in foreign currency, amortization of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from investments in subsidiaries

After full elimination of intercompany profit or loss less amortized consolidated goodwill, the equity investment in the individual subsidiaries is recognized in the income statement of the Parent as a proportional share of the subsidiaries' post-tax profit or loss.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognized in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of Financial Position

Intangible assets

Development projects, patents, and licenses

Development costs comprise salaries, wages, and amortization directly attributable to development activities.

Clearly defined and identifiable development projects are recognized as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilize the project. It is, however, a condition that the cost can be reliably calculated and that a sufficiently high degree of certainty indicates that future earnings will cover the costs of production, sales, and administration. Other development costs are recognized in the income statement concurrently with their realization.

Development costs recognized in the Statement of Financial Position are measured at cost less accrued amortizations and write downs for impairment.

After completion of the development work, capitalized development costs are amortized on a straight-line basis over the estimated useful economic life. The amortization period is five years.

Patents and licenses are measured at cost less accrued amortization. Patents are amortized on a straight-line basis over the remaining patent period and licenses are amortized over the contract period, however, for a maximum of ten years.

Property, plant and equipment

The depreciable amount is cost plus revaluations at fair value less expected residual value after the end of the useful life of the asset. The amortization period is fixed at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

Reversal of previous revaluations and recognized deferred taxes concerning revaluations are recognized directly in Company equity.

Other property, plant and equipment are measured at cost less accrued depreciation and write-down for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortization period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

Particulars	Useful life	Residual value
Other fixtures and fittings, tools, and equipment	3-5 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognized as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognized in the income statement as other operating income or other operating expenses.

Leases

Impairment loss relating to non-current assets

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Investments

Investments in subsidiaries

Investments in subsidiaries are recognized and measured by applying the equity method. The equity method is used as a method of consolidation.

Investments in subsidiaries are recognized in the Statement of Financial Position at the proportionate share of the Enterprise's equity value. This value is calculated in accordance with the Parent's accounting policies with deductions or additions of unrealized intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognized in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognized until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortized over its estimated useful life, which is determined on the basis of the Management's experience with the individual business areas. Consolidated goodwill is amortized on a straight-line basis over the amortization period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterprises with a strong market position and a long-term earnings profile.

Accounting policies

Investments in subsidiaries with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover a negative balance that exceeds the account receivable, the remaining amount is recognized under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in subsidiaries transferred to the reserve under equity for net revaluation according to the equity method. Dividends from subsidiaries expected to be adopted before the approval of this Annual Report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in subsidiaries.

Newly acquired or newly established companies are recognized in the financial statement as of the time of acquisition. Sold or liquidated companies are recognized until the date of disposal.

On the acquisition of enterprises, the acquisition method, the uniting-of-interests method, or the book value method is applied, cf. the above description under Business combinations.

Deposits

Deposits are measured at amortized cost and represent lease deposits, etc.

Receivables

Receivables are measured at amortized cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realizable value. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual work in progress. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of the individual work in progress.

When the selling price of the individual work in progress cannot be determined reliably, the selling price is measured at the costs incurred or at net realizable value, if this is lower.

The individual work in progress is recognized in the Statement of Financial Position under accounts receivables or liabilities. Net assets consist of the sum of the work in progress, where the selling price of the work performed exceeds invoicing on account. Net liabilities consist of the sum of the work in progress, where invoicing on account exceeds the selling price.

Costs in connection with sales work and the procurement of contracts are recognized in the income statement when incurred.

Prepayments

Prepayments recognized under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Treasury shares

Purchase prices and sales prices of own shares are recognized directly in equity. The capital reduction arising from the cancellation of own shares will reduce the share capital by an amount corresponding to the nominal value of the shares and increase the results brought forward, respectively.

The dividend of own shares is recognized directly in equity under retained earnings.

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realization of equity investments, or changes in the accounting estimates.

The reserve cannot be recognized by a negative amount.

Reserve for development costs

The reserve for development costs comprises recognized development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognized development costs are amortized or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Dividend

Dividend expected to be distributed for the year is recognized as a separate item under equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognized in the Statement of Financial Position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the Statement of Financial Position. Deferred tax is measured at net realizable value.

Deferred tax assets, including the tax value of tax losses allowed for carry forward, are recognized at the value at which they are expected to be realizable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realizable value.

Provisions

Provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. Provisions are recognized when the Group has a legal or actual commitment resulting from a previously occurred event and when it is probable that the settlement of the liability will result in consumption of the financial resources of the Group.

Provisions are measured at net realizable value or at fair value. If the fulfilment of a liability is expected to take place far in the future, the liability is measured at fair value.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognized at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognized at amortized cost, corresponding to the capitalized value when using the effective interest rate. The difference between the proceeds and the nominal value is recognized in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortized cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortized cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortization of the market value on the date of the borrowing effectuated over the repayment period.

Also, capitalized residual leasing liabilities associated with financial leasing contracts are recognized in the financial liabilities.

Liabilities other than provisions relating to investment properties are measured at amortized cost.

Other liabilities concerning payables to suppliers, Group Enterprises, and other payables are measured at amortized cost which usually corresponds to the nominal value.

Statement of Cash Flows

The Statement of Cash Flow shows the cash flows for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the Statement of Cash Flows, cash flows derived from acquirees are recognized as of the date of acquisition, and cash flows derived from sold enterprises are recognized until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are calculated as the Group's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments is recognized under 'Interest income and dividend received.

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of Enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the Group's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and short-term financial instruments with a term of less than three months, which can easily be converted into cash and cash equivalents and are associated with an insignificant risk of value change.

Income statement July 1-June 30

All amounts in DKK

Note	Particulars	As at June 30,			
		Group		Parent	
		2023	2022	2023	2022
	Gross profit	202,294,937	158,135,500	84,927,804	117,471,343
1	Staff costs	(223,849,713)	(125,405,773)	(147,348,713)	(92,369,853)
	Depreciation, amortization, and impairment	(2,900,356)	(914,793)	(2,849,633)	(903,570)
	Operating profit	(24,455,132)	31,814,934	(65,270,542)	24,197,920
	Income from investments in				
	subsidiaries	–	–	34,479,077	6,435,591
2	Other financial income	171,044	113,707	60,432	243,351
3	Other financial expenses	(722,699)	(460,657)	(528,249)	(447,268)
	Pre-tax net profit or loss	(25,006,787)	31,467,984	(31,259,282)	30,429,594
4	Tax on net profit or loss for the year	(6,217,499)	(7,273,178)	34,996	(6,234,788)
5	Net profit or loss for the year	(31,224,286)	24,194,806	(31,224,286)	24,194,806
	Break-down of the consolidated profit or loss:				
	Shareholders in BASE life science A/S	(31,224,286)	24,194,806	–	–
		(31,224,286)	24,194,806	–	–

Balance sheet

All amounts in DKK

Note	Assets				
		As at June 30,			
		Group		Parent	
		2023	2022	2023	2022
	Non-current assets				
6	Completed development projects, including patents and similar rights arising from development projects	3,859,751	–	3,859,751	–
7	Acquired concessions, patents, licenses, trademarks, and similar rights	83,067	–	83,067	–
8	Development projects under construction and prepayments for intangible assets	–	4,839,420	–	4,824,689
	Total intangible assets	3,942,818	4,839,420	3,942,818	4,824,689
9	Other fixtures and fittings, tools, and equipment	3,999,051	3,097,708	3,907,502	3,081,772
	Total property, plant, and equipment	3,999,051	3,097,708	3,907,502	3,081,772
10	Investments in Group				
	Enterprises	–	–	44,800,422	10,596,215
11	Deposits	1,051,809	925,200	1,051,809	925,200
	Total investments	1,051,809	925,200	45,852,231	11,521,415
	Total non-current assets	8,993,678	8,862,328	53,702,551	19,427,876
	Current assets				
	Trade receivables	41,975,376	72,812,580	43,722,668	66,635,966
	Contract work in progress	45,007,984	4,615,769	26,581,725	3,700,640
	Receivables from subsidiaries	–	–	22,060,931	8,203,859
	Receivables from Parent Company	1.284.329	–	172,118	–
	Other receivables	7,595,759	6,181,889	1,818,676	3,845,096
12	Prepayments	2,571,546	4,135,833	2,464,535	4,062,726
	Total receivables	98,434,994	87,746,071	96,820,653	86,448,287
	Cash and cash equivalents	12,229,006	3,676,311	4,123,401	114,271
	Total current assets	110,664,000	91,422,382	100,944,054	86,562,558
	Total assets	119,657,678	100,284,710	154,646,605	105,990,434
	Equity				
	Contributed capital	597,400	600,000	597,400	600,000
	Reserve for net revaluation according to the equity method	–	–	43,601,930	9,472,304
	Reserve for development costs	3,010,605	3,763,257	3,010,605	3,763,257
	Retained earnings	17,888,227	45,852,010	(25,713,703)	36,379,706
	Total equity	21,496,232	50,215,267	21,496,232	50,215,267
	Provisions				
13	Provisions for deferred tax	997,927	1,265,268	1,017,986	1,265,268
	Total provisions	997,927	1,265,268	1,017,986	1,265,268
	Liabilities other than provisions				
	Bank loans	347,647	3,063,090	347,648	3.063,090
	Prepayments received from customers	2,407,557	947,678	2,389,606	947,678

Note	Assets	As at June 30,			
		Group		Parent	
		2023	2022	2023	2022
	Trade payables	3,895,981	9,027,602	62,424,484	22,052,028
	Payables to Group Enterprises	1,254,010	–	4,037,210	–
	Payables to associates	–	513,056	–	513,056
	Income tax payable	10,468,090	9,089,480	2,982,566	7,938,328
	Other payables	78,790,234	26,163,269	59,950,873	19,995,719
	Total short-term liabilities other than provisions	97,163,519	48,804,175	132,132,387	54,509,899
	Total liabilities other than provisions	97,163,519	48,804,175	132,132,387	54,509,899
	Total equity and liabilities	119,657,678	100,284,710	154,646,605	105,990,434
	Charges and security				
	Contingencies				
	Related parties				

Consolidated Statement of Changes in Equity

All amounts in DKK.

Particulars	Contributed capital	Reserve for development costs	Other reserves	Retained earnings	Proposed dividend for the financial year	Total
Equity as at July 1, 2021	600,000	4,123,256	–	22,373,807	2,109,000	29,206,063
Distributed dividend	–	–	–	–	(2,109,000)	(2,109,000)
Profit or loss for the year brought forward	–	–	–	23,493,373	–	23,493,373
Additions to the reserve for development costs	–	(359,999)	–	–	–	(359,999)
Repurchase of own shares	–	–	–	(111,550)	–	(111,550)
Dividends from own shares	–	–	–	96,380	–	96,380
Equity as at July 1, 2022	600,000	3,763,257	–	45,852,010	–	50,215,267
Adjustment due to capital reduction	(2,600)	–	–	–	–	(2,600)
Profit or loss for the year brought forward	–	–	–	(30,259,348)	–	(30,259,348)
Reserve for development costs	–	(752,652)	–	–	–	(752,652)
Gains from own shares	–	–	–	2,295,565	–	2,295,565
	597,400	3,010,605	–	17,888,227	–	21,496,232

Particulars	Contributed capital	Reserve for net revaluation according to the eq-uity method	Reserve for development costs	Retained earnings	Proposed dividend for the financial year	Total
Equity as at July 1, 2021	6,00,000	3,036,713	4,123,256	19,337,094	2,109,000	29,206,063
Distributed dividend	–	–	–	–	(2.109.000)	(2,109,000)
Share of results	–	6,435,591	–	17,057,782	–	23,493,373
Additions to the reserve for development costs	–	–	(359,999)	–	–	(359,999)
Repurchase of own shares	–	–	–	(111,550)	–	(111,550)
Dividends from own shares	–	–	–	96,380	–	96,380
Equity as at July 1, 2022	600,000	9,472,304	3,763,257	36,379,706	–	50,215,267
Share of results	–	34,479,077	–	(64,738,425)	–	(30,259,348)
Reserve for development costs	–	–	(752,652)	–	–	(752,652)
Adjustment due to capital reduction	(2,600)	–	–	–	–	(2,600)
Correction of prior revaluations	–	(349,451)	–	–	–	(349,451)
Correction of prior revaluations	–	–	–	349,451	–	349,451
Gains from own shares	–	–	–	2,295,565	–	2,295,565
	597,400	43,601,930	3,010,605	(25,713,703)	–	21,496,232

Statement of Cash Flows July 1 - June 30

All amounts in DKK.

Note	Particulars	As at June 30, Group 2023	2022
	Net profit or loss for the year	(31,224,286)	24,194,806
18	Adjustments	5,617,242	5,346,260
19	Change in working capital	37,170,011	(26,314,378)
	Cash flows from operating activities before net financials	11,562,967	3,226,688
	Interest paid, etc.	–	(158,756)
	Cash flows from ordinary activities	11,562,967	3,067,932
	Cash flows from operating activities	11,562,967	3,067,932
	Purchase of intangible assets	(89,000)	(1,119,078)
	Sale of intangible assets	–	402.914
	Purchase of property, plant, and equipment	(2,794,663)	(3,534,492)
	Purchase of fixed asset investments	(126,609)	(930,770)
	Sale of fixed asset investments	–	474,487
	Cash flows from investment activities	(3,010,272)	(4,706,939)
	Repayments of long-term payables	–	(1,923,289)
	Dividend paid	–	(2,109,000)
	Cash flows from investment activities	–	(4.032.289)
	Change in cash and cash equivalents	8,552,695	(5,671,296)
	Cash and cash equivalents at July 1, 2022	3,676,311	9,347,607
	Cash and cash equivalents at June 30, 2023	12,229,006	3,676,311
	Cash and cash equivalents		
	Cash and cash equivalents	12,229,006	3,676,311
	Cash and cash equivalents at June 30, 2023	12,229,006	3,676,311

1. Staff costs

All amounts in DKK.

Particulars	As at June 30, Group 2023	Group 2022	Parent 2023	Parent 2022
Salaries and wages	203,027,257	109,614,729	134,698,042	81,246,224
Pension costs	17,594,208	11,821,839	11,707,298	10,197,481
Other costs for social security	363,425	1,429,422	363,425	327,644
Other staff costs	2,864,823	2,539,783	579,948	598,504
	223,849,713	125,405,773	147,348,713	92.369,853
Executive Board and Board of Directors	–	2,771,709	–	2,771,709
Average number of employees	199	153	107	96

The exemption rule in the Danish Financial Statements Act § 98b, stk. 3 has been applied, which is why management remuneration is not disclosed.

2. Other financial income

All amounts in DKK

Particulars	As at June 30,			
	Group		Parent	
	2023	2022	2023	2022
Interest, banks	49,735	–	49,505	–
Interest, intercompany balances	10,927	–	10,927	173,235
Interest income, other	5,691	–	–	–
Exchange differences	104,691	113,707	–	70,116
	171,044	113,707	60,432	243,351

3. Other financial expenses

All amounts in DKK

Particulars	As at June 30,			
	Group		Parent	
	2023	2022	2023	2022
Interest, banks	483	119,827	499	119,805
Interest, trade creditors	155	3,378	–	1,120
Interest, intercompany balances	–	–	–	290,832
Financial cost, other	23,452	–	–	–
Exchange differences	537,055	301,941	366,196	–
Non-deductible interest	161,554	35,511	161,554	35,511
	722,699	460,657	528,249	447,268

4 Tax on net profit or loss for the year

All amounts in DKK

Particulars	As at June 30,			
	Group		Parent	
	2023	2022	2023	2022
Tax of the results for the year, parent company	7,181,882	6,147,956	–	5,109,566
Adjustment for the year of deferred tax	(964,383)	203,836	(34,996)	203,836
Adjustment of tax for previous years	–	921,386	–	921,386
	6,217,499	7,273,178	(34,996)	6,234,788

5 Proposed distribution of net profit

All amounts in DKK

	Parent	
	As at June 30,	
	2023	2022
Reserves for net revaluation according to the equity method	34,479,077	6,435,591
Transferred to retained earnings	–	17,057,782
Transferred to other reserves	(964,938)	701,433
Allocated from retained earnings	(64,738,425)	–
Total allocations and transfers	(31,224,286)	24,194,806

6 Completed development projects, including patents and similar rights arising from development projects

All amounts in DKK

Particulars	As at June 30,			
	Group		Parent	
	2023	2022	2023	2022
Transfer from other accounting class	4,824,689	–	4,824,689	–
Cost 30 June 2023	4,824,689	–	4,824,689	–
Amortisation for the year	(964,938)	–	(964,938)	–
Amortisation and write- down 30 June 2023	(964,938)	–	(964,938)	–
Carrying amount, 30 June 2023	3,859,751	–	3,859,751	–

Development projects are software projects that aims for use on client projects to improve operations and development processes

7. Acquired concessions, patents, licenses, trademarks, and similar rights

All amounts in DKK

Particulars	As at June 30,			
	Group		Parent	
	2023	2022	2023	2022
Additions during the year	89,000	–	89,000	–
Cost as at June 30, 2023	89,000	–	89,000	–
Amortization for the year	(5,933)	–	(5,933)	–
Amortization and write-down as at June 30, 2023	(5,933)	–	(5,933)	–
Carrying amount as at June 30, 2023	83,067	–	83,067	–

8. Development projects under construction and prepayments for intangible assets

All amounts in DKK

Particulars	As at June 30,			
	Group		Parent	
	2023	2022	2023	2022
Cost as at July 1, 2022	4,824,689	4,123,256	4,824,689	4,123,256
Additions during the year	–	1,119,078	–	1,104,347
Disposals during the year	–	(402,914)	–	(402,914)
Transfers to another accounting class	(4,824,689)	–	(4,824,689)	–
Cost as at June 30, 2023	–	4,839,420	–	4,824,689
Amortization for the year	(964,938)	–	(964,938)	–
Transfers to another accounting class	964,938	–	964,938	–
Carrying amount as at June 30, 2023	–	4,839,420	–	4,824,689

9. Other fixtures and fittings, tools, and equipment

All amounts in DKK

Particulars	As at June 30,			
	Group		Parent	
	2023	2022	2023	2022
Cost as at July 1, 2022	5,294,687	1,760,195	5,269,780	1,744,731
Additions during the year	2,794,663	3,534,492	2,703,669	3,525,050
Cost as at June 30, 2023	8,089,350	5,294,687	7,973,449	5,269,781
Depreciation and write-down as at July 1, 2022	(2,196,979)	(1,284,439)	(2,188,012)	(1,284,439)
Depreciation for the year	(1,893,320)	(912,540)	(1,877,935)	(903,570)
Depreciation and write-down as at June 30, 2023	(4,090,299)	(2,196,979)	(4,065,947)	(2.,188,009)
Carrying amount as at June 30, 2023	3,999,051	3,097,708	3,907,502	3,081,772

10. Investments in Group Enterprises

All amounts in DKK

Particulars	As at June 30,			
	Group		Parent	
	2023	2022	2023	2022
Acquisition sum, opening balance as at July 1, 2022	–	–	1,123,912	886,24
Additions during the year	–	–	74,580	237,671
Cost as at June 30, 2023	–	–	1,198,492	1,123,911
Revaluations, opening balance July 1, 2022	–	–	9,472,304	3,036,713
Results for the year before goodwill amortization	–	–	34,479,077	6,435,591
Reversal of prior revaluations	–	–	(349,451)	–
Revaluation as at June 30, 2023	–	–	43,601,930	9,472,304
Carrying amount as at June 30, 2023	–	–	44,800,422	10,596,215

Financial highlights for the enterprises according to the latest approved annual reports

All amounts in DKK

Particulars	Equity interest (in %)	Equity	Results for the year	Carrying amount, BASE life science A/S
Innovisor Inc., USA	100%	1	–	1
BASE life science AG, Switzerland	100%	33,825,206	25,155,494	33,825,206
BASE life science GMBH, Germany	100%	998,715	505,033	998,715
BASE life science Ltd., United Kingdom	100%	6,856,127	5,566,090	6,856,127
BASE life science S.r.l., Italy	100%	185,685	97,947	185,685
BASE life science S.A.S., France	100%	(2,079)	292,222	(2,079)
BASE life science SL, Spain	100%	2,706,818	2,632,342	2,706,818
BASE life science Inc., US	100%	229,949	229,949	229,949
		44,800,422	34,479,077	44,800,422

11. Deposits

All amounts in DKK

Particulars	As at June 30,			
	Group		Parent	
	2023	2022	2023	2022
Cost as at July 1, 2022	925,200	468,917	925,2	468,917
Additions during the year	126,609	930,770	126,609	930,770
Disposals during the year	–	(474,487)	–	(474,487)
Cost as at June 30, 2023	1,051,809	925,200	1,051,809	925,200
Carrying amount as at June 30, 2023	1,051,809	925,200	1,051,809	925,200

12. Prepayments

All amounts in DKK

Particulars	As at June 30,			
	Group		Parent	
	2023	2022	2023	2022
Other prepayments	2,571,546	4,135,833	2,464,535	4,062,726
	2,571,546	4,135,833	2,464,535	4,062,726

13. Provisions for deferred tax

All amounts in DKK

Particulars	As at June 30,			
	Group		Parent	
	2023	2022	2023	2022
Provisions for deferred tax as at July 1, 2022	1,265,268	(921,386)	1,265,268	(921,386)
Deferred tax of the results for the year	(55,055)	1,125,222	(34,996)	1,125,222
Deferred tax recognized directly in equity	(212,286)	1,061,432	(212,286)	1,061,432
	997,927	1,265,268	1,017,986	1,265,268
The following items are subject to deferred tax:				
Intangible assets	849,146	1,061,432	849,146	1,061,432
Property, plant, and equipment	148,781	203,836	168,84	203,836
	997,927	1,265,268	1,017,986	1,265,268

14. Other provisions

All amounts in DKK

Particulars	As at June 30,			
	Group		Parent	
	2023	2022	2023	2022
Other provisions as at July 1, 2022	–	1,250,000	–	1,250,000
Change of the year in other provisions	–	(1,250,000)		(1,250,000)
	–	–	–	–

15. Charges and security

The Company has issued mortgages totaling DKK 5,000,000 as security for bank loans totaling DKK 3,47,647. The assets covered by the mortgages are movables.

16. Contingencies

Contingent liabilities

The Company has entered a lease contract with a total outstanding obligation per June 30, 2023, of DKK 2,929,800. The lease has a notice of termination of 6 months however, with the earliest possibility of termination per January 31, 2025.

The Company has entered into employee obligations over the next two years upon closing of the contemplated share purchase transaction with Infosys Consulting Pte. Ltd purchasing all shares in Base life science A/S. The total obligation as at June 30, 2023 is DKK 123,992,299.

17. Related parties

Controlling interest

Infosys Consulting Pte. Ltd. 9 Temasek Boulevard 43-01, Suntec Tower Majority shareholder Two, Singapore

Transactions

Intergroup transactions during the financial year have been made according to the arm's length principle.

18 Adjustments

All amounts in DKK

Particulars	As at June 30,	
	Group	
	2023	2022
Depreciation, amortization, and impairment	2,900,367	9,14,793
Other financial expenses	2,232,128	303,363
Tax on net profit or loss for the year	5,179,051	7,273,178

Particulars	As at June 30,	
	Group	
	2023	2022
Other provisions	–	(1,250,000)
Other adjustments	(4,694,304)	(1,895,074)
	5,617,242	5,346,260

19 Change in working capital

All amounts in DKK

Particulars	As at June 30,	
	Group	
	2023	2022
Change in receivables	(10,325,333)	(44,178,965)
Change in trade payables and other payables	47,495,344	17,864,587
	37,170,011	(26,314,378)

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 2023, 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 2023, and of its consolidated financial performance for the year then ended in accordance with accounting regulations applicable in the Czech Republic.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application guidelines. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information in the Consolidated Annual Report

Pursuant to Section 2(b) of the Auditors Act, other information is information in the annual report other than the consolidated financial statements and our Auditor's report. Other information is the responsibility of the Company's statutory executives.

Our opinion on the consolidated financial statements does not relate to other information. Nevertheless, part of our responsibility in relation to the audit of the consolidated financial statements is to read the other information and to assess whether the other information is materially consistent with the consolidated financial statements or our knowledge of the entity and the consolidation group obtained in the course of the audit of the consolidated financial statements or otherwise appears to be materially misstated. We also consider whether the other information has been prepared, in all material respects, in accordance with applicable legislation. This assessment means whether the other information complies with the legal requirements for the form and preparation of other information in the context of materiality, i.e. whether any failure to comply with those requirements would be likely to affect the judgement made on the basis of the other information.

On the basis of the procedures performed, to the extent that we are able to assess, we conclude that:

- The other information, which describes the facts that are also presented in the consolidated financial statements, is consistent in all material respects with the consolidated financial statements.
- The other information has been prepared in accordance with applicable legislation.

We are also required to state whether, based on our knowledge and understanding of the Company obtained in the course of our audit, the other information is free from material misstatement. As part of those procedures, we did not identify any material misstatements in the other information received.

Responsibilities of the Company's statutory executives for the Consolidated Financial Statements

The statutory executives are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Czech Auditing Standards and for such internal control as the statutory executives determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the statutory executives are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the statutory executives either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the statutory executives.
- Conclude on the appropriateness of the statutory executives' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the statutory executives regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

In Prague on 6 May 2024

Audit firm:
Deloitte Audit s.r.o.
registration no. 079

Statutory auditor:
Miroslav Zigáček
registration no. 2222

General Information

GuideVision, s.r.o. has prepared a consolidated annual report for 2023 pursuant to Section 22b of Act No. 563/1991 Coll., on Accounting.

1.1. Definition of the Consolidation Group

GuideVision, s.r.o., together with its fully owned subsidiaries, forms a group (the "GuideVision Group") that is subject to the obligation to prepare consolidated financial statements.

The companies listed below are included in the consolidated group:

Parent company:

GuideVision, s.r.o., Türkova 2319/5 b, Chodov, 149 00 Praha 4, Czech Republic

Subsidiaries:

GuideVision Polska Sp. z o.o., Mokotowska 4/6, 00-641 Warszawa, Poland

GuideVision Suomi Oy, Urho Kekkosen katu 4-6 E, 00100 Helsinki, Finland

GuideVision Magyarország Kft., Fehérvári út 79, 1119 Budapest, Hungary

GuideVision Deutschland GmbH, Parkring 2, 85748 Garching b. München, Germany

GuideVision UK Ltd, 71-75 Shelton Street, WC2H 9JQ London, Great Britain

1.2. Description of Services Provided

The Group's principal activity is provision of advisory, consulting, and implementation services in the field of information technology in the Central and Eastern Europe region.

GuideVision provides its international clients with strategic advisory, expertise and innovative technical practices.

1.3. ServiceNow Product Description

The Group specialises in the supply, implementation and post-implementation support of the American product ServiceNow from the American company of the same name.

ServiceNow is an enterprise cloud platform that helps companies digitise business processes and the employee experience. It is designed especially for larger corporations with a large headcount.

1.4. 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.

1.5. Cooperation with Infosys

In October 2020, the GuideVision Group became part of the international Infosys Group. Thanks to this integration, it has gained a global business scope and the opportunity to bid for and work on large contracts that would be difficult to achieve without a strategic partner.

2. Additional information

2.1. Financial Performance of the Consolidated Entity in 2023

In the 2023 reporting period, the GuideVision Group achieved net sales of CZK 714 million. This represents an increase of approximately 15% compared to the prior period (CZK 619 million).

The Group's net profit amounts to CZK 69,094 thousand, which represents a significant increase compared to 2022 (CZK 40,527 thousand).

The average recalculated headcount in 2023 was 242 (2022: 232).

2.2. Information on Events that Occurred subsequent to the Balance Sheet Date that are Material to the Purpose of this Annual Report

The statutory executives of the parent company are not aware of any matters that occurred subsequent to the balance sheet date that would require disclosure in the consolidated annual report.

2.3. Information on the Anticipated Development of the Entity's Activities

The Group does not anticipate any significant changes to the business in 2024. It anticipates a steady increase in sales volume. The Group's objective for 2024 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 of the parent company are not aware of any matter or circumstance that occurred subsequent to the reporting period that would or may have a material impact on the Group's operations, its results or financial position in the following financial years.

2.4. Other Information

The Group has no research activities; a natural part of its activities includes development of software solution and its maintenance or improvement.

The Group does not own any treasury shares.

In providing services, the Group strives to be as energy, water and other raw materials efficient as possible.

The Group complies with all obligations arising from labour relations as stipulated by the Labour Code.

The Group does not have a branch or other part of a business plant abroad. The individual subsidiaries included in the GuideVision Group operate abroad as independent companies under the legislation of their respective countries.

Consolidated Balance Sheet

(In CZK thousand)

	Particulars	As at December 31, 2023	2022
	Total Assets	391,465	309,342
B.	Fixed assets	8,828	7,279
B.I.	Intangible fixed assets	5,755	4,428
B.II.	Tangible fixed assets	3,065	2,842
B.IV.	Goodwill on consolidation	8	9
C.	Current assets	370,769	293,714
C.II.	Receivables	187,666	167,458
C.IV.	Cash	183,103	126,255
D.	Accruals and deferrals	11,868	8,349

(In CZK thousand)

	Particulars	As at December 31, 2023	2022
	Total liabilities and equity	391,465	309,342
A.	Equity	219,823	151,022
A.I.	Share capital	200	200
A.II.	Share premium and capital funds	700	993
A.IV.	Retained earnings (+/-)	149,829	109,302
A.V.	Profit or loss for the current period net of minority interests	69,094	40,527
A.V.1.	Profit or loss for the current period (+/-)	69,094	40,527
B.+C.	Liabilities	68,579	70,383
B.	Reserves	11,803	18,883
C.	Payables	56,776	51,500
C.II.	Short-term payables	56,776	51,500
D.	Accruals and deferrals	103,063	87,937

Consolidated Profit and Loss Account

(In CZK thousand)

Particulars	Years ended December 31, 2023	2022
Sales of products and services	666,408	605,207
Purchased consumables and services	221,162	227,958
Own work capitalized (-)	-2,115	-1,596
Staff costs	372,766	329,473
Adjustments to values in operating activities	3,869	2,922
Release of positive consolidation difference (goodwill)	1	1
Other operating income	2,917	560
Other operating expenses	-4,035	-3,120
Operating profit or loss (+/-)	77,677	50,131
Interest income and similar income	7,759	2,588
Interest expenses and similar expenses	13	6
Other financial income	37,053	10,566
Other financial expenses	31,770	9,867
Financial profit or loss (+/-)	13,029	3,281

Particulars	Years ended December 31,	
	2023	2022
Profit or loss before tax (+/-)	90,706	53,412
Income tax	21,610	12,885
Profit or loss net of tax (+/-)	69,096	40,527
Consolidated profit or loss net of share of income from associates	69,094	40,527
Profit or loss for the current period net of minority interests (+/-)	69,094	40,527
Net turnover for the current period	714,137	618,921

General information

1.1 Incorporation and Description of the Consolidating Entity

GuideVision, s.r.o. (hereinafter referred to as the "Parent Company") was formed by a Deed of Association as a limited liability company on August 1, 2014, and was incorporated following its registration in the Register of Companies held by the Court in Prague on August 27, 2014. The Company's principal business activities focus on information technology.

The details of individuals and legal entities with an equity interest greater than 20% and the amount of their equity interest are as follows:

Shareholder/Owner	Ownership percentage
Infy Consulting Company Limited Registration No.: 06087315	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 Statutory body at the Balance Sheet Date

Position	Name
Statutory executive	Norbert Nagy
Statutory executive	Radovan Krejčí

1.3 Group Identification

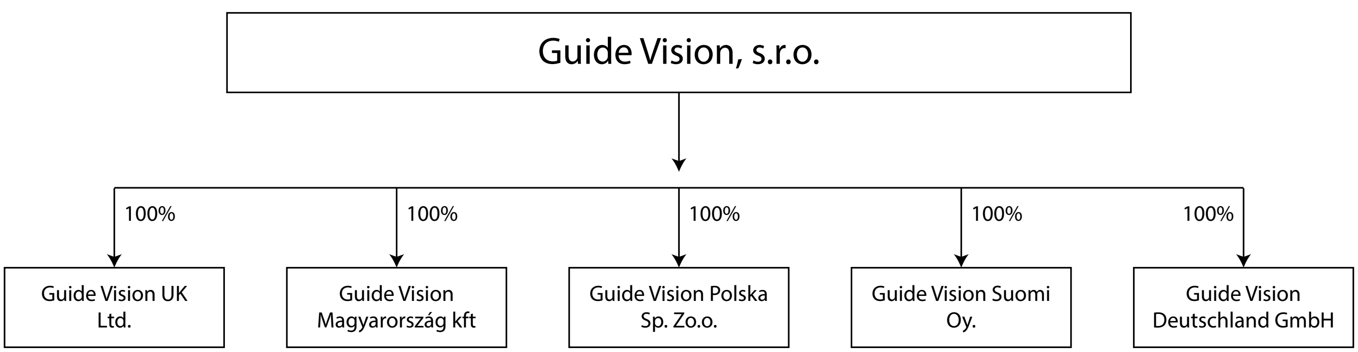
GuideVison, s.r.o. is part of a group. The consolidated financial statements for the widest group of entities are prepared by Infosys Limited, a company registered in the Republic of India.

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 Organizational 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 2319/5b, 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 2023. No subsidiaries have been included or eliminated. In 2024, the parent company plans to liquidate GuideVison UK Ltd., whose business activities were taken over by the parent company GuideVision s.r.o.

The Balance Sheet date of all companies included in the Group is December 31, 2023.

2.3 Subsidiaries

The information on the Group's subsidiaries as at December 31, 2023:

Name	Place of incorporation (or registration) and operation	Ownership percentage (in %)	Voting rights (in %)	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., December 31, 2023, for the calendar year ended December 31, 2023.

These financial statements are presented in thousands of Czech crowns (CZK '000) unless stated otherwise.

3.1 Impact of the invasion of Ukraine and on the Group's operation and going concern assumption

The Group's management assesses the adverse effects of the conflict in Ukraine in general terms, particularly in view of the deteriorating fiscal situation and economic recession in the EU countries.

The Management does not anticipate that the impact of the ongoing conflict in Ukraine will lead to losses or disruption to the Company's normal operations and business activities.

3.2 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.

3.2.1 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.

3.3 Full consolidation procedure

3.3.1 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

3.3.2 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, 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.

3.4 Tangible and intangible fixed assets

As of January 1, 2022, the Group reduced the limit for the definition of fixed assets by means of an internal directive in order to provide alignment with the limit set in the Infosys Group. Fixed assets are defined as all assets with an estimated useful life greater than one year and acquisition cost greater than CZK 5 thousand. This limit applies to both tangible and intangible assets. The exception is mobile phones, for which the limit for classification as fixed assets was set at CZK 10 thousand, and office furniture, for which the limit for classification as assets was set at CZK 15 thousand.

Purchased tangible and intangible fixed assets are stated at cost less accumulated depreciation and provisions, if any.

The cost of fixed asset improvements exceeding CZK 5 thousand for individual tangible assets for the reporting period increases the acquisition cost of the related fixed asset.

The cost of tangible and intangible fixed assets is depreciated / amortized over the estimated useful life of the assets using the straight-line method.

Type of assets	Depreciation method	Number of years
Computers and accessories	Straight-line	3
Office equipment and furniture	Straight-line	5
Vehicles	Straight-line	5
Software and other intangible assets	Straight-line	3-5*

* for the expected useful life of the respective software

Assets held under finance leases are depreciated by the lessor, however there are no finance leases.

3.5 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.

3.6 Receivables

Upon origination, receivables are stated at their nominal value as subsequently reduced by appropriate provisions.

3.7 Payables

Payables are stated at nominal value.

3.8 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.

3.9 Reserves

Reserves are intended to cover liabilities and expenditures, the nature of which is clearly defined and which are either likely to be incurred or certain to be incurred as of the Balance Sheet date but uncertain as to their amount or as to the date on which they will arise.

The Group recognizes reserves for outstanding vacation days, unused points in the Cafeteria benefit scheme (or equivalent benefit scheme in the respective country), annual bonuses, management (ESOP), and sales staff bonuses.

3.10 Foreign currency translation

The 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 December 31, 2023.

3.11 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.

3.12 Use of estimates

The presentation of financial statements requires the 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. The 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.

3.13 Cash flow statement

The consolidated cash flow statement has not been prepared as there is no obligation to prepare a cash flow statement.

3.14 Derivatives

The Group uses derivative financial instruments as effective hedging instruments in accordance with the Group's risk management strategy. The Group's currency risk hedging is performed solely by the Parent Company.

The Parent Company does not evidence the fulfilment of hedge accounting criteria under Czech Accounting Standards and hence the derivatives are not accounted for as hedges. These derivatives are recognized as derivatives held for trading.

Derivatives held for trading are carried at fair value at the Balance Sheet date. In determining fair value, the Company has referred to market values.

Fair value changes in respect of trading derivatives are recognized as part of profit or loss for the current period.

4. Additional information

4.1 Intangible Fixed Assets (IFA)

Cost

(In CZK '000)

Particulars	Opening balance	Additions	Disposals	Transfers	Closing balance
Software and development	12 795	3 867	–	–	16 662
Total 2023	12 795	3 867	–	–	16 662
Total 2022	6 944	5 851	–	–	12 795

Provisions and accumulated amortization

(In CZK '000)

Particulars	Opening balance	Additions	Disposals	Transfers	Closing balance	Provisions	Net book value
Development	8 367	2 870	330	–	10 907	–	5 755
Total 2023	8 367	2 870	330	–	10 907	–	5 755
Total 2022	6 655	1 712	–	–	8 367	–	4 428

4.2 Tangible Fixed Assets (TFA)

Cost

(In CZK '000)

Particulars	Opening balance	Additions	Disposals	Transfers	Closing balance
Tangible movable assets and their sets	5 972	2 880	1 692	–	6 989
Other TFA	694	–	–	–	694
Total 2023	6 666	2 880	1 692	–	7 683
Total 2022	5 296	2 720	1 632	–	6 384

Provisions and accumulated depreciation

(In CZK '000)

Particulars	Opening balance	Additions	Disposals	Transfers	Closing balance	Provisions	Net book value
Tangible movable assets and their sets	3 668	1 161	267	–	4 562	–	2 427
Other TFA	42	14	–	–	56	–	638
Total 2023	3 710	1 175	267	–	4 618	–	3 065
Total 2022	3 922	1 038	1 418	–	3 542	–	2 842

4.3 Settlement of the consolidation difference

(In CZK '000)

Particulars	Value of the consolidation difference as of 1 Jan 2023	Amortization of the consolidation difference	Value of the consolidation difference as of 31 Dec 2023
GuideVision Polska Sp. z o.o.	8.8	0.63	8.17

The value of the identified consolidation difference is immaterial.

(1) The discrepancy between the opening balance of the current period and the closing balance of the previous period is due to the effect of revaluation at the current closing exchange rates of items arising from foreign group companies.

4.4 Short-term receivables

The Group records only short-term receivables. As of December 31, 2023, the Group records no trade receivables past their due dates for more than 90 days (December 31, 2022: CZK 1,358 thousand).

The structure of other than Group receivables is presented in the following table:

(In CZK '000)

Particulars	As at December 31,	
	2023	2022
Trade receivables	87 245	64 845
Receivables – controlled or controlling entity	79 526	79 036
Social Security and health insurance contributions	–	–
State – tax receivables	3 182	7 658
Prepayments made	2 688	2 340
Estimated receivables	12 137	9 769
Sundry receivables	656	659
Receivables (excluding deferred tax assets)	185 434	164 307
Deferred tax asset	2 232	3 151
Total receivables	187 666	167 458

Receivables are not collateralized and do not serve as collateral for the Company's liabilities.

4.5 Derivatives

The Company did not use any derivatives during the reporting period.

4.6 Deferred Expenses and Accrued Income

The most significant item of deferred expenses and accrued income consists of purchased ServiceNow licenses intended for resale to end customers in the total amount of CZK 7,136 thousand (2022: CZK 5,906 thousand) in the Parent Company GuideVision, s.r.o.

4.7 Equity

The Parent Company's statutory body anticipates that the 2023 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 109,302 thousand at the end of 2022 to CZK 149,829 thousand due to the fact that the Parent Company's profit share for 2022 was not paid out during 2023.

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 '000)

Particulars	As at December 31,	
	2023	2022
Outstanding vacation days	4 630	4 254
Unused points in the Cafeteria benefit scheme	–	651
Employee bonuses (annual, retention and incentive program)	2 311	10 391
ESOP bonus programme	4 424	3 021
Bonuses for sales staff	438	566
Total other reserves	11 803	18 883

The most significant item in other reserves comprises a reserve for outstanding vacation days and the ESOP bonus program, which has gradually replaced retention and incentive bonuses, the payment of which was terminated in 2023. ESOP bonus program serves to increase the involvement of management and other key staff in the performance of the Infosys Group. The category of employee bonuses now comprises only annual bonuses, which will be paid in the first half of 2024 based on the GuideVision Group's approved results for the prior reporting period.

4.9 Short-term payables

The Group records only short-term payables. As of December 31, 2023, the Group records no payables past their due dates for more than 90 days (the situation was the same in 2022).

The structure of other than Group payables is presented in the following table:

(In CZK '000)

Particulars	As at December 31,	
	2023	2022
Trade payables	5 053	3 366
Payables to employees	14 262	12 533
Social Security and health insurance payables	7 738	7 603
State - tax payables and subsidies	9 667	3 873

Particulars	As at December 31,	
	2023	2022
Estimated payables	**17 634**	23 785
Sundry payables	**2 422**	340
Total	**56 776**	51 500

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 80,411 thousand (2022: CZK 52,979 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 2,232 thousand arising from temporary differences between tax and carrying amounts of assets and reserves.

The partial deferred tax asset for tax losses in the subsidiaries that have incurred losses has not yet been recorded due to the prudence principle – the uncertainty in the utilization of these losses. The Group's management will periodically review the assumptions for the utilization of these losses in future reporting periods.

4.12 Income from Ordinary Activities

The most significant income items include consulting services provided in the implementation of the ServiceNow product and sales of ServiceNow and SnowMirror licenses (hereinafter referred to as "SN" and "SM").

(In CZK '000)

Particulars	As at December 31,	
	2023	2022
SN Consulting services – TM projects	**530 716**	455 990
SN Consulting services – FTFP projects	**5 610**	11 758
Post-implementation support and training	**21 368**	34 823
Sales of SN+SM licenses	**108 714**	102 545
Other	**–**	91
Total sales of own products and services	**666 408**	605 207

4.13 Employees, management and statutory bodies

The summary of the average headcount of GuideVision's employees and managers for the year ended December 31, 2023 is as follows:

Particulars	Number of staff	Total staff costs in CZK '000
Employees	242	344 347
Management	7	28 419
Total	249	372 766

The summary of the average headcount of GuideVision's employees and managers for the year ended December 31, 2022 was as follows:

(In CZK '000)

Particulars	Number of staff	Total staff costs in CZK '000
Employees	225	302 284
Management	7	27 189
Total	232	329 473

The number of employees is based on the average headcount during the reporting period.

The management of the Company is defined at the level of "top management", which consists of three persons in the management of the Parent Company and four persons in the position of "management directors" in the subsidiaries.

4.14 Significant post-Balance Sheet events

No events occurred subsequent to the Balance Sheet date that would have a material impact on the Company's financial statements.

Infosys Automotive and Mobility GmbH & Co.KG

Independent Auditor's report

To the Members Infosys Automotive and Mobility GmBH and Co.KG

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Infosys Automotive and Mobility GmBH and Co.KG ("the Company"), which comprise the Balance Sheet as at December 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of preparation referred to in Section 1.2 of the special purpose financial statements, of the state of affairs of the Company as at December 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics, We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1.2 to the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company, Infosys Limited under the requirements of section 129 (3) of the Companies Act, 2013 and for issuing Annual Performance Report ("APR") which is required to be furnished by the Holding Company to Authorized Bank in accordance with regulation 10 of Foreign Exchange Management (Overseas Investment) Regulations. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for the above purpose and is not to be used, referred to or distributed for any other purpose without our prior consent.

Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the- accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the company's Management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives is to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

i. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii. in our opinion proper books of account as required by law have been kept by the Company ' so far as it appears from our examination of those books;

iii. the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

For Shenoy & Kamath
Chartered Accountants,
Firm Registration Number. 006673S

(M Rathnakar Kamath)
Partner
Membership Number. 202841

UDIN: 24202841BKACIZ7913

Place: Bengaluru.

Date: May 7, 2024

Balance Sheet

(In EUR)

Particulars	Note	As at December 31, 2023	As at December 31, 2022
ASSETS			
Non-current assets			
Right-of-use Asset	2.1	152,386,435	124,685,612
Financial assets			
Investments	2.2	–	–
Other financial assets	2.6	71,419,901	42,767,659
Other non-current assets	2.3	22,107,528	28,711
Total non-current assets		245,913,863	167,481,981
Current assets			
Financial assets			
Trade receivables	2.4	89,392,572	176,813,899
Cash and cash equivalents	2.5	47,545,270	38,255,550
Investments	2.2	–	–
Other financial assets	2.6	232,059,975	120,957,547
Other current assets	2.3	101,632,523	135,664,640
Total current assets		470,630,339	471,691,636
Total assets		716,544,203	639,173,618
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.8	1,679,020	1,679,020
Other equity		(100,543,506)	(48,074,765)
Total equity		(98,864,486)	(46,395,745)
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	2.1	153,635,023	114,096,657
Other financial liabilities	2.10	4,602,029	12,628,661
Other non-current liabilities	2.12	901,361	–
Total non-current liabilities		159,138,413	126,725,318
Current liabilities			
Financial liabilities			
Trade payables	2.11	38,602,079	145,093,846
Lease liabilities	2.1	67,778,485	34,373,630
Borrowings	2.9	193,911,195	244,410,270
Other financial liabilities	2.10	292,707,656	61,672,732
Other current liabilities	2.12	46,623,499	65,409,377
Provisions		16,422,536	7,884,189
Income tax liabilities (net)	2.17	224,825	–
Total current liabilities		656,270,276	558,844,044
Total equity and liabilities		716,544,203	639,173,618

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 7, 2024

for and on behalf of the Board of Directors of Infosys Automotive and Mobility GmBH and Co.KG

Florian Lorenz
Director

Statement of Profit and Loss

(In EUR)

Particulars	Note	Years ended December 31, 2023	2022
Revenue from operations	2.13	422,487,096	300,084,175
Other income, net	2.14	3,915,145	2,275,332
Total income		426,402,241	302,359,507
Expenses			
Employee benefit expenses	2.15	152,405,852	9,365,113
Rental charges subsidiaries	2.15	2,105,351	–
Cost of technical sub-contractors	2.15	(67,312,860)	105,384,396
Finance costs	2.16	19,301,425	8,822,236
Travel expenses	2.15	119,067	145,852
Cost of software packages and others	2.15	321,577,917	191,267,351
Communication expenses	2.15	240,123	728,395
Consultancy and professional charges	2.15	3,006,607	3,931,655
Depreciation and amortization expense	2.1	43,562,036	18,759,003
Other expenses	2.15	3,544,714	3,231,646
Total expenses		478,550,232	341,635,647
Profit / (loss) before tax		(52,147,990)	(39,276,140)
Tax expense			
Prior period tax	2.17	866,774	–
Profit / (loss) for the year		(53,014,764)	(39,276,140)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability / asset, net		546,022	1,083,498
Items that will be reclassified subsequently to profit or loss		–	–
Total other comprehensive income / (loss), net of tax		546,022	1,083,498
Total comprehensive income / (loss) for the year		(52,468,742)	(38,192,641)

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 Infosys Automotive and Mobility GmBH and Co.KG

Florian Lorenz
Director

Place: Bengaluru
Date: May 7, 2024

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, 2022	1,679,020	(9,882,123)	–	(8,203,103)
Changes in equity for the year ended December 31, 2022				
Increase in equity share capital on account of fresh issue	–	–	–	–
Other comprehensive income-pension	–	–	1,083,498	1,083,498
Profit / (loss) for the year	–	(39,276,140)	–	(39,276,140)
Balance as of December 31, 2022	1,679,020	(49,158,263)	1,083,498	(46,395,745)
Changes in equity for the year ended December 31, 2023				
Balance as at January 1, 2023	1,679,020	(49,158,263)	1,083,498	(46,395,745)
Increase in equity share capital on account of fresh issue	–	–	–	–
Other comprehensive income-pension	–	–	546,022	546,022
Profit / (loss) for the year 2023		(53,014,764)	–	(53,014,764)
Balance as at December 31, 2023	1,679,020	(102,173,027)	1,629,520	(98,864,486)

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

Place: Bengaluru
Date: May 7, 2024

for and on behalf of the Board of Directors of Infosys Automotive and Mobility GmBH and Co.KG

Florian Lorenz
Director

Statements of Cash Flows

(In EUR)

Particulars	Note	Years ended December 31, 2023	2022
Cash flow from operating activities			
Loss for the year		(52,468,742)	(38,192,641)
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation and amortization	2.1	43,562,036	18,759,003
Finance cost	2.16	19,301,425	8,822,236
Income tax expense	2.17	866,774	–
Changes in assets and liabilities			
Trade receivables		87,421,327	(161,755,377)
Other financial assets and other assets		(127,801,369)	(81,888,202)
Trade payables		(106,491,767)	135,096,502
Other financial liabilities and other liabilities		213,662,122	(46,455,131)
Cash used in operations		78,051,806	(165,613,610)
Income tax paid		641,949	–
Net cash generated used in operating activities		77,409,857	(165,613,610)
Cash flow from investing activities			
Other payments		–	–
Net cash used in investing activities		–	–
Cash flow from financing activities			
Proceeds from issue of share capital		–	–
Payment of lease liabilities		(5,014,588)	2,047,696
Proceedings from borrowings		(50,499,075)	207,930,344
Other payments		(12,606,474)	(6,691,628)
Net cash generated from financing activities		(68,120,137)	203,286,412
Net increase in cash and cash equivalents		9,289,720	37,672,802
Cash and cash equivalents at the beginning of the year		38,255,550	582,748
Cash and cash equivalents at the end of the year	2.5	47,545,270	38,255,550

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants
Firm's registration number: 006673S

M. Rathnakar Kamath
Partner
Membership number: 202841

Bengaluru
Date: May 7, 2024

for and on behalf of the Board of Directors of Infosys Automotive and Mobility GmBH and Co.KG

Florian Lorenz
Director

Company Overview and Significant Accounting Policies

Company overview

Infosys Automotive and Mobility GmBH and CokG is a wholly-owned subsidiary of Infosys Limited. The Company renders professional management consulting services, thereby enabling its clients to enhance business performance.

1 Significant accounting policies

1.1 Accounting year

The accounting year of the Company is from January 1 to December 31.

1.2 Basis of preparation of financial statements

These special purpose consolidated financial statements are prepared for inclusion in the Annual Report of the holding Company Infosys Limited under the requirements of Section 129 (3) of the Companies Act 2013 and for issuing Annual Performance Report ("APR") which is required to be furnished by the Holding Company, to Authorized Bank in accordance with regulation 10 of Foreign Exchange Management (Overseas Investment) Regulations

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.3 Presentation currency

The Company's presentation currency is Euro.

1.4 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions. These estimates and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.

Accounting estimates could change from period-to-period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.5 Financial instruments

1.5.1 Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

1.5.2 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.

1.6 Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

1.7 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.

1.8 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.

1.9 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.

1.10 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.

1.11 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.

1.12 Borrowing cost

Borrowing cost are charged to the Statement of Profit and Loss in the period in which they are incurred.

2.1 Leases

Accounting policy

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The changes in carrying value of right of use assets for the years ended December 31, 2023 and December 31, 2022 are as follows:

(In EUR)

Particulars	Category of ROU asset	Total
	Computer Equipment	
Balance as of January 1, 2022	9,359,818	9,359,818
Additions	134,084,796	134,084,796
Deletion	–	–
Depreciation [1]	(18,759,003)	(18,759,003)
Balance as of December 31, 2022	124,685,612	124,685,612
Additions	71,262,859	71,262,859
Deletion	–	–
Depreciation [1]	(43,562,036)	(43,562,036)
Balance as of December 31, 2023	152,386,435	152,386,435

[1] Includes cost to fulfill the contract which are recoverable

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The break-up of current and non-current lease liabilities as at December 31, 2023 and December 31, 2022 are is follows:

(In EUR)

Particulars	As at December 31,	
	2023	2022
Current lease liabilities	67,778,485	34,373,630
Non-current lease liabilities	153,635,023	114,096,657
Total	221,413,509	148,470,287

The movement in lease liabilities during the year ended December 31, 2023 and December 31, 2022 is as follows:

(In EUR)

Particulars	As at December 31,	
	2023	2022
Balance at the beginning	148,470,287	10,207,186
Additions	116,528,181	147,228,527
Finance cost accrued during the period	5,591,061	1,347,797
Deletions	–	–
Payment of lease liabilities	48,909,596	10,375,304
Translation difference	(266,423)	62,079
Balance at the end	221,413,509	148,470,287

The details regarding the contractual maturities of lease liabilities as at December 31, 2023 and December 31, 2022 on an undiscounted basis are as follows:

(In EUR)

Particulars	As at December 31,	
	2023	2022
Less than one year	68,082,444	37,270,829
One to five years	159,821,896	114,749,426
Total	227,904,341	152,020,255

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 EUR)

Particulars	As at December 31,	
	2023	2022
Non-current		
Investment in lease	–	–
Current		
Investment in lease	–	–
Total investments	–	–

2.3 Other assets

(In EUR)

Particulars	As at December 31,	
	2023	2022
Non-current		
Others		
Unbilled revenue	56,105	–
Advance for pension fund	1,441,185	28,711
Prepaid expenses	20,610,238	–
	22,107,528	28,711
Current		
Others		
Prepaid expenses	27,146,457	34,992,691
Unbilled revenue	4,750,032	20,056
VAT receivable	43,818,254	53,978,250
Deferred contract cost [1]	4,594,581	33,492,786
Devices - dealer type	20,790,628	12,318,213
Other receivables	532,571	862,643
Total current other assets	101,632,523	135,664,640
Total other assets	123,740,051	135,693,351

[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, 2023 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 EUR)

Particulars	As at December 31,	
	2023	2022
Current		
Unsecured		
Considered good[1]	89,392,572	176,813,899
Considered doubtful	1,719,810	1,717,577
	91,112,382	178,531,476
Less: Allowances for credit losses	1,719,810	1,717,577
Total Trade Receivables	89,392,572	176,813,899
[1] Includes dues from Holding Company and other fellow subsidiaries (refer note 2.18)	6,780,238	6,780,238

Trade receivable ageing as at December 31, 2023 and December 31, 2022

(In EUR)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	69,084,703	11,557,150	5,619,573	4,850,956	–	–	91,112,382
	103,155,803	75,375,672	–	–	–	–	178,531,476
Less: Allowance for credit loss							1,719,810
							1,717,577
Total trade receivables							89,392,572
							176,813,899

2.5 Cash and cash equivalents

(In EUR)

Particulars	As at December 31,	
	2023	2022
Balances with banks		
In current accounts	47,545,270	38,255,550
Total cash and cash equivalents	47,545,270	38,255,550

2.6 Other financial assets

(In EUR)

Particulars	As at December 31,	
	2023	2022
Current		
Unbilled revenue [(1)]	140,296,093	112,582,089
Investment in lease	40,324,636	–
Others[(1)(2)]	51,439,246	8,375,458
Non-current		
Investment in lease	69,530,349	42,767,659
Unbilled revenue [(1)]	1,889,552	–
Total other financial assets	303,479,875	163,725,206
[(1)] Financial assets carried at amortized cost		
[(2)] Includes dues from Holding Company and other fellow subsidiaries (Refer to Note 2.18)	51,435,671	7,408,333

2.7 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,	
	2023	2022
Assets		
Cash and cash equivalents (Refer to Note 2.5)	47,545,270	38,255,550
Investments (Refer to Note 2.2)	–	–
Trade receivables (Refer to Note 2.4)	89,392,572	176,813,899
Other financial assets (Refer to Note 2.6)[(1)]	303,479,875	163,725,206
Total	440,417,717	378,794,655

Particulars	As at December 31,	
	2023	2022
Liabilities		
Trade payables (Refer to Note 2.11)	38,602,079	145,093,846
Borrowings (Refer to Note 2.9)	193,911,195	244,410,270
Lease liabilities (Refer to Note 2.1)	221,413,509	148,470,287
Other financial liabilities (Refer to Note 2.10)	297,309,685	74,301,393
Total	751,236,468	612,275,796

(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: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

The gross carrying amount of a financial asset is written off (either partially or in full) when there is no realistic prospect of recovery.

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 and purchases from overseas suppliers in various foreign currencies. The exchange rate between the Euro 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 Euro appreciates / depreciates against these currencies.

The following table analyses the foreign currency risk from financial assets and liabilities as at December 31, 2023:

(In EUR)

Particulars	U.S. dollars	INR	Indonesian Rupee	Australian dollars	Other currencies	Total
Net financial assets	(447,455)	762,292	728,264	–	341	1,043,441
Net financial liabilities	(45,588,754)	(155,051)	–	–	(4,334)	(45,748,139)
Total	(46,036,209)	607,241	728,264	–	(3,993)	(44,704,698)

The following table analyses the foreign currency risk from financial assets and liabilities as at December 31, 2022:

(In EUR)

Particulars	U.S. dollars	INR	Indonesian Rupee	Australian dollars	Other currencies	Total
Net financial assets	88,817	669,653	779,692	–	60	1,538,223
Net financial liabilities	(63,090,635)	(340,393)	–	–	(19,030)	(63,450,059)
Total	(63,001,818)	329,260	779,692	–	(18,970)	(61,911,835)

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 89,248,471 as at December 31, 2023. 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, 2023 and December 31, 2022, the Company had cash and cash equivalents of EUR 47,545,270 and EUR 38,255,550 respectively.

The details regarding the contractual maturities of significant financial liabilities as at December 31, 2023 are as follows:

(In EUR)

Particulars	Less than 1 Year	1-2 Years	2-4 Years	4-7 Years	Total
Trade payables	38,602,079	–	–	–	38,602,079
Borrowings	206,326,429	–	–	–	206,326,429
Other financial liabilities on an undiscounted basis	292,707,656	4,602,029	–	–	297,309,685

The details regarding the contractual maturities of significant financial liabilities as at December 31, 2022 was as follows:

(In EUR)

Particulars	Less than 1 Year	1-2 Years	2-4 Years	4-7 Years	Total
Trade payables	145,093,846	–	–	–	145,093,846
Borrowings	251,101,899	–	–	–	251,101,899
Other financial liabilities on an undiscounted basis	61,672,732	12,628,661	–	–	74,301,393

2.8 Equity

Equity share capital

(In EUR)

Particulars	As at December 31,	
	2023	2022
Authorized		
1,679,020 equity shares of € 1 par value	1,679,020	1,679,020
Issued, subscribed and paid-Up		
1,679,020 equity shares of € 1 par value	1,679,020	1,679,020
	1,679,020	1,679,020

The details of shareholder holding more than 5% shares as at December 31, 2023 and December 31, 2022 are as follows:

Name of the shareholder	As at December 31,	
	2023	2022
Infosys Limited	100%	100%

2.9 Borrowings

(In EUR)

Particulars	As at December 31,	
	2023	2022
Non-current		
Unsecured loan	193,911,195	244,410,270
Total borrowings	193,911,195	244,410,270
[1] Includes dues from other fellow subsidiaries (Refer to Note 2.18)	193,911,195	244,410,270

2.10 Other financial liabilities

(In EUR)

Particulars	As at December 31, 2023	As at December 31, 2022
Non-current		
Financial liability under revenue deals	4,602,029	12,628,661
	4,602,029	12,628,661
Current		
Financial liability under revenue deals	15,748,346	30,487,808
Others		
Accrued compensation to employees	2,342,846	2,139,735
Provision for expenses	56,114,954	25,766,754
Other payables [(1)]	218,501,511	3,278,434
	292,707,656	61,672,732
Total financial liabilities	297,309,685	74,301,393
[(1)] Includes dues from Holding Company and other fellow subsidiaries (Refer to Note 2.18)	218,501,511	3,278,434

2.11 Trade payables

(In EUR)

Particulars	As at December 31, 2023	As at December 31, 2022
Trade payables [(1)]	38,602,079	145,093,846
	38,602,079	145,093,846
[(1)] Includes dues from Holding Company and other fellow subsidiaries (Refer to Note 2.18)	12,824,603	87,107,449

Trade payables ageing schedule

Year ended December 31, 2023 and December 31, 2022

(In EUR)

Particulars	Not Due	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Others	27,749,591	402,751	10,449,737	–	–	38,602,079
	35,748,670	109,345,176		–	–	145,093,846
Total trade payables	27,749,591	402,751	10,449,737	–	–	38,602,079
	35,748,670	109,345,176	–	–	–	145,093,846

2.12 Other liabilities

(In EUR)

Particulars	As at December 31, 2023	As at December 31, 2022
Non-current		
Accrued compensation to employees	901,361	–
	901,361	–
Current		
Unearned revenue	7,162,916	7,145,694
Others		
Withholding taxes and other	39,460,583	58,263,683
	46,623,499	65,409,377
	47,524,860	65,409,377

2.13 Revenue from operations

(In EUR)

Particulars	Years ended December 31,	
	2023	2022
Income from software services	350,904,345	263,984,706
Income from products and platform	71,582,752	36,099,469
Total revenue from operation	422,487,096	300,084,175

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 years ended December 31, 2023 and December 31, 2022 , the Company recognized revenue of EUR 2,790,189 and EUR 2,408,860 arising from opening unearned revenue as of January 1, 2022 and January 1, 2021 respectively.

During the years ended December 31, 2023 and December 31, 2022, EUR 19,531 and Nil of unbilled revenue pertaining to other fixed price and fixed time frame contracts as of January 1, 2022 and January 1, 2021, respectively has been reclassified to Trade receivables upon billing to customers on completion of milestones.

Remaining performance obligation disclosure

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 and 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, 2023, other than those meeting the exclusion criteria mentioned above, is EUR 46,752,338. Out of this, the Company expects to recognize revenue of around 38.1% within the next one year and the remaining thereafter. The aggregate value of performance obligations that are completely or partially unsatisfied as at December 31, 2022 is EUR 17,922,430. 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.

2.14 Other income

(In EUR)

Particulars	Years ended December 31,	
	2023	2022
Interest received on financial assets- Carried at amortized cost	1,103,874	782,724
Finance income under revenue deals	850,960	48,389
Interest received from bank	620,148	–
Interest on VAT refund	2,713	–
Exchange gains / (losses) on translation of other assets and liabilities	1,337,451	1,444,219
Total other income	3,915,145	2,275,332

2.15 Expenses

(In EUR)

Particulars	Year ended December 31, 2023	2022
Employee benefit expenses		
Intercompany employee cost	144,695,085	–
Salaries including bonus	7,563,455	8,491,966
Contribution to provident and other funds	26,652	221,150
Long term employee benefit costs	82,084	624,110
Share based payments to employees	13,328	20,259
Staff welfare	25,248	7,628
	152,405,852	9,365,113
Cost of software packages and others		
For own use	1,781,734	1,352,120
Third party items bought for service delivery to clients	319,796,184	189,915,231
	321,577,917	191,267,351
Other expenses		
Cost of technical subcontractors	(67,312,860)	105,384,396
Legal and professional charges	3,006,607	3,931,655
Communication expenses	240,123	728,395
Rental charges - subsidiaries	2,105,351	–
Travel expenses	119,067	145,852
Others	3,544,714	3,231,646

2.16 Finance costs

(In EUR)

Particulars	Years ended December 31, 2023	2022
Interest expense on loan taken	12,415,234	6,691,628
Bank interest	191,240	–
Interest expense on finance deals	6,694,951	2,130,608
Total finance costs	19,301,425	8,822,236

2.17 Income taxes

Income tax expense in the Statement of Profit and Loss comprises:

(In EUR)

Particulars	Years ended December 31, 2023	2022
Current taxes	866,774	–
Income tax expense	866,774	–

Income tax expense for the year ended December 31, 2023 and December 31, 2022 includes provisions (net of reversal) of EUR 866,774 and Nil, respectively 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	Years ended December 31,	
	2023	2022
Profit before income taxes	(52,147,990)	(39,276,140)
Enacted tax rates in Germany	30.53%	30.53%
Tax provision / reversals	866,774	–
Income tax expense	866,774	–

The applicable Germany statutory tax rate for years ended December 31, 2023 and December 31, 2022 is 30.53% each.

The details of income tax assets and income tax liabilities are as follows:

(In EUR)

	As at December 31	
	2023	2022
Income tax assets	641,949	–
Current income tax liabilities	866,774	–
Net current income tax assets / (liability) at the end	(224,825)	–

The gross movement in the current income tax asset / (liability) for the year ended are as follows:

(In EUR)

	Years ended December 31,	
	2023	2022
Net current income tax asset / (liability) at the beginning	–	–
Income tax paid	641,949	–
Current income tax expense	866,774	–
Net current income tax asset / (liability) at the end	(224,825)	–

2.18 Related party transactions

List of related parties:

Name of Holding Companies	Country	Holding as at December 31,	
		2023	2022
Infosys Ltd	India	100%	100%

Name of fellow subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)(1)	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)(1)	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)(1)	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)(1)	China
Infosys Nova Holdings LLC. (Infosys Nova)(1)	U.S.
EdgeVerve Systems Limited (EdgeVerve)(1)	India
Infosys Austria GmbH(1)	Austria
Skava Systems Private Limited (Skava Systems)(1)(22)	India
Infosys Chile SpA(1)	Chile
Infosys Arabia Limited(2)(22)	Saudi Arabia
Infosys Consulting Ltda.(1)	Brazil
Infosys Luxembourg S.a.r.l(1)	Luxembourg
Infosys Americas Inc. (Infosys Americas)(1)(39)	U.S.
Infosys Public Services, Inc. USA (Infosys Public Services)(1)	U.S.

Name of fellow subsidiaries	Country
Infosys BPM Limited[(1)(27)]	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 [(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
Infy Consulting Company Ltd[(4)]	U.K.
Infy Consulting B.V.[(4)]	The Netherlands
Infosys Consulting S.R.L.[(29)]	Argentina
Infosys Consulting (Belgium) NV[(4)]	Belgium
Panaya Inc. (Panaya)[(1)]	U.S.
Panaya Ltd.[(5)]	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH) [(38)]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[(1)(22)]	U.K.
Brilliant Basics Limited [(6)(22)]	U.K.
Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)[(1)]	Singapore
Infosys Middle East FZ LLC [(7)]	Dubai
Fluido Oy [(7)]	Finland
Fluido Sweden AB [(9)]	Sweden
Fluido Norway A/S[(9)]	Norway
Fluido Denmark A/S[(9)]	Denmark
Fluido Slovakia s.r.o[(9)]	Slovakia
Infosys Compaz Pte. Ltd [(8)]	Singapore
Infosys South Africa (Pty) Ltd[(7)]	South Africa
WongDoody Inc. [(1)]	U.S.
HIPUS Co., Ltd[(8)]	Japan
Stater N.V.[(8)]	The Netherlands
Stater Nederland B.V.[(10)]	The Netherlands
Stater XXL B.V.[(10)]	The Netherlands
HypoCasso B.V.[(10)]	The Netherlands
Stater Participations B.V.[(44)]	The Netherlands
Stater Belgium N.V./S.A.[(10)(44)]	Belgium
Stater Gmbh[(10)]	Germany
Outbox systems Inc. dba Simplus (US)[(12)]	U.S.
Simplus ANZ Pty Ltd.[(13)]	Australia
Simplus Australia Pty Ltd[(14)]	Australia
Simplus Philippines, Inc.[(13)]	Philippines

Name of fellow subsidiaries	Country
Infosys Fluido UK, Ltd.[9]	U.K.
Infosys Fluido Ireland, Ltd.[16]	Ireland
Infosys Limited Bulgaria EOOD[1]	Bulgaria
Kaleidoscope Animations, Inc.[12]	U.S.
Kaleidoscope Prototyping LLC[18][43]	U.S.
GuideVision s.r.o.[11]	Czech Republic
GuideVision Deutschland GmbH[17]	Germany
GuideVision Suomi Oy[17]	Finland
GuideVision Magyarország Kft[17]	Hungary
GuideVision Polska Sp. z.o.o[17]	Poland
GuideVision UK Ltd[17][22]	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[12]	U.S.
Beringer Capital Digital Group Inc[12][25]	U.S.
Mediotype LLC[19][25]	U.S.
Beringer Commerce Holdings LLC[19][25]	U.S.
SureSource LLC[20][23]	U.S.
Blue Acorn LLC[20][23]	U.S.
Simply Commerce LLC[20][23]	U.S.
iCiDIGITAL LLC[21][24]	U.S.
Infosys BPM UK Limited[3]	U.K.
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[1]	Turkey
Infosys Germany Holding GmbH[1]	Germany
Infosys Green Forum[1]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[7]	Malaysia
Infosys Business Solutions LLC[1][26])	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH (“Kristall”))[28]	Germany
Wongdoody Gmbh (formerly known as oddity GmbH) [30]	Germany
oddity (Shanghai) Co., Ltd. [31]	China
oddity Limited (Taipei) [31]	Taiwan
oddity space GmbH [30][42]	Germany
oddity jungle GmbH [30][42]	Germany
oddity code GmbH [30][42]	Germany
WongDoody d.o.o (formerly known as oddity code d.o.o) [31][42]	Serbia
oddity waves GmbH [30][42]	Germany
oddity group services GmbH [30][42]	Germany
Infosys Public Services Canada Inc. [15][32]	Canada
BASE life science AG [34]	Switzerland
BASE life science GmbH [34]	Germany
BASE life science A/S [33]	Denmark
BASE life science S.A.S [34]	France
BASE life science Ltd. [34]	U.K.
BASE life science S.r.l. [34]	Italy
Innovisor Inc.[34]	U.S.

Name of fellow subsidiaries	Country
BASE life science Inc.(34)	U.S.
BASE life science S.L.(34)(35)	Spain
Panaya Germany GmbH (5)(36)	Germany
Infosys Norway (7)(37)	Norway
Infosys BPM Canada Inc (3)(40)	Canada
Danske IT and Support Services India Private Limited ("Danske IT") (41)	India

(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 Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

(8) Majority owned and controlled subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

(9) Wholly-owned subsidiary of Fluido Oy

(10) Wholly-owned subsidiary of Stater N.V

(11) Wholly-owned subsidiary of Infy Consulting Company Limited

(12) Wholly-owned subsidiary of Infosys Nova Holdings LLC

(13) Wholly-owned subsidiary of Outbox systems Inc. dba Simplus (US)

(14) Wholly-owned subsidiary of Simplus ANZ Pty Ltd

(15) Wholly-owned subsidiary of Infosys Public Services, Inc.

(16) Wholly-owned subsidiary of Infosys Fluido UK, Ltd.

(17) Wholly-owned subsidiary of GuideVision s.r.o.

(18) Wholly-owned subsidiary of Kaleidoscope Animations, Inc.

(19) Wholly-owned subsidiary of Blue Acorn iCi Inc

(20)Wholly-owned subsidiary of Beringer Commerce Holdings LLC

(21) Wholly-owned subsidiary of Beringer Capital Digital Group Inc.

(22) Under liquidation

(23) Merged with Beringer Commerce Holdings LLC, effective January 1, 2022

(24) Merged with Beringer Capital Digital Group Inc, effective January 1, 2022

(25) Merged with Blue Acorn iCi Inc, effective January 1, 2022

(26) Incorporated on February 20, 2022

(27) On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

(28) On March 22, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.), a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")).

(29) Infosys Consulting S.R.L. (Argentina) (formerly a Wholly-owned subsidiary of Infosys Consulting Holding AG) became the majority owned and controlled subsidiary of Infosys Limited with effect from April 1, 2022

(30) On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.)) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and Wongdoody Gmbh (formerly known as oddity GmbH)

(31) Wholly-owned subsidiary of Wongdoody Gmbh (formerly known as oddity GmbH)

(32) Incorporated on July 8, 2022

(33) On September 1, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.) (a Wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

(34) Wholly-owned subsidiary of BASE life science A/S

(35) Incorporated on September 6, 2022

(36) Incorporated effective December 15, 2022

(37) Incorporated effective September 22, 2022.

(38) Infosys Financial Services GmbH. (formerly Panaya GmbH) became a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.) with effect from February 23, 2023.

(39) Liquidated effective July 14, 2023

(40) Incorporated on August 11, 2023

(41) On September 1, 2023 Infosys Ltd. acquired 100% of voting interests in Danske IT and Support Services India Private Limited ("Danske IT").

(42) On September 29, 2023, oddity space GmbH, oddity waves GmbH, oddity jungle GmbH, oddity group services GmbH and oddity code GmbH merged into

WongDoody GmbH and oddity code d.o.o which was formerly a subsidiary of oddity code Gmbh has become a subsidiary of Wongdoody Gmbh (formerly known as oddity GmbH).

(43) Liquidated effective November 1, 2023

(44) On November 24, 2023 Stater Participations B.V (Wholly-owned subsidiary of Stater N.V) merged with Stater N.V and Stater Belgium N.V./S.A which was formerly a wholly owned subsidiary of Stater Participations B.V. became a wholly owned subsidiary of Stater N.V.

The details of amounts due to or due from related parties as at December 31, 2023 are as follows:

(In EUR)

Particulars	Years ended December 31,	
	2023	2022
Trade Receivable		
Infosys Limited	6,780,238	6,780,238
	6,780,238	6,780,238
Other financial assets		
Infosys Limited	18,015,669	2,888,736
Portland Group Pty Ltd	452,611	167,183
Infosys Turkey Bilgi Teknolojikeri Limited Sirketi	5,029,462	127,225
Infosys Austria GMBH (Lodestone Management Consultants GmbH)	1,044,319	160,981
Infosys (Czech Republic) Limited s.r.o.	5,089,350	220,517
Infosys Technologies (China) Co. Limited (Infosys China)	6,867,123	1,316,176
Infosys Consulting S.R.L.(Argentina)	238,331	89,411
Infosys Consulting (Belgium) NV	396,342	182,341
Infosys Consulting Ltda	2,238,308	476,434
Infosys Consulting AG	802,618	159,664
Infy Consulting Company Limited	1,055,847	392,314
Infosys Consulting S.R.L.(Romania)	1,240,034	174,767
Infosys Consulting Pte. Ltd	–	537,767
Infosys Luxembourg S.a.r.l	22,719	134
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)	2,359,213	324,703
Infosys Poland Sp. Z.o.o	2,943,433	34,091
Infosys Technologies (Sweden) AB. (Infosys Sweden)	134,962	147,502
Infosys Middle East FZ LLC	8,432	7,577
McCamish Systems LLC	3,365,806	–
Panaya Ltd	131,093	810
	51,435,671	7,408,333
Trade Payable		
Infosys Consulting GmbH	35,067	123,501
Infosys (Czech Republic) Limited s.r.o.	4,419,348	3,023,153
Infosys Technologies (China) Co. Limited (Infosys China)	352,094	649,317
Infosys Limited	–	80,835,876
Infosys BPM Limited	8,018,094	2,475,601
	12,824,603	87,107,449
Other financial liabilities		
Infosys Limited	188,780,678	3,278,164
McCamish Systems LLC	2,034,730	–
Panaya Ltd	59,903	–
Infosys Consulting S.R.L.(Romania)	928,700	–
Infosys Consulting Pte. Ltd	19,549,163	–

Particulars	Years ended December 31,	
	2023	2022
Infosys Luxembourg S.a.r.l	10,655	–
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)	97,836	–
Infosys Technologies (Sweden) AB. (Infosys Sweden)	163,570	–
Infosys Middle East FZ LLC	47,710	–
Infosys Consulting S.R.L. (Argentina)	527,419	–
Infosys Consulting Ltda	1,136,432	–
Infosys Turkey Bilgi Teknolojikeri Limited Sirketi	5,160,420	–
Infosys Consulting GmbH	270	270
	218,497,486	3,278,434
Borrowings [1]		
Infosys Consulting GmbH		–
Infosys Consulting Pte Limited	97,496,773	107,286,089
Infosys Poland sp. z o o	6,821,872	7,165,786
McCamish Systems LLC	7,284,226	26,232,387
Blue Acorn iCi Inc (formerly known as Beringer Commerce Inc)	2,276,321	2,429,479
Fluido Oy	3,417,413	3,487,668
Fluido Norway A/S	2,613,316	2,668,824
GuideVision, s.r.o..	3,216,389	3,277,475
Infosys Public Services, Inc. USA (Infosys Public Services)	17,856,199	38,126,011
Infosys Consulting Holding AG (Infosys Lodestone)	22,056,222	22,065,452
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)	26,319,825	26,819,014
WongDoody, Inc	4,552,641	4,852,085
	193,911,195	244,410,270

[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, 2023

(In EUR)

Particulars	Year ended December 31,	
	2023	2022
Revenue transactions:		
Purchase of Services		
Infosys (Czech Republic) Ltd	3,884,081	2,617,898
Infosys Technologies China	585,237	649,317
Infosys Consulting GmbH	149,966	90,451
Infosys Limited	(81,060,092)	99,376,541
Infosys BPM Ltd.	9,103,766	2,376,679
	(67,337,041)	105,110,886
Purchase of Shared Services		
Infosys Consulting S.R.L(Romania)	928,700	1,014,213
Infosys Austria GmbH	187,321	–
Infosys Luxembourg S.à.r.l	10,655	–
Infosys Turkey Bilgi Teknolojileri Limited lirketi	5,160,420	–
Infosys Middle East FZ-LLC	47,710	–
Infosys Consulting S.R.L.(Argentina)	849,801	–
Infosys Consulting Ltda.	1,136,432	–

Particulars	Year ended December 31,	
	2023	2022
Infosys Technologies Mexico	97,836	–
Panaya Ltd	59,903	–
Infosys McCamish Systems LLC.	2,034,730	–
Infosys Sweden	163,570	–
Infosys Consulting Pte Ltd	19,549,162	7,847,206
	30,226,242	8,861,420
Sale of Shared Services		
Infosys Technologies (China) Company Limited	10,109,472	2,774,696
Infosys Austria GmbH	1,704,044	897,980
Infosys Luxembourg S.à.r.l	22,585	15,367
Infosys Limited	144,695,085	68,190,970
Infosys Turkey Bilgi Teknolojileri Limited Iirketi	4,800,019	2,324,825
Infosys Middle East FZ-LLC	44,012	49,978
Infosys Consulting S.R.L.(Argentina)	144,425	32,495
Lodestone Management Consultants (Belgium) S.A.	1,743,429	659,052
Infosys Consulting Ltda.	1,761,873	1,429,383
Infosys Consulting AG	1,619,232	55,153
Infy Consulting Company Ltd	7,235,707	1,584,945
Infosys Consulting S.R.L(Romania)	1,468,473	–
Infosys Technologies Mexico	2,034,510	2,246,817
Portland Group Pty Ltd	2,569,864	784,632
Panaya Ltd	130,283	75,490
Infosys Poland sp. z o o	2,909,342	1,273,850
Infosys McCamish Systems LLC.	30,498,893	6,973,548
Infosys Czech Republic	5,089,350	3,278,818
Infosys Sweden	987,500	451,743
	219,568,099	93,099,741
Rental Charge		
Infosys Limited	2,105,351	–
	2,105,351	–
Interest expense		
Blue Acorn iCi Inc (formerly known as Beringer Commerce Inc)	163,001	83,391
Portland Group Pty Ltd	–	74,689
Fluido Oy	203,848	87,668
Fluido Norway A/S	155,884	68,824
GuideVision, s.r.o..	191,857	77,475
Infosys (Czech Republic) Ltd	–	111,919
Infosys Public Services, Inc. USA (Infosys Public Services)	2,260,984	1,669,041
Infosys Consulting GmbH	–	3,553
Infosys Consulting Holding AG (Infosys Lodestone)	661,964	65,452
Infosys Consulting Pte. Ltd	5,571,436	1,767,438
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)	1,569,974	633,296
Infosys Poland Sp. Z.o.o	414,584	647,601
WongDoody, Inc	328,904	159,845
Infosys McCamish Systems LLC	892,797	1,241,436
	12,415,234	6,691,628

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.

2.20 Ratios

The ratios for the years ended December 31, 2023 and December 31, 2022 are as follows:

Particulars	Numerator	Denominator	December 31, 2023	December 31, 2022	Variance	
Current ratio	Current assets	Current liabilities	0.7	0.8	(15.0%)	
Debt – equity ratio	Total debt (represents lease liabilities) [1]	Shareholder's equity	(2.24)	(3.20)	(30.0%)	*
Debt service coverage ratio	Earnings available for debt service[2]	Debt service[3]	2.0	5.7	(65.6%)	**
Return on equity (ROE)	Net profits after taxes	Average shareholder's equity	(73.0%)	(141.1%)	68.1%	***
Trade receivables turnover ratio	Revenue	Average trade receivable	3.2	3.1	1.5%	#
Trade payables turnover ratio	Purchases of services and other expenses	Average trade payables	0.8	8.1	(90.6%)	##
Net capital turnover ratio	Revenue	Working capital	(2.3)	(3.4)	(33.9%)	###
Net profit ratio	Net profit	Revenue	(12.5%)	(13.1%)	1%	
Return on capital employed (ROCE)	Earning before interest and taxes	Capital employed[4]	(26.8%)	(29.8%)	3%	####

(1) Debt represents lease liabilities and borrowings

(2) Net Profit after taxes + Non-cash operating expenses + Interest + other adjustments like loss on sale of fixed assets etc.

(3) Lease payments and borrowings for the current year

(4) Tangible net worth + deferred tax liabilities + lease liabilities

* Increase in lease liability has resulted in improvement in the ratio.

** Higher depreciation during the year has resulted in improvement in the ratio.

***Improvement in ration is due to decrease in shareholders equity in absolute value linked to higher loss for the year.

\# Decrease in trade receivables significantly resulted in deterioration in the ratio.

\## Decrease in expenses resulted in improvement in the ratio.

\### Improvement in ration is due to significant increase in revenue.

\#### Improvement in ration is due to significant increase in lease liabilities.

Infosys Luxembourg S.à r.l

Independent Auditor's report

To the Members of Infosys Luxembourg S.á.r.l

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Infosys Luxembourg S.á.r.l ("the Company"), which comprise the Balance Sheet as at December 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). 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, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1.2 to the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company, Infosys Limited under the requirements of section 129 (3) of the Companies Act, 2013 and for issuing Annual Performance Report ("APR") which is required to be furnished by the Holding Company to Authorized Bank in accordance with regulation 10 of Foreign Exchange Management (Overseas Investment) Regulations. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for the above purpose and is not to be used, referred to or distributed for any other purpose without our prior consent.

Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

i) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

iii) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

UDIN : 24202841BKADED4590

For Shenoy & Kamath
Chartered Accountants,
Firm Registration Number. 006673S

(M Rathnakar Kamath)
Partner
Membership Number. 202841

Place: Bengaluru.

Date: May 29, 2024

Balance Sheet

(In €)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
Assets			
Non-current assets			
Right-of-use asset	2.1	392,721	456,463
Income tax assets (net)	2.11	18,993	13,643
Total non-current assets		411,714	470,106
Current assets			
Financial assets			
Trade receivables	2.5	1,702,201	5,060,522
Cash and cash equivalents	2.2	6,152,198	3,649,900
Loans	2.20	254	–
Other financial assets	2.3	629,956	931,855
Income tax assets (net)		–	–
Other current assets	2.4	230,823	488,915
Total current assets		8,715,431	10,131,192
Total assets		9,127,145	10,601,298
Equity and liabilities			
Equity			
Equity share capital	2.6	3,000,000	2,000,000
Other equity		1,227,745	(441,279)
Total equity		4,227,745	1,558,721
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liability	2.1	242,672	424,709
Total non-current liabilities		242,672	424,709
Current liabilities			
Financial liabilities			
Lease liability	2.1	157,779	24,600
Trade payables	2.7	2,860,605	5,311,173
Other financial liabilities	2.8	364,455	611,024
Other current liabilities	2.9	558,457	2,553,789
Provisions	2.15	140,693	102,422
Income tax liabilities (net)	2.11	574,739	14,860
Total current liabilities		4,656,727	8,617,868
Total equity and liabilities		9,127,145	10,601,298

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 No.: 006673S

M. Rathnakar Kamath
Partner
Membership No. 202841

Place: Bengaluru

Date: May 29,2024

for and on behalf of the Board of Directors of Infosys Luxembourg s.a r.l

Puneet Shukla
Director

Micha Helbig
Director

Statement of Profit and Loss

(In €, except equity share and per equity share data)

Particulars	Note No.	Year ended March 31	
		2024	2023
Revenue from operations	2.12	21,159,875	20,522,860
Other income / (Loss), net	2.13	97,834	19,640
Total income		21,257,708	20,542,500
Expenses			
Employee benefit expenses	2.14	1,376,862	1,195,964
Cost of technical sub-contractors		16,595,726	17,228,768
Cost of software packages and others	2.14	65,701	62,422
Consultancy and professional charges		584,178	865,764
Depreciation and amortization expense	2.1	114,654	95,609
Finance costs	2.1	13,617	10,335
Other expenses	2.14	278,068	295,058
Total expenses		19,028,805	19,753,920
Profit / (loss) before tax		2,228,903	788,580
Tax expense:			
Current tax		559,879	10,045
Profit / (loss) for the year		1,669,024	778,535
Total comprehensive income / (loss) for the period		1,669,024	778,535
Earnings per equity share			
Equity shares of par value €100 each			
Basic (€)		55.63	38.93
Diluted (€)		55.63	38.93
Weighted average equity shares used in computing earnings per equity share			
Basic		30,000	20,000
Diluted		30,000	20,000

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants
Firm's Registration No.: 006673S

M. Rathnakar Kamath
Partner
Membership No. 202841
Place: Bengaluru
Date: May 29,2024

for and on behalf of the Board of Directors of Infosys Luxembourg s.a r.l

Puneet Shukla
Director

Micha Helbig
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	Share application money pending allotment	
Balance as of April 1, 2022	2,000,000	(1,219,814)	–	780,186
Changes in equity for the period April 1, 2022 to March 31, 2023	–	–	–	–
Loss for the period		778,535		778,535
Balance as of March 31, 2023	2,000,000	(441,279)	–	1,558,721
Changes in equity for the year ended March 31, 2024	1,000,000	–		1,000,000
Profit for the period	–	1,669,024	–	1,669,024
Balance as of March 31, 2024	3,000,000	1,227,745	–	4,227,745

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 Luxembourg s.a r.l

for Shenoy & Kamath
Chartered Accountants
Firm's Registration No.: 006673S

M. Rathnakar Kamath
Partner
Membership No. 202841

Puneet Shukla
Director

Micha Helbig
Director

Place: Bengaluru

Date: May 29,2024

Statement of Cash Flows

(In €)

Particulars	Year ended March 31, 2024	2023
Cash flow from operating activities:		
Profit / (loss) for the period	1,669,024	778,535
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation	114,654	95,609
Provision	38,272	59,650
Income tax expense	559,879	10,045
Finance cost	13,617	10,335
Changes in assets and liabilities		
Trade receivables and unbilled revenue	3,660,220	(990,454)
Loans, other financial assets and other assets	257,838	18,603
Trade payables	(2,450,568)	1,908,143
Other financial liabilities, other liabilities, and provisions	(2,241,901)	89,094
Cash used in operations	1,621,035	1,979,560
Income taxes paid	(5,350)	(6,287)
Net cash used in operating activities	1,615,686	1,973,273
Cash flow from investing activities:		
Net cash used in investing activities	–	–
Cash flow from financing activities:		
Issue of equity shares	1,000,000	–
Lease payouts	(113,388)	(113,409)
Net cash used in financing activities	886,612	(113,409)
Net decrease in cash and cash equivalents	2,502,298	1,859,864
Cash and cash equivalents at the beginning of the period	3,649,900	1,790,036
Cash and cash equivalents at the end of the period	6,152,198	3,649,900

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 Luxembourg s.a r.l

for Shenoy & Kamath
Chartered Accountants
Firm's Registration No.: 006673S

M. Rathnakar Kamath
Partner
Membership No. 202841
Place: Bengaluru
Date: May 29,2024

Puneet Shukla
Director

Micha Helbig
Director

Significant accounting policies

Company overview

Infosys Luxembourg s.a r.l ("the Company") is a wholly-ownned 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 and for issuing Annual Performance Report ("APR") which is required to be furnished by the Holding Company, to Authorized Bank in accordance with regulation 10 of Foreign Exchange Management (Overseas Investment) Regulations. These financial statements are prepared in accordance with Indian Accounting Standards (Ind-AS) under the historical cost convention on the accrual basis. 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 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.

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, 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

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 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 and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

1.7 Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

1.8 Impairment

Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets, which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

1.9 Foreign currency

Functional currency

The functional currency of the Company is the EURO (€). These financial statements are presented in EURO (€)

Transactions and translations

Foreign-currency-denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

1.10 Income taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the reporting date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

In assessing the realizability of deferred income tax assets, 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 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 includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost using the effective interest rate method at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, incremental borrowing rates in the countries of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of 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	Year ended March 31	
	2024	2023
Balance at the beginning	456,463	49,689
Additions	50,912	502,383
Deletions	–	–
Depreciation	(114,654)	(95,609)
Translation difference		
Balance at the end	392,721	456,463

The break-up of current and non-current lease liability is as follows:

(In €)

Particulars	Year ended March 31	
	2024	2023
Non-current lease liability	242,672	424,709
Current lease liability	157,779	24,600
Total	400,451	449,309

The movement in lease liability is as follows:

(In €)

Particulars	Year ended March 31	
	2024	2023
Balance at the beginning	449,309	50,000
Additions	50,912	502,383
Deletions		
Interest accrued during the period	13,617	10,335
Lease payments	(113,388)	(113,409)
Translation difference		
Balance at the end	400,451	449,309

2.2 Cash and cash equivalents

(In €)

Particulars	As at March 31	
	2024	2023
Balances with banks		
In current accounts	6,152,198	3,649,900
	6,152,198	3,649,900

2.3 Other financial assets

(In €)

Particulars	As at March 31	
	2024	2023
Current		
Financial assets		
Unbilled revenue[(1)]	594,813	27,182
Intercompany receivable – Non-revenue[(1)]	48,218	904,945
Others[(1)(2)]	(13,076)	(272)
	629,956	931,855
(1) Financial assets carried at amortized cost	629,956	931,855
(2) Includes dues from related parties (Refer to note 2.16)	37,563	904,945

2.4 Other assets

(In €)

Particulars	As at March 31	
	2024	2023
Current		
Prepaid expenses[(1)]	205,099	343,595
Deferred contract cost	–	353
Reimbursable VAT	25,724	144,967
	230,823	488,915
(1) Includes dues from related parties (Refer to note 2.16)	205,100	343,595

2.5 Trade receivables

(In €)

Particulars	As at March 31	
	2024	2023
Current		
Trade Receivable considered good - Unsecured	1,732,394	5,090,768
Less: Allowance for expected credit loss	30,194	30,246
Trace Receivable considered good - Unsecured	1,702,201	5,060,522
Total trade receivables	1,702,201	5,060,522

2.6 Equity

Equity share capital

(In €, except as otherwise stated)

Particulars	As at March 31	
	2024	2023
Authorized		
Equity shares		
20,000 equity shares of €100 par value	3,000,000	2,000,000
Issued, subscribed and paid up		
Equity shares		
30,000 equity shares of €100 par value	3,000,000	2,000,000
	3,000,000	2,000,000

The details of shareholder holding more than 5% shares as at March 31, 2024 and March 31, 2023 are as follows:

Name of the shareholder	As at March 31,			
	2024		2023	
	Number of shares	% held	Number of shares	% held
Infosys Limited	30,000	100	20,000	100

2.7 Trade payables

(In €)

Particulars	As at March 31	
	2024	2023
Trade payables [(1)]	2,860,605	5,311,173
	2,860,605	5,311,173
(1)Includes dues to related parties (Refer to note 2.16)	2,773,712	5,273,735

2.8 Other financial liabilities

(In €)

Particulars	As at March 31	
	2024	2023
Current		
Others		
Compensated absences	33,424	24,382
Accrued compensation to employees	78,544	45,338
Payable to employee	–	5,584
Other payables [(1)](2)	252,486	535,720
	364,455	611,024
(1)Financial liability carried at amortized cost	364,455	611,024
(2) Includes dues to related parties (Refer to note 2.16)	161,900	245,163

2.9 Other liabilities

(In €)

Particulars	As at March 31	
	2024	2023
Current		
Unearned revenue	416,931	2,065,847
Others		
Withholding taxes and others	141,526	487,942
	558,457	2,553,789

2.5 TRADE RECEIVABLES

Year end March 2024 and march 2023

Particulars	As at March 31	
	2024	2023
Current		
Trade Receivable considered good - Unsecured	17,32,394	50,90,768
Less: Allowance for expected credit loss	30,194	30,246
Trace Receivable considered good - Unsecured	17,02,201	50,60,522
Total trade receivables	17,02,201	50,60,522

(In €)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	2,95,105	21,60,829	2,16,657	(4,20,580)	(5,19,617)	–	17,32,394

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
	11,55,818	42,42,283	1,30,543	(4,06,554)	(31,322)		50,90,768
Undisputed trade receivables – credit impaired	–	–	–	–	–	–	–
	–	–	–	–	–	–	–
Less: Allowance for credit loss							30,194
							30,246
Total trade receivables							17,02,201
							50,60,522

2.7 Trade payables

(In €)

Particulars	As at March 31	
	2024	2023
Trade payables[(1)]	2,860,605	5,311,173
Total trade payables	2,860,605	5,311,173

Trade payables ageing schedule

Year ended March 31, 2024 and March 31, 2023

(In €)

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Others	1,398,801.64	1,461,803	–	–	–	2,860,605
	–	5,311,173	–	–	–	5,311,173
Total trade payables	1,398,801.64	1,461,803.03				2,860,605
		5,311,173.00				5,311,173

2.11 Income taxes

Income tax expense in the Statement of Profit and Loss comprises:

(In €)

Particulars	Years ended March 31,	
	2024	2023
Current taxes	559,879	10,045
Income tax expense	559,879	10,045

The following table provides the details of income tax assets and income tax liabilities as of March 31, 2024 and March 31, 2023:

(In €)

Particulars	Years ended March 31,	
	2024	2023
Income tax assets	18,993	13,643
Current income tax liabilities	(574,739)	(14,860)
Net current income tax assets/ (liability) at the end	(555,746)	(1,217)

The gross movement in the current income tax asset/ (liability) is as follows:

(In €)

Particulars	Year ended March 31,	
	2024	2023
Net current income tax asset / (liability) at the beginning	(1,217)	2,541
Income tax paid / (refund)	5,350	6,287
Current income tax expense	(559,879)	(10,045)
Net current income tax asset / (liability) at the end	(555,746)	(1,217)

2.12 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,	
	2024	2023
Assets:		
Cash and cash equivalents (Refer to note 2.2)	6,152,198	3,649,900
Trade receivable	1,702,201	5,060,522
Others financial assets	629,956	931,855
Total	8,484,354	9,642,277
Liabilities:		
Other financial liabilities (Refer to note 2.9)	364,455	611,024
Trade payable	2,860,605	5,311,173
Lease liabilities	400,451	449,309
Total	3,625,510	6,371,506

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, 2024 and March 31, 2023, the Company had cash and cash equivalents of €6,152,197 and €3,649,900, respectively.

2.13 Revenue from operations

(In €)

Particulars	Year ended March 31,	
	2024	2023
Income from software services	20,857,173	19,618,238
Overseas intercompany transfer	302,702	904,622
Total revenue from operation	21,159,875	20,522,860

2.14 Other income

(In €)

Particulars	Year ended March 31,	
	2024	2023
Interest received on bank deposits	96,423	22,004
Exchange gains / (losses) on translation of other assets and liabilities	(1,158)	(2,364)
Others	2,569	–
Total other income	97,834	19,640

2.15 Expenses

(In €)

Particulars	Year ended March 31,	
	2024	2023
Employee benefit expenses		
Salaries including bonus	1,376,077	1,191,901
Staff welfare	785	4,063
	1,376,862	1,195,964
Cost of software packages and others	65,701	62,422
For own use	65,701	62,422
Other expenses		
Rates and taxes	52,159	59,863
Postage and courier charges	1,598	80
Communication expenses	11,649	7,939
Audit fees	30,450	41,167
Provision for post-sales client support and others	38,272	59,650
Impairment loss recognized / (reversed) under expected credit loss model	–	–
Travel expenses	121,791	109,329
Bank charges	936	10,526
Marketing expenses	2,200	1,882
Office maintenance	2,664	1,503
Printing and stationery	452	106
Other expenses	15,898	3,013
Total other expenses	278,068	295,058

2.16 Provisions

(In €)

Particulars	As at March 31	
	2024	2023
Current		
Others		
Post-sales client support and others	140,693	102,422
	140,693	102,422

2.17 Related party transactions

Name of holding companies	Country	Holding as at March 31,	
		2024	2023
Infosys Ltd	India	100%	100%

Name of fellow subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)[(1)]	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)[(1)]	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)[(1)]	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)[(1)]	China
EdgeVerve Systems Limited (EdgeVerve)[(1)]	India
Infosys Austria GmbH[(1)]	Austria
Skava Systems Private Limited (Skava Systems)[(1)(22)]	India
Infosys Chile SpA[(1)]	Chile
Infosys Arabia Limited[(2)(22)]	Saudi Arabia
Infosys Consulting Ltda.[(1)]	Brazil
Infosys Americas Inc. (Infosys Americas)[(1)(30)]	US
Infosys Consulting S.R.L.[(1)(19)]	Argentina
Infosys Consulting S.R.L.[(1)]	Romania
Infosys Limited Bulgaria EOOD[(1)]	Bulgaria
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[(1)]	Turkey
Infosys Germany Holding Gmbh[(1)]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[(1)]	Germany
Infosys Green Forum[(1)]	India
Infosys Business Solutions LLC[(1)]	Qatar
WongDoody Inc. [(1)]	US
Danske IT and Support Services India Private Limited (Danske IT) [(1)(32)]	India
Infosys Public Services, Inc. USA (Infosys Public Services)[(1)]	US
Infosys Public Services Canada Inc. [(12)(23)]	Canada
Infosys BPM Limited[(1)]	India
Infosys BPM UK Limited[(3)]	UK
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 BPM Canada Inc [(3)(31)(36)]	Canada
Panaya Inc. (Panaya)[(1)]	US
Panaya Ltd.[(4)]	Israel
Panaya Germany GmbH [(4)(27)]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[(1)(22)]	UK
Brilliant Basics Limited [(5)(22)]	UK
Infosys Consulting Holding AG [(1)]	Switzerland
Infosys Management Consulting Pty Limited[(6)]	Australia
Infosys Consulting AG[(6)]	Switzerland
Infosys Consulting GmbH[(6)]	Germany

Name of fellow subsidiaries	Country
Infosys Consulting SAS[6]	France
Infy Consulting B.V.[6]	The Netherlands
Infosys Consulting (Belgium) NV[6]	Belgium
Infy Consulting Company Ltd[6]	UK
GuideVision s.r.o.[7]	Czech Republic
GuideVision Deutschland GmbH[8]	Germany
GuideVision Suomi Oy[8]	Finland
GuideVision Magyarország Kft[8]	Hungary
GuideVision Polska Sp. z.o.o[8]	Poland
GuideVision UK Ltd[8][22]	UK
Infosys Nova Holdings LLC. (Infosys Nova)[1]	US
Outbox systems Inc. dba Simplus (US)[9]	US
Simplus ANZ Pty Ltd.[10]	Australia
Simplus Australia Pty Ltd[11]	Australia
Simplus Philippines, Inc.[10]	Philippines
Kaleidoscope Animations, Inc.[9]	US
Kaleidoscope Prototyping LLC[18][34]	US
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[9]	US
Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)[1]	Singapore
Infosys Financial Services GmbH. (formerly Panaya GmbH) [13][29]	Germany
Infosys South Africa (Pty) Ltd[13]	South Africa
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[13]	Malaysia
Infosys Middle East FZ LLC [13]	Dubai
Infosys Norway [13][28]	Norway
Infosys Compaz Pte. Ltd [14]	Singapore
HIPUS Co., Ltd[14]	Japan
Fluido Oy [13]	Finland
Fluido Sweden AB [15]	Sweden
Fluido Norway A/S[15]	Norway
Fluido Denmark A/S[15]	Denmark
Fluido Slovakia s.r.o[15]	Slovakia
Infosys Fluido UK, Ltd.[15]	UK
Infosys Fluido Ireland, Ltd.[16]	Ireland
Stater N.V.[14]	The Netherlands
Stater Nederland B.V.[17]	The Netherlands
Stater XXL B.V.[17]	The Netherlands
HypoCasso B.V.[17]	The Netherlands
Stater Participations B.V.[35]	The Netherlands
Stater Belgium N.V./S.A.[17][35]	Belgium
Stater Gmbh[17]	Germany
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[13]	Germany
Wongdoody Gmbh (formerly known as oddity GmbH) [20]	Germany
WongDoody (Shanghai) Co. Limited (formerly known as oddity (Shanghai) Co., Ltd.) [21]	China
WongDoody limited (Taipei) (formerly known as oddity Limited (Taipei)) [21]	Taiwan
oddity space GmbH [20][33]	Germany
oddity jungle GmbH [20][33]	Germany
oddity code GmbH [20][33]	Germany

Name of fellow subsidiaries	Country
WongDoody d.o.o (formerly known as oddity code d.o.o) [21][33]	Serbia
oddity waves GmbH [20][33]	Germany
oddity group services GmbH [20][33]	Germany
BASE life science A/S [13][24]	Denmark
BASE life science AG [25]	Switzerland
BASE life science GmbH [25]	Germany
BASE life science S.A.S [25]	France
BASE life science Ltd. [25]	UK
BASE life science S.r.l. [25]	Italy
Innovisor Inc.[25]	US
BASE life science Inc.[25]	US
BASE life science S.L.[25][26]	Spain

(1) Wholly-owned subsidiary of Infosys Limited

(2) Majority-owned and controlled subsidiary of Infosys Limited

(3) Wholly-owned subsidiary of Infosys BPM Limited

(4) Wholly-owned subsidiary of Panaya Inc.

(5) Wholly-owned subsidiary of Brilliant Basics Holding Limited.

(6) Wholly-owned subsidiary of Infosys Consulting Holding AG

(7) Wholly-owned subsidiary of Infy Consulting Company Limited

(8) Wholly-owned subsidiary of GuideVision s.r.o.

(9) Wholly-owned subsidiary of Infosys Nova Holdings LLC

(10) Wholly-owned subsidiary of Outbox systems Inc. dba Simplus (US)

(11) Wholly-owned subsidiary of Simplus ANZ Pty Ltd

(12) Wholly-owned subsidiary of Infosys Public Services, Inc.

(13) Wholly-owned subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

(14) Majority-owned and controlled subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

(15) Wholly-owned subsidiary of Fluido Oy

(16) Wholly-owned subsidiary of Infosys Fluido UK, Ltd.

(17) Wholly-owned subsidiary of Stater N.V

(18) Wholly-owned subsidiary of Kaleidoscope Animations, Inc.

(19) Infosys Consulting S.R.L. (Argentina) (formerly a wholly-owned subsidiary of Infosys Consulting Holding AG) became the majority-owned and controlled subsidiary of Infosys Limited with effect from April 1, 2022.

(20) On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.)) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and Wongdoody Gmbh (formerly known as oddity GmbH).

(21) Wholly-owned subsidiary of Wongdoody Gmbh (formerly known as oddity GmbH)

(22) Under liquidation

(23) Incorporated on July 8, 2022

(24) On September 1, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.) (a wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

(25) Wholly-owned subsidiary of BASE life science A/S

(26) Incorporated on September 6, 2022

(27) Incorporated effective December 15, 2022

(28) Incorporated effective September 22, 2022.

(29) Infosys Financial Services GmbH. (formerly Panaya GmbH) became a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.) with effect from February 23, 2023.

(30) Liquidated effective July 14, 2023

(31) Incorporated on August 11, 2023

(32) On September 1, 2023 Infosys Ltd. acquired 100% of voting interests in Danske IT and Support Services India Private Limited ("Danske IT").

(33) On September 29, 2023, oddity space GmbH, oddity waves GmbH, oddity jungle GmbH, oddity group services GmbH and oddity code GmbH merged into WongDoody GmbH and oddity code d.o.o which was formerly a subsidiary of oddity code Gmbh has become a subsidiary of Wongdoody Gmbh (formerly known as oddity GmbH).

(34) Kaleidoscope Prototyping LLC, a wholly-owned subsidiary of Kaleidoscope Animations, is liquidated effective November 1, 2023.

(35) On November 24, 2023, Stater Participations B.V (wholly-owned subsidiary of Stater N.V) merged with Stater N.V and Stater Belgium N.V./S.A, which was formerly a wholly-owned subsidiary of Stater Participations B.V. became a wholly-owned subsidiary of Stater N.V.

(36) On March 15, 2024, Infosys BPM Canada Inc., a wholly-owned subsidiary of Infosys BPM Limited got dissolved.

The details of amounts due to or due from related parties as at March 31, 2024 and March 31, 2023 are as follows:

(In €)

Particulars	As at March 31	
	2024	2023
Trade payables		
Infosys Limited	2,748,046	5,233,737
Infosys BPM Limited	6,427	10,279
Infosys (Czech Republic) Limited s.r.o.	–	129
Infosys Poland sp Z.o.o.	19,239	29,571
Infosys China	–	19
	2,773,712	5,273,735
Prepaid expense and other assets		
Panaya Ltd	205,100	343,595
	205,100	343,595
Other financial assets		
Infosys Limited	37,563	904,945
Infosys Automotive and Mobility	10,655	–
	48,218	904,945
Accrued expense		
Infosys Limited	–	2,380
	–	2,380
Other financial liabilities		
Infosys Limited	161,900	222,674
Infosys Automotive and Mobility GmbH & Co. KG	–	20,109
	161,900	242,783

The details of the related parties transactions entered into by the Company for the year ended March 31, 2024 and March 31, 2023 are as follows:

Revenue transactions

(In €)

Particulars	As at March 31	
	2024	2023
Purchase of services		
Infosys Limited	16,290,841	16,659,785
Infosys BPM Limited	52,429	120,352
Infosys Consulting S.R.L	10,761	–
Infosys Czech Republic	114	493
Infosys Poland sp Z.o.o.	103,070	229,522
Infosys China	16	90
Panaya Ltd	138,495	218,526
	16,595,726	17,228,768
Purchase of shared services including facilities and personnel		
Infosys Limited	433,910	445,443
	433,910	445,443
Sale of services		–
Infosys Limited	302,702	904,622
	302,702	904,622

2.18 Segment reporting

The Company is engaged in providing consultancy service in a single geography. Based on the 'management approach', as defined in Ind AS 108, Segment reporting, the Chief Operating Decision Maker (CODM) evaluates the performance and allocates resources based on the analysis of the performance of the Company as a whole. Its operations are, therefore, considered to constitute a single segment in the context of Ind AS 108, Segment Reporting.

2.19 Ratios

The ratios for the years ended March 31, 2024 and March 31, 2023 are as follows:

Particulars	Numerator	Denominator	As at March 31,		Variance	
			2024	2023		
Current ratio	Current assets	Current liabilities	1.9	1.2	59%	*
Debt-Equity ratio	Total debt (represents lease liabilities)[1]	Shareholder's equity	0.1	0.3	(19%)	
Debt service coverage ratio	Earnings available for debt service[2]	Debt service[3]	15.9	7.8	103%	**
Return on Equity (ROE)	Net profit after taxes	Average shareholder's equity	57.7%	66.6%	(9%)	
Trade receivables turnover ratio	Revenue	Average trade receivable	6.3	4.1	53%	#
Trade payables turnover ratio	Purchases of services and other expenses	Average trade payables	4.3	4.2	1%	
Net capital turnover ratio	Revenue	Working capital	5.2	13.6	33%	##
Net profit ratio	Net profit	Revenue	10.5%	3.8%	7%	
Return on capital employed (ROCE)	Earning before interest and taxes	Capital employed[4]	48.5%	39.8%	9%	

* Current ratio has increased due to decrease in current liability (trade payable).

\# Debt service coverage ratio has increased due to higher profit.

\# Trade receivables turnover ratio has increased due to decrease in AR balance in FY24.

\## Net capital turnover ratio has decreased due to decrease in unearned revenue.

(1) Debt represents only lease liabilities

(2) Net profit after taxes + Non-cash operating expenses + Interest + Other adjustments like loss on sale of fixed assets etc.

(3) Lease payments for the current year

(4) Tangible net worth + Deferred tax liabilities + Lease liabilities

* Revenue growth along with higher efficiency on working capital improvement has resulted in an improvement in the ratio.

2.20 Loans

(In €)

Particulars	As at March 31	
	2024	2023
Current		
Unsecured, considered good		
Other loans		
Loans to employees	254	–
	254	–

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Infosys Singapore Pte Ltd

Directors' statement and financial statements

Directors' statement

The directors present their statement together with the audited financial statements of the Company for the financial year ended December 31, 2023.

In the opinion of the directors, the financial statements of the Company as set out on pages 7 to 45 are drawn up so as to give a true and fair view of the financial position of the Company as at December 31, 2023, 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 ultimate holding company.

1 Directors

The directors of the Company in office at the date of this statement are:

Manohar Madgula Atreya
Andal Alwan

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.

Shareholdings registered in the name of director

Name of director and the Company in which interests are held	At beginning of year	At end of year
Infosys Limited (Ultimate holding company)		
Cash bonus		
Manohar Madgula Atreya	10,800	14,250
Andal Alwan	3,134	3,717
Incentive units		
Manohar Madgula Atreya	3,960	16,200
Equity share RSU		
Manohar Madgula Atreya	625	–
Equity share PSU		
Manohar Madgula Atreya	1,000	–

Directors' statement

Shareholdings registered in the name of director

Name of director and the Company in which interests are held	At beginning of year	At end of year
Infosys Limited		
(Ultimate holding company)		
Equity share NRO		
Manohar Madgula Atreya	13,930	13,930
Equity share NRE		
Manohar Madgula Atreya	620	620

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 10, 2024

Independent Auditor's Report

To The member of Infosys Singapore Pte Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Infosys Singapore Pte Ltd ("the Company"), which comprise the Statement of Financial Position as at December 31, 2023, and the Statement of Profit and 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 material accounting policy information, as set out on pages 7 to 45.

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, 2023, 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

The Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 3, 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

The 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, 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.

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 judgment 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 the Management.

(d) 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.

(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.

Independent Auditor's ReportIn 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 10, 2024

Statement of Financial Position

(In SGD)

Particulars	Note	As at December 31, 2023	As at December 31, 2022
Assets			
Current assets			
Cash and cash equivalents	7	15,238,833	11,402,897
Derivative financial instruments	11A	1,222,604	2,992,477
Trade and other receivables	8	42,107,242	35,976,516
Total current assets		58,568,679	50,371,890
Non-current assets			
Other receivables	8	254,532,121	241,147,454
Property, plant and equipment		87,169	120,176
Right-of-use assets	9	19,731,975	24,217,575
Deferred income tax assets		431,676	–
Subsidiaries	10	501,303,508	508,549,235
Total non-current assets		776,086,449	774,034,440
Total assets		834,655,128	824,406,330
Liabilities and equity			
Current liabilities			
Trade and other payables	11	5,043,347	12,701,239
Derivative financial instruments	11A	3,022,866	3,764,245
Derivative financial instruments	11B	1,397,439	1,429,452
Lease liabilities	21	6,662,316	6,023,658
Loan from holding company and subsidiaries	12	238,556,186	217,443,967
Income tax payable		5,084,471	–
Contingent consideration	13	–	6,507,958
Financial liabilities arising from contracts with a customer	14	1,352,434	2,072,234
Total current liabilities		261,119,059	249,942,753
Non-current liabilities			
Lease liabilities	21	15,436,037	20,162,686
Financial liabilities arising from contracts with a customer	14	56,963	2,160,861
Total non-current liabilities		15,493,000	22,323,547
Capital and reserve			
Share capital	15	10,990,000	10,990,000
Redeemable preference share	15	510,200,000	510,200,000
Accumulated profits		36,853,069	30,950,030
Total equity		558,043,069	552,140,030
Total liabilities and equity		834,655,128	824,406,330

Statement of Profit or Loss and Other Comprehensive Income

(In SGD)

Particulars	Note	Years ended December 31,	
		2023	2022
Revenue	16	34,529,418	33,221,694
Other income and loss, net	17	15,677,173	11,876,335
Travel expenses		(343,021)	(220,930)
Administrative expenses		(25,312,902)	(27,060,363)
Fair value gain on contingent consideration		–	1,324,413
Other operating expenses		(3,211,429)	(15,164,896)
Finance costs	18	(10,518,432)	(6,269,569)
Profit (loss) before tax		10,820,807	(2,293,316)
Income tax (expense) credit	19	(4,917,768)	1,103,186
Profit (loss) for the year, representing total			
comprehensive income (loss) for the year	20	5,903,039	(1,190,130)

Statement of Changes in Equity

(In SGD)

Particulars	Share capital	Redeemable preference share	Accumulated profits	Total
Balance as at January 1, 2022	10,990,000	249,200,000	32,140,160	292,330,160
Transactions with owners, recognized				
directly in equity:				
Issuance of preference share (Refer to Note 15)	–	261,000,000	–	261,000,000
Loss for the year, representing total				
comprehensive loss for the year	–	–	(1,190,130)	(1,190,130)
Balance as at December 31, 2022	10,990,000	510,200,000	30,950,030	552,140,030
Total comprehensive income for the year				
Profit for the year, representing total				
comprehensive income for the year	–	–	5,903,039	5,903,039
Balance as at December 31, 2023	10,990,000	510,200,000	36,853,069	558,043,069

Statement of Cash Flows

(In SGD)

Particulars	Note	Years ended December 31, 2023	2022
Operating activities			
Profit (loss) before tax		10,820,807	(2,293,316)
Adjustments for:			
Depreciation of property, plant and equipment		71,797	49,689
Depreciation of right-of-use assets	9	6,834,350	5,406,913
Dividend income	17	(1,289,202)	(12,018,224)
Fair value loss on derivative financial instruments		8,798,439	21,695,617
Fair value gain on contingent consideration	13	–	(1,324,413)
Unrealised foreign exchange gain		(6,455,838)	(8,172,348)
Fair value loss on call and put options	17	–	5,728,057
Interest expense	18	10,381,307	6,045,921
Interest income	17	(13,995,451)	(5,283,297)
Loss allowance for trade receivables		42,316	58,025
Operating cash flows before movements in working capital		15,208,525	9,892,624
Trade and other receivables		(6,245,140)	(26,314,104)
Trade and other payables		(9,314,112)	5,843,123
Cash used in operations		(350,727)	(10,578,357)
Tax paid		(264,971)	(132,970)
Net cash used in operating activities		(615,698)	(10,711,327)
Investing activities			
Purchase of property, plant and equipment		(38,790)	(103,196)
Investment in subsidiaries		(1,419,067)	(122,556,781)
Share buybacks		8,660,964	–
Loans to related companies		(70,859,608)	(207,931,017)
Contingent consideration paid to sellers of a related company		(7,000,000)	(2,362,940)
Payment to a third-party seller for an equity investment		(1,167,478)	–
Refund received from third-party sellers		–	228,437
Repayments received from loan to a related company		61,359,561	–
Interest received		12,656,064	1,012,098
Dividend received		1,289,202	12,018,224
Net cash from (used in) investing activities		3,480,848	(319,695,175)
Financing activities			
Loans from holding company and subsidiaries		33,955,723	170,007,131
Repayments of loans from holding company and subsidiaries		(11,488,726)	(78,174,873)
Proceeds from issue of redeemable preference shares		–	261,000,000
Cash settlement for derivative financial instruments		(7,769,945)	(27,539,922)
Repayment of lease liabilities	12	(7,049,206)	(3,869,230)
Interest paid		(6,677,060)	(2,502,448)
Net cash from financing activities		970,786	318,920,658
Net increase (decrease) in cash and cash equivalents		3,835,936	(11,485,844)
Cash and cash equivalents at beginning of year		11,402,897	22,888,741
Cash and cash equivalents at end of year (Refer to Note 7)		15,238,833	11,402,897

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 Dollar.

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, 2023 were authorized for issue by the Board of Directors on May 10, 2024.

2 Material accounting policy information

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 Levels 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, 2023, 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.

In the current year, the Company has applied all the new and revised FRSs that are mandatorily effective for an accounting period that begins on or after January 1, 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements except as below.

Amendments to FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies

The Company has adopted the amendments to FRS 1 Presentation of Financial Statements for the first time in the current year. The amendments change the requirements in FRS 1 with regard to disclosure of accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The supporting paragraphs in FRS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The Company has applied materiality guidance in FRS Practice Statement 2 in identifying its material accounting policies for disclosures in the related notes. The previous term 'significant accounting policies' used throughout the financial statements has been replaced with 'material accounting policy information'.

Effective for annual periods beginning on or after January 1, 2024

- Amendments to FRS 1: Classification of liabilities as current or non-current
- Amendments to FRS 12: Deferred tax related to assets and liabilities arising from single transactions

The 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 foregoing, 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
- nformation 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 the 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-month 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

Debt 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.

Office space	5 years
Fax machine	5 years
Hardware	3 years

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 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.

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 or 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 realised 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, the 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 13.

Impairment assessment of investment in subsidiaries (Note 10)

Market related information and estimates are used to determine the recoverable amount.

Key assumptions on which the Management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent the Management's best estimate about future developments.

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, the Management of the Company has performed an impairment assessment of its investment in its subsidiaries. As at December 31, 2023 and December 31, 2022, no allowance for impairment loss has been recognized.

4 Financial risks and capital management

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of reporting period:

(In SGD)

Particulars	As at December 31, 2023	As at December 31, 2022
Financial assets		
Financial assets at amortised cost	310,468,607	284,699,934
Derivative financial instruments	1,222,604	2,992,477
Financial liabilities		
Financial liabilities at amortised cost	245,008,930	234,378,301
Lease liabilities	22,098,353	26,186,344
Derivative financial instruments not designated as hedges	4,420,305	5,193,697
Contingent consideration for a business combination	–	6,507,958

(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, Chinese Yuan, Euro, Swiss Franc, Malaysia Ringgit, Indian Rupee and United States Dollar against the Singapore Dollar.

The Company ensures 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 11A.

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 SGD)

Particulars	Liabilities		Assets	
	2023	2022	2023	2022
United States Dollar	(113,390,254)	(87,273,545)	28,783,802	20,703,750
Chinese Yuan	–	–	8,337,171	9,178,672
Japanese Yen	(57,448,525)	(62,555,040)	–	1,870,737
Euro	(42,834,132)	(43,016,890)	252,612,800	209,162,680
Great Britain	(5,409,045)	(5,390,720)	–	–
Swiss Franc	(31,690,810)	(29,043,772)	–	438,318
Malaysian Ringgit	(340,261)	(1,518,776)	–	–
Indian Rupee	(39,132)	(170,266)	–	–
Total	(251,152,159)	(228,969,009)	289,733,773	241,354,157

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 the 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 (decrease) by:

(In SGD)

Particulars	As at December 31,	
	2023	2022
United States Dollar	(4,230,323)	(3,328,490)
Chinese Yuan	416,859	458,934
Japanese Yen	(2,872,426)	(3,034,215)
Euro	10,488,933	8,307,289
Great Britain	(270,452)	(269,536)
Swiss Franc	(1,584,541)	(1,430,273)
Malaysian Ringgit	(17,013)	(75,939)
Indian Rupee	(1,957)	(8,513)

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 recognising 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 off

(In SGD)

Particulars	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
2023						
Trade	8	(i)	Lifetime ECL	36,149,345	(100,386)	36,048,959
receivables						
Other receivables	8	Performing	12-month ECL	4,966,829	–	4,966,829
Loan to related companies	8	Performing	12-month ECL	254,213,984	–	254,213,984

(In SGD)

Particulars	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
2022						
Trade receivables	8	(i)	Lifetime ECL	30,306,043	(58,070)	30,247,973
Other receivables	8	Performing	12-month ECL	2,147,650	–	2,147,650
Loan to related companies	8	Performing	12-month ECL	240,901,414	–	240,901,414

(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, 2023, the Company's current liabilities exceeded its current assets by $202,550,380 (2022 : $199,570,863). In addition, the Company has capital surplus of $558,043,069 (2022 : $552,140,030). The financial statements have been prepared based on a going concern basis on letter of support provided by the holding company, Infosys Limited. Infosys Limited has committed to provide continuing financial support to the Company to enable it to operate as a 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 2022 and 2023 are repayable on demand or due within 1 year from the end of the reporting period, except for the contingent consideration and lease liabilities as disclosed in Notes 13 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 SGD)

Particulars	Average effective interest Rate (%)	On demand or within 1 year	1 to 5 years	Over 5 years	Adjustment	Total
2023						
Trade and other						
payables	–	5,043,347	–	–	–	5,043,347
Financial liability under						
revenue deals	5.27	1,352,434	56,962	–	–	1,409,396
Loan from holding						
company and						
subsidiaries	4.24	238,556,186	–	–	–	238,556,186
Lease liabilities	1.63	7,327,412	16,044,818	–	(1,273,877)	22,098,353
		252,279,379	16,101,780	–	(1,273,877)	267,107,282
2022						
Trade and other						
payables	–	12,701,239	–	–	–	12,701,239
Financial liability under						
revenue deals	4.22	2,072,234	2,160,861	–	–	4,233,095
Loan from holding						
company and						
subsidiaries	3	217,443,967	–	–	–	217,443,967
Contingent						
consideration	9.14	6,507,958	–	–	–	6,507,958
Lease liabilities	1.63	6,489,293	20,815,724		(1,118,673)	26,186,344
		245,214,691	22,976,585	–	(1,118,673)	267,072,603

(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).

Entity	Fair value as at 2023 $	Fair value as at 2022 $	Fair value hierarchy	Valuation technique and key input	Significant unobservable input	Relationship of unobservable inputs to fair value
Contingent consideration payable for Infosys Compaz Pte. Ltd.	Nil	(6,507,958)	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 NIL (FY2022: 9.14%), 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), net	(1,800,262)	(771,768)	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 (loss) gain on call and put option	(1,397,439)	(1,429,452)	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, the 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 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 accumulated profits.

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 Consulting Holding AG. Infosys Limited, incorporated in India, is 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 SGD)

Particulars	As at December 31,	
	2023	2022
Holding company, subsidiaries and related companies		
Management fee income	(75,715)	(63,842)
Dividend income from a subsidiary	(1,289,202)	(12,018,224)
Services rendered	(31,452,344)	(28,659,675)
Interest income	(13,834,123)	(5,283,297)
Management fee expense	20,918	35,350
Guarantee fee	156,000	156,000
Loan interest expense	9,146,829	5,106,257
Recharge of costs	(2,202,191)	4,558,169
Third-party cost transfer - Subsidiary *	–	(18,903,599)

* Included in this third-party cost transfer pertains to the cross charges of costs between the Company and its related company, Infosys Automotive and Mobility GmbH & Co.KG to maintain certain profit margin as per the signed intercompany agreement.

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 (2022 : Nil).

7 Cash and cash equivalents

(In SGD)

Particulars	As at December 31,	
	2023	2022
Cash at bank	15,238,250	11,402,157
Cash in hand	583	740
	15,238,833	11,402,897

8 Trade and other receivables

(In SGD)

Particulars	As at December 31,	
	2023	2022
Trade receivables – third-party	5,034,899	6,134,332
Less: Loss allowance for trade receivables – third-party	(100,386)	(58,070)
	4,934,513	6,076,262
Holding company - trade (Refer to Note 5)	1,924,214	2,262,183
Related companies – trade (Refer to Note 5)	29,190,231	21,909,528
Loan to related companies (1)	254,213,984	240,901,414
Other receivables	1,135	73,739
Unbilled revenues	4,840,248	2,015,331
Deposits	125,446	58,580
Prepayments	1,409,592	816,012
Deferred contract cost (2)	–	3,010,921
	296,639,363	277,123,970

Classified as:		
Current	42,107,242	35,976,516
Non-current	254,532,121	241,147,454
	296,639,363	277,123,970

(1) Loan to related company 'Infosys Austria GmbH' is denominated in USD, and bears simple interest at the rate equal to 12 month SOFR plus 1.83% (2022 : 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, and bears simple interest at the rate equal to 12 month SOFR plus 1.20% (2022 : 4%) per annum, is unsecured and repayable on demand.

Loan to related company 'Panaya Ltd' is denominated in USD, and bears simple interest at the rate equal to 12 month SOFR plus 1.65% (2022 : 12 Months USD LIBOR interbank rate plus appropriate risk premium 2.75%) per annum, is unsecured and repayable on demand.

Loan to related company 'Infosys Automotive and Mobility GmbH & Co.KG' is denominated in EUR, and bears interest rate at equal to EURIBOR + appropriate risk premium which is 1.83% (2022 : 2.5%) simple interest per annum, is unsecured and repayable on demand.

Loan to related company 'Infosys Germany GmbH' is denominated in EUR, and bears interest rate at equal to 12 months EURIBOR + appropriate risk premium which is 1.83% (2022 : 2%) simple interest per annum, is unsecured and repayable on demand.

oan to related company 'Infosys (Malaysia) Sdn. Bhd.' is denominated in SGD, bears interest rate at equal to SORA + appropriate spread which is 0.80% (2022 : 0.80%) simple interest, is unsecured and repayable on demand.

Loan to related company 'BASE Life Science A/S' is denominated in EUR, bears interest rate at equal to 12 months EURIBOR + appropriate spread which is 0.94% simple interest, 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.

As at December 31, 2023, 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 (2022 : 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 related companies and other receivables 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.

The movement in credit loss allowance are as follows:

(In SGD)

Particulars	As at December 31,	
	2023	2022
Balance at beginning of the year	58,070	45
Loss allowance recognized in profit or loss during the year	42,316	58,025
Balance at end of the year	100,386	58,070

9 Right-of-use-assets

The Company has taken office space, fax machine and hardware on leases. The average lease term is five years.

(In SGD)

Cost:	Office space	Fax machine	Hardware	Total
At January 1, 2022	1,431,448	8,578	60,200	1,500,226
Additions	–	–	29,337,542	29,337,542
Disposal	–	–	(151,793)	(151,793)
At December 31, 2022	1,431,448	8,578	29,245,949	30,685,975
Additions	489,382	–	1,951,120	2,440,502
Disposal	–	–	(99,023)	(99,023)
At December 31, 2023	1,920,830	8,578	31,098,046	33,027,454
Accumulated amortisation:				
At January 1, 2022	1,070,852	2,143	17,947	1,090,942
Amortisation for the year	339,524	1,715	5,065,674	5,406,913
Disposal	–	–	(29,455)	(29,455)
At December 31, 2022	1,410,376	3,858	5,054,166	6,468,400
Amortisation for the year	476,893	1,715	6,355,742	6,834,350
Disposal	–	–	(7,271)	(7,271)
At December 31, 2023	1,887,269	5,573	11,402,637	13,295,479
Carrying amount:				
At December 31, 2022	21,072	4,720	24,191,783	24,217,575
At December 31, 2023	33,561	3,005	19,695,409	19,731,975

10 Subsidiaries

(In SGD)

Particulars	As at December 31,	
	2023	2022
Unquoted equity shares, at cost	501,303,508	508,549,235

Name of subsidiaries	Country of incorporation and operation	Proportion of ownership interest and voting power held by the Company		Principal activities
		2023	2022	
		%	%	
Infosys Middle East FZ-LLC	Middle East	100	100	Information technology application support services
Fluido Oy	Finland	100	100	The Salesforce advisor and consulting partner in cloud consulting, implementation and training services
Stater N.V.*	The 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.	Malaysia	100	100	IT outsourcing and business process outsourcing services
Infosys South Africa Pty Ltd **	South Africa	100	100	Design, development, and implementation of IT services
BASE Life Science A/S	Denmark	100	100	Consulting and technology services in the life sciences industry

Name of subsidiaries	Country of incorporation and operation	Proportion of ownership interest and voting power held by the Company		Principal activities
		2023	2022	
		%	%	
Infosys Germany GmbH	Germany	100	100	Provides digital marketing, experience, and commerce agency services
Infosys Financial Services GmbH ***	Germany	100	–	Develops and markets solutions for ERP systems, by identifying the changes on the ERP system through automated analysis
Infosys Norway AS ****	Norway	100	–	Provide, maintain, and develop software and provide consultancy services

* The Company and the non-controlling shareholder have 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 11B to the financial statements. As at December 31, 2023, these options are still not exercised yet.

On September 26, 2023, Stater NV repurchased 115,194 units of shares, each with a nominal value of EUR 1. As a result, the value of the investment has been reduced to SGD 227,772,540 as of December 31, 2023.

** On September 25, 2023, the Company has made a capital injection and allotment of shares in the form of equity, amounting to USD 500,000 (approximately SGD 682,865), for working capital requirements in Infosys South Africa Pty Ltd.

***On February 23, 2023, the Company acquired 100% of voting interests in Infosys Financial Services GmbH (formerly known as Panaya GmbH) with a purchase consideration of EUR 329,191 (approximately SGD 468,418).

**** Infosys Norway AS is a wholly-owned subsidiary of the Company, was incorporated on February 7, 2023. The Company has infused capital of NOK 30,000 (approximately SGD 3,830) to facilitate the registration of Infosys Norway AS. Subsequently, on August 11, 2023, the Company has injected an additional capital of NOK 2,000,000 (approximately SGD 263,954) into Infosys Norway AS to meet its working capital needs.

11 Trade and other payables

(In SGD)

Particulars	As at December 31,	
	2023	2022
Holding company – trade (Refer to Note 5)	198,966	39,000
Related companies – trade (Refer to Note 5)	301,457	1,191,223
Outside parties	1,007,729	1,993,420
Accrued expenses	3,443,715	9,365,207
Compensated absences	79,498	112,389
Deduction for taxes at source	11,982	–
	5,043,347	12,701,239

The average credit period on purchases of goods is 60 days (2022 : 60 days). No interest is charged on the outstanding balance.

11A Derivative financial instruments

(In SGD)

Particulars	Assets	Liabilities
2022		
Foreign exchange forward contracts:		
- Not designated in a hedge accounting relationship	2,992,477	3,764,245
2023		
Foreign exchange forward contracts:		
- Not designated in a hedge accounting relationship	1,222,604	3,022,866

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 SGD)

Outstanding contracts	Average exchange rates		Foreign currency		Contract value		Fair value	
	2023	2022	2023	2022	2023	2022	2023	2022
			FC'000	FC'000	$'000	$'000	$	$
Buy Japanese Yen	0	0	7,385,921	6,735,921	69,012	67,124	60,332	1,870,738
Buy EURO	–	1	–	39,067	–	55,623	–	314,876
Buy CHF	2	1	20,000	20,000	30,305	28,729	1,097,000	421,400
Buy USD	1	1	48,000	40,500	65,424	56,903	(2,195,040)	(2,590,785)
Sell RMB	–	5	–	40,904	–	8,000	–	87,338
Sell EUR	1	1	78,000	83,500	113,020	118,851	(826,351)	(875,335)
Buy RMB	0	–	42,822	–	8,000	–	63,797	–

11B Derivative financial instruments

(In SGD)

Particulars	As at December 31,	
	2023	2022
Call and put options on non-controlling interest (Refer to Note 10)	(1,397,439)	(1,429,452)

12 Loan from holding company and subsidiaries

(In SGD)

Particulars	As at December 31,	
	2023	2022
Holding company	31,697,553	29,062,601
Subsidiaries	206,858,633	188,381,366
	238,556,186	217,443,967

The loan from holding company 'Infosys Consulting Holding AG' is denominated in CHF, and bears simple interest at 1.50% (2022 : 0.30%) per annum, is unsecured and repayable on demand.

The loan from subsidiary 'Hipus Co. Ltd.' is denominated in Japanese Yen, and bears simple interest at the rate equal to 12 month TIBOR plus 1.05% per annum (2022 : 1.53% per annum), is unsecured and repayable on demand.

The loan from subsidiary 'Stater NV' is denominated in EUR, and bears simple interest at the rate equal to 12 month EURIBOR +1.05% (2022 : 0.83%) per annum and never be less than 0.25%, is unsecured and repayable on demand.

The loan from fellow subsidiary 'Infosys Poland Sp. Z.o.o' is denominated in EUR, and bears interest at the rate equal to 12 months EURIBOR + appropriate spread which is 1.05% (2022 : 1.20%) simple interest, is unsecured and repayable on demand.

The loan from fellow subsidiary 'Infosys Poland Sp. Z.o.o' is denominated in EUR, and bears interest at the rate equal to 12 months EURIBOR + appropriate spread which is 1.25% simple interest, is unsecured and repayable on demand.

The loan from fellow subsidiary 'Infosys McCamish Systems LLC' is denominated in USD, and bears interest at the rate equal to 12 months SOFR + appropriate spread which is 1.05% (2022 : 1.35%) simple interest per annum, is unsecured and repayable on demand.

The loan from fellow subsidiary 'Infosys Public Services' is denominated in USD, and bears interest at the rate equal to 12 months SOFR + appropriate risk premium which is 1.25% (2022 : 1.20%) simple interest per annum, 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 statements of cash flows as cash flows from financing activities:

(In SGD)

Particulars	January 1, 2023	New lease liabilities	Financing cash flow (i)	Other changes (ii)	December 31, 2023
(a) Loan from holding company	(29,062,601)	–	–	(2,634,952)	(31,697,553)
(b) Loan from subsidiaries	(188,381,366)	–	(22,466,997)	3,989,730	(206,858,633)
(c) Lease liabilities (Refer to Note 21)	(26,186,344)	(2,423,978)	7,049,206	(537,237)	(22,098,353)
	(243,630,311)	(2,423,978)	(15,417,791)	817,541	(260,654,539)

(In SGD)

Particulars	January 1, 2022	New lease liabilities	Financing cash flow (i)	Other changes (ii)	December 31, 2022
(a) Loan from holding company	(29,714,131)	–	–	651,530	(29,062,601)
(b) Loan from subsidiaries	(106,338,719)	–	(91,832,258)	9,789,611	(188,381,366)
(c) Lease liabilities (Refer to Note 21)	(451,186)	(29,337,542)	3,869,230	(266,846)	(26,186,344)
	(136,504,036)	(29,337,542)	(87,963,028)	10,174,295	(243,630,311)

(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.

13 Contingent consideration

(In SGD)

Particulars	As at December 31,	
	2023	2022
Current:		
Contingent consideration payable - Infosys Compaz [1]	–	6,507,958
Non-current:		
Contingent consideration payable - Infosys Compaz [1]	–	–

[1] 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 the 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.

During the financial year ended December 31, 2023, the Company has made the payment of $7,000,000 towards the last tranche of contingent consideration payable to sellers of Infosys Compaz Pte. Ltd.

14 Financial liabilities arising from contracts with a customer

(In SGD)

Particulars	As at December 31, 2023	As at December 31, 2022
Current financial liabilities	1,352,434	2,072,234
Non-current financial liabilities	56,963	2,160,861
	1,409,397	4,233,095

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.

15 Share capital and redeemable preference shares

(In SGD)

Particulars	As at December 31,			
	2023	2022	2023	2022
	Number of shares		$	$
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 of year	510,200,000	249,200,000	510,200,000	249,200,000
Issued during the year	–	261,000,000	–	261,000,000
At end of year	510,200,000	510,200,000	510,200,000	510,200,000

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.

16 Revenue

(In SGD)

Particulars	As at December 31, 2023	As at December 31, 2022
Type of goods or service		
Provision of IT support services	34,529,418	33,221,694
Timing of revenue recognition		
Over time	34,529,418	33,221,694

17 Other income and loss, net

(In SGD)

Particulars	As at December 31,	
	2023	2022
Dividend from subsidiary (Refer to Note 5)	1,289,202	12,018,224
Interest received from loan to subsidiary (Refer to Note 5)	13,834,123	5,283,297
Management fee income (Refer to Note 5)	75,715	63,842
Interest income on prepaid contract cost	137,125	223,648
Interest from fixed deposit	161,327	–
Interest from bank current account	127,404	–
Fair value loss on call and put options (Refer to Note 11B)	–	(5,728,057)
Miscellaneous income	52,277	15,381
	15,677,173	11,876,335

18 Finance costs

(In SGD)

Particulars	As at December 31,	
	2023	2022
Interest expense:		
Loan from related company (Refer to Note 5)	9,146,829	5,106,257
Interest expense on lease liabilities	742,436	471,534
Interest on contingent consideration	492,042	468,130
Interest on financial liabilities arising from		
contract with customers	137,125	223,648
	10,518,432	6,269,569

19 Income tax expense (credit)

(In SGD)

Particulars	As at December 31,	
	2023	2022
Income tax recognized in profit or loss:		
Withholding tax	234,239	132,970
Current year income tax	3,882,308	–
Under (over) provision of income tax in prior years	1,232,897	(1,236,156)
Deferred tax	(431,676)	–
	4,917,768	(1,103,186)

Domestic income tax is calculated at 17% (2022 : 17%) of the estimated assessable income for the year.

The total charge for the year can be reconciled to the accounting profit (loss) as follows:

(In SGD)

Particulars	As at December 31, 2023	2022
Profit (Loss) before income tax	10,820,807	(2,293,316)
Income tax credit calculated at 17%	1,839,537	(389,864)
Exempt income	(219,164)	(2,043,098)
Non-deductible expenses	2,105,406	4,052,011
Effects of deferred tax benefits (utilized) not recognized as deferred tax assets	–	(1,620,407)
Deferred Tax catch-up	(362,286)	–
Withholding tax	234,239	132,970
Under (over) provision in prior years	1,232,897	(1,236,156)
Others	87,139	1,358
	4,917,768	(1,103,186)

The Company has unutilized tax losses carry forward available for offsetting against future taxable income as follows:

(In SGD)

Particulars	Utilized tax losses
At January 1, 2022	–
Adjustment	9,979,484
Utilized during the year	(9,531,806)
At December 31, 2022	447,678
Adjustment	(447,678)
At December 31, 2023	–

(In SGD)

Particulars	As at December 31, 2023	2022
Deferred tax benefit on above unrecorded at 17%	–	76,105

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.

20 Profit (loss) for the year

Other than as disclosed in other notes to the financial statements, profit (loss) for the year includes the following charges:

(In SGD)

Particulars	As at December 31, 2023	2022
Loss on derivative financial instruments	8,798,439	21,695,617
Employee benefits expense *	14,134,863	12,969,821
Cost of defined contributions plans	537,718	577,267
	14,672,581	13,547,088

* In 2023, the Company continued receive a cash grant under both the Job Support Scheme ("JSS") and Jobs Growth Incentive ("JGI") initiatives from the Singapore Government as part of the Government's relief measures to help businesses deal with the impact from COVID-19 and supports employers to expand local hiring from September 2020 to February 2023 (inclusive), so as to create good and long-term jobs for locals. Consequently, the Company recognized government grant income of $71,053 (2022 : $344,839) in profit or loss as a deduction against the employee benefits expense.

21 Lease liabilities

(In SGD)

Particulars	As at December 31, 2023	2022
Maturity analysis:		
Year 1	7,327,412	6,489,293
Year 2	7,357,104	6,647,742
Year 3	7,388,411	6,641,556
Year 4	1,091,482	6,676,780
Year 5	207,821	849,646
	23,372,230	27,305,017
Less: Future finance charges	(1,273,877)	(1,118,673)
	22,098,353	26,186,344
Analyzed as:		
Current	6,662,316	6,023,658
Non-current	15,436,037	20,162,686
	22,098,353	26,186,344

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 1.63% (2022 : 1.63%) per annum.

22 Events after the reporting period

On April 18, 2024, Infosys Germany GmbH, a wholly-owned subsidiary of Infosys Singapore Pte Ltd, entered into a definitive agreement with the ultimate parent company i.e. Infosys Limited, to acquire 100% of the equity share capital of in-tech Holding GmbH, a leading provider of Engineering R&D services headquartered in Germany, for a consideration including earn-outs amounting up to EUR 450 million (approximately SGD 653 million), excluding management incentives and retention bonuses, subject to customary closing adjustments.

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Infosys (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, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of 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, 2024, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1.2 to the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared for inclusion in the annual report of the Ultimate Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act, 2013. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for the above purpose and is not to be used, referred to or distributed for any other purpose without our prior consent.

Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

i) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

iii) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

UDIN : 24202841BKADEH5935

For Shenoy & Kamath
Chartered Accountants,

Firm Registration Number. 006673S

(M Rathnakar Kamath)
Partner

Membership Number. 202841

Place: Bengaluru.

Date: May 30, 2024

Balance Sheet

(In RM)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
Assets			
Non-current assets			
Property, plant and equipment	2.1	788,395	807,473
Right-of-use asset	2.2	7,394,380	9,172,529
Deferred tax asset	2.13	2,988,115	–
Income tax assets (net)	2.13	35,204	4,051,702
Other non-current assets	2.3	1,200	8,394
Total non-current assets		11,207,294	14,040,098
Current assets			
Financial assets			
Trade receivables	2.4	6,075,755	10,007,648
Cash and cash equivalents	2.5	11,075,858	2,855,143
Other financial assets	2.6	771,819	5,549,545
Other current assets	2.3	3,582,322	3,750,223
Total current assets		21,505,755	22,162,559
Total assets		32,713,049	36,202,657
Equity and liabilities			
Equity			
Equity share capital	2.7	16,172,100	16,172,100
Other equity		(7,563,004)	(14,773,878)
Total equity		8,609,096	1,398,222
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liability	2.2	5,822,851	7,548,170
Total non-current liabilities		5,822,851	7,548,170
Current liabilities			
Financial liabilities			
Trade payables	2.8	882,786	761,653
Borrowings	2.9	–	3,392,181
Other financial liabilities	2.10	11,264,490	16,128,618
Other liabilities		–	–
Lease liability	2.2	1,722,134	1,645,286
Income tax liabilities(net)	2.13	77,150	197,970
Other current liability	2.11	4,301,201	4,461,117
Provisions	2.12	33,341	669,441
Total current liabilities		18,281,102	27,256,266
Total equity and liabilities		32,713,049	36,202,657

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants

Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner

Membership No. 202841

Place: Bengaluru

Date: May 30, 2024

for and on behalf of the Board of Directors of
Infosys (malaysia) SDN. BHD.

Jauhari Bin Hassan
Director

Raja Madhusudan Shah
Director

Statement of Profit and Loss

(In RM)

Particulars	Note	Year ended March 31,	
		2024	2023
Revenue from operations	2.14	91,736,433	50,257,753
Other income	2.15	693,847	(473,293)
Total income		92,430,280	49,784,461
Expenses			
Employee benefit expenses	2.16	77,546,875	54,195,985
Cost of technical sub-contractors		393,169	4,477,230
Depreciation and amortization expense	2.1 & 2.2	2,148,783	2,075,850
Finance costs		426,743	474,573
Office maintenance		895,075	979,357
Professional and consultancy charges		2,106,050	1,790,780
Telephone charges		843,235	614,322
Cost of software package for own use		1,317,128	458,646
Travel expenses		135,661	136,198
Power charges		691,779	686,090
Other expenses	2.16	221,779	600,888
Total expenses		86,726,278	66,489,920
Profit before tax		5,704,001	(16,705,459)
Tax expense:			
Current tax		(1,506,873)	197,970
Profit for the year		7,210,874	(16,903,429)
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		7,210,874	(16,903,429)
Earnings per equity share			
Equity shares of par value RM 1 each			
Basic (RM)		0.45	(1.05)
Diluted (RM)		0.45	(1.05)
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

for and on behalf of the Board of Directors of
Infosys (malaysia) SDN. BHD.

M. Rathnakar Kamath
Partner

Membership No. 202841

Jauhari Bin Hassan
Director

Raja Madhusudan Shah
Director

Place: Bengaluru
Date: May 30, 2024

Statement of Changes in Equity

(In RM)

Particulars	Equity share capital	Other equity Reserves and surplus	Total equity attributable to equity holders of the Company
Balance as of April 1, 2022	16,172,100	2,129,550	18,301,650
Changes in equity for the period April 1, 2022 to March 31, 2023			
Dividends To Shareholders	–	–	–
Prior year adjustment	–	–	–
ROU adjustment	–	–	–
Profit for the period	–	(16,903,429)	–
Balance as of March 31, 2023	16,172,100	(14,773,878)	18,301,650
Changes in equity for the period April 1, 2023 to March 31, 2024			
Dividends to shareholders	–	–	–
Prior year adjustment	–	–	–
ROU adjustment	–	–	–
Profit for the period	–	7,210,874	7,210,874
Balance as of March 31, 2024	16,172,100	(7,563,004)	25,512,525

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 (malaysia) SDN. BHD.

M. Rathnakar Kamath
Partner

Membership No. 202841

Jauhari Bin Hassan
Director

Raja Madhusudan Shah
Director

Place: Bengaluru

Date: May 30, 2024

Statements of Cash Flows

(In RM)

Particulars	Year ended March 31, 2024	2023
Cash flow from operating activities:		
Profit for the period	7,210,874	(16,903,429)
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and amortization expense	2,148,783	2,075,850
Income tax expense	(1,506,873)	197,970
Finance cost	426,743	474,573
Interest and dividend income	(30,404)	(2,532)
Exchange differences on translation of assets and liabilities	1,325,219	475,824
Changes in assets and liabilities		
Trade receivables	3,939,086	(1,170,101)
Other financial assets and other assets	4,777,726	(1,479,259)
Other assets	167,901	(3,458,392)
Trade payables	121,134	83,180
Other financial liabilities, other liabilities and provisions	(5,660,144)	18,584,188
Cash generated from operations	12,920,045	(1,122,127)
Income taxes paid net off refund	2,429,356	(7,788)
Net cash generated in operating activities	15,349,402	(1,129,915)
Cash flow from investing activities:		
Expenditure on property, plant and equipment	(351,557)	(505,340)
Interest and dividend received on investments	30,404	2,532
Net cash used in investing activities	(321,153)	(502,808)
Cash flow from financing activities:		
Loan repayment	(3,438,130)	–
Lease payouts	(2,029,265)	(2,035,012)
Net cash used in financing activities	(5,467,395)	(2,035,012)
Exchange differences on translation of assets and liabilities	(1,340,139)	(475,824)
Net increase in cash and cash equivalents	9,560,853	(3,667,734)
Cash and cash equivalents at the beginning of the period	2,855,143	6,998,702
Cash and cash equivalents at the end of the period	11,075,858	2,855,143

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's Registration Number: 006673S

for and on behalf of the Board of Directors of
Infosys (malaysia) SDN. BHD.

M. Rathnakar Kamath
Partner

Membership No. 202841

Jauhari Bin Hassan
Director

Raja Madhusudan Shah
Director

Place: Bengaluru

Date: May 30, 2024

Significant accounting policies

Company overview

Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) SDN. BHD.) is a wholly-owned subsidiary of Infosys Singapore Pte Ltd.

The Company was incorporated on July 17, 2013 and it became a wholly-owned subsidiary of Infosys Singapore 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 the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.5 Revenue recognition

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 amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

1.8 Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

1.9 Impairment

a. Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

b. Non financials assets

(i) Property, plant and equipment

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For 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 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.

The ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

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, 2024 are as follows:

(In RM)

Particulars	Computer and hardware	Furniture, fittings and office equipment	Total
Gross carrying value as of April 1, 2023	4,615,710	14,742,289	19,357,999
Additions	245,405	106,152	351,557
Deletions	(110,733)	–	(110,733)
Reclassification	–	–	–
Gross carrying value as of March 31, 2024	4,750,382	14,848,441	19,598,823
Accumulated depreciation as of April 1, 2023	(3,819,545)	(14,730,982)	(18,550,526)
Depreciation	(354,059)	(16,575)	(370,634)
Accumulated depreciation on deletions	110,733		110,733
Translation difference	–	–	–
Accumulated depreciation as of March 31, 2024	(4,062,871)	(14,747,557)	(18,810,428)
Carrying value as of March 31, 2024	687,511	100,884	788,395
Carrying value as of April 1, 2023	796,165	11,307	807,473

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2023 were as follows:

(In RM)

Particulars	Computer equipment	Furniture and fixtures	Total
Gross carrying value as of April 1, 2022	7,684,516	14,729,199	22,413,715
Additions/ Adjustments	492,250	13,090	505,340
Deletions	(3,561,055)	–	(3,561,055)
Translation difference	–	–	–
Gross carrying value as of March 31, 2023	4,615,710	14,742,289	19,357,999
Accumulated depreciation as of April 1, 2022	(7,119,927)	(14,729,199)	(21,849,126)
Depreciation	(260,673)	(1,783)	(262,456)
Accumulated depreciation on deletions	3,561,055	–	3,561,055
Translation difference	–	–	–
Accumulated depreciation as of March 31, 2023	(3,819,545)	(14,730,982)	(18,550,526)
Carrying value as of March 31, 2023	796,165	11,307	807,473
Carrying value as of April 1, 2022	564,589	–	564,589

2.2 Leases

The changes in the carrying value of right-of-use assets as at March 31, 2024 and March 31, 2023 are as follows :

Category of ROU asset – Buildings

(In RM)

Particulars	Year ended March 31,	
	2024	2023
Balance at the beginning	9,172,529	4,854,102
Additions		6,131,821
Deletions		
Depreciation	(1,778,149)	(1,813,394)
Balance as of March 31, 2024	7,394,380	9,172,529

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The break-up of current and non-current lease liability as at March 31, 2024 and March 31, 2023 is as follows :

(In RM)

Particulars	Year ended March 31,	
	2024	2023
Non-current lease liability	5,822,851	7,548,170
Current lease liability	1,722,134	1,645,286
Total	7,544,985	9,193,456

The movement in lease liability as at March 31, 2024 and March 31, 2023 are as follows :

(In RM)

Particulars	Year ended March 31,	
	2024	2023
Balance at the beginning	9,193,456	4,695,046
Additions	–	6,131,821
Deletions	–	–
Interest accrued during the period	380,794	401,600
Lease payments	(2,029,265)	(2,035,012)
Balance as of March 31, 2024	7,544,985	9,193,456

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2024 March 31, 2023 and on an undiscounted basis:

(In RM)

Particulars	Year ended March 31,	
	2024	2023
Less than one year	2,026,080	1,645,286
One to five years	6,078,240	7,548,170
More than five years	–	–
Total	8,104,320	9,193,456

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

2.3 Other assets

(In RM)

Particulars	As at March 31, 2024	2023
Non-current		
Others		
Prepaid expenses	1,200	8,394
Total other non-current assets	1,200	8,394
Current		
Advances other than capital advance	29,540	798,472
Others		
Prepaid expenses	3,472,134	2,951,751
Vat receivables	10,571	–
Employee advance	70,077	–
	3,582,322	3,750,223

2.4 Trade receivables

(In RM)

Particulars	As at March 31, 2024	2023
Current		
Unsecured		
Considered good[(1)]	7,553,855	11,284,628
Less: Allowances for credit losses	(1,478,100)	(1,276,980)
	6,075,755	10,007,648

[(1)] Includes inter-company receivables (Refer to Note 2.17)

The trade receivable ageing schedule for the years ended March 31, 2023 and March 31, 2024 is as follows:

(In RM)

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	7,553,855		–	–	–	–	7,553,855
	4,932,441	6,352,187	–	–	–	–	11,284,628
Undisputed trade receivables – credit impaired	–	–	–	–	–	–	–
	7,553,855	–		–			7,553,855
	4,932,441	6,352,187					11,284,628
Less: Allowance for credit loss	–	–	–	–	–	–	1,478,100
							1,276,980
Total trade receivables							6,075,755
							10,007,648

2.5 Cash and cash equivalents

(In RM)

Particulars	As at March 31, 2024	2023
Balances with banks		
In current accounts	11,075,858	2,855,143
	11,075,858	2,855,143

2.6 Other financial assets

(In RM)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Security deposits	771,249	831,281
Unbilled revenues	–	4,718,264
Others	571	–
	771,819	5,549,545

2.7 Equity

Equity share capital

(In RM, except as otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
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, 2024 and March 31, 2023 are as follows :

(In RM)

Name of the shareholder	Number of shares	As at March 31, 2024	As at March 31, 2023
Infosys Singapore Pte Ltd	16,172,100	16,172,100	16,172,100

Financial liabilities

2.8 Trade payables

(In RM)

Particulars	As at March 31, 2024	As at March 31, 2023
Outstanding dues of micro enterprises and small enterprises	882,786	761,653
Outstanding dues of creditors other than micro enterprises and small enterprises(1)	–	–
(1) Includes inter-company payable (Refer to Note 2.17)	882,786	761,653

The trade payables ageing schedule for the year ended March 31, 2023 and March 31, 2022 is as follows:

(In RM)

Particulars	Outstanding for following periods from due date of payment: Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Others	882,786		–	–	–	882,786
	437,098	324,555	–	–	–	761,653
Disputed dues – Others	–	–	–	–	–	–
	–	–	–	–	–	–
Total trade payables	882,786	–	–	–	–	882,786
	437,098	324,555	–	–	–	761,653

2.9 Borrowings

(In RM)

Particulars	As at March 31,	
	2024	2023
Current		
Loan repayable on demand		
from other parties	–	3,392,181
	–	3,392,181

2.10 Other financial liabilities

(In RM)

Particulars	As at March 31,	
	2024	2023
Current		
Accrued compensation to employees	7,006,232	11,541,732
Leave liability	3,219,446	2,697,404
Accrued expenses	894,370	1,889,482
Other financial liabilities	144,442	–
	11,264,490	16,128,618
Financial liability carried at amortized cost	11,264,490	16,128,618

2.11 Other current liability

(In RM)

Particulars	As at March 31,	
	2024	2023
Unearned revenue	2,974,714	3,299,921
SS contribution payable	1,041,762	874,204
Withholding tax – Salary	284,504	283,534
Withholding tax – Non-salary	200	2,868
GST payable	21	591
	4,301,201	4,461,117

2.12 Provisions

(In RM)

Provision for PSCS	33,341	669,441
	33,341	669,441

2.13 Income taxes

Income tax expense in the Statement of profit and Loss comprises:

(In RM)

Particulars	Year ended March 31,	
	2024	2023
Current taxes	1,481,242	197,970
Deferred tax credit/(expense)	(2,988,115)	–
Income tax expense	(1,506,873)	197,970

Income tax expense for the years ended March 31, 2024 and March 31, 2023 includes provision (net of reversal) of MYR 918,197 and MYR NIL, respectively, pertaining to prior years.

Entire deferred income tax for the year ended March 31, 2024 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 RM)

Particulars	Year ended March 31,	
	2024	2023
Profit before income taxes	5,704,001	(16,705,459)
Enacted tax rates in Malaysia	24%	24%
Computed expected tax expense	1,368,960	(4,009,310)
DTA not created on loss	–	4,009,310
Prior year Tax	918,197	–
Exempt Income	(677,319)	–
Overseas Taxes	534,017	197,970
Effect of non-deductible expenses	72,691	–
Impact of accounting deferred tax for first time	(3,597,068)	–
Others	(126,353)	–
Income tax expense	(1,506,873)	197,970

The applicable statutory tax rate for fiscal 2024 and fiscal 2023 is 24%.

The foreign tax expense is due to income taxes payable in Australia. In Malaysia, the Company was granted Pioneer Status incentive under Multimedia Super Corridor ("MSC") Malaysia status on October 23, 2013, and enjoyed full exemption from income tax on its statutory income from pioneer activities for five years from March 17, 2014 to March 16, 2019. Subsequently, the full exemption from income tax on its statutory income from pioneer activities has been extended by Malaysian Investment Development Authority ("MIDA") on January 5, 2022 with two exemption periods from March 17, 2019 to June 30, 2022 and July 1, 2022 to March 16, 2024, respectively. Accordingly, exemption from Income tax expired on March 16, 2024.

The details of income tax assets and income tax liabilities as of March 31, 2024, March 31, 2023 are as follows:

(In RM)

Particulars	Year ended March 31,	
	2024	2023
Current income tax liabilities	(77,150)	(197,970)
Income tax assets	35,204	4,051,702
Net current income tax assets/ (liability) at the end	(41,947)	3,853,732

The gross movement in the current income tax asset/ (liability) for the year ended March 31, 2024 and March 31, 2023 is as follows:

(In RM)

Particulars	Year ended March 31,	
	2024	2023
Net current income tax asset/ (liability) at the beginning	3,853,732	4,043,914
Income tax paid	(2,429,356)	7,788
Current tax expenses	(1,481,242)	(197,970)
Translation difference	14,919	–
Net current income tax asset/ (liability) at the end	(41,947)	3,853,732

(In RM)

Particulars	Carrying value as on March 31, 2023	Changes through profit and loss	Carrying value as on March 31, 2024
Deferred income tax assets/ (liability)			
Unavailed leave	–	755,272	755,272
Accrued compensation	–	1,497,675	1,497,675
Fixed asset	–	(62,510)	(62,510)
Others	–	797,678	797,678
Total deferred income tax assets/ (liability)	–	2,988,115	2,988,115

2.14 Revenue from operations

(In RM)

Particulars	Year ended March 31,	
	2024	2023
Income from software services	91,736,433	50,257,753
Total revenue from operation	91,736,433	50,257,753

Remaining performance obligation disclosure

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 explanations 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 and 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 March 31, 2024, other than those meeting the exclusion criteria mentioned above, is MYR 1.48 Mn. Out of this, the Company expects to recognize revenue of around 50% within the next one year.

2.15 Other income

(In RM)

Particulars	Year ended March 31,	
	2024	2023
Interest income of financial assets	30,404	2,532
Scrap Sales	–	–
Sales of Assets	–	–
Exchange gains/(losses) on translation of other assets and liabilities	(1,340,139)	(475,824)
Miscellaneous income	2,003,582	–
Total other income	693,847	(473,293)

2.16 Expenses

(In RM)

Particulars	Year ended March 31,	
	2024	2023
Employee benefit expenses		
Salaries including bonus	76,137,551	52,982,227
Staff welfare	1,409,324	1,213,759
	77,546,875	54,195,985

(In RM)

Particulars	Year ended March 31,	
	2024	2023
Other expenses		
Audit fees	92,220	100,000
Rental expenses	7,214	94,217
Others	122,346	406,671
Total other expenses	221,779	600,888

2.17 Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories were as follows:

(In RM)

Particulars	As at March 31,	
	2024	2023
Assets:		
Cash and cash equivalents (Refer to Note 2.5)	11,075,858	2,855,143
Total	11,075,858	2,855,143
Liabilities:		
Other financial liabilities (Refer to Note 2.10)	11,264,490	16,128,618
Total	11,264,490	16,128,618

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 6,075,755 and RM 10,007,648 as of March 31, 2024, and March 31, 2023, 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. 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.

Market risk

The analysis of the foreign currency risk from financial assets and liabilities as at March 31, 2024 is as follows:

(In RM)

Particulars	USD	AUD	INR	Other	Grand total
Net financial assets	7,553,855	1,586,166	571	1,911,490	7,229,101
Net financial liability	–	680,031	65,931	–	745,962
Total	7,553,855	2,266,197	66,502	1,911,490	7,975,063

The analysis of the foreign currency risk from financial assets and liabilities as at March 31, 2023 was as follows:

(In RM)

Particulars	USD	AUD	INR	SGD	Grand total
Net financial assets	2,856,571	6,328,361	–	6,684,243	15,869,175
Net financial liability	–	5,832,351	7,500	3,392,181	9,232,032
Total	2,856,571	12,160,713	7,500	10,076,424	25,101,207

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents.

As of March 31, 2024, the Company had a working capital of RM 3,224,653 including cash and cash equivalents of RM 11,075,858. As of March 31, 2023, the Company had a negative working capital of RM 5,093,707 including cash and cash equivalents of RM 2,855,143.

2.18 Related party transactions

List of related parties:

Name of Holding Companies	Country	Holding as at March 31,,	
		2024	2023
Infosys Singapore Pte Ltd	Singapore	100%	100%

Name of subsidiaries	Country	Holdings as at March 31,	
		2024	2023
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%
EdgeVerve Systems Limited (EdgeVerve)[(1)]	India	100%	100%
Infosys Austria GmbH[(1)]	Austria	100%	100%
Skava Systems Private Limited (Skava Systems)[(1)(22)]	India	100%	100%
Infosys Chile SpA[(1)]	Chile	100%	100%
Infosys Arabia Limited[(2)(22)]	Saudi Arabia	70%	70%
Infosys Consulting Ltda.[(1)]	Brazil	100%	100%
Infosys Luxembourg S.a.r.l[(1)]	Luxembourg	100%	100%
Infosys Americas Inc. (Infosys Americas)[(1)(30)]	U.S.	–	100%
Infosys Consulting S.R.L.[(1)(19)]	Argentina	100%	100%
Infosys Consulting S.R.L.[(1)]	Romania	100%	100%
Infosys Limited Bulgaria EOOD[(1)]	Bulgaria	100%	100%
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[(1)]	Turkey	100%	100%
Infosys Germany Holding Gmbh[(1)]	Germany	100%	100%
Infosys Automotive and Mobility GmbH & Co. KG[(1)]	Germany	100%	100%
Infosys Green Forum[(1)]	India	100%	100%
Infosys Business Solutions LLC[(1)]	Qatar	100%	100%
WongDoody Inc. [(1)]	U.S.	100%	100%
Danske IT and Support Services India Private Limited (Danske IT) [(1)(32)]	India	100%	–
Infosys Public Services, Inc. USA (Infosys Public Services)[(1)]	U.S.	100%	100%
Infosys Public Services Canada Inc. [(12)(23)]	Canada	100%	100%
Infosys BPM Limited[(1)]	India	100%	100%
Infosys BPM UK Limited[(3)]	U.K.	100%	100%
Infosys (Czech Republic) Limited s.r.o.[(3)]	Czech Republic	100%	100%
Infosys Poland Sp z.o.o[(3)]	Poland	100%	100%
Infosys McCamish Systems LLC[(3)]	U.S.	100%	100%
Portland Group Pty Ltd[(3)]	Australia	100%	100%
Infosys BPO Americas LLC.[(3)]	U.S.	100%	100%
Infosys BPM Canada Inc [(3)(31)(36)]	Canada	–	–
Panaya Inc. (Panaya)[(1)]	U.S.	100%	100%
Panaya Ltd.[(4)]	Israel	100%	100%
Panaya Germany GmbH [(4)(27)]	Germany	100%	100%
Brilliant Basics Holdings Limited (Brilliant Basics)[(1)(22)]	U.K.	100%	100%
Brilliant Basics Limited [(5)(22)]	U.K.	100%	100%
Infosys Consulting Holding AG [(1)]	Switzerland	100%	100%
Infosys Consulting AG[(6)]	Switzerland	100%	100%
Infosys Consulting GmbH[(6)]	Germany	100%	100%

Name of subsidiaries	Country	Holdings as at March 31,	
		2024	2023
Infosys Consulting SAS[6]	France	100%	100%
Infy Consulting B.V.[6]	The Netherlands	100%	100%
Infosys Consulting (Belgium) NV[6]	Belgium	100%	100%
Infy Consulting Company Ltd[6]	U.K.	100%	100%
GuideVision s.r.o.[7]	Czech Republic	100%	100%
GuideVision Deutschland GmbH[8]	Germany	100%	100%
GuideVision Suomi Oy[8]	Finland	100%	100%
GuideVision Magyarország Kft[8]	Hungary	100%	100%
GuideVision Polska Sp. z.o.o[8]	Poland	100%	100%
GuideVision UK Ltd[8][22]	U.K.	100%	100%
Infosys Nova Holdings LLC. (Infosys Nova)[1]	U.S.	100%	100%
Outbox systems Inc. dba Simplus (US)[9]	U.S.	100%	100%
Simplus ANZ Pty Ltd.[10]	Australia	100%	100%
Simplus Australia Pty Ltd[11]	Australia	100%	100%
Simplus Philippines, Inc.[10]	Philippines	100%	100%
Kaleidoscope Animations, Inc.[9]	U.S.	100%	100%
Kaleidoscope Prototyping LLC[18][34]	U.S.	–	100%
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[9]	U.S.	100%	100%
Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)[1]	Singapore	100%	100%
Infosys Financial Services GmbH. (formerly Panaya GmbH) [13][29]	Germany	100%	100%
Infosys South Africa (Pty) Ltd[13]	South Africa	100%	100%
Infosys Middle East FZ LLC [13]	Dubai	100%	100%
Infosys Norway [13][28]	Norway	100%	100%
Infosys Compaz Pte. Ltd [14]	Singapore	60%	60%
HIPUS Co., Ltd[14]	Japan	81%	81%
Fluido Oy [13]	Finland	100%	100%
Fluido Sweden AB [15]	Sweden	100%	100%
Fluido Norway A/S[15]	Norway	100%	100%
Fluido Denmark A/S[15]	Denmark	100%	100%
Fluido Slovakia s.r.o[15]	Slovakia	100%	100%
Infosys Fluido UK, Ltd.[15]	U.K.	100%	100%
Infosys Fluido Ireland, Ltd.[16]	Ireland	100%	100%
Stater N.V.[14]	The Netherlands	75%	75%
Stater Nederland B.V.[17]	The Netherlands	75%	75%
Stater XXL B.V.[17]	The Netherlands	75%	75%
HypoCasso B.V.[17]	The Netherlands	75%	75%
Stater Participations B.V.[35]	The Netherlands	–	75%
Stater Belgium N.V./S.A.[17][35]	Belgium	75%	75%
Stater Gmbh[17]	Germany	75%	75%
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[13]	Germany	100%	100%
WongDoody Gmbh (formerly known as oddity GmbH) [20]	Germany	100%	100%
WongDoody (Shanghai) Co. Limited (formerly known as oddity (Shanghai) Co., Ltd.) [21]	China	100%	100%
WongDoody limited (Taipei) (formerly known as oddity Limited (Taipei)) [21]	Taiwan	100%	100%
oddity space GmbH [20][33]	Germany	–	100%
oddity jungle GmbH [20][33]	Germany	–	100%

Name of subsidiaries	Country	Holdings as at March 31,	
		2024	2023
oddity code GmbH [20][33]	Germany	–	100%
WongDoody d.o.o (formerly known as oddity code d.o.o) [21][33]	Serbia	100%	100%
oddity waves GmbH [20][33]	Germany	–	100%
oddity group services GmbH [20][33]	Germany	–	100%
BASE life science A/S [13][24]	Denmark	100%	100%
BASE life science AG [25]	Switzerland	100%	100%
BASE life science GmbH [25]	Germany	100%	100%
BASE life science S.A.S [25]	France	100%	100%
BASE life science Ltd. [25]	U.K.	100%	100%
BASE life science S.r.l. [25]	Italy	100%	100%
Innovisor Inc.[25]	U.S.	100%	100%
BASE life science Inc.[25]	U.S.	100%	100%
BASE life science S.L.[25][26]	Spain	100%	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 Panaya Inc.

(5) Wholly-owned subsidiary of Brilliant Basics Holding Limited.

(6) Wholly-owned subsidiary of Infosys Consulting Holding AG

(7) Wholly-owned subsidiary of Infy Consulting Company Limited

(8) Wholly-owned subsidiary of GuideVision s.r.o.

(9) Wholly-owned subsidiary of Infosys Nova Holdings LLC

(10) Wholly-owned subsidiary of Outbox systems Inc. dba Simplus (US)

(11) Wholly-owned subsidiary of Simplus ANZ Pty Ltd

(12) Wholly-owned subsidiary of Infosys Public Services, Inc.

(13) Wholly-owned subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

(14) Majority-owned and controlled subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

(15) Wholly-owned subsidiary of Fluido Oy

(16) Wholly-owned subsidiary of Infosys Fluido UK, Ltd.

(17) Wholly-owned subsidiary of Stater N.V

(18) Wholly-owned subsidiary of Kaleidoscope Animations, Inc.

(19) Infosys Consulting S.R.L. (Argentina) (formerly a wholly-owned subsidiary of Infosys Consulting Holding AG) became the majority-owned and controlled subsidiary of Infosys Limited with effect from April 1, 2022

(20) On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.)) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and WongDoody Gmbh (formerly known as oddity GmbH).

(21) Wholly-owned subsidiary of WongDoody Gmbh (formerly known as oddity GmbH)

(22) Under liquidation

(23) Incorporated on July 8, 2022

(24) On September 1, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.) (a wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

(25) Wholly-owned subsidiary of BASE life science A/S

(26) Incorporated on September 6, 2022

(27) Incorporated effective December 15, 2022

(28) Incorporated effective September 15, 2023

(29) Infosys Financial Services GmbH. (formerly Panaya GmbH) became a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.) with effect from February 23, 2023.

(30) Liquidated effective July 14, 2023

(31) Incorporated on August 11, 2023

(32) On September 1, 2023, Infosys Limited acquired 100% of voting interests in Danske IT and Support Services India Private Limited (Danske IT).

(33) On September 29, 2023, oddity space GmbH, oddity waves GmbH, oddity jungle GmbH, oddity group services GmbH and oddity code GmbH merged into WongDoody GmbH and oddity code d.o.o which was formerly a subsidiary of oddity code Gmbh has become a subsidiary of WongDoody Gmbh (formerly known as oddity GmbH).

(34) Kaleidoscope Prototyping LLC, a wholly-owned subsidiary of Kaleidoscope Animations is liquidated effective November 1, 2023.

[35] On November 24, 2023 Stater Participations B.V (a wholly-owned subsidiary of Stater N.V.) merged with Stater N.V. and Stater Belgium N.V./S.A which was formerly a wholly-owned subsidiary of Stater Participations B.V. became a wholly-owned subsidiary of Stater N.V.

[36] On March 15, 2024, Infosys BPM Canada Inc., a wholly-owned subsidiary of Infosys BPM Limited got dissolved.

(In RM)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables		
Infosys limited	7,554,426	2,856,571
	7,554,426	2,856,571
Trade payables		
Infosys limited	76,088	7,500
	76,088	7,500
Borrowings		
Infosys Consulting Pte Ltd	–	3,392,181
	–	3,392,181
Revenue transactions		
Sale of services		
Infosys limited	92,592,596	10,255,898
	92,592,596	10,255,898
Purchase of services		
Infosys limited	–	59,832
	–	59,832
Interest expense		
Infosys Consulting Pte Ltd	45,949	72,972
	45,949	72,972

2.19 Ratios

Particulars	Numerator	Denominator	March 31, 2024	March 31, 2023	Variance	Remarks
Current ratio	Current assets	Current liabilities	1.18	0.81	45%	Due to increase in cash and cash equivalents
Debt – Equity ratio	Total debt (represents lease liabilities) [1]	Shareholder's equity	0.88	9.00	90%	Due to loan repayment
Debt service coverage ratio	Earnings available for debt service[2]	Debt service[3]	4.82	(7.05)	168%	Due to improvement in margins
Return on Equity (ROE)	Net profits after taxes	Average shareholder's equity	1.44	(1.72)	84%	Due to improvement in margins
Trade receivables turnover ratio	Revenue	Average trade receivable	2.85	1.33	114%	Due to reduction in Trade receivables
Trade payables turnover ratio	Purchases of services and other expenses	Average trade payables	3.24	3.62	11%	
Net capital turnover ratio	Revenue	Working capital	28.45	(9.87)	388%	Due to increase in revenue
Net profit ratio	Net profit	Revenue	0.08	(0.34)	123%	Due to increase in net profit

Particulars	Numerator	Denominator	March 31, 2024	March 31, 2023	Variance	Remarks
Return on Capital Employed (ROCE)	Earning before interest and taxes	Capital employed[4]	0.42	(1.81)	(123%)	Due to increase in net profit
Unquoted	Income generated from investments	Time-weighted average investments	NA	NA	–	
Quoted	Income generated from investments	Time-weighted average investments	NA	NA	–	

(1) Debt represents only Lease liabilities + Borrowings

(2) Net Profit after taxes + Non-cash operating expenses + Interest + Other adjustments like loss on sale of fixed assets, etc.

(3) Lease payments for the current year

(4) Tangible net worth + Deferred tax liabilities + Lease liabilities

* Revenue growth along with higher efficiency on working capital improvement has resulted in an improvement in the ratio.

Infosys Public Services Canada Inc.

Independent Auditor's Report

To the Board of Directors of Infosys Public Services Canada Inc.

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Infosys Public Services Canada Inc. ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of material accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements gives a true and fair view in conformity with the basis of preparation referred to in Note 1.2 of the special purpose financial statements, of the state of affairs of the Company as at March 31, 2024, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Emphasis of matter – Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1.2 to the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared for inclusion in the annual report of the Ultimate Holding Company, Infosys Limited under the requirements of section 129 (3) of the Companies Act, 2013. As a result, the special purpose financial statements may not be suitable for another purpose. The special purpose financial statements cannot be referred to or distributed or included or used for any other purpose except with our prior consent in writing. Our report is intended solely for the above purpose and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Special Purpose Financial Statements

The Company's Board of Directors are responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

As stated in Note 2.18 to the special purpose financial statements, the financial statements of the company for the year ended March 31, 2023 were unaudited.

For Deloitte Haskins & Sells LLP
Chartered Accountants

(Firm Registration number. No. 117366W/W-100018)

Gurvinder Singh
Partner

Membership Number: 110128

Place: Bengaluru

Date: May 30, 2024

UDIN: 24110128BKBGXW3505

Balance Sheet

(In CA$)

Particulars	Note	As at March 31, 2024	As at March 31, 2023*
Assets			
Non-current assets			
Property, plant and equipment	2.1	135,253	–
Deferred tax assets (net)	2.10	87,137	152,660
Total non-current assets		222,390	152,660
Current assets			
Financial assets			
Trade receivables	2.2	6,978,586	2,298,343
Cash and cash equivalents	2.3	569,935	499,461
Other financial assets	2.4	56,925	11,996
Other current assets	2.5	4,492	27,287
Total current assets		7,609,938	2,837,087
Total assets		7,832,328	2,989,747
Equity and liabilities			
Equity			
Equity share capital	2.6	2,157,740	2,157,740
Other equity		1,964,935	(174,488)
Total equity		4,122,675	1,983,252
Liabilities			
Current liabilities			
Financial liabilities			
Trade payables	2.7	1,807,868	15,918
Other financial liabilities	2.8	1,648,812	603,771
Other liabilities	2.9	233,037	292,731
Income tax liabilities (net)	2.10	19,936	94,075
Total current liabilities		3,709,653	1,006,495
Total equity and liabilities		7,832,328	2,989,747

* Refer Note 2.18

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No.:117366W/ W-100018

for and on behalf of the Board of Directors of Infosys Public Services Canada Inc.

Gurvinder Singh
Partner
Membership No. 110128

Michel Tourigny
Director

Kenneth Kopf
Director

Bhanu Prasad Narayana
Interim CEO

Place: Bengaluru
Date: May 30, 2024

Statement of Profit and Loss

(In CA$, except equity share data)

Particulars	Note	Year ended March 31, 2024	Year ended March 31, 2023*
Revenue from operations	2.11	24,226,050	2,030,622
Other income, net	2.12	(86,144)	3,714
Total income		24,139,906	2,034,336
Expenses			
Employee benefit expenses	2.13	10,845,181	2,262,810
Cost of technical sub-contractors		9,904,369	–
Travel expenses		97,609	891
Depreciation expense	2.1	74,901	–
Consultancy and Professional charges		89,741	–
Other expenses	2.13	172,300	3,708
Total expenses		21,184,101	2,267,409
Profit / (Loss) before tax		2,955,805	(233,073)
Tax expense / (benefit):			
Current tax	2.10	750,860	94,075
Deferred tax	2.10	65,522	(152,660)
Profit / (Loss) for the period		2,139,423	(174,488)
Total comprehensive income for the period		2,139,423	(174,488)
Earnings per equity share			
Earnings per equity share of CAD 1 each			
Basic and diluted		1.34	(0.11)
Weighted average equity shares used in computing earnings per equity share			
Basic and diluted		1,600,000	1,600,000

* Refer Note 2.18

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration No.:117366W/ W-100018

for and on behalf of the Board of Directors of Infosys Public Services Canada Inc.

Gurvinder Singh
Partner

Membership No. 110128

Michel Tourigny
Director

Kenneth Kopf
Director

Bhanu Prasad Narayana
Interim CEO

Place: Bengaluru

Date: May 30, 2024

Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

(In CA$)

Particulars	Note	Year ended March 31,	
		2024	2023*
Cash flow from operating activities:			
Profit / (Loss) for the period		2,139,423	(174,488)
Adjustments to reconcile net profit to net cash provided by operating activities:			
Income tax expense	2.10	816,382	(58,585)
Depreciation	2.1	74,901	–
Impairment loss recognised/(reversed) under expected credit loss model		68,333	–
Exchange difference on translation of assets and liabilities		86,144	3,714
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(4,801,555)	(2,298,343)
Loans, other financial assets and other assets		31,739	(39,283)
Trade payables	2.7	1,703,291	15,918
Other financial liabilities, other liabilities and provisions		992,614	896,502
Cash generated from operations		1,111,271	(1,654,565)
Income taxes paid		(825,000)	–
Net cash generated from operations		286,271	(1,654,565)
Cash flow from investing activities			
Expenditure on property, plant and equipment		(210,153)	–
Net cash used in investing activities		(210,153)	–
Cash flow from financing activities			
Cash proceeds from issuing equity shares		–	2,157,740
Net cash used in financing activities		–	2,157,740
Effect of exchange rate on translation of foreign currency cash and cash equivalents		(5,644)	(3,714)
Net (decrease) / increase in cash and cash equivalents		76,118	503,175
Cash and cash equivalents at the beginning of the period		499,461	–
Cash and cash equivalents at the end of the period		569,935	499,461

* Refer Note 2.18

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration No.:117366W/ W-100018

for and on behalf of the Board of Directors of Infosys Public Services Canada Inc.

Gurvinder Singh
Partner

Membership No. 110128

Michel Tourigny
Director

Kenneth Kopf
Director

Bhanu Prasad Narayana
Interim CEO

Place: Bengaluru

Date: May 30, 2024

Statement of Changes in Equity

(In CA$)

Particulars	Equity share capital	Other equity -Retained earnings	Total equity attributable to equity holders of the Company
Balance as at April 1, 2022 *	–	–	–
Shares issued during year ended March 31, 2023	2,157,740	–	2,157,740
Changes in equity for the year ended March 31, 2023			
Profit / (Loss) for the period	–	(174,488)	(174,488)
Balance as at March 31, 2023 *	2,157,740	(174,488)	1,983,252
Balance as at April 1, 2023	2,157,740	(174,488)	1,983,252
Changes in equity for the year ended March 31, 2024			
Profit / (Loss) for the period	–	2,139,423	2,139,423
Balance as at March 31, 2024	2,157,740	1,964,935	4,122,675

* Refer Note - 2.18

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration No.:117366W/ W-100018

for and on behalf of the Board of Directors of Infosys Public Services Canada Inc.

Gurvinder Singh
Partner

Membership No. 110128

Michel Tourigny
Director

Kenneth Kopf
Director

Bhanu Prasad Narayana
Interim CEO

Place: Bengaluru

Date: May 30, 2024

Notes to the financial statements

1 Overview

1.1 Company overview

Infosys Public Services Canada Inc. ("the Company") 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 ultimate holding company Infosys Limited under the requirements of Section 129 (3) of the Companies Act, 2013.

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis, except for certain financials instruments which are measured at fair values, the provision 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 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 Canadian Dollars (CAD) and the financial statements are also presented in Canadian Dollars. All amounts included in the financial statements are reported in Canadian 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, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities at the date of financial statement and reported amounts of income and expenses during the period. The application of accounting policies that involve critical accounting estimates involving complex and subjective judgements 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.

Examples of such estimates include computation of percentage of completion, which requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts to be expended, impairment losses on financial assets, future obligations under employee benefit plans, income taxes, post-sales customer support and the useful lives of property, plant and equipment.

1.4 Critical accounting estimates

1.4.1 Revenue recognition

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved, in writing, by the parties to the contract, the parties to the contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables, and allocation of transaction price to these distinct performance obligations involves significant judgment.

Fixed-price 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 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 the 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 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. Refer note - 2.11.

1.4.2 Income taxes

The Company's major tax jurisdictions is Canada.

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 2.10.

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.

1.4.3 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 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 (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
Plant and machinery[(1)]	5 years
Furniture and fixtures[(1)]	5 years
Office equipment[(1)]	5 years

(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.

Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Impairment

Property, plant and equipment and intangible assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell or the value in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2024 were as follows:

(In CA$)

Particulars	Office equipment	Computer equipment	Furniture and fixtures	Total
Gross carrying value as of April 1, 2023	–	–	–	–
Additions	15,616	176,117	18,421	210,153
Deletions	–	–	–	–
Gross carrying value as of March 31,2024	15,616	176,117	18,421	210,153
Accumulated depreciation as of April 1, 2023	–	–	–	–
Depreciation	6,127	61,312	7,462	74,901
Accumulated depreciation on deletions	–	–	–	–
Accumulated depreciation as of March 31, 2024	6,127	61,312	7,462	74,901
Carrying value as of April 1, 2023	–	–	–	–
Carrying value as of March 31, 2024	9,489	114,805	10,959	135,253

The aggregate depreciation has been included under depreciation and amortization expense in the Statement of Profit and Loss.

2.2 Trade receivables

(In CA$)

Particulars	As at March 31, 2024	2023
Current		
Unsecured		
Considered good [1]	**7,046,336**	2,298,343
Less: Allowances for credit losses	**(67,750)**	–
Total trade receivables	**6,978,586**	2,298,343
[1] Includes dues from holding company (Refer to note 2.15 (b))	**714,376**	2,298,343

Trade receivable ageing schedule for the year ended as on March 31 2024 and March 31 2023

(In CA$)

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	5,402,365	1,643,971	–	–	–	–	7,046,336
	2,298,344	–	–	–	–	–	*2,298,343*
Less: Allowance for credit loss							(67,750)
							–
Total trade receivables							6,978,586
							2,298,343

2.3 Cash and cash equivalents

(In CA$)

Particulars	As at March 31, 2024	2023
Balances with bank		
In current accounts	**569,935**	499,461
	569,935	499,461

2.4 Other financial assets

(In CA$)

Particulars	As at March 31, 2024	2023
Current		
Unbilled revenues [1]#	**53,874**	–
Others[1]	**3,051**	11,996
	56,925	11,996
Total	**56,925**	11,996
[1] Financial assets carried at amortized cost.	**56,925**	11,996

Classified as financial asset as right to consideration is unconditional and is due only after a passage of time

2.5 Other current assets

(In CA$)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Others	4,492	27,287
Total other current assets	4,492	27,287

2.6 Equity

Equity share capital

(In CA$, except authorized equity share data)

	As at March 31, 2024	As at March 31, 2023
Authorized		
Equity shares, US$ 1 par value	2,722,703	2,722,703
2,000,000 equity shares		
Issued, subscribed and paid up		
Equity shares, US$ 1 par value	2,157,740	2,157,740
1,600,000 equity shares fully paid up		
	2,157,740	2,157,740

The Company has only one class of shares referred to as equity shares having a par value of US$1. Each holder of equity shares is entitled to one vote per share.

As at March 31, 2024, the Company had one member, Infosys Public Services Inc. ("the member"). In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts.

The details of shareholder holding more than 5% shares as at:

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	Number of shares	% held	Number of shares	% held
Infosys Public services Inc., the holding company	1,600,000	100	1,600,000	100

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, 2024		As at March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the period	1,600,000	2,157,740	–	–
Add: Shares issued during the period	–	–	1,600,000	2,157,740
At the end of the period	1,600,000	2,157,740	1,600,000	2,157,740

Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period.

2.7 Trade payables

(In CA$)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payables[(1)]	1,807,868	15,918
	1,807,868	15,918
[(1)] Includes dues to holding company and other Group companies (Refer to note 2.15(b))	1,584,160	–

Trade payable ageing schedule for the year ended as on March 31, 2024 and March 31, 2023

(In CA$)

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Outstanding dues to MSME	–	–	–	–	–	–
	–	–	–	–	–	–
Others	327,874	1,479,994	–	–	–	1,807,868
	15,918	–	–	–	–	*15,918*
Total trade payables						1,807,868
						15,918

2.8 Other financial liabilities

(In CA$)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Others		
Compensated absences	274,312	226,082
Accrued compensation to employees[(1)]	674,279	353,706
Accrued expenses[(1)]	427,810	–
Payable to related parties[(1)]*	104,171	11,988
Others payables [(1)]	168,240	11,995
	1,648,812	603,771
[(1)] Financial liability carried at amortized cost	1,374,500	377,689
* Includes dues to holding company and other Group companies (Refer to note 2.15(b))	271,022	11,988

2.9 Other liabilities

(In CA$)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Others		
Withholding taxes payable	233,037	292,731
	233,037	292,731

2.10 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. 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 period is made based on the annual tax rate for the financial year.

Income tax expense in the Statement of Profit and Loss comprises:

(In CA$)

Particulars	Years ended March 31,	
	2024	2023
Current tax	750,860	94,075
Deferred tax expense / (credit)	65,522	(152,660)
Income tax expense	816,382	(58,585)

Income tax expense including deferred tax for the years ended March 31, 2024 and March 31, 2023 includes reversal (net of provision) of CAD NIL and CAD NIL, respectively, pertaining to prior years.

Entire deferred income tax for the years ended March 31, 2024 and March 31, 2023 relates to origination and reversal of temporary differences.

A reconciliation of income tax provision to the amount computed by applying the statutory income tax rate to the income before taxes is summarized below:

(In CA$)

Particulars	Years ended March 31,	
	2024	2023
Profit before incomes taxes	2,955,804	(233,073)
Enacted tax rate	26.50%	26.50%
Computed expected tax expense	783,288	(61,764)
Disallowed Items	33,095	3,180
Income tax expense	816,383	(58,584)

The details of income tax assets and income tax liabilities are as follows:

(In CA$)

Particulars	Years ended March 31,	
	2024	2023
Income tax assets	–	–
Current Income tax liabilities	(19,936)	(94,075)
Net income tax liabilities	(19,936)	(94,075)

The gross movement in the current income tax asset / (liability) for the years ended March 31, 2024 and March 31, 2023 is as follows:

(In CA$)

Particulars	Years ended March 31,	
	2024	2023
Net income tax liabilities	(94,075)	–
Income tax paid	825,000	–
Income tax expense	(750,860)	(94,075)
Forex	–	–
Net income tax liability at the end	(19,935)	(94,075)

The movement in gross deferred income tax assets for the year ended March 31, 2024 is as follows:

(In CA$)

Particulars	Carrying value as on April 30, 2023	Changes through profit and loss	Carrying value as on March 31, 2024
Deferred income tax assets			
Compensated absences	59,912	(59,912)	–
Accrued compensation	93,732	(26,767)	66,965
Trade receivables	–	18,108	18,108
Others	(984)	3,048	2,064
Total deferred income tax assets	152,660	(65,523)	87,137

The movement in gross deferred income tax assets for the year ended March 31, 2023 is as follows:

(In CA$)

Particulars	Carrying value as on April 1, 2022	Changes through profit and loss	Carrying value as on March 31, 2023
Deferred income tax assets			
Compensated absences	–	59,912	59,912
Accrued compensation	–	93,732	93,732
Others	–	(984)	(984)
Total deferred income tax assets	–	152,660	152,660

The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

(In CA$)

Particulars	Years ended March 31,	
	2024	2023
Deferred income tax assets after set-off	87,137	152,660

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, the Management considers whether it is more likely than not that some portion 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 the temporary differences become deductible. 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 the deductible differences at March 31, 2024. Accordingly, the Management has recorded deferred tax asset in its financial statements.

2.11 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 is 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 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-price and other fixed-timeframe contracts, where the performance obligations are satisfied over time is recognized using the percentage-of-completion method. Efforts or costs expended have been used to determine progress towards completion as there is a direct relationship between input and productivity. Progress towards completion is measured as the ratio of costs or efforts incurred to date (representing work performed) to the estimated total costs or efforts. Estimates of transaction price and total costs or efforts are continuously monitored over the term of the contracts and are recognized in net profit in the period when these estimates change or when the estimates are revised. Revenues and the estimated total costs or efforts are subject to revision as the contract progresses.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

The billing schedules agreed with customers include periodic performance-based billing and / or milestone-based progress billings. Revenues in excess of billing are classified as unbilled revenue while billing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

The Company presents revenues net of indirect taxes in its Statement of Profit and Loss

Revenues for the year ended March 31, 2024 and March 31, 2023 are follows:

(IN CA$)

Particulars	Year ended March 31,	
	2024	2023
Revenue from software services	24,226,050	2,030,622
Total	24,226,050	2,030,622

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2024 and March 31, 2023 by geography.

(In CA$)

Particulars	Year ended March 31,	
	2024	2023
Revenues by geography*		
Canada	23,988,754	2,012,130
USA	237,296	18,492
Total	24,226,050	2,030,622

* Geographical revenues are 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 the 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.

2.12 Other income

Accounting policy

Other income comprises primarily 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 Canadian Dollar, these financial statements are presented in Canadian Dollar.

Other income / (expense) consists of the following:

(In CA$)

Particulars	Year ended March 31,	
	2024	2023
Interest income on financial assets carried at amortized cost:		
Exchange gains / (losses) on translation of other assets and liabilities	(86,144)	3,714
Total	(86,144)	3,714

2.13 Expenses

(In CA$)

Particulars	Year ended March 31,	
	2024	2023
Employee benefit expenses		
Salaries including bonus	10,759,727	2,250,773
Share-based payments to employees	78,193	11,961
Staff welfare	7,261	76
	10,845,181	2,262,810
Other expenses		
Rates and taxes	11,698	–
Branding and marketing expenses	26,435	–
Statutory audit fees	13,614	–
Others	52,220	3,708
Total	172,300	3,708

2.14 Financial instruments

Accounting policy

2.14.1 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.

2.14.2 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 that 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 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.

2.14.3 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.

2.14.4 Fair value of financial instrument

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 fairvalue 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.

2.14.5 Impairment

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets and unbilled revenue, which are not fair valued through profit or loss. Loss allowance for trade receivables and unbilled revenue with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses or (reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in Statement of Profit and Loss.

Financial instruments by category

The carrying value and fair value of financial instruments as of March 31, 2024 and March 31, 2023 are as follows:

(In CA$)

Particulars	As at March 31, 2024	As at March 31, 2023
Assets:		
Cash and cash equivalents (Refer to note 2.3)	569,935	499,461
Trade receivables (Refer to note 2.2)	6,978,586	2,298,343
Other financial assets (Refer to note 2.4)	56,925	11,996
Total	7,605,446	2,809,800
Liabilities:		
Trade payables (Refer to note 2.7)	1,807,868	15,918
Other financial liabilities (Refer to note 2.8)	1,374,500	377,689
Total	3,182,368	393,607

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 following table analyses the foreign currency risk from financial assets and liabilities as at March 31, 2024:

(In CA$)

Particulars	US dollars	Other currencies	Total
Net financial assets	646,397	4,010	650,407
Net financial liabilities	(1,507,272)	(91,171)	(1,598,444)
Net assets / (liabilities)	(860,875)	(87,161)	(948,037)

The following table analyses the foreign currency risk from financial assets and liabilities as at March 31, 2023:

(In CA$)

Particulars	US dollars	Other currencies	Total
Net financial assets	2,034,363	–	2,034,363
Net financial liabilities	–	(11,988)	(11,988)
Net assets / (liabilities)	2,034,363	(11,988)	2,022,375

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 CAD 6,978,586 and CAD 2,298,344 as of March 31, 2024 and March 31, 2023, respectively, and unbilled revenue amounting to CAD 53,874 and nil as of March 31, 2024 and March 31, 2023, 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.

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements.

As of March 31, 2024, the Company had a working capital of CAD 3,900,285, including cash and cash equivalents of CAD 569,935. As of March 31, 2023, the Company had a working capital of CAD 1,830,592 including cash and cash equivalents of USD 499,461.

As of March 31, 2024 and March 31, 2023, the compensated absences were CAD 274,312 and CAD 226,082, respectively, which have been substantially funded. Further, as of March 31, 2024 and March 31, 2023, the Company had no outstanding bank borrowings. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2024:

(In CA$)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	1,807,868		–	–	1,807,868
Other liabilities (Refer to note 2.9)	1,374,500	–	–	–	1,374,500

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2023:

(In CA$)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
	15,918	–	–	–	15,918
Other liabilities (Refer to note 2.9)	377,689	–	–	–	377,689

2.15 Related party transactions

(a) List of related parties:

Name of the Company	Country	Holding as at March 31,	
		2024	2023
Holding			
Infosys Public Services Inc.	USA	Holding Company	Holding Company

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
EdgeVerve Systems Limited (EdgeVerve)[(1)]	India
Infosys Austria GmbH[(1)]	Austria
Skava Systems Private Limited (Skava Systems)[(1)(22)]	India
Infosys Chile SpA[(1)]	Chile
Infosys Arabia Limited[(2)(22)]	Saudi Arabia
Infosys Consulting Ltda.[(1)]	Brazil
Infosys Luxembourg S.a.r.l[(1)]	Luxembourg
Infosys Americas Inc. (Infosys Americas)[(1)(30)]	US
Infosys Consulting S.R.L.[(1)(19)]	Argentina
Infosys Consulting S.R.L.[(1)]	Romania
Infosys Limited Bulgaria EOOD[(1)]	Bulgaria
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[(1)]	Turkey
Infosys Germany Holding Gmbh[(1)]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[(1)]	Germany
Infosys Green Forum[(1)]	India
Infosys Business Solutions LLC[(1)]	Qatar
WongDoody Inc. [(1)]	US
Danske IT and Support Services India Private Limited (Danske IT) [(1)(32)]	India
Infosys BPM Limited[(1)]	India
Infosys BPM UK Limited[(3)]	UK
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 BPM Canada Inc [(3)(31)(36)]	Canada
Panaya Inc. (Panaya)[(1)]	US
Panaya Ltd.[(4)]	Israel
Panaya Germany GmbH [(4)(27)]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[(1)(22)]	UK
Brilliant Basics Limited [(5)(22)]	UK
Infosys Consulting Holding AG [(1)]	Switzerland
Infosys Management Consulting Pty Limited[(6)]	Australia
Infosys Consulting AG[(6)]	Switzerland
Infosys Consulting GmbH[(6)]	Germany
Infosys Consulting SAS[(6)]	France
Infy Consulting B.V.[(6)]	The Netherlands
Infosys Consulting (Belgium) NV[(6)]	Belgium
Infy Consulting Company Ltd[(6)]	UK
GuideVision s.r.o.[(7)]	Czech Republic
GuideVision Deutschland GmbH[(8)]	Germany
GuideVision Suomi Oy[(8)]	Finland

Fellow subsidiaries	Country
GuideVision Magyarország Kft[8]	Hungary
GuideVision Polska Sp. z.o.o[8]	Poland
GuideVision UK Ltd[8][22]	UK
Infosys Nova Holdings LLC. (Infosys Nova)[1]	US
Outbox systems Inc. dba Simplus (US)[9]	US
Simplus ANZ Pty Ltd.[10]	Australia
Simplus Australia Pty Ltd[11]	Australia
Simplus Philippines, Inc.[10]	Philippines
Kaleidoscope Animations, Inc.[9]	US
Kaleidoscope Prototyping LLC[18][34]	US
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[9]	US
Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)[1]	Singapore
Infosys Financial Services GmbH. (formerly Panaya GmbH) [13][29]	Germany
Infosys South Africa (Pty) Ltd[13]	South Africa
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[13]	Malaysia
Infosys Middle East FZ LLC [13]	Dubai
Infosys Norway [13][28]	Norway
Infosys Compaz Pte. Ltd [14]	Singapore
HIPUS Co., Ltd[14]	Japan
Fluido Oy [13]	Finland
Fluido Sweden AB [15]	Sweden
Fluido Norway A/S[15]	Norway
Fluido Denmark A/S[15]	Denmark
Fluido Slovakia s.r.o[15]	Slovakia
Infosys Fluido UK, Ltd.[15]	UK
Infosys Fluido Ireland, Ltd.[16]	Ireland
Stater N.V.[14]	The Netherlands
Stater Nederland B.V.[17]	The Netherlands
Stater XXL B.V.[17]	The Netherlands
HypoCasso B.V.[17]	The Netherlands
Stater Participations B.V.[35]	The Netherlands
Stater Belgium N.V./S.A.[17][35]	Belgium
Stater Gmbh[17]	Germany
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[13]	Germany
Wongdoody Gmbh (formerly known as oddity GmbH) [20]	Germany
WongDoody (Shanghai) Co. Limited (formerly known as oddity (Shanghai) Co., Ltd.) [21]	China
WongDoody limited (Taipei) (formerly known as oddity Limited (Taipei)) [21]	Taiwan
oddity space GmbH [20][33]	Germany
oddity jungle GmbH [20][33]	Germany
oddity code GmbH [20][33]	Germany
WongDoody d.o.o (formerly known as oddity code d.o.o) [21][33]	Serbia
oddity waves GmbH [20][33]	Germany
oddity group services GmbH [20][33]	Germany
BASE life science A/S [13][24]	Denmark
BASE life science AG [25]	Switzerland
BASE life science GmbH [25]	Germany

Fellow subsidiaries	Country
BASE life science S.A.S [25]	France
BASE life science Ltd. [25]	UK
BASE life science S.r.l. [25]	Italy
Innovisor Inc.[25]	US
BASE life science Inc.[25]	US
BASE life science S.L.[25][26]	Spain

(1) Wholly-owned subsidiary of Infosys Limited

(2) Majority-owned and controlled subsidiary of Infosys Limited

(3) Wholly-owned subsidiary of Infosys BPM Limited

(4) Wholly-owned subsidiary of Panaya Inc.

(5) Wholly-owned subsidiary of Brilliant Basics Holding Limited.

(6) Wholly-owned subsidiary of Infosys Consulting Holding AG

(7) Wholly-owned subsidiary of Infy Consulting Company Limited

(8) Wholly-owned subsidiary of GuideVision s.r.o.

(9) Wholly-owned subsidiary of Infosys Nova Holdings LLC

(10) Wholly-owned subsidiary of Outbox systems Inc. dba Simplus (US)

(11) Wholly-owned subsidiary of Simplus ANZ Pty Ltd

(13) Wholly-owned subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

(14) Majority-owned and controlled subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

(15) Wholly-owned subsidiary of Fluido Oy

(16) Wholly-owned subsidiary of Infosys Fluido UK, Ltd.

(17) Wholly-owned subsidiary of Stater N.V

(18) Wholly-owned subsidiary of Kaleidoscope Animations, Inc.

(19) Infosys Consulting S.R.L. (Argentina) (formerly a wholly-owned subsidiary of Infosys Consulting Holding AG) became the majority-owned and controlled subsidiary of Infosys Limited with effect from April 1, 2022.

(20) On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.)) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and Wongdoody Gmbh (formerly known as oddity GmbH).

(21) Wholly-owned subsidiary of Wongdoody Gmbh (formerly known as oddity GmbH)

(22) Under liquidation

(24) On September 1, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.) (a wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

(25) Wholly-owned subsidiary of BASE life science A/S

(26) Incorporated on September 6, 2022

(27) Incorporated effective December 15, 2022

(28) Incorporated effective September 15, 2023.

(29) Infosys Financial Services GmbH. (formerly Panaya GmbH) became a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.) with effect from February 23, 2023.

(30) Liquidated effective July 14, 2023

(31) Incorporated on August 11, 2023

(32) On September 1, 2023 Infosys Ltd. acquired 100% of voting interests in Danske IT and Support Services India Private Limited ("Danske IT").

(33) On September 29, 2023, oddity space GmbH, oddity waves GmbH, oddity jungle GmbH, oddity group services GmbH and oddity code GmbH merged into WongDoody GmbH and oddity code d.o.o, which was formerly a subsidiary of oddity code Gmbh has become a subsidiary of Wongdoody Gmbh (formerly known as oddity GmbH).

(34) Kaleidoscope Prototyping LLC, a wholly-owned subsidiary of Kaleidoscope Animations, is liquidated effective November 1, 2023.

(35) On November 24, 2023 Stater Participations B.V (wholly-owned subsidiary of Stater N.V) merged with Stater N.V and Stater Belgium N.V./S.A, which was formerly a wholly-owned subsidiary of Stater Participations B.V., became a wholly-owned subsidiary of Stater N.V.

(36) On March 15, 2024, Infosys BPM Canada Inc., a wholly-owned subsidiary of Infosys BPM Limited got dissolved.

(b) The details of amounts due to or due from as at March 31, 2024 and March 31, 2023 are as follows:

(In CA$)

Particulars	As at March 31,	
	2024	2023
Trade receivables		
Infosys Public Service INC	714,376	2,298,343
	714,376	2,298,343
Trade payables		
Infosys Limited	1,584,160	–
	1,584,160	–
Other financial liabilities		
Infosys Limited	86,225	11,988
Infosys Public Service INC	184,797	–
	271,022	11,988

(c) The details of the related party transactions entered into by the Company for the year ended March 31, 2024 and March 31, 2023 are as follows:

(In CA$)

Particulars	Years ended March 31,	
	2024	2023
Revenue transactions:		
Sale of services		
Infosys Public Service INC	6,589,543	2,030,622
	6,589,543	2,030,622
Purchase of services		
Infosys Limited	7,507,795	–
Infosys Public Service INC	700,568	–
	8,208,363	–
Purchase of Property, plant and equipment		
Infosys Public Service INC	178,194	–
	178,194	–

List of key managerial personnel and directors

Name of the related party	Designation
Bhanu Prasad Narayana	Interim CEO
Michel Tourigny	Director
Kenneth Kopf	Director

Transaction with key managerial personnel

Particulars	Years ended March 31,	
	2024	2023
Salary and other employee benefits	989,856	143,976
Total	989,856	143,976

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, Segment Reporting.

2.17 Ratios

The following are analytical ratios for the year ended March 31, 2024 and March 31, 2023:

Particulars	Numerator	Denominator	Years ended March 31,		Variance*
			2024	2023	
Current ratio	Current assets	Current liabilities	2.1	2.8	(27.2%)
Return on Equity (ROE)	Net profit after taxes	Average shareholder's equity	70.1%	(8.4%)	78.5%
Trade receivables turnover ratio	Revenue	Average trade receivable	5.2	1.8	195.6%
Trade payables turnover ratio	Purchases of services and other expenses	Average trade payables	11.2	0.6	1840.0%
Net capital turnover ratio	Revenue	Working capital	6.2	1.1	459.9%
Net profit ratio	Net Profit	Revenue	8.8%	(8.6%)	17.4%
Return on capital employed (ROCE)	Earning before interest and taxes	Capital employed[1]	73.2%	(12.7%)	86.0%

[1] Tangible net worth + deferred tax liabilities + lease liabilities

* The company became fully operational during the year ended March 31, 2024, whereas for the year ended March 31, 2023 there were very few transaction, hence is the variance

2.18 The Financial Statements of the company for the year ended March 31, 2023 were unaudited.

for and on behalf of the Board of Directors of Infosys Public Services Canada Inc.

Place: Bengaluru Date: May 30, 2024	Michel Tourigny *Director*	Kenneth Kopf *Director*	Bhanu Prasad Narayana *Interim CEO*

Infosys BPO Americas LLC

Independent Auditors' Report

To, the Board of Directors Infosys BPO Americas LLC

Opinion

We have audited the accompanying financial statements of Infosys BPO Americas LLC (the Company), which comprise the Balance Sheets as of March 31, 2024, and March 31, 2023 the related statements of income from operations, changes in membership interest and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Infosys BPO Americas LLC as of March 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for within one year after the date that the financial statements are issued or available to be issued.

Auditor's responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

For Rakesh Jain, CPA PC

Rakesh Jain
Certified Public Accountants

Place: New Delhi, India

Date: May 20, 2024

Balance Sheet

(In US$)

Particulars	As at March 31, 2024	As at March 31, 2023
Assets		
Current assets		
Cash and cash equivalents	8,346,165	3,512,052
Accounts receivables, net of doubtful balances	1,044,510	1,981,365
Unbilled revenue	1,131,289	734,132
Income tax assets	1,783,249	413,107
Prepayments and other assets	190,852	58,562
Total current assets	12,496,065	6,699,218
Non-current assets		
Deferred tax assets	42,575	21,288
Plant and equipment	136,683	118,785
Total non-current assets	179,258	140,073
Total assets	12,675,323	6,839,291
Liabilities and Membership Interest		
Current liabilities		
Trade payables	20,628	110,201
Income tax liabilities	1,742,850	397,193
Provisions	27,393	20,408
Other liabilities	1,721,360	1,790,839
Total current liabilities	3,512,231	2,318,641
Membership Interest		
Member's equity	17,750,000	17,750,000
Accumulated deficit	(8,586,908)	(13,229,350)
Total member's equity	9,163,092	4,520,650
Total liabilities and member's equity	12,675,323	6,839,291

The accompanying notes form an integral part of the financial statements

Vasudeva Maipady
Authorized Signatory

Date: May 20, 2024

Statements of Comprehensive Income

(In US$)

Particulars	For the years ended March 31, 2024	2023
Revenue	14,478,357	14,864,999
Cost of revenue	8,355,649	11,212,005
Gross Profit	6,122,708	3,652,994
Other expenses:		
Selling and marketing expenses	–	–
Administrative expenses	314,753	340,087
Total other expenses	314,753	340,087
Operating Profit	5,807,955	3,312,907
Miscellaneous income	(175,379)	(51,780)
Profit before income taxes	5,983,334	3,364,687
Income tax expense	1,337,926	375,464
Net Profit	4,645,408	2,989,223
Other comprehensive income	(2,966)	(1,008)
Net Income	4,642,442	2,988,215

The accompanying notes form an integral part of the financial statements

Vasudeva Maipady
Authorized Signatory

Date: May 20, 2024

Statements of Changes in Member's Equity

(In US$)

	Capital contribution	Members Distribution	Net Income (loss)	Retained earnings	Total Membership Interest Surplus/ (Deficit)
Balance as of April 1, 2022	1,000,000	16,750,000	(9,300,293)	(6,917,272)	1,532,435
Net income for the year 2023	–	–	2,988,215	–	2,988,215
Additional capital introduced	–	–	–	–	–
Distributions	–	–	–	–	–
Adjustment	–	–	9,300,293	(9,300,293)	–
Balance as of March 31, 2023	1,000,000	16,750,000	2,988,215	(16,217,565)	4,520,650
Balance as of April 1, 2023	1,000,000	16,750,000	2,988,215	(16,217,565)	4,520,650
Net income for the year 2024	–	–	4,642,442	–	4,642,442
Additional capital introduced	–	–	–	–	–
Distributions	–	–	–	–	–
Adjustment	–	–	(2,988,215)	2,988,215	–
Balance as of March 31, 2024	1,000,000	16,750,000	4,642,442	(13,229,350)	9,163,092

The accompanying notes form an integral part of the financial statements

Vasudeva Maipady
Authorized Signatory

Date: May 20, 2024

Statement of Cash Flows

(In US$)

Particulars	For the years ended March 31, 2024	2023
Cash flows from operating activities		
Net Profit for the period	4,645,408	2,989,223
Adjustments to reconcile net profit to net cash provided by operating activities:		
Income tax expense	1,337,926	375,464
Provision for service level risk on revenue contracts	6,985	(36,724)
Loss on sale of plant and equipment	–	–
Allowance for doubtful accounts	(53,285)	6,095
Depreciation	94,189	53,066
Exchange difference	10,668	(13,676)
Cash operating income	6,041,891	3,373,448
changes in operating assets and liabilities		
Accounts receivable	971,591	255,745
Prepayments and other assets	(133,224)	(3,228)
Unbilled revenues	(388,343)	1,214,609
Trade payables	(89,573)	(3,034,110)
Unearned revenue	–	(66,391)
Other liabilities and provisions	(86,000)	(2,275,221)
Income taxes paid	(1,370,142)	(413,107)
Net cash generated / (used) in operating activities	4,946,200	(948,255)
Cash flows from investing activities		
Fixed assets purchased	(112,087)	(156,501)
Net cash used in investing activities	(112,087)	(156,501)
Cash flows from financing activities		
Capital Infusion	–	–
Net cash generated in financing activities	–	–
Net increase(decrease) in cash and cash equivalents	4,834,113	(1,104,756)
Cash and cash equivalents at the beginning of the period	3,512,052	4,616,808
Cash and cash equivalents at the end of the period	8,346,165	3,512,052

The accompanying notes form an integral part of the financial statements

Vasudeva Maipady
Authorized Signatory

Date: May 20, 2024

Notes to the financial statements

1. Company overview and significant accounting policies

1.1 Company overview

Infosys BPO Americas, LLC, (the Company) is a Mortgage fulfillment services based business that provides end-to-end Mortgage fulfillment services .

The Company was formed in November 2015 as a limited liability company under the provisions of the Delaware Limited Liability Company Act (the Act). The Company was formed by Infosys BPM Limited (formerly known as Infosys BPO Limited), a subsidiary of Infosys Limited.

1.2 Basis of preparation of financial statements

The accompanying financial statements have been prepared in conformity with U.S. Generally Accepted Accounting Principles to reflect the financial position and results of operations of the Company. The financial statements have been presented in United States Dollars.

1.3 Use of estimates

The preparation of financial statements is in conformity with U.S. Generally Accepted Accounting Principles (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent assets and liabilities. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.4 Revenue recognition

Revenue from mortgage fulfillment services, which principally relates to implementation, enhancement, training and support services associated with the Company's products, is derived under both time-and-material and fixed-price agreements. Revenue on time-and-material contracts is recognized as the related services are rendered. Revenue related to fixed-price agreements is recognized on a percentage of completion basis over the term of the agreement. In measuring progress towards completion, the input (efforts expended) method has been used. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current estimates. Costs and earnings in excess of billings are classified as unbilled revenue while billings in excess of costs and earnings are classified as unearned revenue.

1.5 Cash and cash equivalents

The Company defines cash equivalents as short-term, highly liquid investments readily convertible to cash with original maturities of three months or less. The Company did not hold any cash equivalents as of March 31, 2024. The Company maintained cash balances in two bank accounts as of March 31, 2024.

1.6 Plant and equipment

Property and equipment are stated at cost, less accumulated depreciation. The Company depreciates property and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Computer equipment	3-5 years
Plant and machinery	5 years
Furniture and fixtures	5 years
office equipments	5 years
Leasehold improvements	Over lease term or 5 years whichever is lower

Leasehold improvements are amortized on a straight-line basis over the lesser of the remaining lease term or the estimated useful life of the asset.

For computer equipment, based on internal assessment and independent technical evaluation carried out by external valuers the management believes that the useful lives as given above best represent the period over which management expects to use these assets.

The cost of software purchased for internal use is accounted under FASB ASC Topic 350-40 (SOP 98-1), Accounting for the Costs of Computer Software Developed or Obtained for Internal Use. Deposits paid towards the acquisition of these long-lived assets outstanding at each Balance Sheet date and the cost of assets not put to use before such date are disclosed under "Capital work-in-progress". Costs of improvements that substantially extend the useful life of particular assets are capitalized. Repairs and maintenance cost are charged to earnings when incurred. The cost and related accumulated depreciation are removed from the financial statements upon sale or disposition of the asset.

The Company evaluates the recoverability of these assets whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. The recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying value of the assets exceeds the fair value. Assets to be disposed are reported at the lower of the carrying value or the fair value less the cost to sell.

1.7 Accounts receivable

Accounts receivable are recorded at the invoiced amount. The Company's accounts receivable relate principally to revenue earned from customers located in the United States.

The Company maintains an allowance for doubtful accounts to provide coverage for losses from client receivables. In establishing the required allowance, management considers historical losses adjusted to take into account current market conditions and customers' financial condition, the amount of receivables in dispute, the current receivables aging and current payment patterns. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

1.8 Employee benefit obligations

The employees of the Company are entitled to compensated absences, which is non-accumulating in nature. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

1.9 Investments

The Company carries no investment in marketable Securities.

1.10 Reclassification of Prior Year Amounts

Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications had no effect on previously reported results of operations.

1.11 Income taxes

Income taxes are accounted using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities, and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred tax assets and liabilities is recognized as income or expense in the period that includes the enactment date. The measurement of deferred tax assets is reduced, if necessary, by a valuation allowance if it is more likely than not that some portion or all of the assets will not be realized. Changes in valuation allowance from period to period are reflected in the income statement of the period of change.

The expense / (benefit) for income taxes for the years ended March 31, 2024, and 2023, is as follows:

(In US$)

Particulars	For the year ended March 31,	
	2024	2023
Income tax Expenses	1,359,621	392,417
Total	1,359,621	392,417

(In US$)

Particulars	As at March 31,	
	2024	2023
Income tax liabilities	1,742,850	397,193
Total	1,742,850	397,193

During the period deferred tax has been calculated as follows:

(In US$)

Particulars	For the year ended March 31,	
	2024	2023
Deferred Tax (Benefit)/ Expense	(21,695)	(16,953)
Total	(21,695)	(16,953)

(In US$)

Particulars	As at March 31,	
	2024	2023
Deferred Tax Asset	42,575	21,288
Total	42,575	21,288

1.12 Sales and marketing

The Company expenses the cost of advertisement as incurred. Sales & Marketing expenses amounts to Nil and Nil for the years ended March 31, 2024 and March 31, 2023, respectively.

1.13 Fair Value Measurement

Company uses fair value to measure certain financial and non-financial assets and liabilities. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value hierarchy established and prioritized fair value measurements into three levels based on the nature of the inputs. The hierarchy gives the highest priority to inputs based on market data from independent sources (observable inputs-Level1) and the lowest priority to a reporting entity's internal assumptions based upon the best information available when external market data is limited or unavailable (unobservable inputs -Level 3).

The fair value option allows entities to choose at specified election dates, to measure eligible financial assets and financial liabilities at fair value that are not otherwise required to be measured at fair value. If an organization elects the fair value option for an eligible item, changes in that item's fair value in subsequent reporting periods must be recognized in current earnings. Company did not elect the fair value option for the measurement of any eligible assets or liabilities.

Infosys BPO Americas, LLC's financial instruments (primarily cash and cash equivalents, receivables and payables) are carried in the accompanying statement of financial position at amounts, which reasonably approximate fair value.

2. Membership Interest

At March 31, 2024, the Company had one member, Infosys BPM Limited (the "Member"). The Member owns 100% of the interests of the Company.

3. Cash and cash equivalents

(In US$)

Particulars	As at March 31,	
	2024	2023
Current Account	8,346,165	3,512,052

4. Cost of Revenue

(In US$)

Particulars	For the years ended March 31,	
	2024	2023
Salaries	8,022,969	10,430,187
Subcontractor charges	37,640	205,440
Others	295,040	576,378
Total	8,355,649	11,212,005

5. Other Expenses

(In US$)

Particulars	For the years ended March 31,	
	2024	2023
Legal & Professional charges	104,691	56,688
Others (Salaries, Insurance & Rates and taxes)	210,062	283,399
Total	314,753	340,087

6. Related party transactions

A related party transaction is one, which takes place between two parties and between the company and its affiliates/related party through a relative of the member who owns the company and by having the common or significant control/interest and also between the company and employees of the affiliate company.

The company identifies transactions from its related party and provides its disclosures in accordance with the generally accepted accounting principles in the United States of America

Name of the related party and their relationships:

Holding Company- Infosys BPM Limited (formerly known as IBPO Limited)

The details of the related party transactions entered into by the company during the years ended March 31, 2024 and March 31, 2023 as as follows

(In US$)

Particulars	As at March 31,	
	2024	2023
Unbilled revenues		
Infosys BPM Limited	–	44,875
	–	44,875
Other receivables		
Infosys BPM Limited	74	751
Infosys Limited	432	–
	506	751
Trade payables		
Infosys BPM Limited	–	1,857
Infosys Limited	28,077	14,198
	28,077	16,055
Other payables		
Infosys BPM Limited	391,322	123,272
Infosys McCamish	9,171	8,992
	400,493	132,264

The details of related party transactions as at March 31, 2024 and March 31, 2023 as follows

Revenue Transactions:

(In US$)

Particulars	For the years ended March 31,	
	2024	2023
Purchase of services		
Infosys BPM Limited	12,106	403,939
Infosys Limited	–	5,527
	12,106	409,466
Purchase of shared services		
Infosys BPM Limited	427	1,237
Infosys Limited	78,310	75,194
Infosys McCamish	110,055	42,918
	188,792	119,349

7. Concentration of Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist principally of cash and accounts receivable.

The Company had sales to 2 customers that individually contributed in excess of 5% of total revenue. The details are as follows:

(In US$)

Particulars	For the year ended March 31,	
	2024	2023
Number of Customers	2	3
Revenue Contributed	14,123,465	13,919,632
Total Revenue	14,478,357	14,864,999
Percentage of Total Revenue Contributed	98%	94%

8. Contingencies & Lawsuits

There are no contingencies or lawsuits pending as of March 31, 2024, (Previous year - NIL).

9. Subsequent events

The Company has evaluated all events or transactions that occurred after the Balance Sheet date through the date that the financial statements were available for issue. The Company is not aware of any additional subsequent events that would require recognition or disclosure in the financial statements.

For Infosys BPO Americas, LLC

Vasudeva Maipady
Authorized Signatory

Date: May 20, 2024

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Infy Consulting B.V.

Independent Auditor's report

To the Members Infy Consulting B.V.

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of INFY CONSULTING B.V. (formerly Lodestone Management Consultants B.V.) ("the Company"), which comprise the Balance Sheet as at December 31, 2023, the Statement of Profit and Loss (including Other ComprehensiveIncome), theStatement of Changes in Equity and the Statement of Cash Flows for the year ended on thatdate, 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, ofthe state of affairs of the Company as at December 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with theethical 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 !CAi's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to providea basis for our audit opinion on the special purpose financial statements.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1.2 to the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared for inclusion in the annual report of the Ultimate Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act, 2013. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for the above purpose and is not to be used, referred to or distributed for any other purpose without our prior consent.
Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accur:acy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives i_s to obtain reasonable assurance about whether the special purpose financial statements as a wt.iole 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, foture 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 : 24202841BKACIV2407

For SHENOY & KAMATH
Chartered Accountants
Firm Registration Number: 006673S

(M. RATHNAKAR KAMATH)
Partner
Membership Number. 202841

Place: Bengaluru
Date: May 7, 2024

Balance Sheet

(In ₹)

Particulars	Note	As at December 31, 2023	As at December 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	1,388,992	2,189,425
Right to use of asset	2.14	37,214,312	33,158,350
Financial assets			
Loans	2.2	153,800,636	142,278,078
Other financial assets	2.4	6,190,622	386,569
Income tax assets, net	2.13	1,294,832	1,115,333
Total non-current assets		199,889,394	179,127,755
Current assets			
Financial assets			
Trade receivables	2.4	91,152,800	108,088,458
Cash and cash equivalents	2.5	453,373,961	357,332,231
Other financial assets	2.3	28,341,882	16,700,906
Other current assets	2.6	70,853,358	66,747,158
Total current assets		643,722,001	548,868,753
Total assets		843,611,395	727,996,508
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.8	5,327,009	5,327,009
Other equity		548,944,085	437,180,743
Total equity		554,271,094	442,507,752
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease Liability	2.14	21,895,164	5,073,128
Income tax liabilities, net	2.13		–
Total non-current liabilities		21,895,164	5,073,128
Current liabilities			
Financial liabilities			
Trade payables	2.9	21,980,680	49,192,180
Lease liability	2.14	14,786,325	26,252,272
Other financial liabilities	2.10	156,435,821	112,474,281
Other current liabilities	2.11	73,749,702	75,754,657
Provisions	2.12	492,609	402,572
Income tax liabilities, net	2.13	–	16,339,666
Total current liabilities		267,445,137	280,415,628
Total equity and liabilities		843,611,395	727,996,508

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 7, 2024

for and on behalf of the Board of Directors of Infy Consulting B.V.

Walter Johan Schulze
Director

Statement of Profit and Loss

(In ₹ crore, except equity share and per equity share data)

Particulars	Note	Years ended December 31, 2023	2022
Revenue from operations	2.15	1,139,903,137	960,841,311
Other income, net	2.16	13,109,347	(10,683,487)
Total income		1,153,012,484	950,157,824
Expenses			
Employee benefit expenses	2.17	539,058,931	375,262,678
Cost of technical sub-contractors		116,624,088	226,969,163
Travel expenses		31,196,257	17,334,649
Cost of software packages and others	2.17	280,941,791	185,213,239
Communication expenses		2,694,637	3,193,700
Consultancy and professional charges		23,802,489	22,096,293
Depreciation and amortization expense	2.1	19,263,869	15,471,859
Finance cost	2.14	343,752	583,210
Other expenses	2.17	20,377,893	11,575,581
Total expenses		1,034,303,707	857,700,372
Profit before tax		118,708,777	92,457,452
Tax expense			
Current tax	2.13	27,838,602	21,752,695
Profit for the year		90,870,175	70,704,757
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		20,893,167	21,407,628
Total other comprehensive income / (loss), net of tax		20,893,167	21,407,628
Total comprehensive income for the year		111,763,342	92,112,385
Earnings per equity share			
Earnings per equity share of EUR 5 each			
Basic and diluted (₹)		5,048.34	3,928.04
Weighted average equity shares used in computing earnings per equity share			
Basic and diluted		18,000	18,000

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Place: Bengaluru
Date: May 7, 2024

for and on behalf of the Board of Directors of Infy Consulting B.V.

Walter Johan Schulze
Director

Statement of Changes in Equity

(In ₹)

Particulars	Equity share capital	Other equity		Total equity attributable to equity holders of the Company
		Reserves and surplus	Other comprehensive income	
		Retained earnings	Exchange difference on translation	
Balance as of January 1, 2022	5,327,009	324,398,512	20,669,846	350,395,367
Changes in equity for the year ended December 31, 2022				
Currency translation	–	–	21,407,628	21,407,628
Profit for the year	–	70,704,757	–	70,704,757
Balance as of December 31, 2022	5,327,009	395,103,269	42,077,474	442,507,752
Changes in equity for the year ended December 31, 2023				
Currency translation	–	–	20,893,167	20,893,167
Profit for the year	–	90,870,175	–	90,870,175
Balance as of December 31, 2023	5,327,009	485,973,444	62,970,641	554,271,094

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 7, 2024

for and on behalf of the Board of Directors of Infy Consulting B.V.

Walter Johan Schulze
Director

Statements of Cash Flows

(In ₹)

Particulars	Years ended December 31, 2023	2022
Cash flows from operating activities		
Profit for the year	90,870,175	70,704,757
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation and Amortization expense	19,263,869	15,471,859
Income tax expense	27,838,602	21,752,695
(Reversal) / allowance for credit losses on financial assets	493,123	(1,364,083)
Finance cost	343,752	583,210
Interest and dividend income	(11,533,435)	(664,314)
Other adjustments	69,642	(3,059,518)
Exchange differences on translation of assets and liabilities	12,974,876	15,110,265
Changes in assets and liabilities		
Trade receivables and unbilled revenue	16,442,535	243,933,721
Other financial assets and other assets	(21,551,229)	32,489,938
Trade payables	(27,211,500)	(48,551,760)
Other financial liabilities, other liabilities and provisions	41,956,585	(94,667,821)
Cash generated from operations	149,956,995	251,738,949
Income taxes paid	(46,756,851)	(23,742,947)
Net cash generated by operating activities	103,200,144	227,996,002
Cash flow from investing activities		
Expenditure on property, plant and equipment net of sale proceeds	–	(2,236,905)
Loan to parent company	–	–
Loans to employees	–	–
Interest and dividend received on investments	11,533,435	664,314
Net cash used in investing activities	11,533,435	(1,572,591)
Cash flow from financing activities		
Interest paid	(343,752)	(583,210)
Payment of lease liabilities	(18,348,097)	(15,895,234)
Net cash used in financing activities	(18,691,849)	(16,478,444)
Net (decrease) / increase in cash and cash equivalents	96,041,730	209,944,967
Cash and cash equivalents at the beginning of the year	357,332,231	147,387,264
Cash and cash equivalents at the end of the year	453,373,961	357,332,231

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 Number: 202841

Place: Bengaluru

Date: May 7, 2024

for and on behalf of the Board of Directors of Infy Consulting B.V.

Walter Johan Schulze
Director

Significant accounting policies

Company overview

Infy Consulting B.V. (formerly Lodestone Management Consultants B.V.) is a wholly-owned subsidiary of Infosys Consulting Holding AG (Infosys Lodestone) (formerly Lodestone Holding AG). The Company renders professional management consulting services, thereby enabling its clients to enhance business performance.

1 Significant accounting policies

1.1 Accounting year

The accounting year of the Company is from January 1 to December 31.

1.2 Basis of preparation of financial statements

These special purpose financial statements are prepared for inclusion in the annual report of the Ultimate Holding Company Infosys Limited under the requirements of section 129 [(3)] of the Companies Act 2013. These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.3 Presentation currency

The Company's presentation currency is 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.

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 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.

1.5.6 Contract Modification

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

1.5.7 Tax

The Company presents revenues net of indirect taxes in its Statement of Profit and Loss.

1.6 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

1.7 Post-sales client support and warranties

The Company provides its clients with a fixed-period warranty for corrections of errors and telephone support on all its fixed-price, fixed-timeframe contracts. Costs associated with such support services are accrued at the time when related revenues are recorded and included in cost of sales. The Company estimates such costs based on historical experience and the estimates are reviewed annually for any material changes in assumptions.

1.8 Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the company recognizes any impairment loss on the assets associated with that contract.

1.9 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Computer equipment [1]	3-5 years
Furniture and fixtures [1]	5 years
Office equipment [1]	5 years

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

[1] For these class of assets, based on technical evaluation, the Management believes that the useful lives as given above best represent the period over which Management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

1.10 Financial instruments

1.10.1 Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

1.10.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.
(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

1.11 Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

1.12 Impairment

a. Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

b. Non-financial assets

(i) **Property, plant and equipment**

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

1.13 Employee Benefits

Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

1.14 Foreign currency

Functional currency

The functional currency of the Company is the EUR. These financial statements are presented in Indian 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.

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

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.

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, 2023 are as follows:

(In ₹)

Particulars	Office equipment	Computer equipment	Furniture and fixtures	Total
Gross carrying value as of January 1, 2023	65,127	13,427,504	675,761	14,168,392
Additions / adjustments	–	–	–	–
Deletions / adjustments	–	(8,507,985)	–	(8,507,985)
Translation difference	–	580,427	–	580,427
Gross carrying value as of December 31, 2023	65,127	5,499,946	675,761	6,240,834
Accumulated depreciation as of January 1, 2023	(65,127)	(11,238,079)	(675,761)	(11,978,967)
Depreciation	–	(869,445)	–	(869,445)
Accumulated depreciation on deletions	–	8,507,985	–	8,507,985
Translation difference	–	(511,415)	–	(511,415)
Accumulated depreciation as of December 31, 2023	(65,127)	(4,110,954)	(675,761)	(4,851,842)
Carrying value as of December 31, 2023	–	1,388,992	–	1,388,992
Carrying value as of January 1, 2023	–		–	2,189,425

The changes in the carrying value of property, plant and equipment for the year ended December 31, 2022 are as follows:

(In ₹)

Particulars	Office equipment	Computer equipment	Furniture and fixtures	Total
Gross carrying value as of January 1, 2022	62,230	11,077,667	645,706	11,785,603
Additions / adjustments	–	2,236,905	–	2,236,905
Deletions / adjustments	–	(402,712)	–	(402,712)
Translation difference	2,897	515,644	30,055	548,596
Gross carrying value as of December 31, 2022	65,127	13,427,504	675,761	14,168,392
Accumulated depreciation as of January 1, 2022	(62,230)	(10,513,053)	(645,706)	(11,220,989)
Depreciation	–	(602,897)	–	(602,897)
Accumulated depreciation on deletions	–	402,712.00	–	402,712
Translation difference	(2,897)	(524,841)	(30,055)	(557,793)
Accumulated depreciation as of December 31, 2022	(65,127)	(11,238,079)	(675,761)	(11,978,967)
Carrying value as of December 31, 2022	–	2,189,425	–	2,189,425
Carrying value as of January 1, 2022	–	564,614	–	564,614

2.2 Loans

(In ₹)

Particulars	As at December 31, 2023	As at December 31, 2022
Non-current		
Loan to Parent Company [1]	153,800,636	142,278,078
	153,800,636	142,278,078
	153,800,636	142,278,078
Total loans	153,800,636	142,278,078
[1] Includes dues from related party (Refer to Note 2.18)	152,881,136	142,278,078

2.3 Other financial assets

(In ₹)

Particulars	As at December 31, 2023	As at December 31, 2022
Non-current		
Investment in lease [1]	6,190,622	386,569
	6,190,622	386,569
Current		
Investment in lease [1]	9,264,339	–
Unbilled revenue [1]	19,077,543	16,284,621
Others	–	416,285
Total	28,341,882	16,700,906
Total	34,532,504	17,087,475
[1] Financial assets carried at amortized cost	34,532,504	17,087,475

2.4 Trade receivables

(In ₹)

Particulars	As at December 31, 2023	As at December 31, 2022
Current		
Unsecured		
Considered good	91,152,800	108,088,458
Considered doubtful	–	
	91,152,800	108,088,458
Less: Allowances for credit loss	–	
	91,152,800	108,088,458
[1] Includes dues from related parties (Refer to Note 2.18)	64,183,397	116,464,829

2.5 Cash and cash equivalents

(In ₹)

Particulars	As at December 31, 2023	As at December 31, 2022
Balances with banks		
In current accounts	453,373,961	357,332,231
Total Cash and cash equivalents	453,373,961	357,332,231

2.6 Other assets

(In ₹)

Particulars	As at December 31, 2023	2022
Current		
Advances other than capital advance		
Payment to vendors for supply of goods	–	2,972,891
Others		
Prepaid expenses	16,905,876	42,605,124
Withholding taxes and others	53,947,482	21,169,143
Total current other assets	70,853,358	66,747,158

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, 2023	2022
Assets		
Cash and cash equivalents (Refer to Note 2.5)	453,373,961	357,332,231
Trade receivables (Refer to Note 2.4)	91,152,800	108,088,458
Loans (Refer to Note 2.2)	153,800,636	142,278,078
Other financial assets (Refer to Note 2.3)	34,532,504	17,087,475
Total	732,859,901	624,786,242
Liabilities		
Trade payables (Refer to Note 2.9)	21,980,680	49,192,180
Other financial liabilities (Refer to Note 2.10)	127,497,684	87,631,565
Total	149,478,364	136,823,745

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 91,152,800 and 108,088,458 as of December 31, 2023 and December 31, 2022, respectively and unbilled revenue amounting to 19,234,004 and 16,284,621 as of December 31, 2023 and December 31, 2022, respectively. Trade receivables and unbilled revenue are typically unsecured. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. As per Ind AS 109, the Company uses ECL model to assess the impairment loss or gain. The Company uses a provision matrix to compute the ECL allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes, credit ratings from credit rating agencies and the Company's historical experience for customers.

Credit risk exposure

The provision for lifetime ECL on customer balances for the year ended December 31, 2023 was ₹493,123 and for the year ended December 31, 2022 was ₹1,364,083.

(In ₹)

Particulars	Year ended December 31, 2023	2022
Balance at the beginning	–	1,407,967
Impairment loss recognized / reversed	493,123	(1,364,083)
Translation differences	(297,635)	(43,884)
Balance at the end	195,488	–

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, 2023, the Company had a working capital of ₹376,276,864 including cash and cash equivalents of ₹453,373,961. As of December 31, 2022, the Company had a working capital of ₹268,453,125 including cash and cash equivalents of ₹357,332,231.
Trade receivables ageing schedule for the year ended as on December 31, 2023 and December 31,2022.

(In ₹)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good		88,826,307			2,118,271	208,222	91,152,800
		125,027,423	(9,962,017)	(7,176,542)	–	199,594	108,088,458
Total trade receivables							91,152,800
							108,088,458

Trade receivables ageing schedule for the year ended as on December 31, 2023 and December 31,2022

(In ₹)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Outstanding trade payables	–	21,980,680	–	–	–	21,980,680
		49,192,180				49,192,180

2.8 Equity

Equity share capital

(In ₹), except as otherwise stated

Particulars	As at December 31,	
	2023	2022
Authorized		
18,000 (18,000) equity shares of EUR 5/- par value	5,327,009	5,327,009
Issued, subscribed and paid-up		
18,000 (18,000) equity shares of EUR 5/- par value	5,327,009	5,327,009
	5,327,009	5,327,009

The details of shareholders holding more than 5% shares are as follows :

Name of the shareholder	As at December 31, 2023		As at December 31, 2022	
	Number of shares	% held	Number of shares	% held
Infosys Consulting Holding AG (formerly Lodestone Holding AG)	18,000	100.00	18,000	100.00

There is no movement in the number of shares during the reporting period ended December 31,2022.

2.9 Trade payables

(In ₹)

Particulars	As at December 31,	
	2023	2022
Trade payables *	21,980,680	49,192,180
Total trade payables	21,980,680	49,192,180
*Includes dues to related parties (Refer to Note 2.18)	2,613,058	7,039,819

2.10 Other financial liabilities

(In ₹)

Particulars	As at December 31,	
	2023	2022
Current		
Others		
Accrued compensation to employees	21,069,750	18,771,252
Accrued expenses (1)	82,821,563	66,751,506
Compensated absences	28,938,137	24,842,716
Other payables (2)	23,606,371	2,108,807
	156,435,821	112,474,281
Total financial liabilities	156,435,821	112,474,281
Financial liability carried at amortized cost	127,497,684	87,631,565
(1) Includes dues to related party (Refer to Note 2.18)	4,323,191	13,640,869
(2) Includes dues to related parties (Refer to Note 2.18)	23,882,912	2,416,463

2.11 Other liabilities

(In ₹)

Particulars	As at December 31,	
	2023	2022
Current		
Unearned revenue	3,185,559	36,234,822
Withholding taxes and others	70,564,143	39,519,835
Total other liabilities	73,749,702	75,754,657

2.12 Provisions

(In ₹)

Particulars	As at December 31,	
	2023	2022
Current		
Others		
Post-sales client support and warranties	492,609	402,572
Total provisions	492,609	402,572

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,	
	2023	2022
Opening balance at the beginning	402,572	3,495,095
Provision recognized / (reversed)	69,642	(3,059,518)
Exchange difference	20,395	(33,005)
Balance at the end	492,609	402,572

2.13 Income taxes

Income tax expense in the Statement of Profit and Loss comprises:

(In ₹)

Particulars	Year ended December 31,	
	2023	2022
Current taxes	27,838,602	21,752,695
Income tax expense	27,838,602	21,752,695

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,	
	2023	2022
Profit before income tax	118,708,777	92,457,452
Enacted tax rates in Netherlands (%)	25.80%	25.80%
Computed expected tax expense	30,626,864	23,854,023
Tax provisions / (reversals)	(3,291,911)	(3,209,502)
Effect of non-deductible expenses	381,006	843,894
Others	122,643	264,280
Income tax expense	27,838,602	21,752,695

The applicable Netherlands statutory tax rate for year ended December 31, 2023 was 25.8% and December 31, 2022 was 25.8%

The details of income tax assets and income tax liabilities are as follows :

(In ₹)

	Year ended December 31,	
	2023	2022
Income tax assets / (liabilities)	1,294,832	1,115,333
Current income tax liabilities	–	16,339,666
Net current income tax assets / (liability) at the end	1,294,832	(15,224,333)

The gross movement in the current income tax asset / (liability) is as follows:

(In ₹)

	Year ended December 31,	
	2023	2022
Net current income tax asset / (liability) at the beginning	(15,224,333)	(17,214,585)
Income tax paid	46,756,851	23,742,947
Current income tax expense	(27,838,602)	(21,752,695)
Translation difference	(2,399,084)	–
Net current income tax asset / (liability) at the end	1,294,832	(15,224,333)

2.14 Leases

Following are the changes in the carrying value of right of use assets for the year ended December 31, 2023:

(In ₹)

Particulars	Category of ROU asset		Total
	Vehicles	Computer equipment	
Balance as of January 1, 2023	32,897,665	260,685	33,158,350
Additions	6,653,211	15,024,640	21,677,851
Deletion	–	(259,437)	(259,437)
Translation difference	930,879	101,093	1,031,972
Depreciation	(17,175,493)	(1,218,931)	(18,394,424)
Balance as of December 31, 2023	23,306,262	13,908,050	37,214,312

Following are the changes in the carrying value of right of use assets for the year ended December 31, 2022:

(In ₹)

Particulars	Category of ROU asset		Total
	Vehicles	Computer equipment	
Balance as of January 1, 2022	29,739,681	–	29,739,681
Additions	19,281,822	318,589	19,600,411
Deletion	(1,706,563)	–	(1,706,563)
Translation difference	389,063	4,720	393,783
Depreciation	(14,806,338)	(62,624)	(14,868,962)
Balance as of December 31, 2022	32,897,665	260,685	33,158,350

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	Year ended December 31,	
	2023	2022
Current lease liabilities	14,786,325	26,252,272
Non-current lease liabilities	21,895,164	5,073,128
Total	36,681,489	31,325,400

The following is the movement in lease liabilities during the year ended:

(In ₹)

Particulars	For the year ended December 31,	
	2023	2022
Balance at the beginning	31,325,400	28,202,413
Additions	21,677,851	19,600,411
Deletions	(259,437)	(1,706,563)
Finance cost accrued during the period	337,174	54,221
Payment of lease liabilities	(18,348,097)	(15,895,234)
Translation Difference	1,948,598	1,070,152
Balance at the end	36,681,489	31,325,400

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(In ₹)

Particulars	As at December 31,	
	2023	2022
Less than one year	18,289,070	16,615,467
One to five years	19,842,684	19,576,106
Total	38,131,754	36,191,573

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,	
	2023	2022
Income from consultancy services	1,139,903,137	960,841,311
	1,139,903,137	960,841,311

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, 2023, other than those meeting the exclusion criteria mentioned above, is ₹5.2 crore. Out of this, the Company 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.

2.16 Other income

(In ₹)

Particulars	Year ended December 31,	
	2023	2022
Interest received on financial assets carried at amortized cost		
Tax-free bonds, government bonds and debentures	–	–
Deposits with banks and others	11,533,435	664,314
Exchange gains / (losses) on translation of other assets and liabilities	1,293,207	(11,457,761)
Miscellaneous income, net	–	4,233
Finance Income under revenue deals	282,705	105,727
	13,109,347	(10,683,487)

2.17 Expenses

(In ₹)

Particulars	Year ended December 31,	
	2023	2022
Employee benefit expenses		
Salaries including bonus	539,058,931	373,915,838
Staff welfare	–	1,346,840
	539,058,931	375,262,678
Cost of software packages and others		
Third-party items bought for service delivery to clients	280,941,791	185,213,239
	280,941,791	185,213,239

(In ₹)

Particulars	Year ended December 31,	
	2023	2022
Other expenses		
Power and fuel	154,517	142,949
Brand and marketing	1,798,308	946,751
Rates and taxes	1,393,575	(1,185)
Repairs and maintenance	14,679,187	13,580,136
Insurance	1,052,214	810,381
Provision / (reversals) for post-sales client support	69,642	(3,059,518)
(Reversal) / allowances for credit losses on financial assets	493,123	(1,364,083)
Others	737,327	520,150
	20,377,893	11,575,581

2.18 Related party transactions

List of related parties:

Name of the holding company	Country	Holding as at December 31,	
		2023	2022
Infosys Consulting Holding AG (Infosys Lodestone) (formerly Lodestone Holding AG)	Switzerland	100%	100%

Name of the ultimate holding company	Country
Infosys Limited [1]	India

(1) Holding company of Infosys Consulting Holding AG(Infosys Lodestone) (formerly Lodestone Holding AG) from October 22,2012
List of related parties:

Name of subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)[1]	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)[1]	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)[1]	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)[1]	China
Infosys Nova Holdings LLC. (Infosys Nova)[1]	U.S.
EdgeVerve Systems Limited (EdgeVerve)[1]	India
Infosys Austria GmbH[1]	Austria
Skava Systems Private Limited (Skava Systems)[1][22]	India
Infosys Chile SpA[1]	Chile
Infosys Arabia Limited[2][22]	Saudi Arabia
Infosys Consulting Ltda.[1]	Brazil
Infosys Luxembourg S.a.r.l[1]	Luxembourg
Infosys Americas Inc. (Infosys Americas)[1][39]	U.S.
Infosys Public Services, Inc. USA (Infosys Public Services)[1]	U.S.
Infosys BPM Limited[1][27]	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 [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
Infy Consulting Company Ltd[4]	U.K.
Infosys Consulting S.R.L.[29]	Argentina
Infosys Consulting (Belgium) NV[4]	Belgium
Panaya Inc. (Panaya)[1]	U.S.
Panaya Ltd.[5]	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH) [38]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[1][22]	U.K.
Brilliant Basics Limited [6][22]	U.K.
Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)[1]	Singapore
Infosys Middle East FZ LLC [7]	Dubai

Name of subsidiaries	Country
Fluido Oy [7]	Finland
Fluido Sweden AB [9]	Sweden
Fluido Norway A/S[9]	Norway
Fluido Denmark A/S[9]	Denmark
Fluido Slovakia s.r.o[9]	Slovakia
Infosys Compaz Pte. Ltd [8]	Singapore
Infosys South Africa (Pty) Ltd[7]	South Africa
WongDoody Inc. [1]	U.S.
HIPUS Co., Ltd[8]	Japan
Stater N.V.[8]	The Netherlands
Stater Nederland B.V.[10]	The Netherlands
Stater XXL B.V.[10]	The Netherlands
HypoCasso B.V.[10]	The Netherlands
Stater Participations B.V.[44]	The Netherlands
Stater Belgium N.V./S.A.[10][44]	Belgium
Stater Gmbh[10]	Germany
Outbox systems Inc. dba Simplus (US)[12]	U.S.
Simplus ANZ Pty Ltd.[13]	Australia
Simplus Australia Pty Ltd[14]	Australia
Simplus Philippines, Inc.[13]	Philippines
Infosys Fluido UK, Ltd.[9]	U.K.
Infosys Fluido Ireland, Ltd.[16]	Ireland
Infosys Limited Bulgaria EOOD[1]	Bulgaria
Kaleidoscope Animations, Inc.[12]	U.S.
Kaleidoscope Prototyping LLC[18][43]	U.S.
GuideVision s.r.o.[11]	Czech Republic
GuideVision Deutschland GmbH[17]	Germany
GuideVision Suomi Oy[17]	Finland
GuideVision Magyarország Kft[17]	Hungary
GuideVision Polska Sp. z.o.o[17]	Poland
GuideVision UK Ltd[17][22]	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[12]	U.S.
Beringer Capital Digital Group Inc[12][25]	U.S.
Mediotype LLC[19][25]	U.S.
Beringer Commerce Holdings LLC[19][25]	U.S.
SureSource LLC[20][23]	U.S.
Blue Acorn LLC[20][23]	U.S.
Simply Commerce LLC[20][23]	U.S.
iCiDIGITAL LLC[21][24]	U.S.
Infosys BPM UK Limited[3]	U.K.
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[1]	Turkey
Infosys Germany Holding Gmbh[1]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1]	Germany
Infosys Green Forum[1]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[7]	Malaysia
Infosys Business Solutions LLC[1][26]	Qatar

Name of subsidiaries	Country
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[28]	Germany
Wongdoody Gmbh (formerly known as oddity GmbH) [30]	Germany
oddity (Shanghai) Co., Ltd. [31]	China
oddity Limited (Taipei) [31]	Taiwan
oddity space GmbH [30][42]	Germany
oddity jungle GmbH [30][42]	Germany
oddity code GmbH [30][42]	Germany
WongDoody d.o.o (formerly known as oddity code d.o.o) [31][42]	Serbia
oddity waves GmbH [30][42]	Germany
oddity group services GmbH [30][42]	Germany
Infosys Public Services Canada Inc. [15][32]	Canada
BASE life science AG [34]	Switzerland
BASE life science GmbH [34]	Germany
BASE life science A/S [33]	Denmark
BASE life science S.A.S [34]	France
BASE life science Ltd. [34]	U.K.
BASE life science S.r.l. [34]	Italy
Innovisor Inc.[34]	U.S.
BASE life science Inc.[34]	U.S.
BASE life science S.L.[34][35]	Spain
Panaya Germany GmbH [5][36]	Germany
Infosys Norway [7][37]	Norway
Infosys BPM Canada Inc [3][40]	Canada
Danske IT and Support Services India Private Limited ("Danske IT") [41]	India

[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 Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)
[8] Majority owned and controlled subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)
[9] Wholly-owned subsidiary of Fluido Oy
[10] Wholly-owned subsidiary of Stater N.V
[11] Wholly-owned subsidiary of Infy Consulting Company Limited
[12] Wholly-owned subsidiary of Infosys Nova Holdings LLC
[13] Wholly-owned subsidiary of Outbox systems Inc. dba Simplus (US)
[14] Wholly-owned subsidiary of Simplus ANZ Pty Ltd
[15] Wholly-owned subsidiary of Infosys Public Services, Inc.
[16] Wholly-owned subsidiary of Infosys Fluido UK, Ltd.
[17] Wholly-owned subsidiary of GuideVision s.r.o.
[18] Wholly-owned subsidiary of Kaleidoscope Animations, Inc.
[19] Wholly-owned subsidiary of Blue Acorn iCi Inc
[20] Wholly-owned subsidiary of Beringer Commerce Holdings LLC
[21] Wholly-owned subsidiary of Beringer Capital Digital Group Inc.
[22] Under liquidation
[23] Merged with Beringer Commerce Holdings LLC, effective January 1, 2022
[24] Merged with Beringer Capital Digital Group Inc, effective January 1, 2022
[25] Merged with Blue Acorn iCi Inc, effective January 1, 2022
[26] Incorporated on February 20, 2022
[27] On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

(28) On March 22, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.), a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in

Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))."

(29) Infosys Consulting S.R.L. (Argentina) (formerly a Wholly-owned subsidiary of Infosys Consulting Holding AG) became the majority owned and controlled subsidiary of Infosys Limited with effect from April 1, 2022

(30) On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.)) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and Wongdoody Gmbh (formerly known as oddity GmbH)

(31) Wholly-owned subsidiary of Wongdoody Gmbh (formerly known as oddity GmbH)

(32) Incorporated on July 8, 2022

(33) On September 1, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.) (a Wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

(34) Wholly-owned subsidiary of BASE life science A/S

(35) Incorporated on September 6, 2022

(36) Incorporated effective December 15, 2022

(37) Incorporated effective September 22, 2022

(38) Infosys Financial Services GmbH. (formerly Panaya GmbH) became a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.) with effect from February 23, 2023.

(39) Liquidated effective July 14, 2023

(40) Incorporated on August 11, 2023

(41) On September 1, 2023 Infosys Ltd. acquired 100% of voting interests in Danske IT and Support Services India Private Limited ("Danske IT").

(42) On September 29, 2023, oddity space GmbH, oddity waves GmbH, oddity jungle GmbH, oddity group services GmbH and oddity code GmbH merged into WongDoody GmbH and oddity code d.o.o which was formerly a subsidiary of oddity code Gmbh has become a subsidiary of Wongdoody Gmbh (formerly known as oddity GmbH).

(43) Liquidated effective November 1, 2023

(44) On November 24, 2023 Stater Participations B.V (Wholly-owned subsidiary of Stater N.V) merged with Stater N.V and Stater Belgium N.V./S.A which was formerly a wholly owned subsidiary of Stater Participations B.V. became a wholly owned subsidiary of Stater N.V.

(In ₹)

Particulars	As at December 31,	
	2023	2022
Trade receivables		
Infy Consulting Company Ltd.	61,682,499	114,067,557
Infosys Consulting S.R.L. (Argentina)	2,500,898	2,397,272
	64,183,397	116,464,829
Loans[1]		
Infosys Consulting AG (formerly Lodestone Management Consultants AG)	152,881,136	142,278,078
	152,881,136	142,278,078
Trade payables		
Infy Consulting Company Ltd.	2,613,058	6,001,039
Infosys Consulting Belgium (formerly Lodestone Management Consultants (Belgium) S.A.)	–	1,038,780
	2,613,058	7,039,819
Other Financial Liabilities		
Infosys Consulting S.R.L. (Argentina)	918,782	880,712
Infosys Limited	22,964,130	1,535,751
	23,882,912	2,416,463
Accrued expenses		
Infosys Limited	4,323,191	13,640,869
	4,323,191	13,640,869
Revenue transactions		
Purchase of shared services including facilities and personnel		
Infosys Consulting Belgium S.A.	3,584,162	3,702,126
Infosys Limited	12,638,718	14,427,345
Infosys Middle East FZ-LLC	–	–
Infosys Consulting AG	613,160	658,208

Particulars	As at December 31,	
	2023	2022
Infy Consulting Company Ltd.	15,204,858	22,352,999
	32,040,898	41,140,678
Interest income		
Infosys Consulting Holding AG	4,330,043	664,314
	4,330,043	664,314
Sale of services		
Infosys Consulting SAS	–	–
Infy Consulting Company Ltd.	816,329,727	719,817,937
	816,329,727	719,817,937

2.19 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.

2.20 Ratios

The ratios for the years ended December 31, 2023 and December 31, 2022 are as follows:

Particulars	Numerator	Denominator	Years ended December 31,		Variance
			2023	2022	
Current ratio	Current assets	Current liabilities	2.4	2.0	23.2%
Debt – equity ratio	Total debt (represents lease liabilities) (1)	Shareholder's equity	0.1	0.1	(6.5%)
Debt service coverage ratio	Earnings available for debt service (2)	Debt service (3)	(6.0)	(5.5)	10.0%
Return on equity (ROE)	Net profits after taxes	Average shareholder's equity	0.2	0.2	2.0%
Trade receivables turnover ratio	Revenue	Average trade receivable	11.4	7.5	52%#
Trade payables turnover ratio	Purchases of services and other expenses	Average trade payables	13.3	6.3	110%##
Net capital turnover ratio	Revenue	Working capital	3.0	3.6	(15.3%)
Net profit ratio	Net profit	Revenue	0.1	0.1	8.3%
Return on capital employed (ROCE)	Earning before interest and taxes	Capital employed (4)	0.2	0.2	2.5%

(1)Debt represents only lease liabilities

(2)Net Profit after taxes + non-cash operating expenses + Interest + other adjustments like loss on sale of fixed assets etc.

(3)Lease payments for the current year

(4)Tangible net worth + deferred tax liabilities + lease liabilities

#Trade Receivable turnover ratio- Increase in Revenue and reduce in Trade Receivables

##Trade payables turnover ratio- Increase as a result of increased purchases of cost of software packages.

Infosys Chile SpA

Independent Auditor's Report

To the Shareholders and Board of Directors of Infosys Chile SpA

Opinion

We have audited the financial statements of Infosys Chile SpA., which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of income, comprehensive income, changes in 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 Chile SpA., as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with Generally Accepted Auditing Standards in Chile. 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 Infosys Chile SpA., 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 International Financial Reporting Standards issued by the International Accounting Standards Board, 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 Infosys Chile SpA., ability to continue as a going concern for a foreseeable future .

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 Generally Accepted Auditing Standards in Chile 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 Generally Accepted Auditing Standards in Chile, 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 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 Infosys Chile SpA. 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 any internal control significant deficiency and material weakness that we identified during the audit.

Jonathan Ortiz G. Socio
Santiago, March 15, 2024

Artl Chile Auditores Ltda

Statement of Financial Position

(In Th$)

Particulars	Note	As at December 31, 2023	As at December 31, 2022
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	585.980	1.265.002
Trade and other receivables	5	4.872.733	1.539.884
Trade receivables of related parties	6	274.470	319.848
Other non-financial assets	7	122.977	228.004
Current tax assets	9	811.813	357.563
TOTAL CURRENT ASSETS		6.667.973	3.710.301
NON-CURRENT ASSETS			
Property, plant and equipment		4.135	41.777
Deferred tax assets	11	227.021	80.680
TOTAL NON-CURRENT ASSETS		231.156	122.457
TOTAL ASSETS		6.899.129	3.832.758

The attached notes are an integral part of these financial statements.

Statement of Financial Position

(In Th$)

Particulars	Note	As at December 31, 2023	As at December 31, 2022
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	361.231	217.851
Trade and other payables of related parties	6	1.122.416	183.157
Current tax liabilities	9	1.426.235	381.787
Employee benefit liabilities	10	564.136	262.844
Other current liabilities		52.413	286.693
TOTAL CURRENT LIABILITIES		3.526.431	1.332.332
TOTAL LIABILITIES		3.526.431	1.332.332
EQUITY			
Share capital	12	604.310	604.310
Retained earnings		2.768.388	1.896.116
TOTAL EQUITY		3.372.698	2.500.426
TOTAL EQUITY AND LIABILITIES		6.899.129	3.832.758

The attached notes are an integral part of these financial statements.

Statement of Comprehensive Income

(In Th$)

Particulars	Note	Year ended December 31, 2023	2022
CONTINUING OPERATIONS			
Revenues	13	9.356.441	6.705.467
Cost of sales	14	(6.040.400)	(3.462.461)
GROSS PROFIT		3.316.041	3.243.006
Administrative expenses	15	(1.832.879)	(1.732.612)
Other income		6.274	-
Other expenses		(26.832)	(1.139)
Financial expenses		(9.213)	(5.029)
Exchange difference		155.013	(112.964)
Depreciation		(11.620)	(19.914)
PROFIT / (LOSS) BEFORE TAXES		1.596.784	1.371.348
Income tax expense		(724.512)	(336.220)
PROFIT / (LOSS) FOR THE YEAR		872.272	1.035.128

The attached notes are an integral part of these financial statements.

Statemens of Changes in Equity

Chart of equity movements

(In Th$)

2023	Share capital	Retained earnings	Total equity
Balance at January 1,2023	604.310	1.896.116	2.500.426
Profit of period	-	872.272	872.272
Balance at December 31,2023	604.310	2.768.388	3.372.698

(In Th$)

2022	Share capital	Retained earnings	Total equity
Balance at January 1,2022	604.310	860.988	1.465.298
Profit of period	-	1.035.128	1.035.128
Balance at December 31,2022	604.310	1.896.116	2.500.426

The attached notes are an integral part of these financial statements.

Statement of Cash Flows

(In Th$)

Particulars	Years ended December 31, 2023	2022
Profit / (Loss) of period	872.272	1.035.128
Charges (credits) to results that do not represent cash flow:		
Exchange difference	(155.013)	112.964
Income tax expense	724.512	336.220
Depreciation	11.620	19.914
Operating activities:		
Decreases (increases) in other-non financial assets	105.027	(107.449)
Decreases (increases) in trade and other receivables	(3.332.849)	(1.178.987)
Decreases (increases) in trade receivables of related parties	45.277	300.039
Increases (decreases) in trade and other payables	(90.900)	202.791
Increases (decreases) in trade payables of related parties	939.259	180.516
Increases (decreases) in provisions	301.292	17.042
Current tax assets and liabilities adjustments	(280.654)	(250.938)
Decreases (increases) in other assets	181.135	(398.174)
Net cash used in operating activities	(679.022)	269.066
Investment activities:		
Acquisition of property, plant and equipment	-	-
Net cash (used in) / from investment activities	-	-
Net increase in cash and cash equivalents	(679.022)	269.066
Cash and cash equivalents at beginning of year	1.265.002	995.936
Cash and cash equivalents at end of year	585.980	1.265.002

The attached notes are an integral part of these financial statements.

Notes to the Financial Statements

Note 1- Corporate information

Infosys Chile SpA ("the Company") 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 as follows:

Name of 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 statement of the Company is as follows:

Particulars	As at December 31,	
	2023	2022
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, 2023, is under the responsibility of the Company's Management, which expressly states that the principles and criteria included in the International Financial Reporting Standards have been applied in full.

b) Responsibility for information and financial statements

The information contained in these consolidated financial statements is under responsibility of the Company's Management, which expressly states that the principles and criteria included in the IFRS have been applied in full.

c) Administration estimations

In the preparation of the classified financial statements, certain estimates made by the Company's Management have been used to quantify some of the assets, liabilities, income, expenses and commitments recorded in them.

These estimates basically 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

As required by IFRS 1, the main accounting 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) Statement of Financial Position

The Company has determined the current and non-current classification as the presentation format for its Statement of Financial Position.

f) Statement of Cash Flow

The Company has chosen to present its Statement of Cash Flow in accordance with the indirect method.

g) Functional currency and conversion of foreign currency

The functional currency of the Company is the Chilean peso.

The financial statements are presented in Chilean pesos. The functional currency has been determined considering the economic environment in which the Company carries out its operations and the currency in which its main cash flows are generated, as indicated in IAS 21.

Transactions other than those made in the functional currency of the entity will be converted at the exchange rate in the effective rate on the date of the transaction. Monetary assets and liabilities expressed in currencies other than the functional currency will be converted back to the closing exchange rates of the financial statements.

Gains and losses from the conversion are included in the net profit or loss for the year, within other financial ítems.

h) Conversion basis

The closing exchange rates used as of December 31, 2023 and 2022 are as follows:

(In Th$)

Particulars	As at December 31,	
	2023	2022
US Dollar	877,12	855,86
Euros	970,05	915,95
UF	36.789,36	35.144,81

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, 2023, for which the Company has not made early adoption:

	Standards, Amendments and Improvements	Mandatory by the application date Company
IFRS 17	Insurance contracts	January 1, 2023
IAS 1	Disclosure of accounting policies	January 1, 2023
IAS 8	Definition of accounting estimate	January 1, 2023
IAS12	Deferred taxes related to assets and liabilities that arise from a single transaction	January 1, 2023
IAS 12	International tax reform Second Pillar Model Rules	January 1, 2023

The application of these standards has not had a significant impact on the amounts reported in these financial statements.

The following new standards and interpretations have been issued, but their application date is not yet in force:

	Amendments	
IAS 1	Classification of liabilities as current or non-current and disclosure of accounting policies	January 1, 2024
IFRS 16	Lease Liabilities in a sale and leaseback	January 1, 2024
IAS 7 and IFRS 7	Disclosures about supplier financing agreements	January 1, 2024
IAS 21	Lack of Interchangeability	January 1, 2025
IFRS 10 and IAS 28	Consolidated Financial Statements – sale or contribution of assets between an investor and its associate or joint business	To be determined

The Company's Management will evaluate the impact of the new standards, interpretations and amendments issued by the IASB, once these come into force and their application is mandatory.

Note 4 - Cash and cash equivalents.

The composition of the item as of December 31, 2023 and 2022 are as follows:

(In Th$)

Banks	As at December 31,	
	2023	2022
Santander Bank	585.980	1.265.002
Total	585.980	1.265.002

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, 2023 and 2022 is as follows:

(In Th$)

Particulars	As at December 31,	
	2023	2022
Trade receivables	4.455.471	1.436.135
Unbilled revenues	522.005	628.211
Debtor provisions	(6.881)	(2.861)
Customer on account	(97.862)	(521.601)
Total	4.872.733	1.539.884

Note 6 – Trade receivables and payables of related parties

The composition of the item as of December 31, 2023 and 2022 is as follows:

a) Trade receivables, currents

(In Th$)

Particulars			As at December 31,	
			2023	2022
Tax ID	Related party	Nature		
O-E	Infosys Limited	Provision of services	274.470	313.906
O-E	Infosys Mexico	Provision of services	-	5.942
	Total		274.470	319.848

b) Trade and other payables, currents

(In Th$)

Particulars			As at December 31,	
			2023	2022
Tax ID	Related party	Nature		
O-E	Infosys México	Loan	927.818	-
O-E	Infosys México	Debt payments	5.355	-
O-E	Infosys Limited	Debs payments	189.243	183.157
	Total		1.122.416	183.157

Note 7 – Other non-financial assets.

The composition of the item as of December 31, 2023 and 2022 is as follows:

(In Th$)

Concept	As at December 31,	
	2023	2022
Down payment	2.493	14.939
Guarantee of rental WeWork	3.185	3.185
Guarantee of project tender	98.224	194.260
Staff recovery	19.075	15.620
Total	122.977	228.004

Note 8 - Trade and other payables

The composition of the item as of December 31, 2023 and 2022 is as follows:

(In Th$)

Concept	As at December 31,	
	2023	2022
Professional services and fees accrual	50.707	17.724
Social security, salaries and taxes payables	129.349	115.255
Sub-contractor charges	158.419	13.341
Travel expenses	136	12
Communication expenses	28.082	12.933
Withholding taxes	35.693	36.069
IT services accrual	6.295	5.302
Provision for post-sales client support	4.872	11.681
Capital vendors	(76.845)	-
Insurance	18.137	-
Rent	2.144	-
Others	4.242	5.534
Total	361.231	217.851

Note 9 – Current tax assets and liabilities.

The composition of the item as of December 31, 2023 and 2022 is as follows:

a) Current tax assets

(In Th$)

Concept	As at December 31,	
	2023	2022
Income tax advances	716.168	357.563
Reimbursable VAT	95.645	-
Total	811.813	357.563

b) Current tax liabilities

(In Th$)

Concept	As at December 31,	
	2023	2022
Income tax payable	570.617	381.787
Chile output VAT	814.792	-
Vat – Forex Val account	40.826	-
Total	1.426.235	381.787

Note 10 - Employee benefit liabilities

The composition of the item as of December 31, 2023 and 2022 is as follows:

(In Th$)

Concept	As at December 31,	
	2023	2022
Perfomance bonus accrual	260.208	78.363
CFG Variable pay accrual	44.601	17.282
Unavailed leave accrual	259.327	167.199
Total	564.136	262.844

Note 11- Income tax and deferred tax assets and liabilities

a) Income tax provision

The company registered an income tax provision of Th$ 570.617 as of December 31, 2023 and Th$ 381.787 as of December 31 in 2022.

b) Deferred tax assets

The composition of the item as of December 31, 2023 and 2022 is as follows:

(In Th$)

Deferred tax item	As at December 31,	
	2023	2022
Provision of unavailed leave	70.018	45.144
Accrued bonus	82.299	25.824
Provision of expenses	74.704	9.712
Total	227.021	80.680

Note 12- Equity

As of December 31, 2023, the paid capital of the Company is Th$ 604.310.

Note 13- Revenues

The composition of the item as of December 31, 2023 and 2022 is as follows:

(In Th$)

Concept	As at December 31,	
	2023	2022
Intercompany services to Infosys Limited	4.560.845	2.845.267
Services to local customers	4.787.914	3.794.779
Intercompany services to Infosys Mexico	7.722	65.421
Total	9.356.441	6.705.467

Note 14- Cost of sales

The cost of sales generated during the period ended December 31, 2023 and 2022 is as follows: :

(In Th$)

Concept	As at December 31,	
	2023	2022
Salaries	5.751.542	3.309.301
Others	288.858	153.160
Total	6.040.400	3.462.461

Note 15- Administrative expenses

The administrative expenses generated during the period ended December 31, 2023 and 2022 are as follows:

(In Th$)

Concept	As at December 31,	
	2023	2022
Intercompany subcontract charges – Infosys Limited	730.493	928.271
Intercompany subcontract charges – Infosys Mexico	56.878	80.948
Legal and accountant professional services	296.347	214.001
Sub-contract charges – Third party	307.069	212.403
Software cost	111.686	132.538
Medical insurance	93.010	53.291
Datacom	24.118	25.744
Rental office and related expenses	54.393	15.710
Rates and taxes	15.898	11.790
Travel and related expenses	42.303	8.818
Others	100.684	49.098
Total	1.832.879	1.732.612

Note 16 - Contingencies and commitments

As of December 31, 2023, there are no contingencies and commitments.

Note 17- Events after the reporting period

Between January 1, 2024 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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Panaya Inc.

Independent Auditor's report

To the Members of Panaya Inc.(Panaya)

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Panaya Inc.(Panaya) ("the Company"), which comprise the Balance Sheet as at December 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of preparation referred to in Section 1.2 of the special purpose financial statements, of the state of affairs of the Company as at December 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1.2 to the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company, Infosys Limited under the requirements of section 129 (3) of the Companies Act, 2013 and for issuing Annual Performance Report ("APR") which is required to be furnished by the Holding Company to Authorized Bank in accordance with regulation 10 of Foreign Exchange Management (Overseas Investment) Regulations. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for the above purpose and is not to be used, referred to or distributed for any other purpose without our prior consent.

Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

i) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

iii) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

For Shenoy & Kamath
Chartered Accountants,

Firm Registration Number. 006673S

UDIN : 24202841BKACIT5570

(M Rathnakar Kamath)
Partner

Membership Number. 202841

Place: Bengaluru.

Date: May 7, 2024

Balance Sheet

(In US$)

Particulars	Note	As at December 31, 2023	As at December 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	51,770	74,923
Financial Assets			
Investments	2.2	73,686,468	39,135,182
Deferred tax assets	2.12	212,973	250,079
Income tax assets	2.12	2,189,702	18,302
Total non-current assets		76,140,912	39,478,486
Current assets			
Financial assets			
Trade receivables	2.3	1,206,466	40,214,730
Cash and cash equivalents	2.4	1,166,687	1,542,428
Other financial assets	2.5	34,369	24,588,227
Other current assets	2.6	31,487	7,357
Total current assets		2,439,010	66,352,742
Total assets		78,579,922	105,831,228
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.7	–	–
Other equity		63,143,686	63,877,096
Total equity		63,143,686	63,877,096
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	2.9	8,344,033	7,535,799
Deferred tax liabilities	2.12	13,762	17,963
Total non-current liabilities		8,357,795	7,553,761
Current liabilities			
Financial liabilities			
Trade payables	2.8	883,574	29,453,188
Other financial liabilities	2.10	801,597	968,664
Other current liabilities	2.11	3,929,283	3,707,623
Income tax liabilities	2.12	1,463,987	270,896
Total current liabilities		7,078,441	34,400,371
Total equity and liabilities		78,579,922	105,831,228

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached
for Shenoy & Kamath
Chartered Accountants
Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership No. 202841

Place: Bengaluru
Date: May 7, 2024

for and on behalf of Board of Directors of Panaya Inc.

David Binny
Director

Vibhuti Kumar Dubey
Director

Jasmeet Singh
Director

Dinesh R
Director

Statement of Profit and Loss

(In US$, except share and per share data)

Particulars	Note	Year ended December 31, 2023	Year ended December 31, 2022
Revenue from operations	2.13	10,108,326	9,578,960
Other income, net	2.14	318,797	–
Total income		10,427,123	9,578,960
Expenses			
Employee benefit expenses	2.15	6,242,976	6,013,963
Cost of technical sub-contractors	2.15	2,369,795	2,173,473
Travel expenses	2.15	365,574	185,132
Cost of software packages and others	2.15	36,954	–
Communication expenses	2.15	12,379	28,187
Consultancy and professional charges		181,148	277,794
Finance cost		460,903	271,210
Depreciation	2.1	32,032	27,238
Other expenses	2.15	148,910	343,333
Total expenses		9,850,671	9,320,329
Profit / (loss) before tax		576,452	258,631
Tax expense			
Current tax	2.12	1,276,957	263,729
Deferred tax	2.12	32,905	152,950
Profit / (loss) for the year		(733,410)	(158,048)
Other comprehensive income			
Total other comprehensive income, net of tax		–	–
Total comprehensive income for the year		(733,410)	(158,048)
Earnings per equity share			
Equity shares of par value $0.01 each			
Basic and diluted		(366,705)	(79,024)
Number of shares used in computing earning per share			
Basic and 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's Registration Number: 006673S

for and on behalf of Board of Directors of Panaya Inc.

M. Rathnakar Kamath
Partner
Membership No. 202841

David Binny
Director

Vibhuti Kumar Dubey
Director

Place: Bengaluru

Date: May 7, 2024

Jasmeet Singh
Director

Dinesh R
Director

Statement of Changes in Equity

(In US$)

Particulars	Equity share capital	Other equity — Reserves and surplus — Securities premium	Other equity — Reserves and surplus — Retained earnings	Total equity attributable to equity holders of the Company
Balance as of January 1, 2022	–	59,509,414	4,525,730	64,035,144
Changes in equity for the year ended December 31, 2022				
Changes during the year	–	–	–	–
Profit for the year	–	–	(158,048)	(158,048)
Balance as of December 31, 2022	–	59,509,414	4,367,682	63,877,096
Balance as of January 1, 2023	–	59,509,414	4,367,682	63,877,096
Changes in equity for the year ended December 31, 2023				
Profit for the year	–	–	(733,410)	(733,410)
Balance as of December 31, 2023	–	59,509,414	3,634,272	63,143,686

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached
for Shenoy & Kamath
Chartered Accountants
Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership No. 202841

Place: Bengaluru

Date: May 7, 2024

for and on behalf of Board of Directors of Panaya Inc.

David Binny
Director

Vibhuti Kumar Dubey
Director

Jasmeet Singh
Director

Dinesh R
Director

Statements of Cash Flows

(In US$)

Particulars	Year ended December 31, 2023	2022
Cash flow from operating activities		
Profit / (loss) for the year	(733,410)	(158,048)
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation	32,032	27,238
Income tax expense	1,309,862	416,679
Interest expense on loan	460,903	271,210
Other adjustments	–	396
Changes in assets and liabilities		
Trade receivables	39,008,264	653,067
Other financial assets	24,553,858	(747,229)
Other current assets	(24,130)	–
Trade payables	(28,569,615)	415,489
Other financial liabilities and other liabilities	54,593	(556,667)
Cash generated from operations	36,092,357	322,135
Income taxes refunded / (paid)	(2,255,266)	32,735
Net cash from operating activities	33,837,092	354,871
Cash flow from investing activities		
Expenditure on property, plant and equipment	(8,878)	(72,838)
Investment in subsidiaries	(34,551,286)	(26,741)
Net cash used in investing activities	(34,560,164)	(99,579)
Cash flow from financing activities		
Borrowings	347,332	(242,416)
Net cash used in financing activities	347,332	(242,416)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	–	–
Net increase in cash and cash equivalents	(375,741)	12,875
Cash and cash equivalents at the beginning of the year	1,542,428	1,529,552
Cash and cash equivalents at the end of the year	1,166,687	1,542,428

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached
for Shenoy & Kamath
Chartered Accountants
Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership No. 202841

Place: Bengaluru
Date: May 7, 2024

for and on behalf of Board of Directors of Panaya Inc.

David Binny
Director

Vibhuti Kumar Dubey
Director

Jasmeet Singh
Director

Dinesh R
Director

Significant accounting policies

Company overview

Panaya Inc. (""the Company"") was incorporated in 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 and for issuing Annual Performance Report ("APR") which is required to be furnished by the Holding Company, to Authorized Bank in accordance with regulation 10 of Foreign Exchange Management (Overseas Investment) Regulations. These financial statements are prepared in accordance with Indian Accounting Standards (Ind-AS) under the historical cost convention on the accrual basis. 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 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.

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 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.

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 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 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.

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, 2023 are follows:

(In US$)

Particulars	Leasehold improvements	Office equipment	Computer equipment	Furniture and fixtures	Total
Gross carrying value as of January 1, 2023	20,840	6,771	100,819	37,824	166,254
Additions	–	–	8,878	–	8,878
Deletions	–	–	–	–	–
Gross carrying value as of December 31, 2023	20,840	6,771	109,697	37,824	175,132
Accumulated depreciation as of January 1, 2023	(2,350)	(5,507)	(46,275)	(37,198)	(91,330)
Depreciation	(4,168)	(415)	(27,315)	(135)	(32,032)
Accumulated depreciation on deletions					–
Accumulated depreciation as of December 31, 2023	(6,518)	(5,921)	(73,590)	(37,333)	(123,362)
Carrying value as of December 31, 2023	14,321	850	36,108	491	51,770
Carrying value as of January 1, 2023	18,489	1,264	54,544	626	74,923

The changes in the carrying value of property, plant and equipment for the year ended December 31, 2022 are follows:

(In US$)

Particulars	Leasehold Improvements	Office Equipment	Computer equipment	Furniture and fixtures	Total
Gross carrying value as of January 1, 2022	120,950	29,811	271,514	99,231	521,506
Additions	20,839	936	50,389	674	72,838
Deletions	(120,950)	(23,975)	(221,084)	(62,081)	(428,090)
Gross carrying value as of December 31, 2022	20,840	6,771	100,819	37,824	166,254
Accumulated depreciation as of January 1, 2022	(117,659)	(28,382)	(250,058)	(95,688)	(491,787)
Depreciation	(5,642)	(1,062)	(17,369)	(3,165)	(27,238)
Accumulated depreciation on deletions	120,950	23,937	221,152	61,655	427,694
Accumulated depreciation as of December 31, 2022	(2,350)	(5,507)	(46,275)	(37,198)	(91,330)
Carrying value as of December 31, 2022	18,489	1,264	54,544	626	74,923
Carrying value as of January 1, 2022	3,291	1,429	21,456	3,543	29,719

2.2 Investments

(In US$)

Particulars	As at December 31, 2023	2022
Non-current investments		
Equity instruments of subsidiaries	73,686,468	39,135,182
Total carrying value	73,686,468	39,135,182

(In US$)

Particulars	As at December 31, 2023	2022
Non-current investments		
Unquoted		
Investment carried at cost		
Investments in equity instruments of subsidiaries		
Panaya Ltd, Israel **	73,659,727	39,069,600
Infosys Financial Services GmbH (Formerly called Panaya GmbH), Germany*	–	38,841
Panaya Germany GmbH, Germany	26,741	26,741
Total non-current investments	73,686,468	39,135,182
Aggregate amount of Unquoted Investments	73,686,468	39,135,182
Investments carried at cost	73,686,468	39,135,182

* On account of sale of investment

** On account of intercompany receivables being converted into investment in subsidiary

2.3 Trade receivables

(In US$)

Particulars	As at December 31, 2023	2022
Current		
Unsecured		
Considered good [1]	1,206,466	40,214,730
Considered doubtful	–	–
	1,206,466	40,214,730
Less: Allowances for credit loss	–	–
Total trade receivables [2]	1,206,466	40,214,730
(1) Includes dues from related parties (Refer to Note 2.17)	–	39,468,909
(2) Includes dues from companies where directors are interested	–	–

Trade receivables ageing schedule

Year ended December 31, 2023

(In US$)

Particulars	Not Due	Outstanding for following periods from due date of payment: Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	944,549	153,664	108,254	–	–	–	1,206,466
Less: Allowance for credit loss							–
Total trade receivables							1,206,466

Year ended December 31, 2022

(In US$)

Particulars	Not Due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	373,385	372,436	39,468,909	–	–	–	40,214,730
Less: Allowance for credit loss							–
Total trade receivables							40,214,730

2.4 Cash and cash equivalents

(In US$)

Particulars	As at December 31,	
	2023	2022
Balances with banks		
In current and deposit accounts	1,166,687	1,542,428
Total cash and cash equivalents	1,166,687	1,542,428

2.5 Other financial assets

(In US$)

Particulars	As at December 31,	
	2023	2022
Current		
Rental deposits [1]	24,673	20,536
Electricity and other deposits [1]	(2,993)	–
Others [1][2][3]	12,690	24,567,692
Total current other financial assets	34,369	24,588,227
(1) Financial assets carried at amortized cost	34,369	24,588,227
(2) Includes dues from related parties (Refer to Note 2.17)	12,690	24,542,683
(3) On account of intercompany receivables from Panaya Ltd. being converted into investment in subsidiary		

2.6 Other assets

(In US$)

Particulars	As at December 31,	
	2023	2022
Current		
Prepaid expenses	31,487	7,357
Total current other assets	31,487	7,357

2.7 Equity

Equity share capital

(In US$)

Particulars	As at December 31,	
	2023	2022
Authorized equity share capital (1000 Equity shares of par value US $ 0.01 each)	–	–
Issued, subscribed and paid-Up		
Equity share capital (2 Equity shares of par value US $ 0.01 each)	–	–
Total equity share capital	–	–

The details of shareholder holding more than 5% shares are follows:

Name of the shareholder	As at December 31,	
	2023	2022
Infosys Ltd	100%	100%

2.8 Trade payables

(In US$)

Particulars	As at December 31,	
	2023	2022
Trade payables[1]	883,574	29,453,188
Total trade payables	883,574	29,453,188
(1)Includes dues to related parties (Refer to Note 2.17)	839,155	29,437,369

Trade payables ageing schedule

Year ended December 31, 2023

(In US$)

Particulars	Not Due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Others	–	883,574	–	–	–	883,574
Total trade payables	–	883,574	–	–	–	883,574

Year ended December 31, 2022

(In US$)

Particulars	Not Due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Others	–	29,453,188	–	–	–	29,453,188
Total trade payables	–	29,453,188	–	–	–	29,453,188

2.9 Borrowings

(In US$)

Particulars	As at December 31,	
	2023	2022
Non-current		
Unsecured loan(1)(2)	8,344,033	7,535,799
Total non-current borrowings	8,344,033	7,535,799
(1)Includes dues to related parties (Refer to Note 2.17)	8,344,033	7,535,799
(2) The above loan carries an interest of 5.62% p.a.		

2.10 Other financial liabilities

(In US$)

Particulars	As at December 31,	
	2023	2022
Current		
Accrued compensation to employees (1)	652,170	886,716
Accrued expenses (1)	128,967	62,242
Compensated absences	20,461	19,706
Total current other financial liabilities	801,597	968,664
(1) Financial liability carried at amortized cost	781,136	948,958

2.11 Other liabilities

(In US$)

Particulars	As at December 31,	
	2023	2022
Current		
Unearned revenue	3,903,882	3,694,427
Others - Withholding taxes and others	25,401	13,196
Total current other liabilities	3,929,283	3,707,623

2.12 Income taxes

Income tax expense in the Statement of Profit and Loss comprises:

(In US$)

Particulars	Year ended December 31,	
	2023	2022
Current taxes*	1,276,957	263,729
Deferred taxes	32,905	152,950
Income tax expense	1,309,862	416,679

* On inclusion of provision of GILTI taxes

Current tax expense for the years ended December 31, 2023 and December 31, 2022 includes provisions (net of reversals) amounting to reversal of Nil and reversal of ($65,458) 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 US$)

Particulars	Year ended December 31,	
	2023	2022
Profit before income taxes	576,452	258,631
Enacted tax rates in USA	27.00%	27.00%
Computed expected tax expense	155,642	69,830
Effect of unrecognized deferred tax assets	–	–
Tax provision / reversals	–	–
Prior period tax expense	–	224,885
GILTI Tax Provision	1,213,903	111,562
Opening DTAA Impact on Intt	11,640	–
Profit on sale of investment	(260,869)	–
Effect of non-deductible expenses	10,889	10,402
Income tax expense	1,131,206	416,679

The applicable statutory tax rate for year ended December 31, 2023 and December 31, 2022 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,	
	2023	2022
Income tax assets	2,189,702	18,302
Current income tax liabilities	(1,463,987)	(270,896)
Net current income tax asset / (liability) at the end	725,715	(252,594)

The gross movement in the current income tax asset / (liability) for the year ended are as follows:

(In US$)

Particulars	Year ended December 31,	
	2023	2022
Net current income tax asset / (liability) at the beginning	(252,594)	15,843
Income tax paid	2,255,266	(4,707)
Current income tax expense	(1,276,957)	(263,729)
Net current income tax asset / (liability) at the end	725,715	(252,594)

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, 2023	Changes through Profit and Loss	Carrying Value as on Dec 31, 2023
Accrued compensation	190,347	(20,632)	169,715
Compensated absences	5,321	204	5,525
Deferred revenue	(1)	1	0
Others	54,412	(16,679)	37,733
Total deferred tax assets	250,079	(37,106)	212,973

(In US$)

Particulars	Carrying Value as on Jan 1, 2023	Changes through Profit and Loss	Carrying Value as on Dec 31, 2023
Property, plant and equipment	(17,963)	4,201	(13,762)
Total deferred tax liabilities	(17,963)	4,201	(13,762)

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, 2022	Changes through Profit and Loss	Carrying Value as on Dec 31, 2022
Accrued compensation	121,890	68,457	190,347
Compensated absences	7,069	(1,748)	5,321
Deferred revenue	95,699	(95,700)	(1)
Others	196,119	(113,679)	54,412
Total deferred tax assets	420,777	(142,670)	250,079

(In US$)

Particulars	Carrying Value as on Jan 1, 2022	Changes through Profit and Loss	Carrying Value as on Dec 31, 2022
Property, plant and equipment	(7,683)	(10,280)	(17,963)
Total deferred tax liabilities	(7,683)	(10,280)	(17,963)

The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

(In US$)

Particulars	As at December 31,	
	2023	2022
Deferred income tax assets after set off	212,973	250,079
Deferred income tax liabilities after set off	(13,762)	(17,963)

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.

2.13 Revenue from operations

(In US$)

Particulars	Year ended December 31,	
	2023	2022
Revenue from products and platforms	10,108,326	9,578,960
Total revenue from operations	10,108,326	9,578,960

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, 2023, the company recognized revenue of $3,528,702 arising from opening unearned revenue as of January 1, 2023.

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, 2023, other than those meeting the exclusion criteria mentioned above, is $ 3,903,882 out of this, the Group expects to recognize revenue of around 96% within the next one year and the remaining thereafter. The contracts can generally be terminated by the customers and typically includes an enforceable termination penalty payable by them.

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended December 31, 2023 and December 31, 2022 by geography.

(In US$)

Particulars	Year ended December 31,	
	2023	2022
Revenues by geography [1]		
North America	10,108,326	9,521,248
Rest of the world	–	57,711
Total revenue	10,108,326	9,578,960

[1] Geographical revenue is based on the domicile of customer

2.14 Other income, net

(In US$)

Particulars	Year ended December 31,	
	2023	2022
Interest received on bank accounts	273	–
Interest income on loan to subsidiary	13,219	–
Profit on sale of investment	304,477	–
Translation differences	828	–
Total other income, net	318,797	–

2.15 Expenses

(In US$)

Particulars	Year ended December 31,	
	2023	2022
Employee benefit expenses		
Salaries including bonus	6,224,760	5,971,206
Staff welfare	18,215	42,757
Total employee benefit expenses	6,242,976	6,013,963

Particulars	Year ended December 31,	
	2023	2022
Cost of technical sub-contractors		
Technical sub-contractors - subsidiaries	2,369,795	2,173,473
Total cost of technical sub-contractors	2,369,795	2,173,473
Travel expenses		
Overseas travel expenses	349,496	86,584
Overseas boarding and lodging	13,803	84,909
Perdiem	2,275	13,639
Total travel expenses	365,574	185,132
Cost of software packages and others		
For own use	36,954	–
Total cost of software package and others	36,954	–
Communication expenses		
Communication expenses	8,135	–
Telephone charges	4,245	28,187
Total communication expenses	12,379	28,187
Other expenses		
Repair and maintenance	(1,964)	24,171
Printing and stationery	121	(7,609)
Marketing expenses	31,530	84,874
Rent	74,272	131,567
Rates and taxes, excluding taxes on income	15,472	11,845
Postage and courier	1,522	7,322
Insurance charges	4,990	4,748
Consumables	3,146	33,906
Bank charges	12,272	10,062
Commission charges	3,500	37,700
Books and periodicals	299	–
Loss on sale of asset	–	396
Miscellaneous expenses	3,751	4,350
Total other expenses	148,910	343,333

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,	
	2023	2022
Assets		
Cash and cash equivalents (Refer to Note 2.4)	1,166,687	1,542,428
Trade receivables (Refer to Note 2.3)	1,206,466	40,214,730
Other financial assets (Refer to Note 2.5)[(1)]	34,369	24,588,227
Total	2,407,523	66,345,385
Liabilities		
Trade payables (Refer to Note 2.8)	883,574	29,453,188
Borrowings (Refer to Note 2.9)	8,344,033	7,535,799
Other financial liabilities (Refer to Note 2.10)	781,136	948,958
Total	10,008,743	37,937,945

All the above financial instruments are carried at amortized cost and the carrying values approximates their fair value.

Financial risk management

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to USD 1,206,466 and USD 40,214,730 as of December 31, 2023 and December 31, 2022, 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 following table gives details in respect of percentage of revenues generated from top customer and top five customers:

(In %)

Particulars	Year ended December 31,	
	2023	2022
Revenue from top customer	4.5%	4.3%
Revenue from top five customers	16.6%	18.8%

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended December 31, 2023 and December 31, 2022 was NIL and NIL, respectively.

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks.

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, 2023, the Company had a working capital of USD -4,639,432 including cash and cash equivalents of USD 1,166,687. As of December 31, 2022, the Company had a working capital of USD 31,952,371 including cash and cash equivalents of USD 1,542,428.

As of December 31, 2023 and December 31, 2022, the outstanding compensated absences were USD 20,461 and USD 19,706 respectively.

The table below provides details regarding the contractual maturities of significant financial liabilities as of December 31, 2023:

(In US$)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	883,574	–	–	–	883,574
Other financial liabilities	781,136	–	–	–	781,136
Borrowings	45,881	8,838,362	–	–	8,884,243

The table below provides details regarding the contractual maturities of significant financial liabilities as of December 31, 2022:

(In US$)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	29,453,188	–	–	–	29,453,188
Other financial liabilities	948,958	–	–	–	948,958
Borrowings	35,799	7,921,500	–	–	7,957,299

2.17 Related party transactions

List of related parties:

Name of Holding Companies	Relationship	Country	Holding as at December 31,	
			2023	2022
Infosys Ltd	Parent Company	India	100%	100%

Name of fellow subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)[1]	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)[1]	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)[1]	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)[1]	China
Infosys Nova Holdings LLC. (Infosys Nova)[1]	U.S.
EdgeVerve Systems Limited (EdgeVerve)[1]	India
Infosys Austria GmbH[1]	Austria
Skava Systems Private Limited (Skava Systems)[1][22]	India
Infosys Chile SpA[1]	Chile
Infosys Arabia Limited[2][22]	Saudi Arabia
Infosys Consulting Ltda.[1]	Brazil
Infosys Luxembourg S.a.r.l[1]	Luxembourg
Infosys Americas Inc. (Infosys Americas)[1][39]	U.S.
Infosys Public Services, Inc. USA (Infosys Public Services)[1]	U.S.

Name of fellow subsidiaries	Country
Infosys BPM Limited[(1)(27)]	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 [(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
Infy Consulting Company Ltd[(4)]	U.K.
Infy Consulting B.V.[(4)]	The Netherlands
Infosys Consulting S.R.L.[(29)]	Argentina
Infosys Consulting (Belgium) NV[(4)]	Belgium
Panaya Ltd.[(5)]	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH) [(38)]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[(1)(22)]	U.K.
Brilliant Basics Limited [(6)(22)]	U.K.
Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)[(1)]	Singapore
Infosys Middle East FZ LLC [(7)]	Dubai
Fluido Oy [(7)]	Finland
Fluido Sweden AB [(9)]	Sweden
Fluido Norway A/S[(9)]	Norway
Fluido Denmark A/S[(9)]	Denmark
Fluido Slovakia s.r.o[(9)]	Slovakia
Infosys Compaz Pte. Ltd [(8)]	Singapore
Infosys South Africa (Pty) Ltd[(7)]	South Africa
WongDoody Inc. [(1)]	U.S.
HIPUS Co., Ltd[(8)]	Japan
Stater N.V.[(8)]	The Netherlands
Stater Nederland B.V.[(10)]	The Netherlands
Stater XXL B.V.[(10)]	The Netherlands
HypoCasso B.V.[(10)]	The Netherlands
Stater Participations B.V.[(44)]	The Netherlands
Stater Belgium N.V./S.A.[(10)(44)]	Belgium
Stater Gmbh[(10)]	Germany
Outbox systems Inc. dba Simplus (US)[(12)]	U.S.
Simplus ANZ Pty Ltd.[(13)]	Australia
Simplus Australia Pty Ltd[(14)]	Australia
Simplus Philippines, Inc.[(13)]	Philippines
Infosys Fluido UK, Ltd.[(9)]	U.K.
Infosys Fluido Ireland, Ltd.[(16)]	Ireland
Infosys Limited Bulgaria EOOD[(1)]	Bulgaria
Kaleidoscope Animations, Inc.[(12)]	U.S.

Name of fellow subsidiaries	Country
Kaleidoscope Prototyping LLC[18][43]	U.S.
GuideVision s.r.o.[11]	Czech Republic
GuideVision Deutschland GmbH[17]	Germany
GuideVision Suomi Oy[17]	Finland
GuideVision Magyarország Kft[17]	Hungary
GuideVision Polska Sp. z.o.o[17]	Poland
GuideVision UK Ltd[17][22]	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[12]	U.S.
Beringer Capital Digital Group Inc[12][25]	U.S.
Mediotype LLC[19][25]	U.S.
Beringer Commerce Holdings LLC[19][25]	U.S.
SureSource LLC[20][23]	U.S.
Blue Acorn LLC[20][23]	U.S.
Simply Commerce LLC[20][23]	U.S.
iCiDIGITAL LLC[21][24]	U.S.
Infosys BPM UK Limited[3]	U.K.
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[1]	Turkey
Infosys Germany Holding Gmbh[1]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1]	Germany
Infosys Green Forum[1]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[7]	Malaysia
Infosys Business Solutions LLC[1][26]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[28]	Germany
Wongdoody Gmbh (formerly known as oddity GmbH) [30]	Germany
oddity (Shanghai) Co., Ltd. [31]	China
oddity Limited (Taipei) [31]	Taiwan
oddity space GmbH [30][42]	Germany
oddity jungle GmbH [30][42]	Germany
oddity code GmbH [30][42]	Germany
WongDoody d.o.o (formerly known as oddity code d.o.o) [31][42]	Serbia
oddity waves GmbH [30][42]	Germany
oddity group services GmbH [30][42]	Germany
Infosys Public Services Canada Inc. [15][32]	Canada
BASE life science AG [34]	Switzerland
BASE life science GmbH [34]	Germany
BASE life science A/S [33]	Denmark
BASE life science S.A.S [34]	France
BASE life science Ltd. [34]	U.K.
BASE life science S.r.l. [34]	Italy
Innovisor Inc.[34]	U.S.
BASE life science Inc.[34]	U.S.
BASE life science S.L.[34][35]	Spain
Panaya Germany GmbH [5][36]	Germany
Infosys Norway [7][37]	Norway
Infosys BPM Canada Inc [3][40]	Canada
Danske IT and Support Services India Private Limited ("Danske IT") [41]	India

(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 Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

(8) Majority owned and controlled subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

(9) Wholly-owned subsidiary of Fluido Oy

(10) Wholly-owned subsidiary of Stater N.V

(11) Wholly-owned subsidiary of Infy Consulting Company Limited

(12) Wholly-owned subsidiary of Infosys Nova Holdings LLC

(13) Wholly-owned subsidiary of Outbox systems Inc. dba Simplus (US)

(14) Wholly-owned subsidiary of Simplus ANZ Pty Ltd

(15) Wholly-owned subsidiary of Infosys Public Services, Inc.

(16) Wholly-owned subsidiary of Infosys Fluido UK, Ltd.

(17) Wholly-owned subsidiary of GuideVision s.r.o.

(18) Wholly-owned subsidiary of Kaleidoscope Animations, Inc.

(19) Wholly-owned subsidiary of Blue Acorn iCi Inc

(20) Wholly-owned subsidiary of Beringer Commerce Holdings LLC

(21) Wholly-owned subsidiary of Beringer Capital Digital Group Inc.

(22) Under liquidation

(23) Merged with Beringer Commerce Holdings LLC, effective January 1, 2022

(24) Merged with Beringer Capital Digital Group Inc, effective January 1, 2022

(25) Merged with Blue Acorn iCi Inc, effective January 1, 2022

(26) Incorporated on February 20, 2022

(27) On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

(28) On March 22, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.), a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")).

(29) Infosys Consulting S.R.L. (Argentina) (formerly a Wholly-owned subsidiary of Infosys Consulting Holding AG) became the majority owned and controlled subsidiary of Infosys Limited with effect from April 1, 2022

(30) On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.)) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and Wongdoody Gmbh (formerly known as oddity GmbH)

(31) Wholly-owned subsidiary of Wongdoody Gmbh (formerly known as oddity GmbH)

(32) Incorporated on July 8, 2022

(33) On September 1, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.) (a Wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

(34) Wholly-owned subsidiary of BASE life science A/S

(35) Incorporated on September 6, 2022

(36) Incorporated effective December 15, 2022

(37) Incorporated effective February 7, 2023.

(38) Infosys Financial Services GmbH. (formerly Panaya GmbH) became a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.) with effect from February 23, 2023.

(39) Liquidated effective July 14, 2023

(40) Incorporated on August 11, 2023

(41) On September 1, 2023 Infosys Ltd. acquired 100% of voting interests in Danske IT and Support Services India Private Limited ("Danske IT").

(42) On September 29, 2023, oddity space GmbH, oddity waves GmbH, oddity jungle GmbH, oddity group services GmbH and oddity code GmbH merged into WongDoody GmbH and oddity code d.o.o which was formerly a subsidiary of oddity code Gmbh has become a subsidiary of Wongdoody Gmbh (formerly known as oddity GmbH).

(43) Liquidated effective November 1, 2023

(44) On November 24, 2023 Stater Participations B.V (Wholly-owned subsidiary of Stater N.V) merged with Stater N.V and Stater Belgium N.V./S.A which was formerly a wholly owned subsidiary of Stater Participations B.V. became a wholly owned subsidiary of Stater N.V.

(In US$)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Trade receivables		
Panaya Ltd	–	39,468,909
	–	39,468,909
Other financial assets		
Panaya Ltd	567	24,542,683
Infosys Ltd	10,677	24,476
Panaya Germany GmbH	1,446	532
	12,690	24,567,692
Trade payables		
Panaya Ltd.	812,737	29,421,464
Infosys Ltd	26,418	15,904
	839,155	29,437,369
Borrowings		
Infosys Public Services Inc	8,344,033	7,535,799
	8,344,033	7,535,799

The details of the related parties transactions entered into by the Company, for the year ended December 31, 2023 and December 31, 2022 are as follows:

(In US$)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Revenue transactions:		
Purchase of services		
Panaya Ltd.	2,369,795	2,173,473
	2,369,795	2,173,473
Finance cost		
Infosys Public Services Inc	460,903	271,210
Panaya Germany GMBH	(13,219)	–
	447,684	271,210

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 IndAS 108, Segment Reporting the Chief Operating Decision Maker (CODM) evaluates the performance and allocates resources based on analysis of performance of the company as a whole. Its operations are, therefore, considered to constitute a single segment in the context of Ind AS 108, Segment Reporting.

2.19 Ratios

The ratios for the years ended December 31, 2023 and December 31, 2022 are as follows:

Particulars	Numerator	Denominator	December, 2023	December, 2022	Variance	
Current ratio	Current assets	Current liabilities	0.3	1.9	(82.1%)	(1)
Debt–equity ratio	Total debt	Shareholder's equity	13%	12%	12.0%	
Debt service coverage ratio	Earnings available for debt service(2)	Debt service(3)	(53%)	58%	(191.4%)	(7)
Return on equity (ROE)	Net profits after taxes	Average Shareholder's equity	(1.2%)	(0.2%)	(0.9%)	
Trade receivables turnover ratio	Revenue	Average trade receivable	0.5	0.2	106.6%	(4)
Trade payables turnover ratio	Purchases of services and other expenses	Average trade payables	0.2	0.1	99.4%	(6)

Particulars	Numerator	Denominator	December, 2023	December, 2022	Variance	
Net capital turnover ratio	Revenue	Working capital	(2.2)	0.3	(826.8%)	[1]
Net profit ratio	Net Profit	Revenue	(7.3%)	(1.6%)	(5.6%)	
Return on capital employed (ROCE)	Earning before interest and taxes	Capital employed[5]	1.5%	0.7%	0.7%	

[1] On account of other intercompany receivable converted into investment in subsidiary and inclusion of GILTI tax provision in current year

[2] Net profit after taxes + Non-cash operating expenses + Interest + other adjustments like loss on sale of fixed assets etc.

[3] Loan repayments for the current year

[4] Intercompany trade receivable from Panaya Ltd converted into investment in Panaya ltd.

[5] Tangible net worth + deferred tax liabilities + borrowings

[6] On account of payment to vendors

[7] On account of negative earnings available for debt service because of inclusion of GILTI tax provision in current year

Infosys Middle East FZ-LLC

Independent Auditors' Report

To the Shareholder 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 31 December 31, 2023, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting standards as issued by the International Accounting Standards Board (IFRS Accounting Standards)

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting standards, and their preparation in compliance with the applicable provisions of the Dubai Creative Cluster Private Companies Regulations 2016 issued pursuant to Law No. (15) of 2014, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

We further report that the Financial Statements have been prepared in all material respects, in accordance with the Dubai Creative Cluster Private Companies Regulations 2016 issued pursuant to Law No. (15) of 2014.

KPMG Lower Gulf Limited

Khaled Yousaf

Registration No.: 5405

Dubai, United Arab Emirates

Date: May 9, 2024

Statement of Profit and Loss and Other Comprehensive Income

For the year ended December 31, 2023

(In AED)

Particulars	Note	Years ended December 31, 2023	2022
Revenue	7	36,263,539	41,203,088
Cost of services	8	(31,485,863)	(37,107,880)
Gross profit		4,777,676	4,095,208
Administrative and general expenses	9	(3,932,298)	(4,442,401)
Operating profit/(loss)		845,378	(347,193)
Finance cost	10	(27,564)	(15,319)
Profit/(loss) for the year		817,814	(362,512)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement of the net defined benefit liability	17	371,561	3,242,514
Total other comprehensive profit		371,561	3,242,514
Total comprehensive profit for the year		1,189,375	2,880,002

The notes on pages 834 to 846 form an integral part of these financial statements.

The independent auditors' report is set out on pages 828 and 829.

Statement of Financial Position

As at December 31, 2023

(In AED)

Particulars	Note	As at December 31, 2023	As at December 31, 2022
Assets			
Non-current assets			
Equipment	11	24,998	36,058
Right-of-use assets	12	1,765,291	622,471
Total non-current assets		1,790,289	658,529
Current assets			
Trade and other receivables	13	4,206,925	6,925,118
Due from related parties	14	2,472,492	2,128,632
Cash and cash equivalent	15	9,175,465	8,830,337
Total current assets		15,854,882	17,884,087
Total assets		17,645,171	18,542,616
Equity and liabilities			
Equity			
Share capital	16	300,000	300,000
Accumulated losses		(6,150,808)	(7,340,183)
Net equity		(5,850,808)	(7,040,183)
Liabilities			
Non-current liabilities			
Provision for employees' end of service benefits	17	12,715,519	13,727,506
Lease liabilities	12	1,367,690	–
Total non-current liabilities		14,083,209	13,727,506
Current liabilities			
Trade and other payables	18	2,685,631	3,904,918
Due to related parties	14	6,367,484	7,377,298
Lease liabilities	12	359,655	573,077
Total current liabilities		9,412,770	11,855,293
Total equity and liabilities		17,645,171	18,542,616

To the best of our knowledge, the financial statements fairly present, 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, 2023.

These financial statements were approved for issuance by

Sriranga Neelathali Sampathkumar
Managing Director

Place: Dubai, United Arab Emirates

Date: May 9, 2024.

The notes on pages 834 to 846 form an integral part of these financial statements.

The independent auditors' report is set out on pages 828 and 829.

Statement of Cash Flows

(In AED)

Particulars	Note	Years ended December 31, 2023	2022
Operating activities			
Profit / (loss) for the year		817,814	(362,512)
Adjustments for:			
Depreciation on property and equipment	11	23,160	31,828
Depreciation on right-of-use assets	12	767,835	677,786
Provision for employees' end-of-service benefits	17	697,931	1,902,954
Interest expense	10	27,564	15,319
Provision for incentives and leave accruals	18	1,560,650	1,674,297
Operating profit before working capital changes		3,894,954	3,939,672
Changes in:			
Trade and other receivables	13	2,718,194	(1,781,769)
Due from related parties	14	(343,860)	2,355,714
Due to related parties	14	(1,009,814)	4,326,237
Trade and other payables	18	(1,067,711)	1,052,208
Payment for employees' end-of-service benefits	17	(1,338,357)	(2,223,389)
Payment of incentives	18	(1,036,936)	(1,205,092)
Reversal of leave provisions during the year	18	(675,291)	(750,371)
Net cash generated from operating activities		1,141,179	5,713,210
Investing activity			
Acquisition of equipment		(12,100)	–
Net cash used in Investing activity		(12,100)	–
Financing activity			
Payment of lease liabilities	12	(783,951)	(776,293)
Net cash used in financing activity		(783,951)	(776,293)
Net increase in cash and cash equivalents		345,128	4,936,917
Cash and cash equivalents at the beginning of the year		8,830,337	3,893,420
Cash and cash equivalents at the end of the year	15	9,175,465	8,830,337

The notes on pages 834 to 846 form an integral part of these financial statements.

The independent auditors' report is set out on pages 828 and 829.

Statement of Changes in Equity

(In AED)

Particulars	Share capital	Accumulated losses	Net
As at January 1 2022	300,000	(10,220,185)	(9,920,185)
Total comprehensive income for the year			
Loss for the year	–	(362,512)	(362,512)
Other comprehensive income for the year	–	3,242,514	3,242,514
As at December 31, 2022	300,000	(7,340,183)	(7,040,183)
Balance as at January 1, 2023	300,000	(7,340,183)	(7,040,183)
Total comprehensive income for the year			
Profit for the year	–	817,814	817,814
Other comprehensive income for the year	–	371,561	371,561
As at December 31, 2023	300,000	(6,150,808)	(5,850,808)

The notes on pages 834 to 846 form an integral part of these financial statements.

The independent auditors' report is set out on pages 828 and 829.

Notes to the financial statements

For the year ended December 31, 2023

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 and 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 ("IFRSs") and the applicable provisions of Dubai Creative Cluster Private Companies Regulations 2016 issued pursuant to Law No. (15) of 2014.

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, 2023 of AED 6,150,808 (December 31, 2022: AED 7,340,183) and AED 5,850,808 (December 31, 2022: 7,040,183), 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 UAE Dirhams ("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 21.

3 Significant accounting policies

The following accounting policies, which comply with IFRS, have been applied consistently to all periods presented in these financial statements. The Company has consistently applied the accounting policies to all year presented unless otherwise stated.

Revenue recognition

Revenue is measured based on the consideration specified in a contract with the customer. The Company recognizes revenue when it transfers control over goods or services to a customer.

In view of the risks associated with the delivery of its services to and the collection of the amounts the Company considers that it is acting as a principal in these arrangements and, therefore, has recognized the costs and associated revenue on a gross, as opposed to a net basis.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers and the related revenue recognition policies.

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
Providing IT solutions, and services to the customer	The control transfer on monthly basis when the IT services are used by the customers. Invoices are issued on monthly basis.	Revenue is recognized overtime. The stage of completion for determining the amount of revenue to be recognized is assessed based on work performed on a monthly basis.

Financial instruments

Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortized cost. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in 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 management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities, or expected cash outflows or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; 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 at amortized cost

A financial instrument is any contract that gives rise to both a financial asset of the Company and a financial liability or equity instrument for another party. The Company principally classifies its financial assets at initial recognition in the following categories:

Financial assets at fair value through profit or loss: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Debt investments at FVOCI: These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Financial assets at amortized cost: These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on de-recognition is also recognized in 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 of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or canceled or expired. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred, or liabilities assumed) is recognized in profit or loss.

Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Share capital

Incremental costs directly attributable to the issuance of ordinary shares are recognized as a deduction from equity.

Property and equipment

Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the estimated costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing cost. If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment.

Any gain or loss on disposal of an item of property and equipment is recognized in the profit or loss.

Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognized in the profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful life unless it is reasonably certain that the Company will obtain ownership by the end of lease term.

The estimated useful lives of property and equipment for current and comparative periods are as follows:

Particulars	Years
Office equipment and fixtures	2-5

The depreciation method, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate.

Impairment

Non-derivative financial assets

The Company recognizes loss allowances for expected credit loss (ECL) 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.

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 profit or loss and reflected in an allowance account. When the Company considered that there were no realistic prospects of recovery of the asset, the relevant amounts were written off. If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss was reversed through profit or loss.

Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets, investment property and inventories to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Provisions

A provision is recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period and the amortized cost in foreign currency translated at the exchange rate at the end of the period. Realized and unrealized foreign exchange differences arising on translation are recognized in the profit or loss.

Leases

At inception of a contract the Company assesses whether a contract is or contains a lease. A contract is, or contains, a lease if contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

a. The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct asset or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.

b. The Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; 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 profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of equipment that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Provision for end of service benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognized in profit or loss in the period in which they arise.

Employees are not required to contribute to the plan. The employees' end of service benefits is an unfunded obligation.

4 New and amended standards issued and effective.

The recent changes to International Financial Reporting Standards ("IFRS" or "standards") that are required to be applied by an entity with an annual reporting period beginning January 1, 2023 are as follows:

- IFRS 17 Insurance Contracts
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).
- Definition of Accounting Estimate (Amendments to IAS 8)
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction.
- International Tax Reform-Pillar Two Model Rules

There has been no material impact on the financial statements of the Company upon adoption of the above new and amended standards.

5 New and amended standards issued but not yet effective.

The below lists the recent changes to International Financial Reporting Standards ("IFRS" or "standards") that are required to be applied by an entity with an annual reporting period beginning on or after January 1, 2024:

- Non-current liabilities with Covenants (Amendments to IAS 1) January 1, 2024.
- Classification of Liabilities as Current and Non-current (Amendments to IAS 1) January 1, 2024.
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) January 1, 2024.
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) January 1, 2024.
- Lack of Exchangeability (Amendments to IAS 21) January 1, 2025.

6 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 related parties. Cash is held with reputable bank. Balance due from a related party is considered fully recoverable by management.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk mainly relates to trade and other payables and due to related parties. 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.

7 Revenue

(In AED)

Particulars	Years ended December 31,	
	2023	2022
Revenue from services [(i)]	36,263,539	41,203,088

(i) Revenue from services includes AED 21,673,985 (2022: AED 25,072,009) from contract with related parties at cost-plus margin of 6% (refer note 14).

Revenue is geographically distributed in UAE and is recognized over time.

8 Cost of services

(In AED)

Particulars	Years ended December 31,	
	2023	2022
Salaries and other benefits	19,375,248	21,800,921
Sub-contracted cost (Refer to Note 14)	11,473,239	13,519,700
Provision for employees' end-of-service benefits (Refer to Note 17)	637,376	1,787,259
	31,485,863	37,107,880

9 Administrative and general expenses

(In AED)

Particulars	Years ended December 31,	
	2023	2022
Salaries and other benefits	1,604,506	1,538,426
Depreciation on right-of-use asset (Refer to Note 12)	767,835	677,786
Professional fees	493,360	495,653
Travel and entertainment expenses	349,204	403,423
Office maintenance	324,469	211,076
Communication expenses	245,354	738,050
Provision for employees' end-of-services benefits (Refer to Note 17)	60,555	115,695
Depreciation on property and equipment (Refer to Note 11)	23,160	31,828
Utilities	13,163	17,430
Impairment loss charged (Refer to Note 13)	648	17,471
Others	50,044	195,563
	3,932,298	4,442,401

10 Finance cost

(In AED)

Particulars	Years ended December 31,	
	2023	2022
Interest expense on lease liability (Refer to Note 12)	27,564	15,319
	27,564	15,319

11 Equipment

(In AED)

Particulars	Office Equipment & fixtures
Cost	
As at January 1, 2022	3,202,735
Disposals	(57,780)
As at December 31, 2022	3,144,955
As at January 1, 2023	3,144,955
Additions	12,100
Disposals	(985,601)
As at December 31, 2023	2,171,454
Depreciation	
As at January 1, 2022	3,134,849
Charge for the year	31,828
Depreciation on disposals	(57,780)
As at December 31, 2022	3,108,897
As at January 1, 2023	3,108,897
Charge for the year	23,160
Depreciation on disposals	(985,601)
As at December 31, 2023	2,146,456
Net book value	
As at December 31, 2023	24,998
As at December 31, 2022	36,058

12 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 renew the lease contract for similar period. The lease has been assumed to continue for five years from date of signing the contract.

Right-of-use asset

(In AED)

Particulars	As at December 31,	
	2023	2022
Opening balance	622,471	1,577,017
Recognition / (derecognition) of right-of-use asset	1,910,655	(276,760)
Depreciation on right-of-use asset (Refer to Note 9)	(767,835)	(677,786)
Closing balance	1,765,291	622,471

Lease liabilities

(In AED)

Particulars	As at December 31,	
	2023	2022
Opening balance	573,077	1,610,811
Recognition /(derecognition) of lease liability	1,910,655	(276,760)
Interest on lease (Refer to Note 10)	27,564	15,319
Payments during the year	(783,951)	(776,293)
Closing balance	1,727,345	573,077
Non-current portion	1,367,690	–
Current portion	359,655	573,077
	1,727,345	573,077

The maturity analysis of undiscounted lease contractual payments that will be paid after the reporting date is as follows:

(In AED)

Particulars	As at December 31,	
	2023	2022
Less than one year	416,119	575,892
1-5 years	1,456,417	–
	1,872,536	575,892

(In AED)

Particulars	As at December 31,	
	2023	2022
Balances recognized in Statement of Profit and Loss		
Interest on lease liabilities	27,564	15,319
Depreciation of right-of-use asset	767,835	677,786
	795,399	693,105

(In AED)

Particulars	As at December 31,	
	2023	2022
Balances recognized in Statement of Cash Flows		
Payment of lease liabilities	783,951	776,293

13 Trade and other receivables

(In AED)

Particulars	As at December 31,	
	2023	2022
Trade receivables	2,065,246	3,275,855
Unbilled revenues	1,247,281	3,048,777
Impairment loss on trade receivables and unbilled revenue (Refer to Note (i) below)	(90,233)	(95,301)
	3,222,294	6,229,331
Prepayments	726,819	479,852
Deposits	125,000	125,000
Advances to employees	104,892	67,567
VAT receivable	27,920	23,368
	4,206,925	6,925,118

(i) The movement of impairment loss on trade receivables and unbilled revenue is as follows:

(In AED)

Particulars	As at December 31,	
	2023	2022
As at January 1	95,301	77,830
Charged during the year	648	17,471
Bad debts written off during the year	(5,726)	–
As at December 31	90,223	95,301

(ii) At 31 December, the ageing of trade receivables was as follows:

Particulars	As at December 31,			
	2023		2022	
	Gross	Impairment	Gross	Impairment
Current	1,277,504	–	1,177,260	–
0-90 days	787,742	(63,262)	2,098,595	(66,472)
	2,065,246	(63,262)	3,275,855	(66,472)

14 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 parties

(In AED)

Particulars	Years ended December 31,	
	2023	2022
Services rendered to a related party	21,673,985	25,072,009
Subcontracted cost (Refer to Note 8)	11,473,239	13,519,700

On January 1, 2020, the Company entered into a subcontracting agreement with Infosys Limited ("the Shareholder"), whereas Infosys Limited bills the Company at a total cost-plus markup of 18% on the total cost for the services provided to the Company.

On August 1, 2021, the Company entered into a subcontracting agreement with Infosys Automotive and Mobility GmbH & Co.KG. where the Company reimburses all costs incurred by Infosys Automotive and Mobility GmbH & Co.KG within 30 days of the written notice of the successful consummation of the transaction.

On August 1, 2021, the Company entered into a subcontracting agreement with Infosys Limited ("the shareholder") for the Daimler deal. As per the agreement, if the Company generates any revenue from the services provided to its end client, it will be retained by the Company. Whereas for the revenue of services which Infosys Limited has provided, it will be transferred back to Infosys Limited after retaining 1% of the revenue by the Company for administrative services and billing purposes. Such mark-up may be revised periodically based on benchmarking analysis to demonstrate the arm's length price.

Balances with related parties

Due from related parties

(In AED)

Particulars	Years ended December 31,	Years ended December 31,
	2023	2022
Infosys Limited ("the Shareholder")	1,917,458	2,094,312
EdgeVerve Systems Ltd	341,599	–
Infosys Automotive And Mobility Gmbh	191,178	–
Infosys Turkey Bilgi Teknoloijleri Limited Sirketi	22,257	34,320
	2,472,492	2,128,632

All balances are receivable on demand and free of interest. No material expected credit losses in related parties' balances.

Due to related parties

(In AED)

Particulars	Years ended December 31,	
	2023	2022
Infosys Limited ("the Shareholder")	6,313,354	7,330,389
Infosys Automotive and Mobility Gmbh	33,789	29,695
Infosys Turkey Bilgi Teknoloijleri Limited Sirketi	5,782	8,914
Infosys BPM Ltd	10,659	3,329
Infosys Czech Republic	2,647	3,566
Infosys Technologies (China) Co Ltd	1,253	1,405
	6,367,484	7,377,298

All balances are payable on demand and free of interest.

15 Cash and cash equivalent

(In AED)

Particulars	Years ended December 31,	
	2023	2022
Cash at bank	9,175,465	8,830,337

16 Share capital

(In AED)

Particulars	Years ended December 31,	
	2023	2022
Authorized, issued and paid-up:		
300 shares of AED 1,000 each	300,000	300,000

17 Provision for employees' end-of-service benefits

(In AED)

Particulars	Years ended December 31,	
	2023	2022
As at January 1, 2023	13,727,506	17,290,455
Provision made during the year	697,931	1,902,954
Actuarial gain	(371,561)	(3,242,514)
Payments made during the year	(1,338,357)	(2,223,389)
As at December 31, 2023	12,715,519	13,727,506

The principal actuarial assumptions at the reporting date (expressed as weighted averages) are as follows:

Particulars	2023	2022
Discount rate	5.6%	5.1%
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 997,949 (2022: AED 1,209,989) and AED 885,348 (2022: AED 1,061,875) respectively.

18 Trade and other payables

(In AED)

Particulars	As at December 31,	As at December 31,
	2023	2022
Trade payables	511,987	138,079
Accruals	258,680	1,371,483
Other payables	252,004	580,819
Provision for incentives (i)	996,738	1,036,936
Provision for leave accrual (ii)	666,222	777,601
	2,685,631	3,904,918

(i) Movement of the provision for bonus accrual is:

(In AED)

Particulars	As at December 31,	As at December 31,
	2023	2022
As at January 1, 2023	1,036,936	1,205,092
Provision made during the year	996,738	1,036,936
Payments made during the year	(1,036,936)	(1,205,092)
As at December 31, 2023	996,738	1,036,936

(ii) Movement of the provision for leave accrual is:

(In AED)

Particulars	As at December 31,	
	2023	2022
As at January 1, 2023	777,601	890,611
Provision made during the year	563,912	637,361
Reversal made during the year	(675,291)	(750,371)
As at December 31, 2023	666,222	777,601

19 Financial instruments

The 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 represents the maximum credit exposure.

The expected credit losses on financial assets are recognized in Statement of Profit or Loss are as follows:

(In AED)

Particulars	As at December 31,	
	2023	2022
Impairment loss on trade receivables and unbilled revenue	648	17,471

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 is as follows:

(In AED)

Particulars	As at December 31,	
	2023	2022
Cash and cash equivalent	9,175,465	8,830,337
Dues from related parties	2,472,492	2,218,632
Trade and other receivables (excluding prepayments and advances)	3,375,214	6,377,699
	15,023,171	17,426,668

Due from related parties 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.

Dues from related parties

Dues from related parties 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 management.

Trade receivable

The Company's exposure to credit risk is mainly influenced by each customer's individual characteristics. However, management also considers factors that may influence the credit risk of the 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 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 loans. Liability comprises trade and other payables due to a related party and lease liability.

The following are the contractual maturities of the Company's financial liabilities:

(In AED)

2023	Carrying amount	Contractual Cashflows	1 year or less	1 to 5 years
Trade and other payables	2,685,631	(2,685,631)	(2,685,631)	–
Due to related parties	6,367,484	(6,367,484)	(6,367,484)	–
Lease liabilities	1,727,345	(1,872,536)	(416,119)	(1,456,417)
	10,780,460	(10,925,651)	(9,469,234)	(1,456,417)

(In AED)

2022	Carrying amount	Contractual Cashflows	1 year or less	1 to 5 years
Trade and other payables	3,904,918	(3,904,918)	(3,904,918)	–
Due to related parties	7,377,298	(7,377,298)	(7,377,298)	–
Lease liabilities	573,077	(575,892)	(575,892)	–
	11,855,293	11,858,108	11,858,108	–

(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.

20 Capital commitments and contingent liabilities

(In AED)

Particulars	As at December 31,	
	2023	2022
Bank guarantees	2,725,730	2,725,730

There are no capital commitments as at December 31, 2023 (December 31, 2022: Nil).

21 Accounting estimates and judgment

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Determination of the lease term of contracts

In determining the lease term, management considers facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options are only included in the lease term if lease is reasonably certain to be extended.

Residual values and useful lives of property and equipment

The Company's management has reviewed the residual values and useful lives of property and equipment. Management has not highlighted any requirement for an adjustment to the residual lives and remaining useful lives of the assets for the current or future periods.

Impairment losses on financial assets

The Company reviews its receivables to assess impairment losses. In determining whether impairment losses should be recognized in the profit or loss, the Company makes judgments as to whether there is any observable data indicating 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 that, 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.

22 Subsequent events

Subsequent to the year-end, there have been no events noted that would require adjustments or further disclosure of the financial statements.

23 UAE Corporate Tax

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after 1 June 2023.

The Cabinet of Ministers Decision No. 116/2022, effective from 2023, specifies the threshold of income over which the 9% tax rate would apply, and accordingly, the Law is now considered to be substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000 [and a rate of 0% on qualifying income of free zone entities].

As at the year ended December 31, 2023, the Management has prepared an internal tax assessment for the implications of any deferred tax that would require to be recognized as at December 31, 2023, and no deferred tax impact has been identified.

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 comprise the Balance Sheet as at December 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). 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, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1.2 to the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company, Infosys Limited under the requirements of section 129 (3) of the Companies Act, 2013 and for issuing Annual Performance Report ("APR") which is required to be furnished by the Holding Company to Authorized Bank in accordance with regulation 10 of Foreign Exchange Management (Overseas Investment) Regulations. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for the above purpose and is not to be used, referred to or distributed for any other purpose without our prior consent.

Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

i) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

iii) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

UDIN: 242028418KAC1Y2596

For Shenoy & Kamath
Chartered Accountants,

Firm Registration Number. 006673S

(M Rathnakar Kamath)
Partner

Membership Number. 202841

Place: Bengaluru.

Date: May 7, 2024

Balance Sheet

(In BGN)

Particulars	Note No.	As at December 31, 2023	As at December 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	2.1	404,735	–
Right-of-Use Asset	2.2	1,156,244	235,091
Capital work-in-progress		5,378	–
Income tax assets (net)	2.12	11,059	–
Deferred tax assets (net)	2.12	64,050	63,308
Total non - current Assets		1,641,466	298,399
Current assets			
Financial assets			
Trade receivables	2.3	1,201,049	922,454
Cash and cash equivalents	2.4	397,665	370,483
Other financial assets	2.5	246,761	63,096
Other Current Assets	2.6	3,192	–
Total current assets		1,848,667	1,356,033
Total Assets		3,490,133	1,654,432
Equity and liabilities			
Equity			
Equity share capital	2.8	458,000	458,000
Other equity		772,633	66,665
Total equity		1,230,633	524,665
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease Liability	2.2	381,008	–
Total non - current liabilities		381,008	–
Current liabilities			
Financial liabilities			
Trade payables	2.9	306,739	26,048
Other financial liabilities	2.10	682,164	690,229
Other current liabilities	2.11	61,972	78,334
Income tax liabilities (net)	2.12	–	74,900
Lease Liability	2.2	827,617	260,256
Total current liabilities		1,878,492	1,129,767
Total equity and liabilities		3,490,133	1,654,432

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Place: Bengaluru
Date: May 7, 2024

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, 2023	2022
Revenue from operations		12,829,101	6,246,546
Total income		12,829,101	6,246,546
Expenses			
Employee benefit expenses	2.13	10,489,594	5,143,277
Cost of technical sub-contractors		6,840	–
Travel expenses		90,730	35,124
Consultancy and professional charges		475,905	535,946
Depreciation and amortisation expense	2.1 and 2.2	601,442	232,944
Finance Cost	2.2	27,103	–
Other expenses	2.14	343,554	105,941
Total expenses		12,035,169	6,053,232
Profit/(loss) before tax		793,932	193,314
Current tax	2.12	88,706	74,900
Deferred Tax	2.12	(742)	(63,308)
Profit/(loss) for the year		705,968	181,722
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		–	–
Items that will be reclassified subsequently to profit or loss		–	–
Total other comprehensive income, net of tax		–	–
Total comprehensive income for the period		705,968	1,81,722
Earnings per equity share			
Equity shares of par value BGN 1/- each			
Basic (BGN)		1.54	0.40
Diluted (BGN)		1.54	0.40
Weighted average equity shares used in computing earnings per equity share			
Basic		4,58,000	4,58,000
Diluted		4,58,000	4,58,000

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 Infosys Limited Bulgaria EOOD

Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Lilly Vasanthini
Director

Place: Bengaluru
Date: May 7, 2024

Statement of changes in Equity

(In BGN)

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 01, 2022	458,000	–	(115,057)	342,943
Changes in equity for the year ended December 31, 2022				
Profit/ (loss) for the year			181,722	181,722
Balance as at December 31, 2022	458,000	–	66,665	524,665
Balance as at January 01, 2023	458,000	–	66,665	524,665
Changes in equity for the year ended December 31, 2023				
Profit/ (loss) for the year			705,968	705,968
Balance as at December 31, 2023	458,000	–	772,633	1,230,633

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Place: Bengaluru

Date: May 7, 2024

for and on behalf of the Board of Directors of Infosys Limited Bulgaria EOOD

Lilly Vasanthini
Director

Statements of Cash Flows

(In BGN)

Particulars	Year ended December 31, 2023	2022
Cash flow from operating activities:		
Profit/(loss) for the year	705,968	181,722
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and Amortization	601,442	232,944
Finance Cost	27,103	–
Income Tax expense	88,706	74,900
Provision for Deferred taxes - Overseas	(742)	(63,308)
Currency Translation differences	(686)	–
Change in Asset & Liabilities		
Trade receivables	(278,595)	(865,041)
Other financial assets and other assets	(186,857)	(640)
Trade payables	280,691	23,986
Other financial liabilities, other liabilities and provisions	(24,427)	641,706
Cash generated from/ (used in) operations	1,212,604	226,269
Income tax paid	(174,665)	–
Net cash generated from /(used in) operating activities	1,037,939	226,269
Cash flow from investing activities:		
Investment on property, plant and equipment net of sale proceeds	(456,220)	–
Net cash (used in)/ from investing activities	(456,220)	–
Cash flow from financing activities:		
Lease Payments	(554,536)	(207,779)
Net cash generated from/(used in) financing activities	(554,536)	(207,779)
Net increase/(decrease) in cash and cash equivalents	27,182	18,490
Cash and cash equivalents at the beginning of the year	370,483	351,993
Cash and cash equivalents at the end of the year	397,665	370,483

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Place: Bengaluru
Date: May 7, 2024

for and on behalf of the Board of Directors of Infosys Limited Bulgaria EOOD

Lilly Vasanthini
Director

Company Overview and Significant Accounting Policies

Company overview

Infosys Limited Bulgaria EOOD is a wholly-owned subsidiary of Infosys Limited incorporated on September 11, 2020.The purpose of the Company is to expand locally, as the same exists or as may hereafter be amended from time to time.

1 Significant accounting policies

1.1 Accounting year

The accounting year of the Company is from January 01 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 and for issuing Annual Performance Report ("APR") which is required to be furnished by the Holding Company, to Authorized Bank in accordance with regulation 10 of Foreign Exchange Management (Overseas Investment) Regulations.

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use."

1.3 Reporting currency

The Company's reporting currency is BGN.

1.4 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities, and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.5 Provisions

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

1.6 Foreign currency

Functional currency

The functional currency of the Company is the BGN. These financial statements are presented In BGN.

Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense, and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

1.7 Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.8 Investments

Associates are entities over which the Company has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date.The Company's investment in associates includes goodwill identified on acquisition.

1.9 Financial instruments

1.9.1 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, 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.

1.9.2 mondaySubsequent 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.

(v) Investment in subsidiaries

Investment in subsidiaries is carried at cost in the separate financial statements.

1.10 Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

1.11 Impairment

a. Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets and unbilled revenues which are not fair valued through profit or loss. Loss allowance for trade receivables and unbilled revenues with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the Statement of profit and Loss.

b. Non-financial assets

(i) Property, plant and equipment

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

1.12 Employee Benefits

Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

1.13 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.

1.14 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.

1.15 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.

1.16 Borrowing Cost

Borrowing cost are charged to the Statement of Profit and Loss in the period in which they are incurred.

The details of shareholder holding more than 5% shares as at December 31, 2023 and 2022 are set out below :

Name of the shareholder	As at December 31,	
	2023	2022
Infosys Limited	100%	100%

2.1 Property, plant and equipment

Following are the changes in the carrying value of property, plant and equipment for the year ended December 31, 2023:

(In BGN)

Particulars	Computer Equipment	Total
Gross carrying value as of January 1, 2023	–	–
Additions	450,842	450,842
Gross carrying value as of December 31, 2023	450,842	450,842
Accumulated depreciation as of January 1, 2023	–	–
Depreciation	46,107	46,107
Accumulated depreciation as of December 31, 2023	46,107	46,107
Carrying value as of December 31, 2023	404,735	404,735

Following are the changes in the carrying value of property, plant and equipment for the year ended December 31, 2022:

(In BGN)

Particulars	Computer Equipment	Total
Gross carrying value as of January 1, 2022	–	–
Additions	–	–
Gross carrying value as of December 31, 2022	–	–
Accumulated depreciation as of January 1, 2022	–	–
Depreciation	–	–
Accumulated depreciation as of December 31, 2022	–	–
Carrying value as of December 31, 2022	–	–

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.

Following are the changes in the carrying value of right of use assets for the year ended December 31, 2023:

(In BGN)

Particulars	Category of ROU asset	Total
	Buildings	
Balance as of January 01, 2023	235,091	235,091
Additions (Net)	1,476,489	1,476,489
Depreciation	(555,335)	(555,335)
Balance as of December 31, 2023	1,156,244	1,156,244

Following are the changes in the carrying value of right of use assets for the year ended December 31, 2022:

(In BGN)

Particulars	Category of ROU asset	Total
	Buildings	
Balance as of January 01, 2022	–	–
Additions (Net)	468,035	468,035
Depreciation	(232,944)	(232,944)
Balance as of December 31, 2022	235,091	235,091

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at December 31, 2023 and December 31, 2022:

(In BGN)

Particulars	As at December 31,	
	2023	2022
Current lease liabilities	827,617	260,256
Non-current lease liabilities	381,008	–
Total	1,208,625	260,256

The following is the movement in lease liabilities during the year ended December 31, 2023 and December 31, 2022:

(In BGN)

Particulars	For the year ended December 31,	
	2023	2022
Balance at the beginning	260,256	–
Additions (Net)	1,476,489	468,035
Finance cost accrued during the period	27,103	–
Payment of lease liabilities	(554,536)	(207,779)
Translation Difference	(686.4)	–
Balance at the end	1,208,625	260,256

The table below provides details regarding the contractual maturities of lease liabilities as at December 31, 2023 and December 31, 2022 on an undiscounted basis:

(In BGN)

Particulars	As at December 31,	
	2023	2022
Less than one year	856,349	260,256
One to five years	356,812	–
More than five years	–	–
Total	1,213,161	260,256

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

2.3 Trade Receivables

(In BGN)

Particulars	As at December 31,	
	2023	2022
Current		
Unsecured		
Considered good [1]	1,201,049	922,454
Total Trade Receivables	1,201,049	922,454
[1] Includes dues from related parties (Refer to Note No.2.15)	1,201,049	922,454

(In BGN)

Particulars	As at December 31	
	2023	2022
Current		
Trade Receivable considered good - Unsecured	1,201,049	922,454
Less: Allowance for expected credit loss	–	–
Trace Receivable considered good - Unsecured	1,201,049	922,454
Total trade receivables	1,201,049	922,454

2.4 Cash and Cash Equivalents

(In BGN)

Particulars	As at December 31,	
	2023	2022
Balances with banks		
In current and deposit accounts	397,665	370,483
	397,665	370,483

2.5 Other Financial Assets

(In BGN)

Particulars	As at December 31,	
	2023	2022
Current		
Other Advances [1]	414	706
Rental Deposits	246,347	62,390
	246,761	63,096
[1] Includes dues from related parties (Refer to Note No.2.15)	414	–

2.6 Other Current Assets

(In BGN)

Particulars	As at December 31,	
	2023	2022
Current		
For Supply Of Goods And Rendering Of Services	3,192	–
	3,192	–

2.7 Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories were as follows:

(In BGN)

Particulars	As at December 31,	
	2023	2022
Assets:		
Cash and cash equivalents (Refer note 2.4)	397,665	370,483
Trade receivables (Refer note 2.3)	1,201,049	922,454
Other financial assets (Refer Note 2.5)[1]	246,761	63,096
Total	1,845,475	1,356,033
Liabilities:		
Trade payables (Refer note 2.9)	306,739	26,048
Other financial liabilities (Refer note 2.10)	61,972	78,334
Total	368,711	104,382

[1] Excludes unbilled revenue on contracts where the right to consideration is dependent on completion of contractual milestones

All the above financial instruments are carried at amortized cost and the carrying values approximates their fair value.

Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk.

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to BGN 1,201,049 and BGN 922,454 as at December 31, 2023 and December 31, 2022. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of the customers to which the Company grants credit terms in the normal course of business. The Company uses the expected credit loss model to assess any required allowances; and uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. This matrix takes into account credit reports and other related credit information to the extent available.

Credit risk on cash and cash equivalents is limited as we generally invest in banks with high credit ratings assigned by credit rating agencies.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time.

The company's principal sources of liquidity are cash and cash equivalents.

As of December 31, 2023 and December 31, 2022, the Company had cash and cash equivalents of BGN 397,665 and BGN 370,483.

2.8 Equity

Equity share capital

(In BGN)

Particulars	As at December 31,	
	2023	2022
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		

2.9 Trade Payables

(In BGN)

Particulars	As at December 31,	
	2023	2022
Current		
Trade payable	306,739	26,048
	306,739	26,048

Trade payables ageing schedule

Years ended Dec 31, 2023 and Dec 31, 2022

(In BGN)

Particulars	Not Due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Others	24	305,903	812	–	–	306,739
	806	25,242	–	–	–	26,048
Total trade payables	24	305,903	812	–	–	306,739
Total trade payables	806	25,242	–	–	–	26,048

2.10 Other financial liabilities

(In BGN)

Particulars	As at December 31,	
	2023	2022
Current		
Others		
Accrued Compensation to employees [1]	652,578	633,082
Provision for Expenses	29,586	57,147
	682,164	690,229
[1] Includes dues from related parties (Refer to Note No.2.15)	12,076	–

2.11 Other current liabilities

(In BGN)

Particulars	As at December 31,	
	2023	2022
Current		
Others		
Social security contribution payable	100,764	69,442
Withholding Taxes & Others	(38,791)	8,892
	61,972	78,334

2.12 Income taxes

Income tax expense in the statement of profit and loss comprises:

(In BGN)

Particulars	Year ended December 31,	
	2023	2022
Current taxes	88,706	74,900
Deferred taxes	(742)	(63,308)
Income tax expense	87,964	11,592

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(In BGN)

Particulars	Year ended December 31,	
	2023	2022
Profit / (Loss) before income taxes	793,932	193,314
Enacted tax rates in Bulgaria (%)	10.00%	10.00%
Computed expected tax expense	79,393	19,331
Permanent Difference	8,571	(7,740)
Income tax expense	87,964	11,592

The applicable Bulgarian statutory tax rate for the year ended December 31 2023 and December 31, 2022 is 10%.

"In India, the company has benefited from certain tax incentives that the Government of India has provided to the export of software for the units registered under the Special Economic Zones Act, 2005 (SEZ). SEZ units which began the provision of services on or after April 1, 2005 are eligible for a deduction of 100 percent of profits or gains derived from the export of services for the first five years from the financial year in which the unit commenced the provision of services and 50 percent of such profits or gains for further five years. Up to 50% of such profits or gains is also available for a further five years subject to creation of a Special Economic Zone re-Investment Reserve out of the profit of the eligible SEZ units and utilization of such reserve by the Company for acquiring new plant and machinery for the purpose of its business as per the provisions of the Income Tax Act, 1961.

The following table provides the details of income tax assets and income tax liabilities as of December 31, 2023 and December 31, 2022

(In BGN)

	As at December 31,	
	2023	2022
Income tax assets	11,059	-
Current income tax liabilities	–	74,900
Net current income tax assets/ (liability) at the end	11,059	(74,900)

The gross movement in the current income tax asset/ (liability) for the year ended December 31, 2023 and December 31, 2022 is as follows:

(In BGN)

	Year ended December 31,	
	2023	2022
Net current income tax asset/ (liability) at the beginning	(74,900)	–
Income tax paid	174,665	–
Current income tax expense (Refer Note 2.12)	(88,706)	(74,900)
Net current income tax asset/ (liability) at the end	11,059	(74,900)

The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

(In BGN)

Particulars	As at December 31,	
	2023	2022
Deferred income tax assets		
Accrued compensation to employees	29,101	27,399
Compensated absences	34,949	35,909
Total deferred income tax assets	64,050	63,308

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

2.13 Employee Benefit Expenses

(In BGN)

Particulars	Year ended December 31,	
	2023	2022
Overseas Salary	10,393,528	5,107,882
Staff welfare,overseas group and medical insurance	96,067	35,395
Total Employee Benefit Expenses	10,489,594	5,143,277

2.14 Other expenses

(In BGN)

Particulars	Year ended December 31,	
	2023	2022
Bank Charges	4,001	4,147
Cost of Software Package For own use	3,323	–
Rent	15,016	–
Rates and taxes	8,775	276
Repairs and Maintenance	80,092	6,777
Consumables	30,236	–
Insurance Charges	122,405	50,949
Marketing expenses	981	–
Reimbursement of expenses	18,408	22,632
Exchange Gains and Losses	60,317	21,159
Others	–	2
Total other expenses	343,554	105,941

2.15 Related party transactions

Name of Holding Company	Country	Holding As on December 31	
		2023	2022
Infosys Limited	India	100%	100%

List of Fellow Subsidiaries

Name of fellow subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)(1)	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)(1)	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)(1)	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)(1)	China
Infosys Nova Holdings LLC. (Infosys Nova)(1)	U.S.
EdgeVerve Systems Limited (EdgeVerve)(1)	India
Infosys Austria GmbH(1)	Austria

Name of fellow subsidiaries	Country
Skava Systems Private Limited (Skava Systems)(1)(22)	India
Infosys Chile SpA(1)	Chile
Infosys Arabia Limited(2)(22)	Saudi Arabia
Infosys Consulting Ltda.(1)	Brazil
Infosys Luxembourg S.a.r.l(1)	Luxembourg
Infosys Americas Inc. (Infosys Americas)(1)(39)	U.S.
Infosys Public Services, Inc. USA (Infosys Public Services)(1)	U.S.
Infosys BPM Limited(1)(27)	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 (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
Infy Consulting Company Ltd(4)	U.K.
Infy Consulting B.V.(4)	The Netherlands
Infosys Consulting S.R.L.(29)	Argentina
Infosys Consulting (Belgium) NV(4)	Belgium
Panaya Inc. (Panaya)(1)	U.S.
Panaya Ltd.(5)	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH) (38)	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)(1)(22)	U.K.
Brilliant Basics Limited (6)(22)	U.K.
Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)(1)	Singapore
Infosys Middle East FZ LLC (7)	Dubai
Fluido Oy (7)	Finland
Fluido Sweden AB (9)	Sweden
Fluido Norway A/S(9)	Norway
Fluido Denmark A/S(9)	Denmark
Fluido Slovakia s.r.o(9)	Slovakia
Infosys Compaz Pte. Ltd (8)	Singapore
Infosys South Africa (Pty) Ltd(7)	South Africa
WongDoody Inc. (1)	U.S.
HIPUS Co., Ltd(8)	Japan
Stater N.V.(8)	The Netherlands
Stater Nederland B.V.(10)	The Netherlands
Stater XXL B.V.(10)	The Netherlands
HypoCasso B.V.(10)	The Netherlands
Stater Participations B.V.(44)	The Netherlands
Stater Belgium N.V./S.A.(10)(44)	Belgium
Stater Gmbh(10)	Germany
Outbox systems Inc. dba Simplus (US)(12)	U.S.

Name of fellow subsidiaries	Country
Simplus ANZ Pty Ltd.[13]	Australia
Simplus Australia Pty Ltd[14]	Australia
Simplus Philippines, Inc.[13]	Philippines
Infosys Fluido UK, Ltd.[9]	U.K.
Infosys Fluido Ireland, Ltd.[16]	Ireland
Kaleidoscope Animations, Inc.[12]	U.S.
Kaleidoscope Prototyping LLC[18][43]	U.S.
GuideVision s.r.o.[11]	Czech Republic
GuideVision Deutschland GmbH[17]	Germany
GuideVision Suomi Oy[17]	Finland
GuideVision Magyarország Kft[17]	Hungary
GuideVision Polska Sp. z.o.o[17]	Poland
GuideVision UK Ltd[17][22]	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[12]	U.S.
Beringer Capital Digital Group Inc[12][25]	U.S.
Mediotype LLC[19][25]	U.S.
Beringer Commerce Holdings LLC[19][25]	U.S.
SureSource LLC[20][23]	U.S.
Blue Acorn LLC[20][23]	U.S.
Simply Commerce LLC[20][23]	U.S.
iCiDIGITAL LLC[21][24]	U.S.
Infosys BPM UK Limited[3]	U.K.
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[1]	Turkey
Infosys Germany Holding Gmbh[1]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1]	Germany
Infosys Green Forum[1]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[7]	Malaysia
Infosys Business Solutions LLC[1][26]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")[28]	Germany
Wongdoody Gmbh (formerly known as oddity GmbH) [30]	Germany
oddity (Shanghai) Co., Ltd. [31]	China
oddity Limited (Taipei) [31]	Taiwan
oddity space GmbH [30][42]	Germany
oddity jungle GmbH [30][42]	Germany
oddity code GmbH [30][42]	Germany
WongDoody d.o.o (formerly known as oddity code d.o.o) [31][42]	Serbia
oddity waves GmbH [30][42]	Germany
oddity group services GmbH [30][42]	Germany
Infosys Public Services Canada Inc. [15][32]	Canada
BASE life science AG [34]	Switzerland
BASE life science GmbH [34]	Germany
BASE life science A/S [33]	Denmark
BASE life science S.A.S [34]	France
BASE life science Ltd. [34]	U.K.
BASE life science S.r.l. [34]	Italy
Innovisor Inc.[34]	U.S.
BASE life science Inc.[34]	U.S.

Name of fellow subsidiaries	Country
BASE life science S.L.[34][35]	Spain
Panaya Germany GmbH [5][36]	Germany
Infosys Norway [7][37]	Norway
Infosys BPM Canada Inc [3][40]	Canada
Danske IT and Support Services India Private Limited ("Danske IT") [41]	India

[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 Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

[8] Majority owned and controlled subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

[9] Wholly-owned subsidiary of Fluido Oy

[10] Wholly-owned subsidiary of Stater N.V

[12] Wholly-owned subsidiary of Infosys Nova Holdings LLC

[13] Wholly-owned subsidiary of Outbox systems Inc. dba Simplus (US)

[14] Wholly-owned subsidiary of Simplus ANZ Pty Ltd

[15] Wholly-owned subsidiary of Infosys Public Services, Inc.

[16] Wholly-owned subsidiary of Infosys Fluido UK, Ltd.

[17] Wholly-owned subsidiary of GuideVision s.r.o.

[18] Wholly-owned subsidiary of Kaleidoscope Animations, Inc.

[19] Wholly-owned subsidiary of Blue Acorn iCi Inc

[20] Wholly-owned subsidiary of Beringer Commerce Holdings LLC

[21] Wholly-owned subsidiary of Beringer Capital Digital Group Inc.

[22] Under liquidation

[23] Merged with Beringer Commerce Holdings LLC, effective January 1, 2022

[24] Merged with Beringer Capital Digital Group Inc, effective January 1, 2022

[25] Merged with Blue Acorn iCi Inc, effective January 1, 2022

[26] Incorporated on February 20, 2022

[27] On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

[28] On March 22, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.), a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")).

[29] Infosys Consulting S.R.L. (Argentina) (formerly a Wholly-owned subsidiary of Infosys Consulting Holding AG) became the majority owned and controlled subsidiary of Infosys Limited with effect from April 1, 2022

[30] On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.)) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and Wongdoody Gmbh (formerly known as oddity GmbH)

[31] Wholly-owned subsidiary of Wongdoody Gmbh (formerly known as oddity GmbH)

[32] Incorporated on July 8, 2022

[33] On September 1, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.) (a Wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

[34] Wholly-owned subsidiary of BASE life science A/S

[35] Incorporated on September 6, 2022

[36] Incorporated effective December 15, 2022

[37] Incorporated effective February 7, 2023.

[38] Infosys Financial Services GmbH. (formerly Panaya GmbH) became a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.) with effect from February 23, 2023.

[39] Liquidated effective July 14, 2023

[40] Incorporated on August 11, 2023

[41] On September 1, 2023 Infosys Ltd. acquired 100% of voting interests in Danske IT and Support Services India Private Limited ("Danske IT").

[42] On September 29, 2023, oddity space GmbH, oddity waves GmbH, oddity jungle GmbH, oddity group services GmbH and oddity code GmbH merged into WongDoody GmbH and oddity code d.o.o which was formerly a subsidiary of oddity code Gmbh has become a subsidiary of Wongdoody Gmbh (formerly known as oddity GmbH).

[43] Liquidated effective November 1, 2023

[44] On November 24, 2023 Stater Participations B.V (Wholly-owned subsidiary of Stater N.V) merged with Stater N.V and Stater Belgium N.V./S.A which was formerly a wholly owned subsidiary of Stater Participations B.V. became a wholly owned subsidiary of Stater N.V.

The details of amounts due to or due from related parties as at December 31, 2023 and December 31, 2022 are as follows:

(In BGN)

Particulars	As at December 31	
	2023	2022
Trade Receivable		
Infosys Limited	1,201,049	922,454
	1,201,049	922,454
Prepaid and other financial assets		
Infosys Limited	414	–
	414	–
Other payables & Financial liabilities		
Infosys Limited	12,076	–
	12,076	–

The details of the related parties transactions entered into by the Company for the year ended December 31, 2023 and December 31, 2022 are as follows:

(In BGN)

Particulars	As at December 31	
	2023	2022
Revenue transactions:		
Sale of services		
Infosys Limited	12,829,101	6,249,757
	12,829,101	6,249,757

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.

Years ended Dec 31, 2023 and Dec 31, 2022

(In BGN)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	1,200,619	430	–	–	–	–	1,201,049
	922,024	430	–	–	–	–	922,454
Undisputed Trade receivables – credit impaired	–	–	–	–	–	–	–
Total trade receivables							1,201,049
							922,454

2.17 Ratios

The ratios for the years ended December 31, 2023 and December 31, 2022 are as follows:

Particulars	Numerator	Denominator	December 31, 2023	December 31, 2022	Variance	
Current Ratio	Current assets	Current liabilities	0.98	1.20	(18.0%)	
Debt – Equity Ratio	Total Debt (represents lease liabilities) (1)	Shareholder's Equity	0.98	0.50	98.0%	*
Debt Service Coverage Ratio	Earnings available for debt service(2)	Debt Service(3)	2.36	2.00	18.1%	
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	80%	42%	38.5%	**
Trade receivables turnover ratio	Revenue	Average Trade Receivable	12.08	12.75	(5.2%)	
Trade payables turnover ratio	Purchases of services and other expenses	Average Trade Payables	5.12	46.37	(89.0%)	***
Net capital turnover ratio	Revenue	Working Capital	(430.14)	27.61	(1658.1%)	#
Net profit ratio	Net Profit	Revenue	0.06	0.03	89.2%	##
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed(4)	40%	27%	13.0%	

(1) Debt represents only lease liabilities

(2) Net Profit after taxes + Non-cash operating expenses + Interest + other adjustments like loss on sale of Fixed assets etc.

(3) Lease payments for the current year

(4) Tangible net worth + deferred tax liabilities + Lease Liabilities

* Debt Equity ratio has increased due to increase in lease liability as entity has taken new lease office.

** ROE ratio has increased due to increase in profits, since it is a growing entity.

***Trade Payables turnover ratio has decreased due to increase in trade payables and overall business.

\# Net capital turnover ratio ratio has decreased due to decrease in working capital.

\## Net Profit ratio has increased due to increase in profits, since it is a growing entity.

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, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of preparation referred to in Section 1.2 of the special purpose financial statements, of the state of affairs of the Company as at December 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1.2 to the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared for inclusion in the annual report of the Ultimate Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act, 2013. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for the above purpose and is not to be used, referred to or distributed for any other purpose without our prior consent.

Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design aud.it 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 : 24202841BKACZZ9439

For Shenoy & Kamath
Chartered Accountants

Firm Registration Number: 006673S

(M. Rathnakar Kamath)
Partner

Membership Number. 202841

Place: Bengaluru

Date: May 25, 2024

Balance Sheet

(In ₹)

Particulars	Note	As at December 31, 2023	As at December 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	2.1	13,99,632	21,86,438
Right-to-use of asset	2.19	3,14,34,722	1,42,20,783
Financial assets			
Loans	2.2	–	2,11,912
Other financial assets	2.3	1,72,29,450	3,40,90,586
Income tax assets (net)	2.13	5,98,377	1,74,990
Total non-current assets		5,06,62,181	5,08,84,709
Current assets			
Financial assets			
Trade receivables	2.4	8,12,94,418	14,03,52,206
Cash and cash equivalents	2.5	1,49,65,365	10,22,23,345
Loans	2.2	66,70,329	63,93,940
Other financial assets	2.3	10,83,90,216	11,70,21,129
Other current assets	2.6	1,89,54,215	1,99,98,482
Total current assets		23,02,74,543	38,59,89,102
Total assets		28,09,36,724	43,68,73,811
Equity and liabilities			
Equity			
Equity share capital	2.8	3,44,75,106	3,44,75,106
Other equity		(7,63,82,860)	(12,09,52,021)
Total equity		(4,19,07,754)	(8,64,76,915)
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liability	2.17	3,40,16,481	2,03,76,960
Other financial liabilities	2.9	1,02,52,429	1,37,12,813
Other non-current liabilities	2.11	13,80,502	9,54,050
Total non-current liabilities		4,56,49,412	3,50,43,823
Current liabilities			
Financial liabilities			
Trade payables	2.10	80,27,626	3,29,27,158
Lease liability	2.17	2,92,50,772	1,48,33,440
Other financial liabilities	2.9	19,56,67,495	41,64,42,576
Other current liabilities	2.11	3,73,28,382	1,78,30,358
Provisions	2.12	69,20,791	62,73,371
Total current liabilities		27,71,95,066	48,83,06,903
Total equity and liabilities		28,09,36,724	43,68,73,811

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath *Chartered Accountants*	for and on behalf of the Board of Directors of Infosys Consulting (Belgium) N.V.	
Firm's registration number:006673S		
M. Rathnakar Kamath *Partner*	Andrew Duncan *Director*	Gopal Rao *Director*
Membership Number : 202841		

Place: Bengaluru

Date: May 25, 2024

Statement of Profit and Loss

(In ₹, except equity share and per equity share data)

Particulars	Note	Year ended December 31, 2023	2022
Revenue from operations	2.14	56,19,73,478	72,27,44,317
Other income, net	2.15	82,77,341	61,17,691
Total income		57,02,50,819	72,88,62,008
Expenses			
Employee benefit expenses	2.16	19,58,96,421	20,04,48,696
Cost of technical sub-contractors		8,77,67,364	18,18,99,639
Travel expenses		2,14,41,939	1,64,46,620
Cost of software packages and others	2.16	16,37,79,589	26,65,75,413
Communication expenses		4,33,108	26,63,609
Consultancy and professional charges		1,79,87,983	1,86,67,889
Finance cost		14,17,981	15,50,789
Depreciation and amortization expenses	2.1	1,07,21,519	92,19,236
Other expenses	2.16	2,22,66,924	2,82,67,759
Total expenses		52,17,12,828	72,57,39,650
Profit/(Loss) before tax		4,85,37,991	31,22,358
Tax expense			
Current tax	2.13	40,173	4,38,700
Profit/(Loss) for the year		4,84,97,818	26,83,658
Other comprehensive income / (loss)			
Items that will not be reclassified subsequently to profit or loss		–	–
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation		(39,28,657)	(39,71,791)
Total other comprehensive income / (loss), net of tax		(39,28,657)	(39,71,791)
Total comprehensive income / (loss) for the Year		4,45,69,161	(12,88,133)
Profit/(Loss) per equity share			
Equity shares of par value EUR 489.32 each			
Basic and diluted(₹)		48,498	2,684.00
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's 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

Place: Bengaluru

Date: May 25, 2024

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, 2022	3,44,75,106	(19,03,97,740)	1,72,355	7,05,61,497	(8,51,88,782)
Changes in equity for the year ended December 31, 2022					
Currency translation	–	–	–	(39,71,791)	(39,71,791)
Profit for the year	–	26,83,658	–	–	26,83,658
Balance as of December 31, 2022	3,44,75,106	(18,77,14,082)	1,72,355	6,65,89,706	(8,64,76,915)
Changes in equity for the year ended December 31, 20223					
Currency translation	–	–	–	(39,28,657)	(39,28,657)
Profit for the year	–	4,84,97,818	–	–	4,84,97,818
Balance as of December 31, 2023	3,44,75,106	(13,92,16,264)	1,72,355	6,26,61,049	(4,19,07,754)

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 (Belgium) N.V.

M. Rathnakar Kamath
Partner

Membership Number : 202841

Andrew Duncan
Director

Gopal Rao
Director

Place: Bengaluru

Date: May 25, 2024

Statements of Cash Flows

(In ₹)

Particulars	Year ended December 31, 2023	2022
Cash flows from operating activities		
Profit for the year	4,84,97,818	26,83,658
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation and amortization expense	1,07,21,519	92,19,236
Income tax expense	40,173	4,38,700
Allowance for credit losses on financial assets	6,33,681	(15,20,536)
Interest expense	14,17,981	15,50,789
Exchange differences on translation of assets and liabilities	1,68,65,680	(71,96,877)
Changes in assets and liabilities		
Trade receivables	5,84,24,107	21,22,37,850
Other financial assets and other assets	2,65,36,316	(4,43,31,187)
Trade payables	(2,48,99,532)	13,87,086
Other financial liabilities and other liabilities and provisions	(20,03,31,592)	(60,44,570)
Cash generated from operations	(6,20,93,849)	16,84,24,149
Income taxes paid	(4,59,750)	(4,38,700)
Net cash from /(used) in operating activities	(6,25,53,599)	16,79,85,449
Cash flow from investing activities		
Expenditure on property, plant and equipment net of sale proceeds	0	(20,67,627)
Loans to employees	(64,477)	(55,38,391)
Net cash from / (used) in investing activities	(64,477)	(76,06,018)
Cash flow from financing activities		
Loan taken / (repaid) from parent company	0	(16,48,96,856)
Receipts / (payments) under revenue deals	(33,31,977)	(1,53,76,295)
Interest expense	(14,17,981)	(15,50,789)
Payment of lease liability	(1,98,89,946)	(1,25,48,305)
Net cash generated by financing activities	(2,46,39,904)	(19,43,72,245)
Net increase / (decrease) in cash and cash equivalents	(8,72,57,980)	(3,39,92,814)
Cash and cash equivalents at the beginning of the year	10,22,23,345	13,62,16,159
Cash and cash equivalents at the end of the year	1,49,65,365	10,22,23,345

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 (Belgium) N.V.

M. Rathnakar Kamath
Partner

Membership Number : 202841

Andrew Duncan
Director

Gopal Rao
Director

Place: Bengaluru

Date: May 25, 2024

Notes to the financial statements

Infosys Consulting (Belgium) N.V. is a wholly-owned subsidiary of Infosys Consulting Holding AG (formerly Lodestone Holding AG), Kloten (Switzerland). The Company renders professional management consulting services, thereby enabling its clients to enhance business performance.

1 Significant accounting policies

1.1 Accounting year

The accounting year of the Company is from January 1 to December 31.

1.2 Basis of preparation of financial statements

These special purpose financial statements are prepared for inclusion in the annual report of the Ultimate Holding Company Infosys Limited under the requirements of Section 129 (3) of the Companies Act 2013.These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendments and rules issued 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 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 and the useful lives of property, plant and equipment and intangible assets.

1.5 Revenue recognition

The Company derives revenues primarily from consultancy services.

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.

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 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 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 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 the 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, 2023 are as follows:

(In ₹)

Particulars	Leasehold improvements	Office equipment	Computer equipment	Furniture and fixtures	Total
XXX	–	7,00,465	89,10,334	20,36,012	1,16,46,811
Additions	–	–	–	–	–
Deletions	–	–	(50,89,989)	–	(50,89,989)
Translation difference	–	30,278	3,85,165	88,010	5,03,453
Gross carrying value as of December 31, 2023	–	7,30,743	42,05,510	21,24,022	70,60,275
Accumulated depreciation as of January 1, 2023	–	(7,00,465)	(67,23,896)	(20,36,012)	(94,60,373)
Depreciation	–	–	8,56,678	–	8,56,678
Accumulated depreciation on deletions	–	–	50,89,989	–	50,89,989
Translation difference	–	(30,278)	(20,28,649)	(88,010)	(21,46,937)
Accumulated depreciation as of December 31, 2023	–	(7,30,743)	(28,05,878)	(21,24,022)	(56,60,643)
Carrying value as of December 31, 2023	–	–	13,99,632	–	13,99,632
Carrying value as of January 1, 2023	–	–	21,86,438	–	21,86,438

The changes in the carrying value of property, plant and equipment for the year ended December 31, 2022 were as follows:

(In ₹)

Particulars	Leasehold improvements	Office equipment	Computer equipment	Furniture and fixtures	Total
Gross carrying value as of January 1, 2022	–	8,20,823	76,89,594	19,45,461	1,04,55,878
Additions	–	–	20,67,627	–	20,67,627
Deletions	–	(1,48,453)	(13,67,866)	–	(15,16,319)
Translation difference	–	28,095	5,20,979	90,551	6,39,625
Gross carrying value as of December 31, 2022	–	7,00,465	89,10,334	20,36,012	1,16,46,811
Accumulated depreciation as of January 1, 2022	–	(8,20,823)	(73,84,368)	(19,45,461)	(1,01,50,652)
Depreciation	–	–	(3,51,347)	–	(3,51,347)
Accumulated depreciation on deletions	–	1,48,453	13,67,866	–	15,16,319
Translation difference	–	(28,095)	(3,56,047)	(90,551)	(4,74,693)
Accumulated depreciation as of December 31, 2022	–	(7,00,465)	(67,23,896)	(20,36,012)	(94,60,373)
Carrying value as of December 31, 2022	–	–	21,86,438	–	21,86,438
Carrying value as of January 1, 2022	–	–	3,05,226	–	3,05,226

2.2 Loans

(In ₹)

Particulars	As at December 31, 2023	As at December 31, 2022
Non-current		
Unsecured, considered good		
Loans to employees	–	2,11,912
	–	2,11,912
Less: Allowance for doubtful loans to employees	–	–
	–	2,11,912
Current		
Unsecured, considered good		
Loans to employees	66,70,329	63,93,940
Total loans	66,70,329	66,05,852

2.3 Other financial assets

(In ₹)

Particulars	As at December 31, 2023	As at December 31, 2022
Non-current		
Investment in Lease	1,72,29,450	3,40,90,586
	1,72,29,450	3,40,90,586
Current		
Rental deposits	15,58,553	14,93,973
Unbilled revenues	5,52,11,229	9,30,69,391
Investment in lease – Current	3,16,09,962	–
Others [(1)]	2,00,10,472	2,24,57,765
	10,83,90,216	11,70,21,129
Total current other financial assets	12,56,19,666	15,11,11,715
Financial assets carried at amortized cost	12,56,19,666	15,11,11,715
[(1)] Includes dues from related parties (Refer to Note 2.18)	2,00,10,472	2,30,44,782

2.4 Trade receivables

(In ₹)

Particulars	As at December 31, 2023	As at December 31, 2022
Current		
Unsecured		
Considered good[(1)]	8,23,22,544	14,09,39,794
Considered doubtful	–	–
	8,23,22,544	14,09,39,794
Less: Allowances for credit losses	10,28,126	5,87,588
Total trade receivables	8,12,94,418	14,03,52,206
[(1)] Includes dues from related parties (Refer to Note 2.18)	1,44,51,652	6,43,06,385

2.5 Cash and cash equivalents

(In ₹)

Particulars	As at December 31, 2023	As at December 31, 2022
Balances with banks		
In current accounts	1,49,65,365	10,22,23,345
Total cash and cash equivalents	1,49,65,365	10,22,23,345

2.6 Other assets

(In ₹)

Particulars	As at December 31, 2023	As at December 31, 2022
Current		
Prepaid expenses[(1)]	–	7,53,263
Deferred contract cost	–	33,32,091
Dealer type lease	13,08,264	22,94,494
Advance for supply of goods and rendering of services	–	68,148
Withholding taxes and others	1,76,45,951	1,35,50,486
	1,89,54,215	1,99,98,482
Total current other assets	1,89,54,215	1,99,98,482
[(1)] Includes transactions with subsidiaries (Refer to Note 2.18)	–	6,78,818

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, 2023	As at December 31, 2022
Assets		
Cash and cash equivalents (Refer to Note 2.5)	1,49,65,365	10,22,23,345
Trade receivables (Refer to Note 2.4)	8,12,94,418	14,03,52,206
Loans (Refer to Note 2.2)	66,70,329	66,05,852
Other financial assets (Refer to Note 2.3)	12,56,19,666	15,11,11,715
Total	22,85,49,778	40,02,93,118
Liabilities		
Trade payables (Refer to Note 2.10)	80,27,626	3,29,27,158
Lease liabilities (Refer to Note 2.17)	6,32,67,253	3,52,10,400
Other financial liabilities (Refer to Note 2.9)	18,24,35,727	39,51,19,735
Total	25,37,30,606	46,32,57,293

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.

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 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(s) contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the rupee appreciates / depreciates against these currencies.

The foreign currency risk from financial instruments as of December 31, 2023 is as follows:

(In ₹)

Particulars	USD	EUR	GBP	CHF	Other currencies	Total
Net financial assets	–	–	1,29,18,084	1,78,318	–	1,30,96,402
Net financial liabilities	(2,18,79,617)	–	(3,36,66,904)	–	–	(5,55,46,521)
Net assets / (liabilities)	(2,18,79,617)	–	(2,07,48,820)	1,78,318	–	(4,24,50,119)

The foreign currency risk from financial instruments as of December 31, 2022 was as follows:

(In ₹)

Particulars	USD	EUR	GBP	CHF	Other currencies	Total
Net financial assets	–	–	5,07,43,050	–	–	5,07,43,050
Net financial liabilities	(1,22,95,246)	(11,83,24,697)	(28,62,156)	4,98,161	–	(13,29,83,938)
Net assets / (liabilities)	(1,22,95,246)	(11,83,24,697)	4,78,80,894	4,98,161	–	(8,22,40,888)

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.

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 ₹8,12,94,418 and ₹14,03,52,206 as of December 31, 2023 and December 31, 2022, respectively. Trade receivables are typically unsecured. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses ECL model to assess the impairment loss or gain. The Company uses a provision matrix to compute the ECL allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes, credit ratings from international credit rating agencies and the Company's historical experience for customers.

Credit risk exposure

The reversal for lifetime ECL on customer balances for the years ended December 31, 2023 and December 31, 2022 is ₹ 10,28,126 and ₹ 5,87,588, respectively.

(In ₹)

Particulars	For the year ended December 31,	
	2023	2022
Balance at the beginning	5,87,588	32,22,122
Impairment loss recognized / reversed	6,33,681	(15,20,536)
Amounts written off	–	–
Translation differences	(1,93,143)	(11,13,998)
Balance at the end	10,28,126	5,87,588

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, 2023 and December 31, 2022 the Company had cash and cash equivalents of 1,49,65,365 and ₹ 10,22,23,345, respectively.

2.8 Equity

Equity share capital

(In ₹, except as stated otherwise)

Particulars	As at December 31, 2023	As at December 31, 2022
Authorized		
Equity shares, EUR 489.32 par value	3,44,75,106	3,44,75,106
1,000 (1,000) equity shares	3,44,75,106	3,44,75,106
Issued, subscribed and paid-up		
Equity shares, EUR 489.32 par value 1,000 (1,000) equity shares fully paid-up	3,44,75,106	3,44,75,106
	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, 2023		As at December 31, 2022	
	Number of shares	% held	Number of shares	% held
Infosys Consulting Holding AG (formerly Lodestone Holding AG)	999	99.90	999	99.90

2.9 Other financial liabilities

(In ₹)

Particulars	As at December 31 2023	As at December 31 2022
Non-current		
Financial liability – under revenue deals	35,82,100	73,18,873
Other payables	66,70,329	63,93,940
	1,02,52,429	1,37,12,813
Current		
Others		
Accrued compensation to employees	1,12,86,568	1,91,62,428
Financial liability – under revenue deals	59,88,068	55,83,272
Accrued expenses (1)	6,24,93,861	29,29,29,120
Compensated absences	1,39,14,029	1,57,39,569
Other payables (2)	10,19,84,969	8,30,28,187
	19,56,67,495	41,64,42,576
Total financial liabilities	20,59,19,924	43,01,55,389
Financial liability carried at amortized cost	18,24,35,727	39,51,19,735
(1) Includes dues to related parties (Refer to Note 2.18)	47,82,799	4,39,76,716
(2) Includes dues to related parties (Refer to Note 2.18)	9,61,35,544	3,85,90,110

2.10 Trade payables

(In ₹)

Particulars	As at December 31 2023	As at December 31 2022
Trade payables (1)	80,27,626	3,29,27,158
Total trade payables	80,27,626	3,29,27,158
(1) Includes dues to related parties (Refer to Note 2.18)	30,45,447	56,06,648

2.11 Other liabilities

(In ₹)

Particulars	As at December 31	
	2023	2022
Non-current		
Accrued expenses[(1)]	13,80,502	9,54,050
	13,80,502	9,54,050
Current		
Unearned revenue	1,95,05,924	–
Others		
Withholding taxes and others	1,77,60,233	1,78,30,358
Inter-company payables	62,225	–
Total current other liabilities	3,73,28,382	1,78,30,358
	3,87,08,884	1,87,84,408
[(1)] Includes transactions with subsidiaries (Refer to Note 2.18)	62,225	–

2.12 Provisions

(In ₹)

Particulars	As at December 31	
	2023	2022
Current		
Others		
Post-sales client support and warranties and others	69,20,791	62,73,371
	69,20,791	62,73,371

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,	
	2023	2022
Balance at the beginning	62,73,371	49,69,891
Provision recognized / (reversed)	3,51,726	10,38,110
Exchange difference	2,95,694	2,65,370
Balance at the end	69,20,791	62,73,371

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	
	2023	2022
Current taxes	40,173	4,38,700
Income tax expense	40,173	4,38,700

Current tax expense for the years ended December 31, 2023 and December 31, 2022 includes reversals amounting to ₹ 1,95,446 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	
	2023	2022
Profit before income tax	4,85,37,991	31,22,358
Enacted tax rates (%)	25.00%	25.00%
Computed expected tax expense	1,21,34,498	7,80,590
Prior period tax expense	(1,96,481)	–
Permanent Difference	7,36,645	–
Effect of unrecognized deferred tax assets on loss	(1,31,93,385)	(7,80,590)
Others	5,58,896	4,38,700
Income tax expense	40,173	4,38,700

The applicable Belgium statutory tax rates for the year ended December 31 2023 is 25% and for the year ended December 31 2022 was 25%.

The details of income tax assets and income tax liabilities are as follows :

(In ₹)

Particulars	Year ended December 31	
	2023	2022
Income tax assets	5,98,377	1,74,990
Current income tax liabilities	–	–
Net current income tax assets / (liability) at the end	5,98,377	1,74,990

The gross movement in the current income tax asset / (liability) is as follows:

(In ₹)

Particulars	Year ended December 31	
	2023	2022
Net current income tax asset / (liability) at the beginning	1,74,990	1,67,207
Income tax paid	4,59,750	4,38,700
Current income tax expense	40,173	(4,38,700)
Translation difference	(76,536)	7,783
Net current income tax asset / (liability) at the end	5,98,377	1,74,990

2.14 Revenue from operations

(In ₹)

Particulars	Year ended December 31,	
	2023	2022
Income from consultancy services	56,19,73,478	72,27,44,317
Total revenue from operations	56,19,73,478	72,27,44,317

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, 2022, the Company recognized revenue of ₹ 1,45,94,052 arising from opening unearned revenue as of January 1, 2022.

During the year ended December 31, 2022 , Nil of unbilled revenue as of January 1, 2022 has been reclassified to trade receivables upon billing to customers on completion of milestones.

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as at December 31, 2022, other than those meeting the exclusion criteria mentioned above, is ₹4.02 crore. Out of this, the Group expects to recognize revenue of around 90% within the next one year and the remaining thereafter. The contracts can generally be terminated by the customers and typically includes an enforceable termination penalty payable by them.

2.15 Other income

(In ₹)

Particulars	Year ended December 31,	
	2023	2022
Rental income	15,81,665	18,80,133
Finance income under revenue deals	6,93,080	71,095
Interest income on prepaid contract cost	2,74,199	4,31,512
Miscellaneous income, net	57,28,397	37,34,951
Total other income	82,77,341	61,17,691

2.16 Expenses

(In ₹)

Particulars	Year ended December 31,	
	2023	2022
Employee benefit expenses		
Salaries including bonus	19,42,68,950	19,88,18,085
Share-based payments to employees	3,16,634	(2,04,707)
Staff welfare	13,10,837	18,35,318
Total employee benefit expenses	19,58,96,421	20,04,48,696
Cost of software packages and others		
Third-party items bought for service delivery to clients	16,37,79,589	26,65,75,413
Total cost of software packages and others	16,37,79,589	26,65,75,413

(In ₹)

Particulars	Year ended December 31,	
	2023	2022
Other expenses		
Brand and marketing	31,879	29,969
Rental charges	1,58,16,612	1,88,01,333
Insurance	4,77,492	2,75,909
Provision for post-sales client support and warranties	3,51,726	10,38,110
Allowances for credit losses on financial assets	6,33,681	(15,20,536)
Auditor's remuneration	7,81,519	7,13,310
Others	41,74,015	89,29,664
Total other expenses	2,22,66,924	2,82,67,759

2.17 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.

The changes in the carrying value of right of use assets for the years ended December 31, 2023 and December 31, 2022 are as follows:

(In ₹)

Particulars	Category of ROU asset		Total
	Computers	Vehicles	
Balance as of January 1, 2023	1,42,20,783	–	1,42,20,783
Additions	4,02,19,417	–	4,02,19,417
Deletion	(1,16,46,350)	–	(1,16,46,350)
Translation difference	(14,94,287)	–	(14,94,287)
Depreciation	(98,64,841)	–	(98,64,841)
Balance as of December 31, 2023	3,14,34,722	–	3,14,34,722
Balance as of January 1, 2022	2,48,22,511	4,01,939	2,52,24,450
Additions	2,13,30,493	–	2,13,30,493
Deletion	(2,40,62,339)	–	(2,40,62,339)
Translation difference	5,96,068	–	5,96,068
Depreciation	(84,65,950)	(4,01,939)	(88,67,889)
Balance as of December 31, 2022	1,42,20,783	–	1,42,20,783

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The break-up of current and non-current lease liabilities for the years ended December 31, 2023 and December 31, 2022 is as follows:

(In ₹)

Particulars	As at December 31, 2023	As at December 31, 2022
Current lease liabilities	2,92,50,772	1,48,33,440
Non-current lease liabilities	3,40,16,481	2,03,76,960
Total	6,32,67,253	3,52,10,400

The movement in lease liabilities during the years ended December 31, 2023 and December 31, 2022 is as follows :

(In ₹)

Particulars	As at December 31, 2023	As at December 31, 2022
Balance at the beginning	3,52,10,400	26,44,730
Additions	4,02,19,417	2,98,80,092
Finance cost accrued during the period	11,43,782	1,01,201
Payment of lease liabilities	2,10,33,728	67,72,554
Translation Difference	1,00,14,946	95,59,333
Balance at the end	6,32,67,253	3,52,10,400

The details regarding the contractual maturities of lease liabilities on an undiscounted basis for the years ended December 31, 2023 and December 31, 2022 are as follows:

(In ₹)

Particulars	As at December 31, 2023	As at December 31, 2022
Less than one year	2,34,17,100	1,69,19,082
One to five years	4,53,76,068	2,99,29,430
More than five years	–	–
Total	6,87,93,168	4,68,48,512

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.

2.18 Related party transactions

List of related parties:

Name of the holding company	Country	Holding as at December 31, 2023	Holding as at December 31, 2022
Infosys Consulting Holding AG (Infosys Lodestone) (formerly Lodestone Holding AG)	Switzerland	100%	100%

Name of the ultimate holding company	Country
Infosys Limited [(1)]	India

[(1)] Holding company of Infosys Consulting Holding AG(Infosys Lodestone) (formerly Lodestone Holding AG) from October 22,2012

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

Name of fellow subsidiaries	Country
Skava Systems Private Limited (Skava Systems)[(1)(22)]	India
Infosys Chile SpA[(1)]	Chile
Infosys Arabia Limited[(2)(22)]	Saudi Arabia
Infosys Consulting Ltda.[(1)]	Brazil
Infosys Luxembourg S.a.r.l[(1)]	Luxembourg
Infosys Americas Inc. (Infosys Americas)[(1)(39)]	US
Infosys Public Services, Inc. USA (Infosys Public Services)[(1)]	US
Infosys BPM Limited[(1)(27)]	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 [(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
Infy Consulting Company Ltd[(4)]	UK
Infosys Consulting S.R.L.[(29)]	Argentina
Panaya Inc. (Panaya)[(1)]	US
Panaya Ltd.[(5)]	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH) [(38)]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[(1)(22)]	UK
Brilliant Basics Limited [(6)(22)]	UK
Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)[(1)]	Singapore
Infosys Middle East FZ LLC [(7)]	Dubai
Fluido Oy [(7)]	Finland
Fluido Sweden AB [(9)]	Sweden
Fluido Norway A/S[(9)]	Norway
Fluido Denmark A/S[(9)]	Denmark
Fluido Slovakia s.r.o[(9)]	Slovakia
Infosys Compaz Pte. Ltd [(8)]	Singapore
Infosys South Africa (Pty) Ltd[(7)]	South Africa
WongDoody Inc. [(1)]	US
HIPUS Co., Ltd[(8)]	Japan
Stater N.V.[(8)]	The Netherlands
Stater Nederland B.V.[(10)]	The Netherlands
Stater XXL B.V.[(10)]	The Netherlands
HypoCasso B.V.[(10)]	The Netherlands
Stater Participations B.V.[(44)]	The Netherlands
Stater Belgium N.V./S.A.[(10)(44)]	Belgium
Stater Gmbh[(10)]	Germany
Outbox systems Inc. dba Simplus (US)[(12)]	US
Simplus ANZ Pty Ltd.[(13)]	Australia
Simplus Australia Pty Ltd[(14)]	Australia

Name of fellow subsidiaries	Country
Simplus Philippines, Inc.[13]	Philippines
Infosys Fluido UK, Ltd.[9]	UK
Infosys Fluido Ireland, Ltd.[16]	Ireland
Infosys Limited Bulgaria EOOD[1]	Bulgaria
Kaleidoscope Animations, Inc.[12]	US
Kaleidoscope Prototyping LLC[18][43]	US
GuideVision s.r.o.[11]	Czech Republic
GuideVision Deutschland GmbH[17]	Germany
GuideVision Suomi Oy[17]	Finland
GuideVision Magyarország Kft[17]	Hungary
GuideVision Polska Sp. z.o.o[17]	Poland
GuideVision UK Ltd[17][22]	UK
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[12]	US
Beringer Capital Digital Group Inc[12][25]	US
Mediotype LLC[19][25]	US
Beringer Commerce Holdings LLC[19][25]	US
SureSource LLC[20][23]	US
Blue Acorn LLC[20][23]	US
Simply Commerce LLC[20][23]	US
iCiDIGITAL LLC[21][24]	US
Infosys BPM UK Limited[3]	UK
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[1]	Turkey
Infosys Germany Holding Gmbh[1]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1]	Germany
Infosys Green Forum[1]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[7]	Malaysia
Infosys Business Solutions LLC[1][26]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH (“Kristall”))[28]	Germany
WongDoody Gmbh (formerly known as oddity GmbH) [30]	Germany
oddity (Shanghai) Co., Ltd. [31]	China
oddity Limited (Taipei) [31]	Taiwan
oddity space GmbH [30][42]	Germany
oddity jungle GmbH [30][42]	Germany
oddity code GmbH [30][42]	Germany
WongDoody d.o.o (formerly known as oddity code d.o.o) [31][42]	Serbia
oddity waves GmbH [30][42]	Germany
oddity group services GmbH [30][42]	Germany
Infosys Public Services Canada Inc. [15][32]	Canada
BASE life science AG [34]	Switzerland
BASE life science GmbH [34]	Germany
BASE life science A/S [33]	Denmark
BASE life science S.A.S [34]	France
BASE life science Ltd. [34]	UK
BASE life science S.r.l. [34]	Italy
Innovisor Inc.[34]	US
BASE life science Inc.[34]	US
BASE life science S.L.[34][35]	Spain

Name of fellow subsidiaries	Country
Panaya Germany GmbH [5][36]	Germany
Infosys Norway [7][37]	Norway
Infosys BPM Canada Inc [3][40]	Canada
Danske IT and Support Services India Private Limited (Danske IT) [41]	India

(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 Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

(8) Majority-owned and controlled subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

(9) Wholly-owned subsidiary of Fluido Oy

(10) Wholly-owned subsidiary of Stater N.V.

(11) Wholly-owned subsidiary of Infy Consulting Company Limited

(12) Wholly-owned subsidiary of Infosys Nova Holdings LLC

(13) Wholly-owned subsidiary of Outbox systems Inc. dba Simplus (US)

(14) Wholly-owned subsidiary of Simplus ANZ Pty Ltd

(15) Wholly-owned subsidiary of Infosys Public Services, Inc.

(16) Wholly-owned subsidiary of Infosys Fluido UK, Ltd.

(17) Wholly-owned subsidiary of GuideVision s.r.o.

(18) Wholly-owned subsidiary of Kaleidoscope Animations, Inc.

(19) Wholly-owned subsidiary of Blue Acorn iCi Inc

(20) Wholly-owned subsidiary of Beringer Commerce Holdings LLC

(21) Wholly-owned subsidiary of Beringer Capital Digital Group Inc.

(22) Under liquidation

(23) Merged with Beringer Commerce Holdings LLC, effective January 1, 2022

(24) Merged with Beringer Capital Digital Group Inc, effective January 1, 2022

(25) Merged with Blue Acorn iCi Inc, effective January 1, 2022

(26) Incorporated on February 20, 2022

(27) On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

(28) On March 22, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.), a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))."

(29) Infosys Consulting S.R.L. (Argentina) (formerly a wholly-owned subsidiary of Infosys Consulting Holding AG) became the majority-owned and controlled subsidiary of Infosys Limited with effect from April 1, 2022

(30) On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.)) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and WongDoody Gmbh (formerly known as oddity GmbH)

(31) Wholly-owned subsidiary of WongDoody Gmbh (formerly known as oddity GmbH)

(32) Incorporated on July 8, 2022

(33) On September 1, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.) (a wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

(34) Wholly-owned subsidiary of BASE life science A/S

(35) Incorporated on September 6, 2022

(36) Incorporated effective December 15, 2022

(37) Incorporated effective September 22, 2022.

(38) Infosys Financial Services GmbH. (formerly Panaya GmbH) became a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.) with effect from February 23, 2023.

(39) Liquidated effective July 14, 2023

(40) Incorporated on August 11, 2023

(41) On September 1, 2023, Infosys Limited acquired 100% of voting interests in Danske IT and Support Services India Private Limited (Danske IT).

(42) On September 29, 2023, oddity space GmbH, oddity waves GmbH, oddity jungle GmbH, oddity group services GmbH and oddity code GmbH merged into WongDoody GmbH and oddity code d.o.o which was formerly a subsidiary of oddity code Gmbh has become a subsidiary of WongDoody Gmbh (formerly known as oddity GmbH).

(43) Liquidated effective November 1, 2023

(44) On November 24, 2023 Stater Participations B.V (a wholly-owned subsidiary of Stater N.V.) merged with Stater N.V. and Stater Belgium N.V./S.A which was formerly a wholly owned subsidiary of Stater Participations B.V. became a wholly-owned subsidiary of Stater N.V.

The details of amounts due to or due from related parties as at December 31, 2023 and December 31, 2022 are as follows :

(In ₹)

Particulars	As at December 31	
	2023	2022
Trade receivables		
Infy Consulting B.V.	–	10,38,780
Infosys Consulting AG	–	89,62,615
Infy Consulting Company Ltd.	1,29,18,084	5,43,04,990
Infosys Consulting SAS	15,33,568	–
	1,44,51,652	6,43,06,385
Loans[1]		
	–	–
Prepaid and other financial assets		
GuideVision, s.r.o.	–	6,78,818
	–	6,78,818
Trade payables		
Infosys Consulting AG	–	88,856
Infy Consulting Company Ltd.	19,50,904	28,62,156
Infosys Technologies (China) Co. Limited	1,74,520	4,09,175
Infosys (Czech Republic) Limited s.r.o	9,20,022	22,46,461
	30,45,447	56,06,648
Other payables		
Infy Consulting Company Ltd.	4,14,17,689	58,04,099
Infy Consulting B.V.	52,292	–
Infosys Consulting AG	–	–
Infosys Automotive and Mobility GmbH & Co.KG	3,64,43,640	1,60,71,507
Infosys Limited	1,82,21,923	1,67,14,504
	9,61,35,544	3,85,90,110
Other receivables		
Infy Consulting B.V.	–	–
Infy Consulting Company Ltd.	–	–
Infosys Consulting AG	1,78,318	26,42,825
Infosys Limited	1,98,32,154	2,04,01,957
	2,00,10,472	2,30,44,782
Accrued expenses		
Infosys Limited	–	51,657
Infy Consulting Company Ltd.	47,82,799	4,39,25,059
	47,82,799	4,39,76,716
Other payables – Non-current		
GuideVision, s.r.o.	62,225	–
	62,225	–

Rental deposit given for shared services

Rental deposit taken for shared services

(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	
	2023	2022
Capital transactions		
Loans (net of repayment)		
Infosys Consulting Holding AG	–	(16,50,68,575)
	–	(16,50,68,575)
Revenue transactions		
Purchase of shared services, facilities and personnel		
Infosys Consulting AG	3,66,266	3,12,889
GuideVision, s.r.o.	7,46,913	14,51,207
Infosys Limited	7,36,486	2,82,785
Infosys Technologies (China) Co. Limited	5,88,773	16,59,216
Infosys (Czech Republic) Limited s.r.o	37,15,242	87,75,790
Infy Consulting Company Ltd.	3,13,86,259	5,70,11,122
Stater Belgium	1,58,16,612	1,88,01,333
Infosys Automotive and Mobility GmbH & Co.KG	15,53,23,338	1,53,69,389
Infosys Poland Sp. Z.o.o.	–	1,05,449
	20,86,79,889	10,37,69,180
Interest expenses		
Infosys Consulting Holding AG	–	1,71,719
	–	1,71,719
Sale of services		
Infosys Consulting AG	77,46,730	2,50,75,723
Infy Consulting Company Ltd.	44,33,17,865	39,82,44,196
	45,10,64,595	42,33,19,919
Other services provided to subsidiaries		
Infy Consulting B.V.	35,84,162	37,02,126
Infosys Limited	15,81,665	26,09,940
Infosys Consulting AG	1,75,842	–
Infosys Consulting SAS	15,19,225	–
	68,60,894	63,12,066

2.19 Segment reporting

The Company is engaged in providing consultancy service in a single geography. Based on the 'management approach', as defined in Ind AS 108, Segment Reporting, the Chief Operating Decision Maker (CODM) evaluates the performance and allocates resources based on the analysis of the performance of the Company as a whole. Its operations are, therefore, considered to constitute a single segment in the context of Ind AS 108, Segment Reporting.

The trade receivables ageing schedule for the years ended December 31, 2023 and December 31, 2022 is as follows:

(In ₹)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	–	6,29,11,724	1,77,71,876	16,38,944	–	–	8,23,22,544
	–	13,14,53,900	94,39,039	46,855	–	–	14,09,39,794
Less: Allowance for credit loss	–	–	–	–	–	–	10,28,126
							5,87,588
Total trade receivables	–	–	–	–	–	–	8,12,94,418
							14,03,52,206

The trade payables ageing schedule for the years ended December 31, 2023 and December 31, 2022 is as follows:

(In ₹)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Outstanding trade payables	–	80,27,626	–	–	–	–	80,27,626
	–	3,29,27,158	–	–	–	–	3,29,27,158
Total trade payables	–	–	–	–	–	–	80,27,626
							3,29,27,158

2.20 Ratios

The ratios for the years ended December 31, 2023 and December 31, 2022 are as follows:

Particulars	Numerator	Denominator	As at December 31,		Variance	
			2023	2022		
Current ratio	Current assets	Current liabilities	0.8	0.8	5%	
Debt – Equity ratio	Total debt (represents lease liabilities) [(1)]	Shareholder's equity	(1.5)	(0.4)	(271%)	[(4)]
Debt service coverage ratio	Earnings available for debt service [(2)]	Debt service [(3)]	3.0	1.1	184%	[(5)]
Return on Equity (ROE)	Net profits after taxes	Average shareholder's equity	(0.8)	(4.2)	82%	[(6)]
Trade receivables turnover ratio	Revenue	Average trade receivable	5.1	2.9	72%	[(7)]
Trade payables turnover ratio	Purchases of services and other expenses	Average trade payables	14.5	15.4	(6%)	
Net capital turnover ratio	Revenue	Working capital	(12.0)	(7.1)	(70%)	[(8)]
Net profit ratio	Net profit	Revenue	0.1	0.0	2224%	[(9)]
Return on Capital Employed (ROCE)	Earning before interest and taxes	Capital employed	2.3	0.1	2466%	[(10)]

(1) Debt represents only lease liabilities

(2) Net profit after taxes + Non-cash operating expenses + Interest + Other adjustments like loss on sale of fixed assets etc.

(3) Lease payments for the current year

(4) Debt equity ratio - Increase in lease liability as a result of new leases entered into.

(5) Debt service coverage ratio - Increase on account of significant increase in profit.

(6) Return on Equity (ROE) - Increase on account of significant increase in profit.

(7) Trade receivable turnover ratio - Increase in revenue and reduce in trade receivables

(8) Net capital turnover ratio - Negative working capital has resulted in deterioration in the ratio.

(9) Net profit ratio - Increase on account of significant increase in profit

(10) Return on Capital Employed - Increase on account of significant increase in profit.

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Infosys Business Solution LLC

Independent Auditor's Report

To the shareholder of Infosys Business Solutions LLC

Opinion

We have audited the financial statements of Infosys Business Solutions LLC ("the Company"), which comprise the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in shareholder's equity and statement of cash flows for the year ended 31 December 2023, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year ended 31 December 2023 in accordance with IFRS Accounting Standards as issued by the International Accounting Standard Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Code of Ethics for Professional Accountants ("IESBA Code") issued by the International Ethics Standards Board for Accountants, and we have fulfilled our other ethical responsibilities in accordance with its requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and Those Charged with Governance ("TCWG") for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Reporting on other legal and regulatory requirements

Further, as required by Qatar Financial Centre Law, law number 7 of 2005 and general rule 9.5.1, we report that:

(1) we have obtained all the information and explanation considered necessary for the purpose of our audit;

(2) the Company has maintained proper books of account and the financial statements are in agreement therewith;

(3) the financial statements have been properly prepared in accordance with the QFC Rules and Regulations; and

(4) the financial statements have been prepared in accordance with International Financial Reporting Standards.

In addition, we report that nothing has come to our attention which causes us to believe that the Company has breached any of the applicable provisions of the Qatar Financial Centre Law, law number 7 of 2005 or its articles of association, which would materially affect its activities, or its financial position as at 31 December 2023.

Gavin Brown
BDO Jawad Habib Qatar
for Accounting, Auditing and Consulting

Place: Doha, State of Qatar
Date: April 30, 2024

Statement of Financial Position

(In QAR)

Particulars	Note	As at December 31, 2023	As at December 31, 2022
ASSETS			
Current assets			
Cash and cash equivalents	8.1	8,570,958	4,347,043
Trade and other receivables	8.2	5,652,464	1,804,005
Other current assets	8.3	2,774	–
Total current assets		14,226,196	6,151,048
Non-current assets			
Right-of-use assets	8.4	17,486	–
Deferred tax assets (net)	8.5	7,174	1,821
Total non-current assets		24,660	1,821
Total assets		14,250,856	6,152,869
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Trade payables	8.6	1,136,427	856,466
Lease liabilities	8.4	15,267	–
Employee benefit liabilities	8.7	271,407	54,430
Provisions	8.8	425,502	89,541
Other current liabilities	8.9	6,089	–
Current tax liabilities	8.10	744,418	155,272
Total current liabilities		2,599,110	1,155,709
Non-current liabilities			
Lease liabilities	8.4	2,613	–
Total non-current liabilities		2,613	–
Total liabilities		2,601,723	1,155,709
Equity			
10,000 common stock @ US$100 per common stock	8.11	3,616,100	3,616,100
Retained earnings		8,033,033	1,381,060
Total equity		11,649,133	4,997,160
Total liabilities and equity		14,250,856	6,152,869

The accompanying notes form an integral part of the financial statements.

These financial statements, set out on pages 900 to 908, were approved by the shareholders on April 30, 2024 and signed on their behalf by the following:

Mr. Varun Rathore
Director

Subodh Akhare
Senior Executive Function

Statement of Profit and Loss and Other Comprehensive Income

(In QAR)

Particulars	Note	Year ended December 31,	
		2023	2022
Revenue	8.12	17,907,925	4,112,317
Cost of sales	8.13	(9,294,276)	(1,925,805)
Gross profit		8,613,649	2,186,512
Operating expenses:			
Administrative expenses	8.14	(1,199,436)	(651,561)
Total operating expenses		(1,199,436)	(651,561)
Operating profit before interest		7,414,213	1,534,951
Interest expense on lease liabilities	8.4	(895)	–
Operating profit		7,413,318	1,534,951
Financial income	8.15	8,703	–
Other loss, net	8.16	(30,940)	(440)
Profit before tax		7,391,081	1,534,511
Income tax expense		(739,108)	(153,451)
Previous tax	8.10	3,957	
Current tax	8.10	(748,418)	(155,272)
Deferred tax	8.10	5,353	1,821
Net profit for the year/period		6,651,973	1,381,060
Other comprehensive income			
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 of foreign operations			
Total other comprehensive income, net of tax		–	–
Total comprehensive income for the year / period		6,651,973	1,381,060

The accompanying notes form an integral part of the financial statements.

Statement of Changes in Shareholder's Equity

For the year ended December 31, 2023

(In QAR)

Particulars	Share capital	Retained earnings	Total equity
Balance as at February 20, 2022	–	–	–
Changes in equity for the year ended December 31, 2022			
Issue of share capital	3,616,100	–	3,616,100
Total comprehensive income for the period	–	1,381,060	1,381,060
Balance as at December 31, 2022	3,616,100	1,381,060	4,997,160
Changes in equity for the year ended December 31, 2023			
Total comprehensive income for the period	–	6,651,973	6,651,973
Balance as at December 31, 2023	3,616,100	8,033,033	11,649,133

The accompanying notes form an integral part of the financial statements.

Statement of Cash Flows

(In QAR)

Particulars	Note	As at December 31, 2023	2022
Cash flow from operating activities			
Profit before taxation for the year / period		7,391,081	1,534,511
Adjustments to reconcile net profit to net cash provided by operating activities:			
Amortization of right-of-use asset		12,589	–
Financial income		(8,703)	–
Interest expense on lease liabilities		895	–
Changes in working capital			
Increase in trade and other receivables		(3,848,459)	(1,804,005)
Increase in other current assets		(2,774)	–
Increase in trade payables		279,961	856,466
Increase in other liabilities		559,027	143,971
Cash generated from operations		4,383,617	730,943
Taxes paid		(155,315)	–
Net cash provided by operating activities (A)		4,228,302	730,943
Cash flow from investing activities:			
Interest received		8,703	–
Net cash from / (used in) investing activities (B)		8,703	–
Cash flow from financing activities:			
Shares issued during the year/period		–	3,616,100
Lease payments		(13,090)	–
Net cash from / (used in) financing activities (C)		(13,090)	3,616,100
Net increase in cash and cash equivalents [(A)+(B)+(C)]		4,223,915	4,347,043
Cash and cash equivalents at the beginning of the year / period		4,347,043	–
Cash and cash equivalents, at the end of the year/period	8.1	8,570,958	4,347,043

The accompanying notes form an integral part of the financial statements.

Notes to the financial statements

1. Legal status and principal activities

Infosys Business Solutions-LLC ("the Company") was incorporated on February 20, 2022, as a company with limited liability under the provisions of the Qatar Financial Centre Regulation No.2 of 2005.

The principal activity of the Company is to provide professional services in relation to:

1. Information technology consultancy activities;

2. Software development; and

3. Advisory / consulting in relation to strategic, operating model and organizational planning, and other business performance services.

The registered address of the Company is Units 96-102, Piazza Level QQ05A, Regus AL Jaidah Business Centre, The Pearl, Doha, Qatar.

2. Basis of preparation

Statement of compliance

The financial statements have been prepared in accordance with the IFRS Accounting Standards as promulgated by the International Accounting Standards Board (IASB), interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the requirements of the Qatar Financial Centre Companies Law.

Basis of presentation

The financial statements have been prepared under the historical cost convention and going concern basis. The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires the Management to exercise judgment in the process of applying the Company's accounting policies.

Functional and presentation currency

These financial statements are presented in Qatari Riyal (QAR) which is the Company's functional currency.

Improvements / amendments to IFRS Accounting standards

Improvements / amendments to IFRS Accounting Standards contained numerous amendments that the IASB considers non-urgent but necessary. "Improvements to IFRS Accounting Standards" comprise amendments that result in accounting changes to presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS Accounting Standards. The amendments are effective for the Company's future accounting period with earlier adoption.

Standards, amendments and interpretations effective and adopted in 2023

The following new standard, amendment to existing standard or interpretation to published standard is mandatory for the first time for the financial year beginning January 1, 2023, and has been adopted in the preparation of these financial statements:

Standard or interpretation	Title	Effective for annual periods beginning on or after
IAS 1	Presentation of financial statements	January 1, 2023
IAS 8	Accounting policies, changes in accounting estimates and errors	January 1, 2023

IAS 1: Presentation of financial statements.

In February 2021, the IASB has issued amendments to IAS 1, which change the disclosure requirements with respect to accounting policies from 'significant accounting policies' to 'material accounting policy information'. The amendments provide guidance on when accounting policy information is likely to be considered material. The amendments to IAS 1 are effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted.

The Company has applied amendments and disclosed the impact in Note 3 to the financial statements. Other than that, these amendments have no effect on the measurement or presentation of any items in the financial statements of the Company.

IAS 8: Accounting policies, changes in accounting estimates and errors

In February 2021, the IASB issued amendments to IAS 8, which added the definition of 'accounting estimates' in IAS 8. The amendments also clarified that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from correction of prior period errors.

The Company has adopted the amendments of IAS 8 and had no significant impact on the financial statements.

Standards, amendments and interpretations issued and effective in 2023 but not relevant

The following new amendments to the existing IFRS accounting standards and interpretation to published standards are mandatory for the accounting period beginning on or after January 1, 2023 or subsequent periods, but is not relevant to the Company's operations:

Standard or interpretation	Title	Effective for annual periods beginning on or after
IAS 12	Income taxes	January 1, 2023/ May 1, 2023
IFRS 17	Insurance contracts	January 1, 2023

Standards, amendments and interpretations issued but not yet effective in 2023

The following new / amended IFRS Accounting Standards and interpretations have been issued, but are not mandatory for the financial year ended December 31, 2023. They have not been adopted in preparing the financial statements for the year ended December 31, 2023, and will or may have an effect on the entity's future financial statements. In all cases, the entity intends to apply these standards from application date as indicated in the table below:

Standard or interpretation	Title	Effective for annual periods beginning on or after
IAS 1	Presentation of financial statements	January 1, 2024
IAS 7	Statement of Cash Flows	January 1, 2024
IFRS 7	Financial instruments: Disclosures	January 1, 2024
IFRS 16	Leases	January 1, 2024
IAS 21	The effects of changes in foreign exchange rates	January 1, 2025

Early adoption of amendments or standards in 2023

The Company did not adopt any new or amended standards early in 2023. There would have been no change in the operational results of the Company for the year ended December 31, 2023, had the Company early adopted any of the above standards applicable to the Company.

Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS Accounting Standards 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 7.

3. Material accounting policies

The following accounting policies, which comply with IFRS Accounting Standards, have been applied consistently to all periods presented in these financial statements.

Financial instruments

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit and loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. Amount due from related parties that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies for revenue from contracts with customers.

For a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a timeframe established by regulation or convention in the market place (regular-way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

The Company's financial assets include the amount due from related parties and bank balances.

Financial assets at amortized cost (amount due from related parties).

This category is the most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in the profit or loss, when the asset is derecognized, modified or impaired. The Company's financial assets at amortized cost includes amounts due from related parties and bank balances.

Revenue recognition

a. To recognize revenues, the Company applies the following five-step approach:

   i. Identify the contract with a customer,

   ii. Identify the performance obligations in the contract,

   iii. Determine the transaction price,

   iv. llocate the transaction price to the performance obligations in the contract, and

   v. Recognize revenues when a performance obligation is satisfied.

b. At the contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgment to determine whether each product or service promised to a customer is capable of being distinct, and is distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligations based on their relative standalone selling price or residual method. Standalone selling prices are determined based on sale prices for the components when it is regularly sold separately. In cases where the Company is unable to determine the standalone selling price, the Company uses third-party prices for similar deliverables, or the Company uses the expected cost-plus-margin approach in estimating the standalone selling price. The Company's contracts may include variable considerations including rebates, volume discounts and penalties.

c. For performance obligations where control is transferred over time, revenues are recognized by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the promised products or services to be provided.

The Company accounts for variable considerations, such as volume discounts, as a reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible considerations, depending on which method better predicts the amount of consideration to which the Company may be entitled.

The timing of revenue recognition may differ from the timing of invoicing to customer. The Company classifies its rights to consideration in exchange for deliverables as either an accounts receivable or an unbilled revenue. Unbilled revenue represents earnings in excess of billings, while unearned income represents billings in excess of earnings.

During the year, the Company entered into an agreement with Infosys Limited ("the Shareholder"), where the Company bills Infosys Limited as total-cost-plus markup on total cost pertaining to the work subcontracted by Infosys Limited to the Company.

Revenue is measured based on the consideration specified in a contract with the customer. The Company recognizes revenue when it transfers control over goods or services to a customer.

In view of the risks associated with the delivery of its services to and the collection of the amounts, the Company considers that it is acting as a principal in these arrangements and, therefore, has recognized the costs and associated revenue on a gross, as opposed to a net, basis.

Provisions

A provision is recognized in the Statement of Financial Position when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Employees' benefits

The cost of short-term employee benefits is recognized in the period in which the service is rendered and are not discounted.

The expected cost of compensated absence is recognized as an expense when the employee renders services that increase their entitlement or in case of no accumulating absence, when the absence occurs.

Taxation

Income tax is calculated as per Qatar Financial Centre Tax Law effective from January 1, 2010. QFC imposed a flat tax rate of 10% on local source business profit.

The tax expense for the period comprises current and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized in the other comprehensive income or directly in equity, respectively.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency at the exchange rates that existed on 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 on 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 the 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 a physically distinct asset or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.

b. The Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and

c. The Company has the right to direct the use of the asset.

d. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases, where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

i. The Company has the right to operate the asset; or

ii. The Company designed the asset in a way that predetermines how and for what purpose it will be used.

At the 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 presents the same separately i.e., lease component is capitalized as part of right-of-use asset and non-lease component is presented separately.

Right-of-use asset

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments in the measurement of the lease liability comprise the following:

a. Fixed payments, including in-substance fixed payments;

b. Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

c. Amounts expected to be payable under a residual value guarantee; and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension, or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

For short-term and low-value leases, including IT equipment, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

4. Financial risk management

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.

The Director has an overall responsibility for the Company and oversight of the Company's risk management framework.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk is attributable to trade and other receivables, cash at bank and due from a related party. Cash is held with a 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 during difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk mainly relates to trade and other payables and due to a related party. The Company's approach to managing liquidity is to ensure, as far as possible, to maintain sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The majority of the Company's transactions are conducted in QAR and USD. QAR is currently pegged to USD; hence, the Company has no significant exposure to currency risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

Capital management

The Directors' policy is to maintain a strong capital base to maintain shareholders, creditors, and market confidence and to sustain future development of the business. There were no changes in the Company's approach to capital management during the years.

5. Related party transactions and balances

The Company, in the normal course of business, carries out transactions with other business enterprises that fall within the definition of related parties contained in International Accounting Standard No. 24. The transactions amongst related parties are carried out at terms mutually agreed amongst them.

Related party transactions and balances

The Company has entered into a Sub-contracting Agreement with Infosys Limited ("the Shareholder"), where Infosys Limited bills the Company at total cost plus markup of 18% on total cost for the services given to the Company. Other services, which are in the nature of cost reimbursement, are invoiced at cost.

During the year, the Company entered into an agreement with Infosys Limited ("the Shareholder"), where the Company bills the Infosys Limited as total cost plus markup on total cost pertaining to the work sub-contracted by Infosys Limited to the Company.

	December 31, 2023	December 31, 2022
Balance with the related parties		
Trade and other payables		
Infosys Limited	784,472	856,466
Trade and other receivables		
Infosys Limited	975,350	765
Transaction with the related party		
Rent	2,618	13,090
Technical sub-contracted cost	720,188	74,092
Professional expenses incurred on behalf of Company	-	482,785
Revenue from operation	949,065	-

6. Fair value of financial instruments

Fair value measurement

A number of assets and liabilities included in the Company's financial statements require measurement at, and / or disclosure of, fair value. The most significant areas requiring the use of Management estimates and assumptions relate to contingencies. The fair value measurement of the Company's financial and non-financial assets and liabilities utilizes market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorized into different levels based on how observable the inputs used in the valuation technique utilized are (the 'fair value hierarchy'):

- Level 1: Quoted prices in active markets for identical items (unadjusted)
- Level 2: Observable direct or indirect inputs other than Level 1 inputs; and
- Level 3: Unobservable inputs

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognized in the period they occur.

The financial assets and financial liabilities of the Company either require fair value measurements or only fair value disclosures as at December 31, 2023.

Financial assets of the Company comprise trade and other receivables (excluding pre-payments and advances), and cash and cash equivalents. Financial liabilities include trade and other payables and due to a related party.

The carrying amounts of the financial instruments stated above, approximate their fair value as at December 31, 2023.

7. Accounting estimates and judgment

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Determination of the lease term of contracts

In determining the lease term, 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.

Impairment losses on financial assets

The Company reviews its receivables to assess impairment losses. In determining whether impairment losses should be recognized in the profit or loss, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for impairment is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The measurement of the expected credit loss allowance for financial assets measured at amortized cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g., the likelihood of customers defaulting and the resulting losses).

8. Notes to the financial statements

8.1 Cash and cash equivalents

Cash and cash equivalents consist of the following:

(In QAR)

Particulars	As at December 31,	
	2023	2022
Cash at bank – Current accounts	8,570,958	4,347,043
	8,570,958	4,347,043

This represents balance in Qatari Riyal, which is kept in current account with local scheduled banks bearing no interest.

(In QAR)

Particulars	As at December 31,	
	2023	2022
Current accounts		
Citi Bank	8,570,958	4,347,043
Total	8,570,958	4,347,043

8.2 Trade and other receivables

(In QAR)

Particulars	As at December 31,	
	2023	2022
Trade receivables		
Unsecured		
Considered good	4,748,852	1,821,455
Considered doubtful	–	–
	4,748,852	1,821,455
Less: Allowance for expected credit loss	(71,738)	(18,215)
Trade receivables net	4,677,114	1,803,240
Other receivables		
Receivables from related party (Note 5)	975,350	765
Total other receivables	975,350	765
Total	5,652,464	1,804,005

8.3 Other current assets

(In QAR)

Particulars	As at December 31,	
	2023	2022
Staff recovery	2,774	–
	2,774	–

8.4 Right-of-use assets and lease liabilities

The Company has taken office premises on lease. The lease period is 24 months with an option to extend the lease for further period.

Right-of-use asset

(In QAR)

Particulars	As at December 31, 2023	2022
Opening balance	–	–
Recognition of right-of-use asset	30,075	–
Depreciation	(12,589)	–
Total	17,486	–

Lease liabilities

(In QAR)

Particulars	As at December 31, 2023	2022
Opening balance	–	–
Recognition of lease liability	30,075	–
Interest on leases	895	–
Payments during the year	(13,090)	–
Total	17,880	–
Classification of lease liabilities		
Non-current portion	2,613	–
Current portion	15,267	–
Total	17,880	–

(In QAR)

Particulars	As at December 31, 2023	2022
Balances recognized in Statement of Profit and Loss		
Interest on lease liabilities	(895)	–
Depreciation of right-of-use asset	12,589	–
Total	11,694	–

8.5 Deferred tax assets

Deferred tax

Details of the deferred tax liability, amounts recognized in profit or loss and amounts recognized in other comprehensive income are as follows:

(In QAR)

Particulars	Carrying value as at Jan 1, 2023	Changes through profit and loss	Carrying value as at Dec 31, 2023
Deferred income tax assets / (liabilities)			
Provision for debtors	1,821	5,353	7,174
Total deferred Income tax assets / (liabilities)	1,821	5,353	7,174

8.6 Trade and other payables

(In QAR)

Particulars	As at December 31, 2023	2022
Trade and other payables	351,955	–
Due to related party (Refer to Note 5)	784,472	856,466
	1,136,427	856,466

8.7 Employee benefit liabilities

(In QAR)

Particulars	As at December 31, 2023	2022
Compensated absences	271,407	54,430
	271,407	54,430

8.8 Provisions

(In QAR)

Particulars	As at December 31, 2023	2022
Provision for expense	425,502	89,541
	425,502	89,541

8.9 Other current liabilities

(In QAR)

Particulars	As at December 31, 2023	2022
Other liabilities	6,089	–
	6,089	–
Infosys Business Solution LLC (Qatar)		

8.10 Income Taxes

Income tax expense in the Statement of Profit and Loss comprises:

(In QAR)

Particulars	Year ended December 31, 2023	2022
Previous taxes	(3,957)	–
Current taxes	748,418	155,272
Deferred taxes	(5,353)	(1,821)
Income tax expense	739,108	153,451

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(In QAR)

Particulars	Year ended December 31, 2023	2022
Profit before income taxes	7,391,081	1,534,511
Enacted tax rates in Qatar	10.00%	10.00%
Computed expected tax expense	739,108	153,451
Income tax expense	739,108	153,451

The following table provides the details of income tax assets and income tax liabilities as of December 31, 2023 and December 31, 2022.

(In QAR)

Particulars	As at December 31 2023	2022
Current income tax liabilities	(744,418)	(155,272)
Income tax assets	–	–
Net current income tax liability at the end	(744,418)	(155,272)

The gross movement in the current income tax asset / (liability) for the years ended December 31, 2023 and December 31, 2022 is as follows:

(In QAR)

Particulars	Year ended December 31, 2023	2022
Net current income tax liability at the beginning	(155,272)	–
Income tax paid	155,315	–
Current income tax expense	(748,418)	(155,272)
Earlier year tax expenses	3,957	–
Net current income tax liability at the end	(744,418)	(155,272)

The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

(In QAR)

Particulars	As at December 31, 2023	2022
Deferred income tax assets		
Provision for debtors	7,174	1,821
Total deferred income tax assets	7,174	1,821

8.11 Equity

Equity share capital

(In QAR)

Particulars	As at December 31, 2023	2022
Authorized equity shares, US$100 (364 QAR) par value 20,000 equity shares	7,280,000	7,280,000
Issued, subscribed and paid-up equity shares, US$100 (361.61 QAR) par value 10,000 equity shares	3,616,100	3,616,100

The Company has only one class of shares referred to as equity shares having a par value of US$100/-. Each holder of equity shares is entitled to one vote per share.

The details of shareholder holding more than 5% shares as at December 31, 2023 are as follows:

Name of the shareholder	% of shares	As at December 31, 2023	, 2022
Infosys Limited (India)	100%	36,16,100	36,16,100

8.12 Revenue

(In QAR)

Particulars	Year ended December 31, 2023	Period from February 20, 2022 to December 31, 2022
Revenue from services	17,907,925	4,112,317
Total	17,907,925	4,112,317

Revenue from services includes QAR 949,065 from contract with related parties at cost plus margin (Refer to Note 5).

8.13 Cost of sales

(In QAR)

Particulars	Year ended December 31 2023	Period from February 20, 2022to December 31, 2022
Employee benefit costs	8,002,787	1,851,713
Cost of technical sub-contractors – third party	571,301	–
Cost of technical sub-contractors – subsidiary (Refer to Note 5)	720,188	74,092
Total	9,294,276	1,925,805

8.14 General and administrative expenses

(In QAR)

Particulars	Year ended December 31, 2023	Period from February 20, 2022 to December 31, 2022
Consultancy and professional charges	557,792	532,325
Travel cost	469,568	29,604
Provision for bad and doubtful debts	53,523	18,215
Auditor’s remuneration	45,000	40,000
Telephone expenses	25,187	2,030
Bank charges and commission	24,608	15,576
Amortization of right-of-use asset (Refer to Note 8.4)	12,589	–
Postage and courier	6,021	721
Rent (Refer to Note 5)	2,618	13,090
Others	2,530	–
Total	1,199,436	651,561

8.15 Financial income

(In QAR)

Particulars	Year ended December 31, 2023	Period from February 20, 2022 to December 31, 2022
Interest from bank	8,703	–
Total	8,703	–

8.16 Other loss, net

(In QAR)

Particulars	Year ended December 31, 2023	Period from February 20, 2022 to December 31, 2022
Only write - Exchange losses	30,940	440
	30,940	440

Subsequent Events

Subsequent to the year end, there have been no events noted that would require adjustments or further disclosure to the financial statements.

9 Contingent Liabilities

There are no contingent liabilities as of 31 December 2023.

10 General

10.1 Rounding off

Figures have been rounded off to the nearest Qatar Riyal.

10.2 Comparative figures

The comparative figures of the previous period have been regrouped and reclassified, wherever necessary, in order to confirm the current year’s presentation. Such reclassifications do not affect previously reported profit, net assets or equity.

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, 2024, the Statement of Income and expenditure, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of material 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 ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its excess of income over expenditure, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to the Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Income and expenditure, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company has made provision, as required under the applicable law or accounting standards for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi. Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account for the year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

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: 24110128BKBGXX5459

Place: Bengaluru
Date: May 30, 2024

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to financial statements of INFOSYS GREEN FORUM (“the Company”) as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Management of the Company is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control with reference to financial statement criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company’s internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells Llp
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Gurvinder Singh
Partner
Membership No.110128

UDIN: 24110128BKBGXX5459

Place: Bengaluru

Date: May 30, 2024

Balance Sheet

(In ₹ lakh)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
Assets			
Non-current assets			
Property, plant and equipment	2.1	30,354	24,338
Right-of-use assets	2.2	2,773	2,949
Capital work-in-progress	2.3	–	5
Financial assets			
Other financial assets	2.7	231	228
Other assets	2.8	11	1,780
Income tax assets (net)		9	5
Total non-current assets		33,378	29,305
Current assets			
Financial assets			
Investments	2.4	–	3,085
Trade receivables	2.5	117	–
Cash and cash equivalents	2.6	355	101
Other financial assets	2.7	400	350
Other assets	2.8	7	9
Total current assets		879	3,545
Total assets		34,257	32,850
Equity and liabilities			
Equity			
Equity share capital	2.10	100	100
Other equity		29,823	29,231
Total equity		29,923	29,331
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	2.2	2,857	2,939
Total non-current liabilities		2,857	2,939
Current liabilities			
Financial liabilities			
Lease liabilities	2.2	143	134
Trade payables	2.12		
Total outstanding dues of micro enterprises and small enterprises		–	–
Total outstanding dues of creditors other than micro enterprises and small enterprises		23	7
Other financial liabilities	2.11	949	61
Other liabilities	2.13	362	378
Total current liabilities		1,477	580
Total equity and liabilities		34,257	32,850

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)
117366W/W-100018

Gurvinder Singh
Partner
Membership No. 110128

Place: Bengaluru

Date: May 30, 2024

for and on behalf of the Board of Directors of Infosys Green Forum

Niladri PrasadMishra
Director
DIN : 09299582

Nanjappa B S
Director
DIN - 09508353

Yogesh Goel
Director
DIN - 09506832

Statement of Income and Expenditure

(In ₹ lakh)

Particulars	Note No.	Years ended March 31, 2024	2023
Revenue from operations	2.14	3,805	3,413
Other income, net	2.15	142	167
Total income		3,947	3,580
Expenses			
Cost of technical sub-contractors		77	73
Depreciation and amortization expenses	2.1 & 2.2	2,011	2,025
Finance cost	2.2	241	253
Other expenses	2.16	1,026	854
Total expenses		3,355	3,205
Excess of income over expenditure		592	375

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 Green Forum

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No: 117366W/W-100018)
117366W/W-100018

Gurvinder Singh
Partner
Membership No. 110128

Niladri PrasadMishra
Director
DIN : 09299582

Nanjappa B S
Director
DIN - 09508353

Yogesh Goel
Director
DIN - 09506832

Place: Bengaluru

Date: May 30, 2024

Statement of Changes in Equity

(In ₹ lakh)

Particulars	Equity share capital	Retained earnings	Corpus donation*	Total equity attributable to equity holders of the Company
Opening balance as on April 1, 2022	100	558	28,298	28,956
Changes in equity for the year ended March 31, 2023				
Excess of income over expenditure	–	375	–	375
Balance as at March 31, 2023	100	933	28,298	29,331

*Reserve created on Receipts of CSR assets as donation from the parent company

Particulars	Equity share capital	Retained earnings	Corpus donation*	Total equity attributable to equity holders of the Company
Opening balance as on April 1, 2023	100	933	28,298	29,331
Changes in equity for the year ended March 31, 2024				
Excess of income over expenditure	–	592	–	592
Balance as at March 31, 2024	100	1,525	28,298	29,923

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 Green Forum

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No: 117366W/W-100018)
117366W/W-100018

Gurvinder Singh
Partner
Membership No. 110128

Niladri PrasadMishra
Director
DIN : 09299582

Nanjappa B S
Director
DIN - 09508353

Yogesh Goel
Director
DIN - 09506832

Place: Bengaluru

Date: May 30, 2024

Statement of Cash Flows

Accounting Policy

Cash flows are reported using the indirect method, whereby excess of income over expenditure 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 ₹ lakh)

Particulars	Note No	Years ended March 31,	
		2024	2023
Cash flow from operating activities:			
Excess of income over expenditure for the year		592	375
Adjustments to reconcile excess of income to net cash provided by operating activities:			
Depreciation and amortization	2.1 & 2.2	2,011	2,025
Finance cost	2.2	241	253
Interest income	2.15	–	(19)
Gain on sale of investments	2.15	(140)	(148)
Other adjustments		5	–
Changes in assets and liabilities			
Loans, other financial assets and other assets		(169)	105
Other financial liabilities, other liabilities and provisions		889	338
Cash generated from operations		3,429	2,929
Income taxes paid		(4)	(5)
Net cash generated by operating activities		3,425	2,924
Cash flow from investing activities:			
Expenditure on property, plant and equipment		(6,021)	(1,785)
Payments to acquire investments			
Liquid mutual fund units		–	(4,710)
Proceeds on sale of investments			
Liquid mutual fund units		3,225	4,066
Interest received on bank deposits	2.15	–	19
Net cash used in investing activities		(2,796)	(2,410)
Cash flow from financing activities:			
Equity capital	2.10	–	–
Payment of lease liabilities		(375)	(442)
Net cash used in financing activities		(375)	(442)
Net increase in cash and cash equivalents		254	72
Cash and cash equivalents at the beginning of the year		101	29
Cash and cash equivalents at the end of the year		355	101

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)
117366W/W-100018

Gurvinder Singh
Partner
Membership No. 110128

for and on behalf of the Board of Directors of Infosys Green Forum

Niladri PrasadMishra	**Nanjappa B S**	**Yogesh Goel**
Director	*Director*	*Director*
DIN : 09299582	DIN - 09508353	DIN - 09506832

Place: Bengaluru

Date: May 30, 2024

Notes to the Financial Statements

1 Overview

1.1 Company overview

Infosys Green Forum ('the Company') was incorporated on August 31, 2021, as a company registered under Section 8 of the Companies Act, 2013 and has its registered office at Electronics city, Hosur Road, Bengaluru 560100, Karnataka, India.

The company's object is to promote commerce, art, science, sports, education, research, social welfare, religion, charity, protection of environment or any such other object and to promote establish, develop, own, operate manage any institution or undertaking and to undertake, carry out, promote, sponsor and assist any activity in the fields of education, medical relief, housing, clean energy, environmental sustainability, ecological balance, societal wellbeing, vocational training, digital literacy, skill development, sports, fine arts, research, artistic pursuits, charity, science, and similar or related areas for the welfare of the society.

The financial statements are approved for issue by the Company's Board of Directors on May 30, 2024.

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 by the company. The application for regularization of the provisional registration was rejected and registration cancelled vide order dated 26th March 2024 by Income Tax Commissioner (Exemption). Company has filed an appeal before Income Tax Tribunal against the order.

1.2 Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values with the provisions of the Companies Act, 2013 "the Act"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial statements have been prepared in Indian rupee (₹) which is the functional currency of the Company.

The cash flow statement has been prepared using the indirect method as per Ind AS 7.

1.3 Use of estimates and judgments

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note 1.4. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.4 Critical accounting estimates and judgments

Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge with respect to 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. (Refer to Note 2.1)

Donations

Donations specifically received towards the "Corpus" are presented as "Corpus donations" in the Statement of Changes in Equity (SOCE). Donations (other than Corpus) are recognized as income in the Statement of Income and Expenditure.

2. Notes to 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 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]	25 years
Computer equipment[1]	3-5 years

[1]Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets are 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's 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. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset.

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2024 are as follows:

(n ₹ lakh)

Particulars	Building	Office equipment	Vehicles	Solar plant	Computer equipment	Total
Gross carrying value as at April 1, 2023	–	–	–	26,512	5	26,517
Additions	1,083	18	13	6,517	164	7,795
Deletions	–	–	–	–	–	–
Gross carrying value as at March 31, 2024	1,083	18	13	33,029	169	34,312
Accumulated depreciation as at April 1, 2023	–	–	–	(2,177)	(2)	(2,179)
Depreciation	(3)	(0)	(1)	(1,770)	(5)	(1,779)
Accumulated depreciation as at March 31, 2024	(3)	(0)	(1)	(3,947)	(7)	(3,958)
Carrying value as at April 1, 2023	–	–	–	24,335	3	24,338
Carrying value as at March 31, 2024	1,080	18	12	29,082	162	30,354

The changes in the carrying value of property, plant and equipment for year ended March 31, 2023 were as follows :

(In ₹ lakh)

Particulars	Building	Office equipment	Vehicles	Solar plant	Computer equipment	Total
Gross carrying value as at April 1, 2022	–	–	–	26,512	5	26,517
Additions	–	–	–	–	–	–
Deletions	–	–	–	–	–	–
Gross carrying value as at March 31, 2023	–	–	–	26,512	5	26,517
Accumulated depreciation as at April 1, 2022	–	–	–	(384)	(0)	(384)
Depreciation	–	–	–	(1,793)	(2)	(1,795)
Accumulated depreciation as at March 31, 2023	–	–	–	(2,177)	(2)	(2,179)
Carrying value as at April 1, 2022	–	–	–	26,128	5	26,133
Carrying value as at March 31, 2023	–	–	–	24,335	3	24,338

The aggregate depreciation has been included under depreciation and amortization expense in the Statement of Income and Expenditure.

Repairs and maintenance costs are recognized in the statement of Income and Expenditure when incurred.

Significant estimates and assumptions in assessing impairment:

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For 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 Expenditure 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 Expenditure if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

While computing value in use of the solar plant, the management has used certain estimates. Significant estimates have been mentioned below:

a. Estimated yield of the solar plant: The estimated power generation of the commissioned plant is based on insolation estimates of the geography where the plant is situated, the efficiency and the degradation of the solar modules.

b. Discount rate: The expected cash flows are discounted using discount rate commensurate to the risk associated with the asset.

Key estimates are as follows:

(In %)

Particulars	Years ended March 31,	
	2024	2023
Plant load factor	20.5	20.5
Degradation of solar modules	0.5	0.5
Discount rate	10.0	9.5

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, 2024. 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 and 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.

The Right of use of 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 ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The changes in the carrying value of right-of-use assets for the year ended March 31, 2024 are as follows:

(In ₹ Lakh)

Particulars	Category of ROU asset					Total
	Land	Buildings	Computers	Plant & Machinery	Furniture	
Balance as at April 1, 2023	552	2,367	2	22	6	2,949
Adjustment[(1)]	19	36	0	1	0	56
Depreciation	(41)	(174)	(1)	(13)	(3)	(232)
Balance as at March 31, 2024	530	2,229	1	10	3	2,773

(1) Adjustment of lease liability and ROU to align the accounting basis from yearly to quarterly payment terms as specified in the agreement.

The changes in the carrying value of right-of-use assets for the year ended March 31, 2023 were as follows:

(In ₹ lakh)

Particulars	Category of ROU asset					Total
	Land	Buildings	Computers	Plant & Machinery	Furniture	
Balance as at April 1, 2022	640	2,538	3	34	9	3,224
Modification	(45)	–	–	–	–	(45)
Depreciation	(43)	(171)	(1)	(12)	(3)	(230)
Balance as at March 31, 2023	552	2,367	2	22	6	2,949

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Income and Expenditure.

The break-up of current and non-current lease liabilities as at March 31, 2024 and March 31, 2023 is as follows:

(In ₹ lakh)

Particulars	As at March 31,	
	2024	2023
Current lease liabilities	143	134
Non-current lease liabilities	2,857	2,939
Total	3,000	3,073

The movement in lease liabilities during the years ended March 31, 2024 and period ended March 31, 2023 are as follows :

(In ₹ lakh)

Particulars	As at March 31,	
	2024	2023
Opening balance	3,073	3,307
Additions	–	–
Adjustment [(1)] / modification	61	(45)
Finance cost accrued during the period	241	253
Payment of lease liabilities	(375)	(442)
Balance at the end	3,000	3,073

(1) Adjustment of lease liability and ROU to align the accounting basis from yearly to quarterly payment terms as specified in the agreement.

The details regarding the contractual maturities of lease liabilities on an undiscounted basis are as follows:

(In ₹ lakh)

Particulars	As at March 31,	
	2024	2023
Less than one year	373	376
One to five years	1,461	1,833
More than five years	2,961	2,963
Total	4,795	5,172

2.3 Capital work-in-progress (CWIP)

(In ₹ lakh)

Particulars	As at March 31,	
	2024	2023
Capital work-in-progress	–	5
Total Capital work-in-progress	–	5

There is no capital-work-in progress as at March 31, 2024 hence no disclosure is required.

The capital work-in-progress ageing schedule for the year ended March 31, 2023 was as follows :

(In ₹ lakh)

Particulars	Amount in CWIP for a period of				Total
	less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	5	–	–	–	5
Total Capital work-in-progress	5	–	–	–	5

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2023

2.4 Investments

(In ₹ lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Unquoted Current investments		
Investments carried at fair value through profit or loss		
Liquid mutual fund units	–	3,085
Total current investments	–	3,085

2.5 Trade receivables

(In ₹ lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Receivable considered good - Unsecured	117	–
Less: Allowance for expected credit loss	–	–
Trade Receivable considered good - Unsecured	117	–
Trade Receivable - credit impaired - Unsecured	–	–
Less: Allowance for credit impairment	–	–
Trade Receivable - credit impaired - Unsecured	–	–
Total trade receivables	117	–

The trade receivables ageing schedule for the year ended March 31, 2024 is as follows:

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	–	117	–	–	–	–	117
Undisputed trade receivables – credit impaired	–	–	–	–	–	–	–
Disputed trade receivables – considered good	–	–	–	–	–	–	–
Disputed trade receivables – credit impaired	–	–	–	–	–	–	–
Total trade receivables	–	117	–	–	–	–	117

There were no trade receivables as at March 31, 2023.

2.6 Cash and cash equivalents

(In ₹ lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks		
In current and deposit accounts	355	101
Total cash and cash equivalents	355	101

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 same principal

2.7 Other financial assets

(In ₹ lakh)

Particulars	As at March 31, 2024	2023
Non-current		
Rental deposits [(1)(2)]	190	190
Security deposits[(1)]	41	38
Total non-current other financial assets	231	228
Current		
Advance for supply of goods and rendering of services[(1)]	5	–
Unbilled revenue [(1)(2)(#)]	395	350
Total current other financial assets	400	350
Total other financial assets	631	578
[(1)] financial assets carried at amortized cost	631	578
[(2)] Includes dues from parent company	525	540

(#)Classified as financial asset as right to consideration is unconditional and is due only after a passage of time.

2.8 Other assets

(In ₹ lakh)

Particulars	As at March 31, 2024	2023
Non-current		
Capital advances	11	1,780
Total non-current other assets	11	1,780
Current		
Others		
Prepaid expenses	7	9
Total current other assets	7	9
Total other assets	18	1,789

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, 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.

2.9.2 Subsequent measurement

Non-derivative financial instruments

(i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income (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.

2.9.3 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.

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2024 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:							
Trade receivables (Refer to Note 2.5)	117					117	117
Cash and cash equivalents (Refer to Note 2.6)	355	–	–	–	–	355	355
Other financial assets (Refer to Note 2.7)	631	–	–	–	–	631	631
Investments (Refer to Note 2.4)							
Liquid mutual fund units	–	–	–	–	–	–	–
Total	1,103	–	–	–	–	1,103	1,103
Liabilities:							
Trade payables (Refer to Note 2.12)	23	–	–	–	–	23	23
Lease liabilities (Refer to Note 2.2)	3,000	–	–	–	–	3,000	3,000
Other financial liabilities (Refer to Note 2.11)	949	–	–	–	–	949	949
Total	3,972	–	–	–	–	3,972	3,972

The carrying value and fair value of financial instruments by categories as at March 31, 2023 were 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 2.6)	101	–	–	–	–	101	101
Other financial assets (Refer to Note 2.7)	578	–	–	–	–	578	578
Investments (Refer to Note 2.4)							
Liquid mutual fund units	–	–	3,085	–	–	3,085	3,085
Total	679	–	3,085	–	–	3,764	3,764

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		
Liabilities:							
Trade payables (Refer to Note 2.12)	7					7	7
Lease liabilities (Refer to Note 2.2)	3,073	–	–	–	–	3,073	3,073
Other financial liabilities (Refer to Note 2.11)	61	–	–	–	–	61	61
Total	3,141	–	–	–	–	3,141	3,141

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The liquid mutual fund units are valued using quoted prices and accordingly will be classified under level 1 in the fair value hierarchy.

For trade receivables and trade payables and other assets and payables maturing within one year from the Balance Sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

2.10 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

2.10.1 Equity share capital

(In ₹ lakh, except otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Authorized		
Equity shares, ₹10 par value		
10,00,000 (10,00,000) equity shares	100	100
Issued, subscribed and paid-up		
Equity shares, ₹10 par value		
10,00,000 (10,00,000) equity shares fully paid up	100	100
	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 dividends.

As per clause 10 of Memorandum of Association (MoA) of the Company, If upon winding up or dissolution of the Company, the remains, after the satisfaction of all the debts and liabilities, any property whatsoever, the same shall not be distributed amongst the members of the Company but shall be given or transferred to such other company having objects similar to the objects of this Company, subject to such conditions as the National Company Law Tribunal may impose, or may be sold and proceeds thereof credited to the Rehabilitation and Insolvency Fund formed under Section 269 of the Companies Act, 2013.

The Company can be amalgamated only with another company registered under section 8 of the Companies Act, 2013 and having similar objects.

The details of shareholder holding more than 5% shares as at March 31, 2024 and March 31, 2023 are as follows :

Particulars	As at March 31,			
	2024		2023	
	Number of shares	% held	Number of shares	% held
Name of Shareholder				
Infosys Limited, holding company	10,00,000	100%	10,00,000	100%

The details of shareholder holding of Promoter as at March 31, 2024 and March 31, 2023 are as follows :

Particulars	As at March 31,			
	2024		2023	
	Number of Shares	% Held	Number of Shares	% Held
Promoter Name				
Infosys Limited, holding company	10,00,000	100%	10,00,000	100%

2.11 Other financial liabilities

(In ₹ lakh)

Particulars	As at March 31,	
	2024	2023
Current		
Accrued expenses [(1)]	139	51
Capital creditors[(1)]	427	–
Other payables [(1)(2)]	383	10
Total current other financial liabilities	949	61
Total other financial liabilities	949	61
[(1)] Financial liability carried at amortized cost	949	61
[(2)] Includes dues to parent company	383	10

2.12 Trade payables

(In ₹ lakh)

Particulars	As at March 31,	
	2024	2023
Outstanding dues of micro enterprises and small enterprises	–	–
Outstanding dues of creditors other than micro enterprises and small enterprises	23	7
Total trade payables	23	7

The information as required to be disclosed pursuant under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) has been determined to the extent such parties have been identified on the basis of information available with the Company:

Particulars	As at March 31,	
	2024	2023
Amount remaining unpaid		
Principal	–	–
Interest	–	–
Interest paid by the Company under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day	–	4
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006);	–	–

Particulars	As at March 31,	
	2024	2023
Interest accrued and remaining unpaid at the end of the year	–	–
Interest remaining due and payable (pertaining to prior years), until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	–	–

The trade payables ageing schedule for the year ended as on March 31, 2024 is as follows:

(In ₹ lakh)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Outstanding Dues to MSME		–	–	–	–	–
Others	20	3	–	–	–	23
Total Trade payables	20	3				23

The trade payables ageing schedule for the year ended as on March 31, 2023 was as follows:

(In ₹ lakh)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Outstanding dues to MSME	–	–	–	–	–	–
Others	–	7	–	–	–	7
Total trade payables	–	7				7

Relationship with struck off companies

There are no transactions with struck off companies for the years ended March 31, 2024 and March 31, 2023.

2.13 Other liabilities

(In ₹ lakh)

Particulars	As at March 31,	
	2024	2023
Current		
Advance from customer(1)	335	342
Others		
Withholding and other taxes payable	27	36
Total Other liabilities	362	378
(1)Advance received from parent company	335	342

2.14 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 years ended March 31, 2024 and March 31, 2023 are as follows:

(In ₹ lakh)

Particulars	Years ended March 31,	
	2024	2023
Revenue from supply of power	3,805	3,413
Total revenue from operations	3,805	3,413

Trade receivables and contract balances

The timing of revenue recognition, billings and cash collections results in receivables and unbilled revenue on the Company's Balance Sheet. Amounts are billed in accordance with agreed-upon contractual terms.

The Company's receivables are rights to consideration that are unconditional. Unbilled revenues are classified as financial asset when the right to consideration is unconditional and is due only after a passage of time.

Trade receivables and unbilled revenues are presented net of impairment in the Balance Sheet.

2.15 Other income, net

Accounting policy

Other income is comprised primarily of interest income, gain / loss on investments and gain / loss on sale of property, plant and equipment assets. Interest income is recognized using the effective interest method.

Other income for the years ended March 31, 2024 and March 31, 2023 is as follows:

(In ₹ lakh)

Particulars	Years ended March 31,	
	2024	2023
Interest income on financial assets carried at amortized cost		
Deposit with bank	–	19
Income on investments carried at fair value through profit or loss		
Gain / (loss) on liquid mutual funds	140	148
Miscellaneous income, net	2	–
Total other income	142	167

2.16 Expenses

(In ₹ lakh)

Particulars	Years ended March 31,	
	2024	2023
Other expenses		
Repairs and maintenance	708	662
Power and fuel	2	20
Insurance	34	28
Rates and taxes	144	103
Legal and consultancy	15	–
Donations	79	–
Auditor's remuneration		
Statutory audit fees	8	8
Tax matters	–	–
Other services	1	1
Others	35	32
	1,026	854

2.17 Contingent liabilities and commitments

Accounting Policy

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

(In ₹ lakh)

Particulars	As at March 31,	
	2024	2023
Contingent liabilities:		
Claims against the Company, not acknowledged as debts[1]	12,722	–
Commitments:		
Estimated amount of contracts remaining to be executed on capital contracts and not provided for	207	4,033
(net of advances and deposits)[2]		

[1] As at March 31, 2024, claims against the Company not acknowledged as debts in respect of income tax matters amounted to ₹12,722 lakh. The claims against the Company primarily represent demands arising on the completion of assessment proceedings under the Income-tax Act, 1961. These claims are on account of the disallowance of the exemption under section 11 of the Income Tax Act and not taking cognizance of the provisional registration granted on 22nd October 2021 being in force on the date of passing the assessment order. This matter is currently pending before Income Tax Appellate Authorities. The company expects that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the company's financial statement.

[2] Capital contracts primarily comprises commitments for infrastructure facilities

2.18 Related party transactions

Name of the holding company	Country	Holding as at March 31,	
		2024	2023
Infosys Limited	India	100%	100%

List of related parties

Name of fellow subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)[1]	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)[1]	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)[1]	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)[1]	China
EdgeVerve Systems Limited (EdgeVerve)[1]	India
Infosys Austria GmbH[1]	Austria
Skava Systems Private Limited (Skava Systems)[1][22]	India
Infosys Chile SpA[1]	Chile
Infosys Arabia Limited[2][22]	Saudi Arabia
Infosys Consulting Ltda.[1]	Brazil
Infosys Luxembourg S.a.r.l[1]	Luxembourg
Infosys Americas Inc. (Infosys Americas)[1][30]	U.S.
Infosys Consulting S.R.L.[1][19]	Argentina
Infosys Consulting S.R.L.[1]	Romania
Infosys Limited Bulgaria EOOD[1]	Bulgaria
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[1]	Turkey
Infosys Germany Holding Gmbh[1]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1]	Germany
Infosys Business Solutions LLC[1]	Qatar
WongDoody Inc. [1]	U.S.
Danske IT and Support Services India Private Limited (Danske IT) [1][32]	India
Infosys Public Services, Inc. USA (Infosys Public Services)[1]	U.S.
Infosys Public Services Canada Inc. [12][23]	Canada
Infosys BPM Limited[1]	India
Infosys BPM UK Limited[3]	U.K.
Infosys (Czech Republic) Limited s.r.o.[3]	Czech Republic
Infosys Poland Sp z.o.o[3]	Poland

Name of fellow subsidiaries	Country
Infosys McCamish Systems LLC[3]	U.S.
Portland Group Pty Ltd[3]	Australia
Infosys BPO Americas LLC.[3]	U.S.
Infosys BPM Canada Inc [3][31][36]	Canada
Panaya Inc. (Panaya)[1]	U.S.
Panaya Ltd.[4]	Israel
Panaya Germany GmbH [4][27]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[1][22]	U.K.
Brilliant Basics Limited [5][22]	U.K.
Infosys Consulting Holding AG [1]	Switzerland
Infosys Management Consulting Pty Limited[6]	Australia
Infosys Consulting AG[6]	Switzerland
Infosys Consulting GmbH[6]	Germany
Infosys Consulting SAS[6]	France
Infy Consulting B.V.[6]	The Netherlands
Infosys Consulting (Belgium) NV[6]	Belgium
Infy Consulting Company Ltd[6]	U.K.
GuideVision s.r.o.[7]	Czech Republic
GuideVision Deutschland GmbH[8]	Germany
GuideVision Suomi Oy[8]	Finland
GuideVision Magyarország Kft[8]	Hungary
GuideVision Polska Sp. z.o.o[8]	Poland
GuideVision UK Ltd[8][22]	U.K.
Infosys Nova Holdings LLC. (Infosys Nova)[1]	U.S.
Outbox systems Inc. dba Simplus (US)[9]	U.S.
Simplus ANZ Pty Ltd.[10]	Australia
Simplus Australia Pty Ltd[11]	Australia
Simplus Philippines, Inc.[10]	Philippines
Kaleidoscope Animations, Inc.[9]	U.S.
Kaleidoscope Prototyping LLC[18][34]	U.S.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[9]	U.S.
Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)[1]	Singapore
Infosys Financial Services GmbH. (formerly Panaya GmbH) [13][29]	Germany
Infosys South Africa (Pty) Ltd[13]	South Africa
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[13]	Malaysia
Infosys Middle East FZ LLC [13]	Dubai
Infosys Norway [13][28]	Norway
Infosys Compaz Pte. Ltd [14]	Singapore
HIPUS Co., Ltd[14]	Japan
Fluido Oy [13]	Finland
Fluido Sweden AB [15]	Sweden
Fluido Norway A/S[15]	Norway
Fluido Denmark A/S[15]	Denmark
Fluido Slovakia s.r.o[15]	Slovakia
Infosys Fluido UK, Ltd.[15]	U.K.

Name of fellow subsidiaries	Country
Infosys Fluido Ireland, Ltd.[16]	Ireland
Stater N.V.[14]	The Netherlands
Stater Nederland B.V.[17]	The Netherlands
Stater XXL B.V.[17]	The Netherlands
HypoCasso B.V.[17]	The Netherlands
Stater Participations B.V.[35]	The Netherlands
Stater Belgium N.V./S.A.[17][35]	Belgium
Stater Gmbh[17]	Germany
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[13]	Germany
WongDoody Gmbh (formerly known as oddity GmbH) [20]	Germany
WongDoody (Shanghai) Co. Limited (formerly known as oddity (Shanghai) Co., Ltd.) [21]	China
WongDoody limited (Taipei) (formerly known as oddity Limited (Taipei)) [21]	Taiwan
oddity space GmbH [20][33]	Germany
oddity jungle GmbH [20][33]	Germany
oddity code GmbH [20][33]	Germany
WongDoody d.o.o (formerly known as oddity code d.o.o) [21][33]	Serbia
oddity waves GmbH [20][33]	Germany
oddity group services GmbH [20][33]	Germany
BASE life science A/S [13][24]	Denmark
BASE life science AG [25]	Switzerland
BASE life science GmbH [25]	Germany
BASE life science S.A.S [25]	France
BASE life science Ltd. [25]	U.K.
BASE life science S.r.l. [25]	Italy
Innovisor Inc.[25]	U.S.
BASE life science Inc.[25]	U.S.
BASE life science S.L.[25][26]	Spain

(1) Wholly-owned subsidiary of Infosys Limited

(2) Majority-owned and controlled subsidiary of Infosys Limited

(3) Wholly-owned subsidiary of Infosys BPM Limited

(4) Wholly-owned subsidiary of Panaya Inc.

(5) Wholly-owned subsidiary of Brilliant Basics Holding Limited.

(6) Wholly-owned subsidiary of Infosys Consulting Holding AG

(7) Wholly-owned subsidiary of Infy Consulting Company Limited

(8) Wholly-owned subsidiary of GuideVision s.r.o.

(9) Wholly-owned subsidiary of Infosys Nova Holdings LLC

(10) Wholly-owned subsidiary of Outbox systems Inc. dba Simplus (US)

(11) Wholly-owned subsidiary of Simplus ANZ Pty Ltd

(12) Wholly-owned subsidiary of Infosys Public Services, Inc.

(13) Wholly-owned subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

(14) Majority-owned and controlled subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

(15) Wholly-owned subsidiary of Fluido Oy

(16) Wholly-owned subsidiary of Infosys Fluido UK, Ltd.

(17) Wholly-owned subsidiary of Stater N.V.

(18) Wholly-owned subsidiary of Kaleidoscope Animations, Inc.

(19) Infosys Consulting S.R.L. (Argentina) (formerly a wholly-owned subsidiary of Infosys Consulting Holding AG) became the majority-owned and controlled subsidiary of Infosys Limited with effect from April 1, 2022

(20) On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.)) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and WongDoody Gmbh (formerly known as oddity GmbH)

[21] Wholly-owned subsidiary of WongDoody Gmbh (formerly known as oddity GmbH)

[22] Under liquidation

[23] Incorporated on July 8, 2022

[24] On September 1, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.) (a wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

[25] Wholly-owned subsidiary of BASE life science A/S

[26] Incorporated on September 6, 2022

[27] Incorporated effective December 15, 2022

[28] Incorporated effective September 22, 2022.

[29] Infosys Financial Services GmbH. (formerly Panaya GmbH) became a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.) with effect from February 23, 2023.

[30] Liquidated effective July 14, 2023

[31] Incorporated on August 11, 2023

[32] On September 1, 2023, Infosys Limited acquired 100% of voting interests in Danske IT and Support Services India Private Limited (Danske IT).

[33] On September 29, 2023, oddity space GmbH, oddity waves GmbH, oddity jungle GmbH, oddity group services GmbH and oddity code GmbH merged into WongDoody GmbH and oddity code d.o.o which was formerly a subsidiary of oddity code Gmbh has become a subsidiary of WongDoody Gmbh (formerly known as oddity GmbH).

[34] Kaleidoscope Prototyping LLC, a wholly-owned subsidiary of Kaleidoscope Animations is liquidated effective November 1, 2023

[35] On November 24, 2023, Stater Participations B.V (a wholly-owned subsidiary of Stater N.V.) merged with Stater N.V. and Stater Belgium N.V./S.A which was formerly a wholly-owned subsidiary of Stater Participations B.V. became a wholly owned subsidiary of Stater N.V.

[36] On March 15, 2024, Infosys BPM Canada Inc., a wholly-owned subsidiary of Infosys BPM Limited, got dissolved.

List of other related parties

Name of Trust	Country	Nature of Relationship
Infosys Foundation	India	Trust jointly controlled by KMPs of Infosys Ltd

Non-whole-time directors

Niladri Prasad Mishra
Nanjappa B S
Yogesh Goel

The details of amounts due to or due from related parties are as follows:

(In ₹ lakh)

Particulars	As at March 31,	
	2024	2023
Other financial assets		
Rental deposit	190	190
Infosys Limited	190	190
Unbilled revenue	395	350
Infosys Limited	395	350
	585	540
Other financial liabilities – Other payables	383	10
Infosys Limited	383	10
Other liabilities – advance from customer	335	342
Infosys Limited	335	342
	718	352

The details of the related parties transactions entered into by the Company are as follows:

(In ₹ lakh)

Particulars	Years ended March 31,	
	2024	2023
Sale of power		
Infosys Limited	3,628	3,413
	3,628	3,413
Lease installment		
Infosys Limited	375	378
	375	378
Cross-charge/Reimbursement of expenses		
Infosys Limited	104	80
	104	80

The Company's related party transactions during the years ended March 31, 2024 and March 31, 2023 and outstanding balances as at March 31, 2024 and March 31, 2023 are with its Holding Company with whom the Company generally enters into transactions which are at arm's length and in the ordinary course of business

2.19 Segment Reporting

The Company is engaged in generating solar power and selling to its parent company. Accordingly, disclosures as required under Ind AS 108, Segment Reporting, have not been separately presented in the financial statements since the information is available directly from the Statement of Income and Expenditure.

2.20 Ratios

The ratios for the years ended March 31, 2024 and March 31, 2023 are as follows:

Particulars	Numerator	Denominator	March 31, 2024	March 31, 2023	Variance
Current ratio	Current assets	Current liabilities	0.6	6.1	(90%)(5)
Debt – Equity ratio	Total debt (1)	Shareholder's equity	0.1	0.1	(4%)
Debt service coverage ratio	Earnings available for debt service(2)	Debt service(3)	7.6	7.0	8%
Return on Equity (ROE)	Net Profits after taxes	Average shareholder's equity	2.0%	1.3%	1%
Trade receivables turnover ratio	Revenue	Average Trade Receivable	65.04	NA	NA
Trade payables turnover ratio	Purchases of services and other expenses	Average Trade Payables	73.0	262.6	(72)(6)
Net capital turnover ratio	Revenue	Working Capital	(6.4)	1.2	(653)(7)
Net profit ratio	Net profit	Revenue	15.6%	11.0%	5%
Return on Capital Employed (ROCE)	Earning before interest and taxes	Capital employed(4)	2.5%	1.9%	1%
Return on Investment (ROI)	Income generated from investments	Time weighted average	7.4%	5.7%	2%

(1) Debt represents only lease liabilities

(2) Net Profit after taxes + Non-cash operating expenses + Interest + other adjustments like loss on sale of property, plant and equipment etc.

(3) Lease payments for the current year

(4) Tangible net worth + deferred tax liabilities + Lease Liabilities

(5) Decline in current assets and increase in current liabilities has resulted in the deterioration of the ratio

(6) Increase in the average trade payables has resulted in an improvement in the ratio

(7) Reduction in the working capital has resulted in the deterioration of the ratio.

2.21 Earnings per share (EPS)

Earnings per share (EPS) is not applicable to Infosys Green Forum as it is a Section 8 company and hence not disclosed.

for and on behalf of the Board of Directors of Infosys Green Forum

Niladri Prasad Mishra *Director* DIN : 09299582	**Nanjappa B S** *Director* DIN - 09508353	**Yogesh Goel** *Director* DIN - 09506832

Place: Bengaluru
Date: May 30, 2024

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Infosys Consulting S.R.L (Argentina)

Independent Auditor's Report

To the Members of Infosys Consulting S.R.L (Argentina)

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Infosys Consulting S.R.L (Argentina) ("the Company"), which comprise the Balance Sheet as at December 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of preparation referred to in Section 1.2 of the special purpose financial statements of the state of affairs of the Company as at December 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1.2 to the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company, Infosys Limited under the requirements of section 129 (3) of the Companies Act, 2013 and for issuing Annual Performance Report ("APR") which is required to be furnished by the Holding Company to Authorized Bank in accordance with regulation 10 of Foreign Exchange Management (Overseas Investment) Regulations. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for the above purpose and is not to be used, referred to or distributed for any other purpose without our prior consent.

Our opinion is not modified in respect of this matter

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objective is to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures-"are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, ·Individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

i. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

iii. the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

For Shenoy & Kamath
Chartered Accountants

Firm Registration Number: 006673S

(M. Rathnakar Kamath)
Partner

Membership Number. 202841

UDIN : 24202841BKADEN9881

Place: Bengaluru

Date: June 1, 2024

Balance Sheet

(In ARS)

Particulars	Note no.	As at December 31	
		2023	2022
Assets			
Non-current assets			
Property, plant and equipment	2.1	10,278,365	21,438,018
Right to use of Asset	2.18	24,955,607	198,236,326
Deferred tax assets (net)	2.14	–	598,775,884
Income tax assets, (net)	2.14	37,369,292	37,398,193
Financial assets			
Other financial assets	2.3	183,529,350	–
Other non-current assets	2.6	–	6,303,227
Total non-current assets		256,132,614	862,151,648
Current assets			
Financial assets			
Trade receivables	2.4	113,441,301	1,318,567,030
Cash and cash equivalents	2.5	30,666,060	330,045,799
Loans	2.2	283,575	130,791
Other financial assets	2.3	634,703,825	353,303,630
Other current assets	2.6	104,736,117	708,648,790
Total current assets		883,830,878	2,710,696,040
Total assets		1,139,963,492	3,572,847,688
Equity and liabilities			
Equity			
Equity share capital	2.8	820,273,670	820,273,670
Other equity		(2,421,934,791)	(2,191,098,000)
Total equity		(1,601,661,12)	(1,370,824,330)
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	2.9	–	956,068,561
Lease Liability	2.18	66,746,511	120,354,970
Other financial liabilities	2.10	–	316,450,681
Deferred tax liabilities (net)	2.14	3,619,387	–
Total non-current liabilities		70,365,898	1,392,874,212
Current liabilities			
Financial liabilities			
Borrowings	2.9	–	1,686,097,934
Trade payables	2.11	813,725,426	616,383,889
Lease Liabilities	2.18	478,917,566	247,917,350
Other financial liabilities	2.10	1,142,876,241	933,381,390
Other current liabilities	2.12	235,297,078	66,733,021

Particulars	Note no.	As at December 31	
		2023	2022
Provisions	2.13	442,404	284,222
Income tax liabilities, (net)	2.15	–	–
Total current liabilities		2,671,258,715	3,550,797,806
Total equity and liabilities		1,139,963,492	3,572,847,688

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants

Firm's Registration Number : 006673S

M. Rathnakar Kamath
Partner

Membership No. 202841

Place : Bengaluru

Date : June 1, 2024

for and on behalf of the Board of Directors of Infosys Consulting S.R.L (Argentina)

Martin De Pablo
Director

Statement of Profit and Loss

(In ARS, except equity share and per equity share data)

Particulars	Note no.	Year ended December 31, 2023	Year ended December 31, 2022
Revenue from operations	2.15	1,367,438,955	2,019,541,187
Other income, net	2.16	2,625,045,350	78,515,754
Net monetary gain due to operations in hyperinflationary economy	2.0	2,501,554,342	1,754,101,170
Total income		6,494,038,647	3,852,158,111
Expenses			
Employee benefit expenses	2.17	1,095,580,711	1,128,335,834
Cost of technical sub-contractors		62,517,363	311,880,579
Travel expenses		16,453,865	30,660,047
Communication expenses		9,937,362	10,536,638
Consultancy and professional charges		61,728,193	119,378,379
Depreciation expense	2.1 & 2.18	78,298,182	175,359,420
Finance cost		139,183,900	127,838,073
Other expenses	2.17	4,733,163,555	2,772,908,626
Total expenses		6,196,863,131	4,676,897,596
Profit/(loss) before tax		297,175,516	(824,739,485)
Tax expense			
Current tax	2.14	(9,075)	20,660,646
Deferred tax	2.14	602,395,271	(349,155,402)
Profit/(Loss) for the year		(305,210,680)	(496,244,729)
Total comprehensive income/(loss) for the year		(305,210,680)	(496,244,729)
Earnings per equity share			
Equity shares of par value ARS 100/- each			
Basic and diluted (ARS)		(1,017)	(1,654)
Weighted average equity shares used in computing earnings per equity share			
Basic and Diluted		300,000	300,000

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants

Firm's Registration Number : 006673S

M. Rathnakar Kamath
Partner

Membership No. 202841

Place : Bengaluru

Date : June 1, 2024

for and on behalf of the Board of Directors of Infosys Consulting S.R.L (Argentina)

Martin De Pablo
Director

Statement of Changes in Equity

(In ARS)

Particulars	Equity share capital	Other equity – Reserves and Surplus – Securities premium reserve	Other equity – Reserves and Surplus – Retained earning	Total equity attributable to equity holders of the Company
Balance as of January 1, 2022	30,000,000	41,989,165	(89,295,733)	(17,306,568)
Impact on account of operations in hyperinflationary economy	790,273,670	429,118,139	(812,145,945)	407,245,864
Balance as of January 1, 2022 (after considering the impact on account of operations in hyperinflationary economy)	820,273,670	471,107,304	(901,441,678)	389,939,296
Changes in equity for the year ended December 31, 2022				
Profit/(Loss) for the year	–	–	(496,244,729)	(496,244,729)
Net gain/(loss) on account of operations in hyperinflationary economy	–	–	(1,264,518,897)	(1,264,518,897)
Balance as of December 31, 2022	820,273,670	471,107,304	(2,662,205,304)	(1,370,824,330)
Changes in equity for the year ended December 31, 2023				
Loss for the year	–	–	(305,210,680)	(305,210,680)
Net gain/(loss) on account of operations in hyperinflationary economy	–	–	74,373,889	74,373,889
Balance as of December 31, 2023	820,273,670	471,107,304	(2,893,042,095)	(1,601,661,121)

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants

Firm's Registration Number : 006673S

M. Rathnakar Kamath
Partner

Membership No. 202841

Place : Bengaluru

Date : June 1, 2024

for and on behalf of the Board of Directors of Infosys Consulting S.R.L (Argentina)

Martin De Pablo
Director

Statements of Cash Flows

(In ARS)

Particulars	Note No.	Year ended December 31, 2023	Year ended December 31, 2022
Cash flows from operating activities			
Profit/(Loss) for the year		(305,210,680)	(496,244,729)
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation and amortization expense	2.1 & 2.18	78,298,182	175,359,420
Income tax expense	2.14	602,386,196	(328,494,756)
Interest Income		(58,639,088)	(78,515,754)
Miscellaneous Income (Non Cash)		(2,567,472,116)	–
Impairment loss recognized / (reversed) under expected credit loss model		523,366,043	17,864,873
Finance Cost		139,183,900	127,838,073
Provision for post-sales client support and warranties		–	1,059
Net monetary gain due to operations in hyperinflationary economy		(2,501,554,342)	(1,754,101,170)
Exchange differences on translation of assets and liabilities		2,619,350,980	1,223,610,917
Changes in assets and liabilities			
Trade receivables and unbilled revenue		1,419,548,258	(1,213,408,972)
Other financial assets and other assets		(69,136,174)	(777,322,611)
Trade payables		197,341,537	502,604,832
Other financial liabilities, other liabilities and provisions		61,766,409	109,210,393
Cash generated from operations		139,229,105	(2,491,598,425)
Income taxes (paid)/refunded	2.14	(22,761,453)	–
Net cash used in operating activities		116,467,652	(2,491,598,425)
Cash flow from investing activities			
Expenditure on property, plant and equipment		–	(17,590,612)
Proceeds on sale of property, plant and equipment		(1,446,798)	–
Loans given to employees		(152,784)	(88,791)
Net cash (used in)/generated from investing activities		(1,599,582)	(17,679,403)
Cash flow from financing activities			
Payment of Lease Liabilities		(208,825,645)	(80,187,590)
Receipts/ (Payments) from Borrowings		(2,642,166,495)	2,260,718,237
Interest and finance expenses paid		(139,183,900)	(127,838,073)
Net cash generated from financing activities		(2,990,176,040)	2,052,692,574
Net gain/(loss) on account of company operating in hyperinflationary economy		2,575,928,231	489,582,273
Net increase/(decrease) in cash and cash equivalents		(2,875,307,970)	(456,585,254)
Cash and cash equivalents at the beginning of the year	2.5	330,045,799	297,048,780
Cash and cash equivalents at the end of the year	2.5	30,666,060	330,045,799

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants

Firm's Registration Number : 006673S

M. Rathnakar Kamath
Partner

Membership No. 202841

Place : Bengaluru

Date : June 1, 2024

for and on behalf of the Board of Directors of Infosys Consulting S.R.L (Argentina)

Martin De Pablo
Director

Notes to the financial statements

Infosys Consulting S.R.L. (registered in Argentina) is a majority-owned subsidiary of Infosys Limited . The Company renders professional management consulting services, thereby enabling its clients to enhance business performance.

1 Significant accounting policies

1.1 Accounting year

The accounting year of the Company is from January 1 to December 31.

1.2 Basis of preparation of financial statements

These special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of Section 129 (3) of the Companies Act 2013 and for issuing Annual Performance Report ("APR") which is required to be furnished by the Holding Company, to Authorized Bank in accordance with regulation 10 of Foreign Exchange Management (Overseas Investment) Regulations. These financial statements are prepared in accordance with Indian Accounting Standards (Ind-AS) under the historical cost convention on the accrual basis. 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 the Argentina Pesos (ARS).

1.4 Hyperinflation accounting

To reflect changes in purchasing power at the balance sheet date, the carrying amounts of non-monetary assets and liabilities, shareholders equity and comprehensive income are restated in terms of a measuring unit current at the balance sheet date in accordance with Ind AS 29 'Financial Reporting in Hyperinflationary Economies'. These are indexed using a general price index in accordance with Ind AS 29 'Financial Reporting in Hyperinflationary Economies'. In contrast, no restatement is required for monetary assets and liabilities carried at amounts current at the end of the balance sheet date because they represent money held, to be received, or to be paid. Corresponding figures for previous year have been restated for the changes in the general purchasing power of the functional currency and, as a result, are stated in terms of the measuring unit current at the end of the reporting year.

Gains and losses from hyperinflation are included in the income statement. Non-monetary assets that have been restated following the guidance in Ind AS 29 are still subject to impairment assessment in accordance with the guidance in the relevant Ind AS.

1.5 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.

1.6 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.

1.6.1 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.

1.6.2 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.

1.6.3 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).

1.6.4 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.

1.6.5 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.

1.6.6 Tax

The Company presents revenues net of indirect taxes in its statement of Profit and loss.

1.7 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.

1.8 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.

1.9 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.

1.10 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the Management. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows :

Computer equipment[(1)]	3-5 years
Furniture and fixtures[(1)]	5 years
Office equipment[(1)]	5 years

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

(1) For these class of assets, based on technical evaluation, the Management believes that the useful lives as given above best represent the period over which 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.

1.11 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, 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.

1.11.2 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 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.

1.12 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 Argentinian Peso.

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.

1.15 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 and exchange gain on translation of other assets and liabilities.

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 Borrowing Cost

Borrowing cost are charged to the Statement of Profit and Loss in the period in which they occurred.

2.0 Effects of Hyperinflation

Due to the rapid devaluation of the Argentine Peso, Argentina is considered in hyperinflationary economy. During the year ended 31 December 2023, the financial statements of the Company were adjusted to recognize the inflationary effects since 1 January 2021. The financial statements of the Company are based on a historical cost approach and are restated using a general price index in accordance with Ind AS 29. The consumer price index at 31 December 2023 was 3,533.19, 31 December 2022 was 1,134.59 and 31 December 2021 was 582.46.

2.1 Property, plant and equipment

The changes in the carrying value of property, plant and equipment for the year ended December 31, 2023 are as follows:

(In ARS)

Particulars	Plant and machinery	Office Equipment	Computer equipment	Furniture and fixtures	Leasehold Improvement	Total
Gross carrying value as of January 1, 2023	295,057	2,678,747	69,012,623	33,596,693	121,170,499	226,753,619
Additions	–	–	–	–	–	–
Deletions	–	(2,678,747)	(37,509,264)	(32,269,818)	(121,170,499)	(193,628,328)
Translation difference	–	–	–	–	–	–
Gross carrying value as of December 31, 2023	295,057	–	31,503,359	1,326,875	–	33,125,291
Accumulated depreciation as of January 1, 2023	(218,871)	(2,316,262)	(52,425,955)	(29,184,014)	(121,170,499)	(205,315,601)
Depreciation	(59,011)	(362,485)	(6,325,478)	(4,412,679)	–	(11,159,653)
Accumulated depreciation on deletions	–	2,678,747	37,509,264	32,269,818	121,170,499	193,628,328
Translation difference	–	–	–	–	–	–
Accumulated depreciation as of December 31, 2023	(277,882)	–	(21,242,169)	(1,326,875)	–	(22,846,926)
Carrying value as of December 31, 2023	17,175	–	10,261,190	–	–	10,278,365
Carrying value as of January 1, 2023	76,186	362,485	16,586,668	4,412,679	–	21,438,018

The changes in the carrying value of property, plant and equipment for the year ended December 31, 2022 are as follows:

(In ARS)

Particulars	Plant and machinery	Office Equipment	Computer equipment	Furniture and fixtures	Leasehold Improvement	Total
Gross carrying value as of January 1, 2022	295,057	2,678,747	52,643,814	33,596,693	121,170,499	210,384,810
Additions/ Adjustments	–	–	17,590,612	–	–	17,590,612
Deletions	–	–	(1,221,803)	–	–	(1,221,803)
Translation difference	–	–	–	–	–	–
Gross carrying value as of December 31, 2022	295,057	2,678,747	69,012,623	33,596,693	121,170,499	226,753,619

Particulars	Plant and machinery	Office Equipment	Computer equipment	Furniture and fixtures	Leasehold Improvement	Total
Accumulated depreciation as of January 1, 2022	(159,860)	(1,920,824)	(48,632,757)	(24,370,183)	(121,170,499)	(196,254,123)
Depreciation	(59,011)	(395,438)	(3,793,198)	(4,813,831)	–	(9,061,478)
Accumulated depreciation on deletions	–	–	–	–	–	–
Translation difference	–	–	–	–	–	–
Accumulated depreciation as of December 31, 2022	(218,871)	(2,316,262)	(52,425,955)	(29,184,014)	(121,170,499)	(205,315,601)
Carrying value as of December 31, 2022	76,186	362,485	16,586,668	4,412,679	–	21,438,018
Carrying value as of January 1, 2022	135,197	757,923	4,011,057	9,226,510	–	14,130,687

2.2 Loans

(In ARS)

Particulars	As at December 31	
	2023	2022
Current		
Loans to employees	283,575	130,791
Total current loans	283,575	130,791

2.3 Other financial assets

(In ARS)

Particulars	As at December 31	
	2023	2022
Current		
Unbilled Revenues[(1)]	112,063,411	326,484,066
Others [(1)](2)	522,640,414	26,819,564
Total current other financial assets	634,703,825	353,303,630
Non Current		
Others	182,951,348	–
Net Investment in lease	578,002	–
Total non current financial assets	183,529,350	–
Total	818,233,175	353,303,630
[(1)] Financial assets carried at amortized cost	818,233,175	353,303,630
[(2)] Includes dues from related party (Refer to Note No.2.19)	511,883,575	16,373,992

2.4 Trade receivables

(In ARS)

Particulars	As at December 31	
	2023	2022
Current		
Unsecured		
Considered good [(1)]	113,441,301	1,318,567,030
Considered doubtful	153,711,662	10,671,548
	267,152,963	1,329,238,578
Less: Allowances for credit losses	(153,711,662)	(10,671,548)
Total trade receivables	113,441,301	1,318,567,030
[(1)] Includes dues from related parties (Refer to Note No.2.19)	88,931,851	588,565,489

Trade receivables ageing schedule for the year ended as on December 31, 2023 and December 31, 2022

(In ARS)

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	–	197,434,273	47,642,902	16,809,938	4,894,561	371,289	267,152,963
	–	1,057,779,173	107,111,004	111,470,997	43,504,657	9,372,747	1,329,238,578
Undisputed Trade receivables – credit impaired	–	–	–	–	–	–	–
		–				–	–
Disputed Trade receivables – considered good	–	–	–	–	–	–	–
	–	–	–	–	–	–	–
Disputed Trade receivables – credit impaired	–	–	–	–	–	–	–
	–	–	–	–	–	–	–
	–	–	–	–	–	–	267,152,963
	–	–	–	–	–	–	1,329,238,578
Less: Allowance for credit loss	–	–	–	–	–	–	153,711,662
	–	–	–	–	–	–	10,671,548
Total Trade Receivables							113,441,301
							1,318,567,030

2.5 Cash and cash equivalents

(In ARS)

Particulars	As at December 31	
	2023	2022
Balances with banks		
In current and deposit accounts	22,786,388	329,997,944
Cash on hand	7,879,672	47,855
Total Cash and Cash equivalents	30,666,060	330,045,799

2.6 Other assets

(In ARS)

Particulars	As at December 31	
	2023	2022
Current		
Others		
Prepaid expenses	–	245,388
Deferred contract cost	–	619,143,921
Unbilled Revenues	886	2,760
Withholding taxes and others	104,735,231	89,256,721
Total current other assets	104,736,117	708,648,790

Particulars	As at December 31	
	2023	2022
Non Current		
Net Investment in lease	–	6,303,227
Others		
Deferred contract cost	–	–
Total Non-current other assets	–	6,303,227

2.7 Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories as of December 31 2023 and December 31 2022 were as follows:

(In ARS)

Particulars	As at December 31	
	2023	2022
Assets		
Cash and cash equivalents (Refer to Note No. 2.5)	30,666,060	330,045,799
Trade receivables (Refer to Note No. 2.4)	113,441,301	1,318,567,030
Loans (Refer to Note No.2.2)	283,575	130,791
Other financial assets (Refer to Note No.2.3)	818,233,175	353,303,630
Total	962,624,111	2,002,047,250

Particulars	As at December 31	
	2023	2022
Liabilities		
Trade payables (Refer to Note No. 2.11)	813,725,426	616,383,889
Borrowings (Refer to Note 2.9)	–	2,642,166,495
Lease Liability (Refer to Note 2.18)	545,664,077	368,272,320
Other financial liabilities (Refer to Note No.2.10)	1,142,876,241	1,249,832,071
Total	2,502,265,744	4,876,654,775

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 ARS 113,441,301 and ARS 1,318,567,030 as of December 31, 2023 and December 31, 2022, respectively and unbilled revenue amounting to ARS 112,064,297 and ARS 326,486,826 as of December 31, 2023 and December 31, 2022 respectively. Trade receivables and unbilled revenue are typically unsecured. Credit risk has always been managed by the Company through credit approvals establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. As per Ind AS 109 the Company uses ECL model to assess the impairment loss or gain. The Company uses a provision matrix to compute the ECL allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes credit ratings from credit rating agencies and the Company's historical experience for customers.

Credit risk exposure

The recognition/ (reversal) for lifetime ECL on customer balances for the year ended December 31, 2023 was ARS 523,366,043 and allowance for year ended December 31, 2022 was ARS 17,864,873 respectively.

(In ARS)

Particulars	Year ended December 31	
	2023	2022
Balance at the beginning	10,671,548	(2,706,052)
Impairment loss recognized / (reversed)	523,366,043	17,864,873
Amounts written off	–	–
Translation differences	(380,325,929)	(4,487,273)
Balance at the end	153,711,662	10,671,548

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 has taken loan from its parent company to meet its working capital requirements. There are no outstanding borrowing as of December 31, 2023

As of December 31, 2023, the Company had a negative working capital of ARS 1,787,427,837 including cash and cash equivalents of ARS 30,666,060. As of December 31, 2022, the Company had a negative working capital of ARS 840,101,766 including cash and cash equivalents of ARS 330,045,799.

As of December 31, 2023 and December 31, 2022, the outstanding compensated absences were ARS 51,725,113 and ARS 82,143,619 respectively.

The table below provides details regarding the contractual maturities of significant financial liabilities as at December 31, 2023:

(In ARS)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade Payables (Refer to Note 2.11)	813,725,426	–	–	–	813,725,426
Other financial liabilities (Refer to Note 2.10)	645,567,303	–	–	–	645,567,303
Accrued expenses (Refer to Note 2.10)	152,364,672	–	–	–	152,364,672
Accrued compensation to employees (Refer to Note 2.10)	23,899,346	–	–	–	23,899,346
Other payables (Refer to Note 2.10)	269,319,807	–	–	–	269,319,807

The table below provides details regarding the contractual maturities of significant financial liabilities as at December 31, 2022:

(In ARS)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade Payables (Refer to Note 2.11)	616,383,889	–	–	–	616,383,889
Other financial liabilities (Refer to Note 2.10)	410,343,117	316,450,681	–	–	726,793,798
Accrued expenses (Refer to Note 2.10)	302,282,423	–	–	–	302,282,423
Accrued compensation to employees (Refer to Note 2.10)	54,533,845	–	–	–	54,533,845
Other payables (Refer to Note 2.10)	84,078,386	–	–	–	84,078,386

2.8 Equity

Equity share capital

(In ARS, except as otherwise stated)

Particulars	As at December 31, 2023	As at December 31, 2022
Share capital		
300,000 (3,00,000) equity shares of ARS 100/- par value	820,273,670	820,273,670
a. (Of the above, 294,500 equity shares are held by the holding company, Infosys Limited as on December 31, 2022 and December 31, 2023		
b. (Of the above, 5,500 (5,500) equity shares are held by the fellow subsidiary, Infosys Consulting AG)		
	820,273,670	820,273,670

The details of shareholders holding more than 5% shares as at December 31, 2023 and December 31, 2022 are as follows :

(In ARS, except as otherwise stated)

Name of the shareholder	As at December 31, 2023		As at December 31, 2022	
	Number of shares	% held	Number of shares	% held
Infosys Limited	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, 2023 and December 31, 2022 is as follows :

(In ARS, except as otherwise stated)

Particulars	As at December 31, 2023		As at December 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Number of shares at the beginning of the period	300,000	820,273,670	300,000	820,273,670
Issue of Shares during the year [(1)]	–	–	–	–
Number of shares at the end of the period	300,000	820,273,670	300,000	820,273,670

2.9 Borrowings

(In ARS)

Particulars	As at December 31, 2023	As at December 31, 2022
Non Current		
Unsecured Loan from Parent Company(refer to note 2.19)*	–	956,068,561
Current		
Unsecured Loan from Parent Company(refer to note 2.19)*	–	1,686,097,934
Total borrowings	–	2,642,166,495

* Unsecured loan of US$ 5,000,000 from Infosys Consulting Holding AG was written off during 2023 post approval from Board of Directors.

2.10 Other financial liabilities

(In ARS)

Particulars	As at December 31, 2023	As at December 31, 2022
Non Current		
Other financial liability	–	316,450,681
	–	316,450,681
Current		
Others		
Accrued compensation to employees	23,899,346	54,533,845
Accrued expenses [(1)]	152,364,672	302,282,423
Compensated absences	51,725,113	82,143,619
Other financial liability	645,567,303	410,343,117
Other payables [(2)]	269,319,807	84,078,386
	1,142,876,241	933,381,390
Total other financial liabilities	1,142,876,241	1,249,832,071
Financial liability carried at amortized cost	1,142,876,241	1,249,832,071
[(1)] Includes dues to related party (Refer to Note No.2.19)	2,297,810	179,921,664
[(2)] Includes dues to related parties (Refer to Note No.2.19)	269,319,807	81,750,838

2.11 Trade payables

(In ARS)

Particulars	As at December 31, 2023	As at December 31, 2022
Trade payables [(1)]	813,725,426	616,383,889
Total trade payables	813,725,426	616,383,889
[(1)] Includes dues to related party (Refer to Note No.2.19)	547,396,768	613,079,921

Trade payables ageing schedule for the year ended as on December 31, 2023 and December 31, 2022

(In ARS)

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Outstanding trade payables	–	785,715,393	9,393,787	6,709,466	11,906,780	813,725,426
	–	520,931,236	21,357,205	74,095,448	–	616,383,889

2.12 Other liabilities

(In ARS)

Particulars	As at December 31, 2023	As at December 31, 2022
Current		
Unearned revenue	7,591	–
Others		
Withholding taxes and others	59,108,149	66,733,021
Others	176,181,338	–
Total current other liabilities	235,297,078	66,733,021

2.13 Provisions

(In ARS)

Particulars	As at December 31,	
	2023	2022
Current		
Others		
Post-sales client support	442,404	284,222
Total current Provisions	442,404	284,222
Provision for post-sales client support		

The movement in the provision for post-sales client support is as follows :

(In ARS)

Particulars	Year ended December 31,	
	2023	2022
Balance at the beginning	75,334	₹
Provision recognized / (reversed)	–	75,334
Exchange difference	62,592	–
Balance at the end	137,926	75,334

Provision for post-sales client support and other provisions are expected to be utilized over a period of six months to one year.

2.14 Income taxes

Income tax expense in the Statement of Profit and Loss comprises:

(In ARS)

Particulars	Year ended December 31,	
	2023	2022
Current taxes	(9,075)	20,660,646
Deferred taxes	602,395,271	(349,155,402)
Income tax expense	602,386,196	(328,494,756)

Current tax expense for the years ended December 31, 2023 and December 31, 2022 includes provisions (net of reversals) amounting to reversal of provision of ARS 9,075 and provision of ARS 11,576,872 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 ARS)

Particulars	Year ended December 31,	
	2023	2022
Profit/(Loss) before income tax	297,175,516	(824,739,485)
Enacted tax rates in Argentina (%)	25%	25%
Computed expected tax expense	74,293,879	(206,184,871)
Overseas taxes	–	9,083,774
Prior period tax expense	(9,075)	11,576,872
Effect of unrecognized deferred tax assets	–	–
Permanent Difference	(3,016,179)	(5,345,870)
Effect of non-deductible expenses	–	–
Deferred Tax Entry including Ind AS 29 impacts, Translation difference & others	531,117,571	(137,624,661)
Income tax expense	602,386,196	(328,494,756)

The applicable Argentina statutory tax rate for year ended December 31, 2023 is 25% and tax rate for the year ended December 31, 2022 is 25%.

The details of income tax assets and income tax liabilities are as follows :

(In ARS)

Particulars	Year ended December 31,	
	2023	2022
Income tax assets	37,369,292	45,489,928
Current income tax liabilities	–	8,091,735
Net current income tax assets / (liability) at the end	37,369,292	37,398,193

The gross movement in the current income tax asset / (liability) is as follows:

(In ARS)

Particulars	Year ended December 31,	
	2023	2022
Net current income tax asset / (liability) at the beginning	37,398,193	103,101,139
Income tax paid	22,761,453	–
Current income tax expense (Refer to Note No.2.14)	9,075	(20,660,646)
Impact on account of operations in hyperinflationary economy	(22,799,429)	(45,042,300)
Net current income tax asset / (liability) at the end	37,369,292	37,398,193

The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

(In ARS)

Particulars	As at December 31	
	2023	2022
Deferred income tax assets		
Accrued compensation to employees	–	13,633,461
Trade receivables	–	2,241,702
Others	–	604,837,377
Total deferred income tax assets	–	620,712,540
Deferred income tax liabilities		
Impact on account of operations in hyperinflationary economy	3,619,387	21,936,656
Others	–	–
Total deferred income tax liabilities	3,619,387	21,936,656
Deferred income tax assets after set off	(3,619,387)	598,775,884

The gross movement in the deferred income tax account for the year(s) ended December 31, 2023 and December 31, 2022, are (is) as follows:

(In ARS)

Particulars	As at December 31	
	2023	2022
Net deferred income tax asset at the beginning	598,775,884	264,138,812
Translation differences	–	(14,518,330)
Credits / (charge) relating to temporary differences	(602,395,271)	349,155,402
Net deferred income tax asset at the end	(3,619,387)	598,775,884

The charge relating to temporary differences during the year ended December 31, 2023 are primarily on account of Accrued compensation, compensated absences, accumulated losses and other assets. Further, it includes the impact on account of operations in hyperinflationary economy aswell.

The credits relating to temporary differences during the year ended December 31, 2022 are primarily on account of accrued compensation to employees, compensated absences, accumulated losses and other assets. Further, it includes the impact on account of operations in hyperinflationary economy aswell.

2.15 Revenue from operations

(In ARS)

Particulars	Year ended December 31,	
	2023	2022
Income from consultancy services	1,367,438,955	2,019,541,187
Total revenue from operations	1,367,438,955	2,019,541,187

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, 2023 , the company recognized revenue of NIL arising from opening unearned revenue as of January 1, 2023.

During the year ended December 31, 2022 , the company recognized revenue of ARS 11,968,507 arising from opening unearned revenue as of January 1, 2022.

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the 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, 2023, other than those meeting the exclusion criteria mentioned above, is NIL . The contracts can generally be terminated by the customers and typically includes an enforceable termination penalty payable by them.

2.16 Other income

(In ARS)

Particulars	Year ended December 31,	
	2023	2022
Interest received on financial assets carried at amortized cost		
Interest income on prepaid contract cost	45,835,451	77,214,164
Finance Income under revenue deals.	12,803,637	1,301,590
Miscellaneous Income (Refer Note 2.9)	2,563,190,139	–
Profir/(Loss) on sale of Assets	3,216,123	–
	2,625,045,350	78,515,754

2.17 Expenses

(In ARS)

Particulars	Year ended December 31,	
	2023	2022
Employee benefit expenses		
Salaries including bonus	1,095,318,868	1,128,021,031
Staff welfare	261,843	314,803
Total employee benefit expenses	1,095,580,711	1,128,335,834

(In ARS)

Particulars	Year ended December 31,	
	2023	2022
Other expenses		
Brand and marketing	242,592	169,358
Operating lease payments	12,557,647	4,999,450
Rates and taxes	100,985,730	132,294,839
Repairs and maintenance	15,133,743	5,457,353
Insurance	25,542,183	20,818,888
Provision/(Reversal) for post-sales client support and warranties	–	1,059
Cost of software packages and others	308,342,773	689,610,050
Allowances for credit losses on financial assets (reversals)	523,366,043	17,864,873
Bank charges	18,858,763	19,871,768
Exchange gains/(losses) on translation of assets and liabilities	3,651,186,001	1,850,166,725
Others	76,948,080	31,654,263
Total other expenses	4,733,163,555	2,772,908,626

2.18 Leases

Accounting Policy

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements 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.

Following are the changes in the carrying value of right of use assets for the year ended December 31, 2023:

(In ARS)

Particulars	Category of ROU asset		Total
	Computer Equipment	Buildings	
Gross carrying value as of January 01, 2023	259,156,172	290,988,620	550,144,792
Additions	6,903,238	–	6,903,238
Deletions	(67,469,501)	(290,988,620)	(358,458,121)
Translation difference	–	(68,751,179)	(68,751,179)
Gross carrying value as of December 31, 2023	198,589,909	(68,751,179)	129,838,730
Accumulated depreciation as of January 01, 2023	60,919,846	290,988,620	351,908,466
Amortization	67,138,529	–	67,138,529
Accumulated Amortization on deletions	(23,032,032)	(290,922,000)	(313,954,032)
Translation difference	(143,220)	(66,620)	(209,840)
Accumulated amortization as of December 31, 2023	104,883,123	–	104,883,123
Carrying value as of December 31, 2023	93,706,786	(68,751,179)	24,955,607
Carrying value as of January 01, 2023	198,236,326	–	198,236,326

Following are the changes in the carrying value of right of use assets for the year ended December 31, 2022:

(In ARS)

Particulars	Category of ROU asset		Total
	Computer Equipment	Buildings	
Gross carrying value as of January 01, 2022	–	290,988,620	290,988,620
Additions	263,882,419	–	263,882,419
Deletions	(4,726,247)	–	(4,726,247)
Translation difference	–	–	–
Gross carrying value as of December 31, 2022	259,156,172	290,988,620	550,144,792
Accumulated depreciation as of January 01, 2022	–	185,610,524	185,610,524
Amortization	60,919,846	105,378,096	166,297,942
Accumulated Amortization on deletions	–	–	–
Translation difference	–	–	–
Accumulated amortization as of December 31, 2022	60,919,846	290,988,620	351,908,466
Carrying value as of December 31, 2022	198,236,326	–	198,236,326
Carrying value as of January 01, 2022	–	105,378,096	105,378,096

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 ARS)

Particulars	As at December 31,	
	2023	2022
Current lease liabilities	478,917,566	247,917,350
Non-current lease liabilities	66,746,511	120,354,970
Total	545,664,077	368,272,320

The following is the movement in lease liabilities during the year ended:

(In ARS)

Particulars	Year ended December 31,	
	2023	2022
Balance at the beginning	368,272,320	52,531,495
Additions	6,903,238	145,491,557
Finance cost accrued during the period	–	519,384
Payment of lease liabilities	(164,321,556)	(75,461,343)
Translation Difference	334,810,075	245,191,227
Balance at the end	545,664,077	368,272,320

The table below provides details regarding the contractual maturities of lease liabilities as at December 31, 2023 December 31, 2022 and on an undiscounted basis:

(In ARS)

Particulars	As at December 31	
	2023	2022
Less than one year	303,915,114	246,026,469
One to five years	302,235,898	122,245,851
More than five years	–	–
Total	606,151,012	368,272,320

2.19 Related party transactions

List of holding companies:

Name of the holding company	Country	Holding as at December 31,	
		2023	2022
Infosys Limited (with effect from 01st April, 2022)	India	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)(1)	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)(1)	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)(1)	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)(1)	China
Infosys Nova Holdings LLC. (Infosys Nova)(1)	U.S.
EdgeVerve Systems Limited (EdgeVerve)(1)	India
Infosys Austria GmbH(1)	Austria
Skava Systems Private Limited (Skava Systems)(1)(22)	India
Infosys Chile SpA(1)	Chile
Infosys Arabia Limited(2)(22)	Saudi Arabia
Infosys Consulting Ltda.(1)	Brazil
Infosys Luxembourg S.a.r.l(1)	Luxembourg
Infosys Americas Inc. (Infosys Americas)(1)(39)	U.S.
Infosys Public Services, Inc. USA (Infosys Public Services)(1)	U.S.
Infosys BPM Limited(1)(27)	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 (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
Infy Consulting Company Ltd(4)	U.K.

Name of fellow subsidiaries	Country
Infy Consulting B.V.[4]	The Netherlands
Infosys Consulting (Belgium) NV[4]	Belgium
Panaya Inc. (Panaya)[1]	U.S.
Panaya Ltd.[5]	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH) [38]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[1][22]	U.K.
Brilliant Basics Limited [6][22]	U.K.
Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)[1]	Singapore
Infosys Middle East FZ LLC [7]	Dubai
Fluido Oy [7]	Finland
Fluido Sweden AB [9]	Sweden
Fluido Norway A/S[9]	Norway
Fluido Denmark A/S[9]	Denmark
Fluido Slovakia s.r.o[9]	Slovakia
Infosys Compaz Pte. Ltd [8]	Singapore
Infosys South Africa (Pty) Ltd[7]	South Africa
WongDoody Inc. [1]	U.S.
HIPUS Co., Ltd[8]	Japan
Stater N.V.[8]	The Netherlands
Stater Nederland B.V.[10]	The Netherlands
Stater XXL B.V.[10]	The Netherlands
HypoCasso B.V.[10]	The Netherlands
Stater Participations B.V.[44]	The Netherlands
Stater Belgium N.V./S.A.[10][44]	Belgium
Stater Gmbh[10]	Germany
Outbox systems Inc. dba Simplus (US)[12]	U.S.
Simplus ANZ Pty Ltd.[13]	Australia
Simplus Australia Pty Ltd[14]	Australia
Simplus Philippines, Inc.[13]	Philippines
Infosys Fluido UK, Ltd.[9]	U.K.
Infosys Fluido Ireland, Ltd.[16]	Ireland
Infosys Limited Bulgaria EOOD[1]	Bulgaria
Kaleidoscope Animations, Inc.[12]	U.S.
Kaleidoscope Prototyping LLC[18][43]	U.S.
GuideVision s.r.o.[11]	Czech Republic
GuideVision Deutschland GmbH[17]	Germany
GuideVision Suomi Oy[17]	Finland
GuideVision Magyarország Kft[17]	Hungary
GuideVision Polska Sp. z.o.o[17]	Poland
GuideVision UK Ltd[17][22]	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[12]	U.S.
Beringer Capital Digital Group Inc[12][25]	U.S.
Mediotype LLC[19][25]	U.S.
Beringer Commerce Holdings LLC[19][25]	U.S.
SureSource LLC[20][23]	U.S.
Blue Acorn LLC[20][23]	U.S.

Name of fellow subsidiaries	Country
Simply Commerce LLC[20][23]	U.S.
iCiDIGITAL LLC[21][24]	U.S.
Infosys BPM UK Limited[3]	U.K.
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[1]	Turkey
Infosys Germany Holding Gmbh[1]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1]	Germany
Infosys Green Forum[1]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[7]	Malaysia
Infosys Business Solutions LLC[1][26]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[28]	Germany
Wongdoody Gmbh (formerly known as oddity GmbH) [30]	Germany
oddity (Shanghai) Co., Ltd. [31]	China
oddity Limited (Taipei) [31]	Taiwan
oddity space GmbH [30][42]	Germany
oddity jungle GmbH [30][42]	Germany
oddity code GmbH [30][42]	Germany
WongDoody d.o.o (formerly known as oddity code d.o.o) [31][42]	Serbia
oddity waves GmbH [30][42]	Germany
oddity group services GmbH [30][42]	Germany
Infosys Public Services Canada Inc. [15][32]	Canada
BASE life science AG [34]	Switzerland
BASE life science GmbH [34]	Germany
BASE life science A/S [33]	Denmark
BASE life science S.A.S [34]	France
BASE life science Ltd. [34]	U.K.
BASE life science S.r.l. [34]	Italy
Innovisor Inc.[34]	U.S.
BASE life science Inc.[34]	U.S.
BASE life science S.L.[34][35]	Spain
Panaya Germany GmbH [5][36]	Germany
Infosys Norway [7][37]	Norway
Infosys BPM Canada Inc [3][40]	Canada
Danske IT and Support Services India Private Limited ("Danske IT") [41]	India

(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 Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

(8) Majority owned and controlled subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

(9) Wholly-owned subsidiary of Fluido Oy

(10) Wholly-owned subsidiary of Stater N.V

(11) Wholly-owned subsidiary of Infy Consulting Company Limited

(12) Wholly-owned subsidiary of Infosys Nova Holdings LLC

(13) Wholly-owned subsidiary of Outbox systems Inc. dba Simplus (US)

(14) Wholly-owned subsidiary of Simplus ANZ Pty Ltd

(15) Wholly-owned subsidiary of Infosys Public Services, Inc.

(16) Wholly-owned subsidiary of Infosys Fluido UK, Ltd.

[17] Wholly-owned subsidiary of GuideVision s.r.o.

[18] Wholly-owned subsidiary of Kaleidoscope Animations, Inc.

[19] Wholly-owned subsidiary of Blue Acorn iCi Inc

[20] Wholly-owned subsidiary of Beringer Commerce Holdings LLC

[21] Wholly-owned subsidiary of Beringer Capital Digital Group Inc.

[22] Under liquidation

[23] Merged with Beringer Commerce Holdings LLC, effective January 1, 2022

[24] Merged with Beringer Capital Digital Group Inc, effective January 1, 2022

[25] Merged with Blue Acorn iCi Inc, effective January 1, 2022

[26] Incorporated on February 20, 2022

[27] On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

[28] On March 22, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.), a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")).

[30] On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.)) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and Wongdoody Gmbh (formerly known as oddity GmbH)

[31] Wholly-owned subsidiary of Wongdoody Gmbh (formerly known as oddity GmbH)

[32] Incorporated on July 8, 2022

[33] On September 1, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.) (a Wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

[34] Wholly-owned subsidiary of BASE life science A/S

[35] Incorporated on September 6, 2022

[36] Incorporated effective December 15, 2022

[37] Incorporated effective February 7, 2023.

[38] Infosys Financial Services GmbH. (formerly Panaya GmbH) became a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.) with effect from February 23, 2023.

[39] Liquidated effective July 14, 2023

[40] Incorporated on August 11, 2023

[41] On September 1, 2023 Infosys Ltd. acquired 100% of voting interests in Danske IT and Support Services India Private Limited ("Danske IT").

[42] On September 29, 2023, oddity space GmbH, oddity waves GmbH, oddity jungle GmbH, oddity group services GmbH and oddity code GmbH merged into WongDoody GmbH and oddity code d.o.o which was formerly a subsidiary of oddity code Gmbh has become a subsidiary of Wongdoody Gmbh (formerly known as oddity GmbH).

[43] Liquidated effective November 1, 2023

[44] On November 24, 2023 Stater Participations B.V (Wholly-owned subsidiary of Stater N.V) merged with Stater N.V and Stater Belgium N.V./S.A which was formerly a wholly owned subsidiary of Stater Participations B.V. became a wholly owned subsidiary of Stater N.V.

The details of amounts due to or due from related parties as at December 31, 2023 and December 31, 2022 are as follows :

(In ARS)

Particulars	As at December 31	
	2023	2022
Trade receivables		
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)	5,078,386	15,814,481
Infy Consulting Company Limited	–	514,853,623
Infosys Consulting Ltda	8,613,996	15,876,109
Infosys Limited	75,239,469	42,021,275
	88,931,851	588,565,489
Borrowings		
Infosys Consulting Holding AG	–	2,642,166,495
	–	2,642,166,495
Trade payables		
Infosys Consulting Ltda.	97,805,474	12,761,859
Infosys Consulting AG	282,953,126	167,217,310
Infosys Consulting GmbH	1,506,676	995,925
Infosys Technologies S. de R. L. de C. V.	89,537,903	53,083,138
Infy Consulting B.V	24,334,778	16,085,477
Infosys (Czech Republic) Limited s.r.o.	20,637,335	6,968,150

Particulars	As at December 31	
	2023	2022
Infosys Technologies (China) Co. Limited (Infosys China)	3,770,441	1,508,314
Infosys BPM Limited	26,851,034	3,282,053
Infy Consulting Company Limited	–	351,177,695
	547,396,768	613,079,921
Other Financial Liabilities		
Infosys Automotive and Mobility GmbH & Co.KG	213,237,752	52,878,955
Infosys Consulting Holding AG	544,866	338,547
Infy Consulting Company Limited	1,833,427	2,819,130
Infosys Limited	53,703,761	25,714,206
	269,319,807	81,750,838
Other Financial assets		
Infosys Consulting AG	31,055,836	10,464,496
Infy Consulting B.V.	8,940,128	5,909,496
Infosys Automotive and Mobility GmbH & Co.KG	471,887,611	–
	511,883,575	16,373,992
Accrued expenses		
Infy Consulting Company Ltd.	2,297,810	76,035,476
Infosys Limited	–	103,886,188
	2,297,810	179,921,664

The details of related party transactions, entered into by the company, are as follows:

(In ARS)

Particulars	For the year ended December 31,	
	2023	2022
Capital transactions		
Financing transactions		
Borrowings (net of repayment)		
Infosys Consulting Holding AG	74,918,182	524,817,209
	74,918,182	524,817,209
Revenue transactions		
Purchase of services, shared facilities and personnel		
Infosys Consulting AG	–	3,683,000
Infosys Limited	1,199,051	105,969,222
Infy Consulting Company Limited	–	75,784,974
Infosys (Czech Republic) Limited s.r.o.	21,673,750	5,426,094
Infosys Technologies (China) Co. Limited (Infosys China)	3,438,945	1,181,798
Infosys BPM Limited	56,877,576	3,263,244
Infosys Automotive and Mobility GmbH & Co.KG	136,071,014	48,342,944
Infosys Consulting Ltda.	168,473,326	11,685,145
	387,733,662	255,336,421
Interest expense		
Infosys Consulting Holding AG (Infosys Lodestone)	96,631,509	41,511,284
	96,631,509	41,511,284

Particulars	For the year ended December 31,	
	2023	2022
Sale of services		
Infosys Consulting Ltda.	6,411,062	50,773,201
Infosys Technologies S. de R. L. de C. V.	–	–
Infy Consulting B.V.	–	–
Infosys Limited	126,695,627	32,424,184
Infosys Consulting AG	5,751,992	–
Infy Consulting Company Limited	134,758,359	107,600,082
	273,617,040	190,797,467

2.20 Segment reporting

The Company is engaged in providing consultancy service in a single geography. Based on the 'management approach', as defined in Ind AS 108, Segment Reporting, the Chief Operating Decision Maker (CODM) evaluates the performance and allocates resources based on the analysis of the performance of the Company as a whole. Its operations are, therefore, considered to constitute a single segment in the context of Ind AS 108, Segment Reporting.

2.21 Ratios

The ratios for the years ended December 31, 2023 and December 31, 2022 are as follows:

Particulars	Numerator	Denominator	December 31, 2023	December 31, 2022	Variance
Current Ratio	Current assets	Current liabilities	0.3	0.8	(57)%
Debt – Equity Ratio	Total Debt (represents lease liabilities) [1]	Shareholder's Equity	(0.3)	(2.2)	84%
Debt Service Coverage Ratio	Earnings available for debt service[2]	Debt Service[3]	2.5	(6.5)	138%
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	20.5%	73.8%	(72)%
Trade receivables turnover ratio	Revenue	Average Trade Receivable	1.9	2.8	(33)%
Trade payables turnover ratio	Purchases of services and other expenses	Average Trade Payables	0.8	3.3	(76)%
Net capital turnover ratio	Revenue	Working Capital	(0.8)	(2.4)	68%
Net profit ratio	Net Profit	Revenue	(22.3)%	(24.6)%	9%
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed	(41.3)%	69.5 %	(159)%

(1) Debt represents borrowings and lease liabilities

(2) Net Profit after taxes + Non-cash operating expenses + Interest + other adjustments like loss on sale of Fixed assets etc.

(3) Lease payments for the current year

Explanation where variance in ratios is more than 25%

Current Ratio

Decrease on account of reduction in borrowings.

Debt – Equity Ratio

Decrease on account of reduction in borrowings.

Debt Service Coverage Ratio

Improved on account of improvement in earnings available to service debt

Return on Equity (ROE)

Decrease on account of increase in losses.

Trade Receivables Turnover Ratio

Increase as a result of increase in trade receivables

Trade Payables Turnover Ratio

Decrease as a result of decreased purchases of cost of software packages and increase in trade payables

Net capital turnover ratio

Increase on account decrease in working capital

Net profit ratio

Improved as a result of reduction in losses

Return on capital employed (ROCE)

Decrease as a result of increase in losses.

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Infosys South Africa (Pty) Limited

Independent Auditor's Report

To the Shareholders of Infosys South Africa (Pty) Limited

Opinion

We have audited the financial statements of Infosys South Africa (Pty) Limited set out on pages 5 to 23, which comprise the statement of financial position as at 31 December 2023, and 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 the notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Infosys South Africa (Pty) Limited as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statements section of our report. We are independent of the Company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code). 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 document titled Infosys South Africa Proprietary Limited Annual Financial Statements for the year ended 31 December 2023 which includes the Directors' Report as required by the Companies Act of South Africa. The other information 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 an audit opinion or 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 the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors 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 directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 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 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 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 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

Registered Auditor

Per: Bester Greyling
Partner

May 24, 2024

Directors' Statement of Responsibility

The directors of the company are responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements and related information. The auditors are responsible for reporting on the fair presentation of the financial statements. The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

The directors are also responsible for the company's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of the company's assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems have occurred during the year under review.

The financial statements have been prepared on the going concern basis since the directors believe that the company has adequate resources in place to continue in operation for the foreseeable future.

Directors' approval of the annual financial statements

The annual financial statements and directors report were approved by the Directors on May 24, 2024 and are signed on their behalf by:

Arunabha Das
Director

Directors' Report

The directors have pleasure in presenting their report on the activities of the Company for the year ended December 31, 2023. This financial report covers the period January 1, 2023 to December 31, 2023. Comparative figures are from the January 1, 2022 to December 31, 2022.

Nature of business

The Company is engaged in the business of providing IT solutions and support to clients in Africa.

Shareholder

The current shareholder of Infosys South Africa (Pty) Ltd is:

Name of the shareholder	As at December 31,	
	2023	2022
Infosys Consulting Pte. Ltd	**100%**	100%

Directors

The directors of the Company during the year under review and up to the date of this report are:

1. Sambandam, Arul Selvam (Appointed on December 19, 2018)
2. Arunabha Das (Appointed on July 1, 2022)
3. Tumi Wessie (Appointed on October 10, 2023)
4. Thulani Tshabalala (Appointed on October 10, 2023)

Registered office and postal address

The registered office and postal address of the Company are:

Registered address: 2nd Floor West Towers Nelson Mandela Square Sandton, Gauteng 2169

Postal address: 2nd Floor West Towers Nelson Mandela Square Sandton, Gauteng 2169

Arunabha Das
Director

Statement of Financial Position

(In ZAR)

Particulars	Note	As at December 31, 2023	As at December 31, 2022
Assets			
Non-current assets			
Deferred tax assets (net)	2.5	2,362,787	85,636
Total non-current assets		2,362,787	85,636
Current assets			
Trade receivables	2.6	8,159,202	595,530
Cash and cash equivalents	2.7	21,913,854	16,915,969
Other current assets	2.8	3,964,936	712,540
Total current assets		34,037,991	18,224,039
Total assets		36,400,778	18,309,675
Equity and liabilities			
Equity			
Equity share capital	2.9	17,135,660	7,835,760
Accumulated profits		1,075,969	835,243
Net equity		18,211,629	8,671,003
Liabilities			
Current liabilities			
Trade payables	2.10	6,565,756	8,413,764
Other current Liabilities	2.11	11,334,408	799,791
Current tax payable	2.5	288,984	425,116
Total current liabilities		18,189,148	9,638,670
Total equity and liabilities		36,400,778	18,309,674

Statement of Comprehensive Income

(In ZAR)

Particulars	Note	As at December 31,	
		2023	2022
Revenue	2.1	44,740,605	11,462,203
Other income	2.2	137,141	–
Total income		44,877,746	11,462,203
Cost of service	2.3	(41,266,980)	(9,634,160)
Gross profit		3,610,766	1,828,044
Administrative and general expenses	2.4	(4,612,767)	(533,372)
Operating profit / (loss) before tax		(1,002,001)	1,294,672
Income tax expense	2.5	(1,242,726)	373,428
Profit for the year		240,726	921,243
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		–	–
Items that will be reclassified subsequently to profit or loss		–	–
Total other comprehensive income, net of tax		–	–
Total comprehensive income for the year		240,726	921,243
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability / asset		–	–
Equity instruments through other comprehensive income		–	–
Items that will be reclassified subsequently to profit or loss			
Total other comprehensive income, net of tax		–	–
Total comprehensive income for the period		240,726	921,243

Statement of Changes in Equity

(In ZAR)

Particulars	Equity share capital	Accumulated Profits	Total
Balance as at January 1, 2022	7,835,760	(86,000)	7,749,760
Total comprehensive income for the year			
Profit for the year	–	921,243	921,243
Balance as at December 31, 2022	7,835,760	835,243	8,671,003
Total comprehensive income for the year			
Increase in equity share capital on account of fresh issue	9,299,900	–	9,299,900
Profit for the year	–	240,726	240,726
Balance as at December 31, 2023	17,135,660	1,075,969	18,211,629

Statements of Cash Flows

(In ZAR)

Particulars	Year ended December 31, 2023	2022
Cash flow from operating activities:		
Profit/(loss) for the year	(1,002,001)	1,294,672
Adjustments to reconcile net profit to net cash provided by operating activities:		
Change in asset and liabilities	(2,129,458)	7,898,301
Trade receivables	(7,563,672)	(595,530)
Other current assets	(3,252,395)	(712,540)
Trade payables	(1,848,008)	8,413,764
Other current liabilities	10,534,617	792,607
Cash generated from operations	(3,131,458)	9,192,972
Income taxes paid	(1,170,558)	(33,949)
Net cash used in operating activities	(4,302,017)	9,159,024
Cash flow from financing activities:		
Proceed from issue of share capital	9,299,900	7,680,900
Net cash generated from/ (used in) financing activities	9,299,900	7,680,900
Net increase/ (decrease) in cash and cash equivalents	4,997,883	16,839,924
Cash and cash equivalents at the beginning of the year	16,915,969	76,044
Cash and cash equivalents at the end of the year	21,913,854	16,915,969

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 material policies

1.1 Accounting year

The accounting year of the Company is from January 1 to December 31, 2023.

1.2 Basis of preparation of financial statements

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Standards Interpretations Committee ("IFRS IC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act of South Africa as amended.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the Company's functional currency.

These accounting policies are consistent with the previous period.

1.3 Reporting currency

The Company's reporting currency is ZAR.

1.4 Use of estimates

The preparation of the financial statements in conformity with IFRS requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities, and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.5 Foreign currency

Functional currency

The functional currency of the Company is the ZAR. These financial statements are presented In ZAR.

Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense, and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

1.6 Income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognized in the statement of profit and loss, except to the extent that it relates to items recognized in the other comprehensive income or directly in equity, respectively.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets are recognized only to the existent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

1.7 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.8 Revenue

a. To recognize revenues, the Company applies the following five-step approach:
   i. Identify the contract with a customer,
   ii. Identify the performance obligations in the contract,
   iii. Determine the transaction price,
   iv. Allocate the transaction price to the performance obligations in the contract, and
   v. Recognize revenues when a performance obligation is satisfied.

b. At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgment to determine whether each product or service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligations based on their relative standalone selling price or residual method. Standalone selling prices are determined based on sale prices for the components when it is regularly sold separately. In cases where the Company is unable to determine the standalone selling price, the Company uses third-party prices for similar deliverables, or the Company uses the expected cost-plus margin approach in estimating the standalone selling price.

c. For performance obligations where control is transferred over time, revenues are recognized by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the promised products or services to be provided.

   The Company accounts for variable considerations, such as volume discounts, as a reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which the Company may be entitled.

d. The timing of revenue recognition may differ from the timing of invoicing to customer. The Company classifies its rights to consideration in exchange for deliverables as either an accounts receivable or an unbilled revenue. Unbilled revenue represents earnings in excess of billings, while unearned income represents billings in excess of earnings.

Revenue is measured based on the consideration specified in a contract with the customer. The Company recognizes revenue when it transfers control over goods or services to a customer.

In view of the risks associated with the delivery of its services to and the collection of the amounts, the Company considers that it is acting as a principal in these arrangements and, therefore, has recognized the costs and associated revenue on a gross, as opposed to a net basis.

2.1 Revenue

(In ZAR)

Particulars	Year ended December 31,	
	2023	2022
Revenue from services	44,740,605	11,462,203
Total revenue	44,740,605	11,462,203

2.2 Other income

(In ZAR)

Particulars	Year ended December 31,	
	2023	2022
Interest from bank	137,141	–
Total other income	137,141	–

2.3 Cost of services

(In ZAR)

Particulars	Year ended December 31,	
	2023	2022
Salaries including bonus	36,049,160	1,344,292
Cost of technical sub-contractors	5,217,820	8,289,368
Staff welfare	–	500
	41,266,980	9,634,160

2.4 Administrative and general expenses

(In ZAR)

Particulars	Year ended December 31,	
	2023	2022
Consultancy and professional charges	2,224,981	237,668
Communication expenses	–	13,332
Auditor's remuneration	300,000	150,000
Bank charges	103,572	10,744
Brand and marketing	1,757	260
Rates and taxes	83,079	–
Printing and stationery	606	–
Telephone expenses	478,876	–
Work permit	3,389	–
Travelling costs	351,301	45,557
Exchange losses / (gains) on translation of other assets and liabilities	1,072,171	64,588
Allowances for credit losses on financial assets	(6,965)	11,223
Total administrative and general expenses	4,612,767	533,372

2.5 Income taxes

Income tax expense in the Statement of Profit and Loss comprises:

(In ZAR)

Particulars	Year ended December 31,	
	2023	2022
Earlier year tax	(33,584)	
Current taxes	1,068,009	459,064
Deferred taxes	(2,277,152)	(85,636)
Income tax expense	(1,242,726)	373,428

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is as follows:

(In ZAR)

Particulars	Year ended December 31, 2023	2022
Profit before income taxes	(1,002,001)	1,294,672
Temporary difference	5,082,590	–
Taxable income	4,080,589	1,296,694
Enacted tax rates in South Africa	27%	28%
Computed expected tax expense	1,101,759	362,508
Tax adjustment after Balance Sheet date	(33,750)	35,000
DTA not created on loss	–	(24,080)
Earlier year tax	(33,584)	–
Deferred tax	(2,277,152)	–
Income tax expense	(1,242,726)	373,428

The details of income tax assets and income tax liabilities as at December 31, 2023 and December 31, 2022 are as follows:

(In ZAR)

Particulars	As at December 31, 2023	2022
Current income tax liabilities	(1,068,009)	(459,064)
Income tax assets	779,025	33,949
Current tax payable	(288,984)	(425,116)

The gross movement in the current income tax asset / (liability) for the years ended December 31, 2023 and December 31, 2022 is as follows:

(In ZAR)

Particulars	Year ended December 31, 2023	2022
Net current income tax asset/ (liability) at the beginning	(425,116)	–
Income tax paid	1,170,557	33,949
Current income tax expense	(1,068,010)	(459,064)
Earlier year tax	33,584	–
Net current income tax asset/ (liability) at the end	(288,984)	(425,116)

The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

(In ZAR)

Particulars	As at December 31, 2023	2022
Deferred income tax assets/ (liabilities):		
Provision for performance bonus	468,574	65,406
Compensated absences	1,893,051	20,230
Trade receivables	1,163	–
Total deferred income tax assets/ (liabilities)	2,362,787	85,636

2.6 Trade receivables

(In ZAR)

Particulars	As at December 31, 2023	2022
Current		
Trade receivable considered good – Unsecured	8,163,508	600,588
Less: Allowance for expected credit loss	4,306	5,058
Total trade receivables(1)	8,159,202	595,530
(1) Includes dues from related party (Refer to Note 2.11)	7,732,862	38,575

Year ended December 31, 2023

(In ZAR)

Particulars	Outstanding for following periods from due date of payment: Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables – considered good	–	8,163,508	–	–	–	–	8,163,508
Less: Allowance for credit loss	–	4,306	–	–	–	–	4,306
Total trade receivables(1)	–	8,159,202	–	–	–	–	8,159,202

2.7 Cash and cash equivalents

(In ZAR)

Particulars	As at December 31,	
	2023	2022
Cash at bank	21,913,854	16,915,969
	21,913,854	16,915,969

2.8 Other assets

(In ZAR)

Particulars	As at December 31,	
	2023	2022
Employee advance	7,755	4,177
Unbilled revenue	–	684,187
VAT receivable	123,849	24,177
Intercompany non-revenue	3,833,332	–
	3,964,936	712,540

2.9 Equity

Equity share capital

(In ZAR)

Particulars	As at December 31,	
	2023	2022
Authorized equity shares, ZAR 10 par value 76,000,000 (7600,000) equity shares	76,000,000	76,000,000
Issued, subscribed and paid-up equity shares, ZAR 10 par value 17,135,660 (17,135,66) equity shares (2022: 7,835,760 (783576) equity shares)	17,135,660	7,835,760

The details of shareholder holding more than 5% shares as at December 31, 2023 and December 31, 2022 are as follows:

Name of the shareholder	As at December 31,	
	2023	2022
Infosys Consulting Pte. Ltd	100%	100%

Reconciliation of number of shares

The reconciliation of the number of shares outstanding and the amount of share capital as at December 31, 2023 and December 31, 2022 is as follows:

(In ZAR)

Particulars	As at December 31, 2023	
	Number of shares	Amount
Number of shares at the beginning of the period	783,576	7,835,760
Add: Shares issued during the year	929,990	9,299,900
Number of shares at the end of the period	1,713,566	17,135,660

2.10 Trade payables

(In ZAR)

Particulars	As at December 31,	
	2023	2022
Trade payables(1)	6,565,756	8,413,764
Total trade payables	6,565,756	8,413,764
(1) Includes dues from related party (Refer to Note 2.11)	6,165,756	–

The trade payables ageing schedule for the year ended December 31, 2023 is as follows:

(In ZAR)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Others	–	6,565,756	–	–	–	6,565,756
Total trade payables	–	6,565,756	–	–	–	6,565,756

2.11 Other liabilities

(In ZAR)

Particulars	AS at December 31,	
	2023	2022
VAT and withholding taxes	1,568,884	293,441
Social security liabilities and others	56,169	708
Provident fund liabilities	–	652
Provision for performance bonus	1,735,459	233,593
Employee dues	10,049	–
Accrued expenses	843,464	199,149
Compensated absences	7,011,299	72,249
Intercompany non-revenue	109,085	–
	11,334,408	799,791

2.12 Related party transactions

Particulars	Country	Holding as at December 31,	
		2023	2022
Name of holding company			
Infosys Consulting Pte. Ltd. (Infosys Singapore)	Singapore	100%	100%
Name of Ultimate holding company			
Infosys Limited	India	100%	100%

List of related parties:

Name of subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)[1]	Mexico
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)[1]	Sweden
Infosys Technologies (Sweden) AB (Infosys Sweden)[1]	China
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)[1]	US
Infosys Nova Holdings LLC. (Infosys Nova)[1]	India
EdgeVerve Systems Limited (EdgeVerve)[1]	Austria
Infosys Austria GmbH[1]	India
Skava Systems Private Limited (Skava Systems)[1][22]	Chile
Infosys Chile SpA[1]	Saudi Arabia
Infosys Arabia Limited[2][22]	Brazil
Infosys Consulting Ltda.[1]	Luxembourg
Infosys Luxembourg S.a.r.l[1]	US
Infosys Americas Inc. (Infosys Americas)[1][39]	US
Infosys Public Services, Inc. USA (Infosys Public Services)[1]	India
Infosys BPM Limited[1][27]	Czech Republic
Infosys (Czech Republic) Limited s.r.o.[3]	Poland
Infosys Poland Sp z.o.o[3]	US

Name of subsidiaries	Country
Infosys McCamish Systems LLC[3]	Australia
Portland Group Pty Ltd[3]	US
Infosys BPO Americas LLC.[3]	Switzerland
Infosys Consulting Holding AG [1]	Australia
Infosys Management Consulting Pty Limited[4]	Switzerland
Infosys Consulting AG[4]	Germany
Infosys Consulting GmbH[4]	Romania
Infosys Consulting S.R.L.[1]	France
Infosys Consulting SAS[4]	UK
Infy Consulting Company Ltd[4]	The Netherlands
Infy Consulting B.V.[4]	Argentina
Infosys Consulting S.R.L.[29]	Belgium
Infosys Consulting (Belgium) NV[4]	US
Panaya Inc. (Panaya)[1]	Israel
Panaya Ltd.[5]	Germany
Infosys Financial Services GmbH. (formerly Panaya GmbH) [38]	UK
Brilliant Basics Holdings Limited (Brilliant Basics)[1][22]	UK
Brilliant Basics Limited [6][22]	Singapore
Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)[1]	Dubai
Infosys Middle East FZ LLC [7]	Finland
Fluido Oy [7]	Sweden
Fluido Sweden AB [9]	Norway
Fluido Norway A/S[9]	Denmark
Fluido Denmark A/S[9]	Slovakia
Fluido Slovakia s.r.o[9]	Singapore
Infosys Compaz Pte. Ltd [8]	South Africa
WongDoody Inc. [1]	Japan
HIPUS Co., Ltd[8]	The Netherlands
Stater N.V.[8]	The Netherlands
Stater Nederland B.V.[10]	The Netherlands
Stater XXL B.V.[10]	The Netherlands
HypoCasso B.V.[10]	The Netherlands
Stater Participations B.V.[44]	Belgium
Stater Belgium N.V./S.A.[10][44]	Germany
Stater Gmbh[10]	US
Outbox systems Inc. dba Simplus (US)[12]	Australia
Simplus ANZ Pty Ltd.[13]	Australia
Simplus Australia Pty Ltd[14]	Philippines
Simplus Philippines, Inc.[13]	UK
Infosys Fluido UK, Ltd.[9]	Ireland
Infosys Fluido Ireland, Ltd.[16]	Bulgaria
Infosys Limited Bulgaria EOOD[1]	US
Kaleidoscope Animations, Inc.[12]	US
Kaleidoscope Prototyping LLC[18][43]	Czech Republic
GuideVision s.r.o.[11]	Germany
GuideVision Deutschland GmbH[17]	Finland
GuideVision Suomi Oy[17]	Hungary

Name of subsidiaries	Country
GuideVision Magyarország Kft[17]	Poland
GuideVision Polska Sp. z.o.o[17]	UK
GuideVision UK Ltd[17][22]	US
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[12]	US
Beringer Capital Digital Group Inc[12][25]	US
Mediotype LLC[19][25]	US
Beringer Commerce Holdings LLC[19][25]	US
SureSource LLC[20][23]	US
Blue Acorn LLC[20][23]	US
Simply Commerce LLC[20][23]	US
iCiDIGITAL LLC[21][24]	UK
Infosys BPM UK Limited[3]	Turkey
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[1]	Germany
Infosys Germany Holding Gmbh[1]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1]	India
Infosys Green Forum[1]	Malaysia
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[7]	Qatar
Infosys Business Solutions LLC[1][26]	Germany
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[28]	Germany
WongDoody Gmbh (formerly known as oddity GmbH) [30]	China
oddity (Shanghai) Co., Ltd. [31]	Taiwan
oddity Limited (Taipei) [31]	Germany
oddity space GmbH [30][42]	Germany
oddity jungle GmbH [30][42]	Germany
oddity code GmbH [30][42]	Serbia
WongDoody d.o.o (formerly known as oddity code d.o.o) [31][42]	Germany
oddity waves GmbH [30][42]	Germany
oddity group services GmbH [30][42]	Canada
Infosys Public Services Canada Inc. [15][32]	Switzerland
BASE life science AG [34]	Germany
BASE life science GmbH [34]	Denmark
BASE life science A/S [33]	France
BASE life science S.A.S [34]	UK
BASE life science Ltd. [34]	Italy
BASE life science S.r.l. [34]	US
Innovisor Inc.[34]	US
BASE life science Inc.[34]	Spain
BASE life science S.L.[34][35]	Germany
Panaya Germany GmbH [5][36]	Norway
Infosys Norway [7][37]	Canada
Infosys BPM Canada Inc [3][40]	India

[1] Danske IT and Support Services India Private Limited (Danske IT) [41]

[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.

[8] Majority-owned and controlled subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

[9] Wholly-owned subsidiary of Fluido Oy

[10] Wholly-owned subsidiary of Stater N.V

[11] Wholly-owned subsidiary of Infy Consulting Company Limited

[12] Wholly-owned subsidiary of Infosys Nova Holdings LLC

[13] Wholly-owned subsidiary of Outbox systems Inc. dba Simplus (US)

[14] Wholly-owned subsidiary of Simplus ANZ Pty Ltd

[15] Wholly-owned subsidiary of Infosys Public Services, Inc.

[16] Wholly-owned subsidiary of Infosys Fluido UK, Ltd.

[17] Wholly-owned subsidiary of GuideVision s.r.o.

[18] Wholly-owned subsidiary of Kaleidoscope Animations, Inc.

[19] Wholly-owned subsidiary of Blue Acorn iCi Inc

[20] Wholly-owned subsidiary of Beringer Commerce Holdings LLC

[21] Wholly-owned subsidiary of Beringer Capital Digital Group Inc.

[22] Under liquidation

[23] Merged with Beringer Commerce Holdings LLC, effective January 1, 2022

[24] Merged with Beringer Capital Digital Group Inc, effective January 1, 2022

[25] Merged with Blue Acorn iCi Inc, effective January 1, 2022

[26] Incorporated on February 20, 2022

[27] On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

[28] On March 22, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.), a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")).

[29] Infosys Consulting S.R.L. (Argentina) (formerly a wholly-owned subsidiary of Infosys Consulting Holding AG) became the majority-owned and controlled subsidiary of Infosys Limited with effect from April 1, 2022

[30] On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.)) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and WongDoody Gmbh (formerly known as oddity GmbH)

[31] Wholly-owned subsidiary of WongDoody Gmbh (formerly known as oddity GmbH)

[32] Incorporated on July 8, 2022

[33] On September 1, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.) (a wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

[34] Wholly-owned subsidiary of BASE life science A/S

[35] Incorporated on September 6, 2022

[36] Incorporated effective December 15, 2022

[37] Incorporated effective February 7, 2023.

[38] Infosys Financial Services GmbH. (formerly Panaya GmbH) became a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.) with effect from February 23, 2023.

[39] Liquidated effective July 14, 2023

[40] Incorporated on August 11, 2023

[41] On September 1, 2023 Infosys Ltd. acquired 100% of voting interests in Danske IT and Support Services India Private Limited (Danske IT).

[42] On September 29, 2023, oddity space GmbH, oddity waves GmbH, oddity jungle GmbH, oddity group services GmbH and oddity code GmbH merged into WongDoody GmbH and oddity code d.o.o which was formerly a subsidiary of oddity code Gmbh has become a subsidiary of WongDoody Gmbh (formerly known as oddity GmbH).

[43] Liquidated effective November 1, 2023

[44] On November 24, 2023 Stater Participations B.V (a wholly-owned subsidiary of Stater N.V.) merged with Stater N.V. and Stater Belgium N.V./S.A which was formerly a wholly-owned subsidiary of Stater Participations B.V. became a wholly-owned subsidiary of Stater N.V.

The details of amounts due to or due from related parties as at December 31, 2023 and December 31, 2022 are as follows:

(In ZAR)

Particulars	As at December 31, 2023	As at December 31, 2022
Trade receivable		
Infosys Limited	7,303,009	38,575
EdgeVerve Systems Ltd	429,854	–
	7,732,862	38,575
Other receivables		
Infosys Limited	3,833,332	38,575
	3,833,332	38,575

Particulars	As at December 31,	
	2023	2022
Trade payable		
Infosys Limited	6,165,756	8,380,265
	6,165,756	8,380,265
Other payables		
Infosys Limited	109,085	8,380,265
	109,085	8,380,265

The details of the related parties transactions entered into by the Company for the years ended December 31, 2023 and December 31, 2022 are as follows:

(In ZAR)

Particulars	As at December 31,	
	2023	2022
Purchase of services		
Infosys Limited	5,217,820	8,289,368
	5,217,820	8,289,368
Sale of services		
Infosys Limited	38,916,269	8,289,368
EdgeVerve Systems Ltd	429,854	–
	39,346,122	8,289,368

2.13 Financial Instruments

2.13.1 Financial instruments

2.13.1.1 Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

2.13.1.2 Subsequent measurement

a.Non-derivative financial instruments

(i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

2.13.2 Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Financial instruments by category

The carrying value and fair value of financial instruments by categories are as follows:

(In ZAR)

Particulars	As at December 31,	
	2023	2022
Assets:		
Trade receivables (Refer to Note 2.6)	8,159,202	595,530
Cash and cash equivalents (Refer to Note 2.7)	21,913,854	16,915,969
Total	30,073,055	17,511,499
Liabilities:		
Trade payables (Refer to Note 2.10)	6,565,756	8,413,764
Total	6,565,756	8,413,764

All the above financial instruments are carried at amortized cost and the carrying values approximates their fair value.

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 refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ZAR 595,530 as at December 31, 2022. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of the customers to which the Company grants credit terms in the normal course of business. The Company uses the expected credit loss model to assess any required allowances; and uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. This matrix takes into account credit reports and other related credit information to the extent available.

Credit risk on cash and cash equivalents is limited as we generally invest in banks with high credit ratings assigned by credit rating agencies.

Liquidity risk

Liquidity risk is 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 ZAR and USD.

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 years.

2.14 Details of director remuneration

(In ZAR)

Name of Director	Year ended December 31, 2023
Arunabha Das	50,963
Thulani Tshabalala	270,000
Tumi Wessie	54,720
	375,683

Idunn Information Technology Private Limited

(formerly Danske IT and Support Services India Private Limited, renamed from April 01, 2024)

Independent Auditor's Report

To The Members of Idunn Information Technology Private Limited (Formerly known as Danske IT and Support Services India Private Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Idunn Information Technology Private Limited (Formerly known as Danske IT and Support Services India Private Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

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, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, its cash flows and the changes in equity 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 Responsibility 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.

Emphasis of Matter

We draw attention to Note 2.2 of the financial statements regarding transfer of business of the Company. As explained, the financial statements of the Company have not been prepared on a going concern basis in view of transfer of entire business of the Company on a slump sale basis with effect from September 1, 2023. Our opinion is not modified in respect of this matter.

Our opinion is not modified in respect of this matter.

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, but does not include financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under Section 133 of the Act. 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 and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Refer Note 2.2 of the financial statements.

The Company's 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 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern. Refer Note 2.2 of the financial statements and the Emphasis of Matter paragraph above.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the financial statements of which we are the independent auditors.

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 financial controls 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 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, except for not keeping backup on a daily basis of such books of account maintained in electronic mode in a server physically located in India (Refer Note 32 to the financial statements).

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity 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) The going concern matter described in the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

    f) On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

h) 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.

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 22 to the financial statements.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 31 to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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, other than as disclosed in the Note 31 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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 performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

   v. The interim dividend declared and paid by the Company during the year and until the date of this report is in accordance with Section 123 of the Companies Act 2013.

   vi. Based on our examination, the Company has used accounting software(s) for maintaining its books of account for the financial year ended March 31, 2024 wherein the accounting software(s) did not have the audit trail feature enabled throughout the year (refer note 33 of the financial statements).

   vii. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

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
Chartered Accountants

Firm's Registration No.:008072S

Sandeep Kukreja
Partner

Membership No. 220411

UDIN: 24220411BKERLH3249

Place: Bengaluru

Date: May 29, 2024

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1 (g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Idunn Information Technology Private Limited (Formerly known as Danske IT and Support Services India Private Limited) ("the Company") as at March 31, 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the respective 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 with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the 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 with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the respective 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
Chartered Accountants

Firm's Registration No.:008072S

Sandeep Kukreja
Partner

Membership No. 220411

UDIN: 24220411BKERLH3249

Place: Bengaluru

Date: May 29, 2024

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 of even date)

In terms of the information and explanation sought by us and given by the Company and books of accounts and records examined by us in the normal course of audit and to the best of our knowledge and belief, we believe that:

(i) (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 has maintained proper records showing full particulars of Intangible assets.

(b) The Property, Plant and Equipment were physically verified during the year by the Management which, in our opinion, provides for physical verification at reasonable intervals. ¬

(c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the Order is not applicable.

(d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as of March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The Company does not have any inventory and hence, reporting under clause (ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.

(iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.

(iv) The Company has not granted any loans, made investments or provided guarantees or securities and hence reporting under clause (iv) of the Order is not applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) Having regard to the nature of the Company's business/ activities, reporting under clause (vi) of the Order is not applicable.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, 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, 2024 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

Name of Statute	Nature of the Dues	Amount (Rs. in Millions)	Period to which the Amount Relates	Forum where dispute is pending	Remarks, if any
Service Tax Act, 1994	Service Tax	5.36	FY 2013-14	Joint Commissioner (Central Tax)	The Company had paid a deposit of Rs. 0.12 Million.
Service Tax Act, 1994	Service Tax	2.79	FY 2014-15	Joint Commissioner (Central Tax)	

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(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 wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) The Company has not taken raised any short-term funds and hence reporting under clause (ix)(d) of the order is not applicable to the Company.

(e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.

(f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards. The Company is a private company and hence the provisions of Section 177 of the Companies Act, 2013 are not applicable to the Company.

(xiv) (a) In our opinion the company has an adequate internal audit system commensurate with the size and nature of its business.

(b) We have considered the draft of the internal audit reports issued after the balance sheet date covering the period April 1, 2023 to March 31, 2024 for the period under audit.

(xv) In our opinion during the year the Company has not entered 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) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(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 (Refer Note 2.2 to the financial statements).

(xx) 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 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
Chartered Accountants

Firm's Registration No.:008072S

Sandeep Kukreja

Partner

Membership No. 220411

UDIN: 24220411BKERLH3249

Place: Bengaluru

Date: May 29, 2024

Balance Sheet

(In ₹ Millions)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Assets				
Non-current assets				
(a) Property, Plant and equipment	3	–	–	524
(b) Right-of-use assets	4	–	–	542
(c) Other intangible assets	3	–	–	1
(d) Financial assets				
(i) Others	5	–	–	53
(e) Deferred tax assets (net)	14	–	–	451
(f) Income tax assets (net)	14	72	40	71
(g) Other non-current assets	6	41	42	29
Total non-current assets		113	82	1,671
Current assets				
(a) Property, Plant and equipment	3	–	412	–
(b) Right-of-use assets	4	–	409	–
(c) Other intangible assets	3	–	0	–
(d) Financial assets				
(i) Trade receivables	7	160	713	931
(ii) Cash and cash equivalents	8	543	2,074	747
(iii) Others	5	39	506	35
(e) Other current assets	6	0	97	95
Total current assets		742	4,211	1,808
Total assets		855	4,293	3,479
Equity and liabilities				
Equity				
(a) Equity share capital	9	3	3	3
(b) Other equity		792	2,654	1,859
Total equity		795	2,657	1,862
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Lease liability	4	–	–	434
(b) Provisions	11	–	–	388
Total non-current liabilities		–	–	822
Current liabilities				
(a) Financial liabilities				
(i) Lease liability	4	–	471	161
(ii) Trade payables				
Total outstanding dues of micro and small enterprises	13	–	–	–
Total outstanding dues of creditors other than micro and small enterprises	13	21	285	273
(iii) Other financial liabilities	12	37	1	29

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
(b) Other current liabilities	10	2	222	182
(c) Provisions	11	–	595	150
(d) Income tax liabilities (net)	14	–	62	–
Total current liabilities		60	1,636	795
Total equity and liabilities		855	4,293	3,479

See accompanying notes forming part of the financial statements

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

Firm Registration No:008072S

Sandeep Kukreja
Partner

Membership No.220411

For and on behalf of the Board of Directors of
Idunn Information Technology Private Limited

A.G.S Manikantha
Director

DIN: 07196699

Bindya Somaraj
Director

DIN: 10568385

Place : Bengaluru

Date : May 29, 2024

Statement of Profit and Loss

(In ₹ Millions)

Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
Income:			
Revenue from operations	15	3,667	7,222
Other income	4,16	97	158
Total Income		3,764	7,380
Expenses:			
Employee benefits expense	17	1,993	3,702
Finance costs	18	13	37
Depreciation and amortization expense	3 , 4	131	320
Other expenses	19	1,000	1,753
Total Expenses		3,137	5,812
Profit before tax		627	1,568
Tax Expense:			
Current tax	14	88	283
Deferred tax	14	–	465
Profit for the year		539	820
Other Comprehensive income/ (loss)			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement gains on defined benefit plans		–	(39)
Income tax effect on above		–	14
Total other comprehensive income, net of tax		–	(25)
Total comprehensive income for the year		539	795
Earnings per share (of Rs. 10/- each):	29		
Basic		1,644	2,502
Diluted		1,644	2,502

See accompanying notes forming part of the financial statements

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

Firm Registration No:008072S

Sandeep Kukreja
Partner

Membership No.220411

For and on behalf of the Board of Directors of
Idunn Information Technology Private Limited

A.G.S Manikantha
Director

DIN: 07196699

Bindya Somaraj
Director

DIN: 10568385

Place : Bengaluru

Date : May 29, 2024

Statement of Changes in Equity

(In ₹ Millions)

Particulars	Equity Share Capital	Reserve & Surplus		Other Comprehensive Income	Total equity attributable to equity holders of the Company
		Securities Premium	Retained Earnings		
Balance as on April 1, 2022	3	17	1,664	178	1,862
Profit for the year	–	–	820	–	820
Remeasurement of the net defined benefit liability/asset, net	–	–	–	(25)	(25)
Balance as on March 31, 2023	3	17	2,484	153	2,657
Profit for the year	–	–	539	–	539
Dividends paid	–	–	(2,401)	–	(2,401)
Balance as on March 31, 2024	3	17	622	153	795

See accompanying notes forming part of the financial statements

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

Firm Registration No:008072S

For and on behalf of the Board of Directors of
Idunn Information Technology Private Limited

Sandeep Kukreja
Partner

Membership No.220411

A.G.S Manikantha
Director

DIN: 07196699

Bindya Somaraj
Director

DIN: 10568385

Place : Bengaluru

Date : May 29, 2024

Statement of Cash Flows

(In ₹ Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Cash flow from operating activities		
Net profit before taxation	627	1,568
Adjustments for:		
Depreciation and amortization expense	131	320
Finance costs	13	37
Interest income	(60)	(70)
Profit on sale of assets	–	(6)
Operating profit before working capital changes	711	1,849
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	554	218
Other financial assets	413	(418)
Other current assets	53	(1)
Other non-current assets	(1)	(13)
	1,019	(214)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(235)	12
Other financial liabilities	462	(4)
Other current liabilities	47	40
Provisions	(595)	19
	(321)	67
Cash generated from / (used in) Operations	1,409	1,702
Net income tax paid	(182)	(191)
Net cash flow from / (used in) operating activities (A)	1,227	1,511
B. Cash flow from investing activities		
Capital expenditure on property plant & equipment, including capital advances	(1)	(99)
Proceeds from sale of assets	–	6
Payment towards business transfer	(350)	–
Interest received	58	70
Net cash flow from / (used in) in investing activities (B)	(293)	(23)
C. Cash flow from financing activities		
Payment of lease liabilities	(64)	(161)
Interim dividend paid	(2,401)	–
Net cash flow from / (used in) financing activities (C)	(2,465)	(161)
Net increase / (reduction) in Cash and cash equivalents (A+B+C)	(1,531)	1,327
Cash and cash equivalents at the beginning of the year	2,074	747
Cash and cash equivalents at the end of the year	543	2,074

See accompanying notes forming part of the financial statements

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

Firm Registration No:008072S

Sandeep Kukreja
Partner

Membership No.220411

Place : Bengaluru

Date : May 29, 2024

For and on behalf of the Board of Directors of
Idunn Information Technology Private Limited

A.G.S Manikantha
Director

DIN: 07196699

Bindya Somaraj
Director

DIN: 10568385

Notes forming part of the financial statements

1. General Information

Danske IT and Support Services India Private Limited ('Danske IT' or 'the Company') is a majority owned subsidiary of Infosys Limited and was incorporated on March 28, 2012 as a private limited company with its registered office at Bengaluru as an Information Technology Software Development, Consultancy organization and Information Technology Enabled Services. The Company operates as an approved Special Economic Zone Unit. During the year 2016, the Company had established a branch at Copenhagen, Denmark (operational till August 24, 2023) in connection with the IT support services provided by the Company. Further, during the year 2020, the Company operates as an approved Software Tech Parks of India Unit. Effective April 1, 2024, the name of the Company has been changed to Idunn Information Technology Private Limited.

2. Summary of material accounting policies

2.1 Basis of preparation of financial statements

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable.

These financial statements are the Company's first Ind AS financial statements. The Company has adopted all the Ind AS standards and adoption was carried out in accordance with Ind AS 101 - First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition have been summarized in Note 2.25.

2.2 Transfer of business of the Company

The Company was fully operational from April 1, 2023, to August 31, 2023. The Board of directors of the Company at their meeting held on June 22, 2023, approved the Share Purchase agreement (SPA) between Danske Bank, the Company and Infosys Limited and the subsequent Business Transfer agreement (BTA) with Infosys Limited ("Infosys"). Pursuant to the BTA signed with Infosys Limited dated June 26, 2023, the Company transferred the entire business of the Company along with assets and liabilities as defined in the BTA on a slump sale basis with effect from September 01, 2023. As part of activities post signing the BTA, the SEZ license was also transferred from the Company to Infosys Limited. Further, the employees those who accepted the employment contract have moved to Infosys Limited.

Basis the above, the Company would cease to continue its operations and there would be no continuing business or operations in the Company post the effective date of the BTA beyond 12 months from the year end. Accordingly, the financial statements as at and for the year ended March 31, 2024 have been prepared on a liquidation basis and all assets have been stated/carried at realizable values and all liabilities have been considered/stated at their estimated pay-outs.

2.3 Presentation currency

The Company's presentation currency is Indian Rupees (₹)

2.4 Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.5 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.

2.6 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.7 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.8 Revenue recognition

Revenue from IT Software Development and Consultancy Services and Information Technology Enabled Services is recognized on rendering of services based on the agreed mark-up on cost incurred in accordance with the terms of an agreement entered into between the company with its customers.

Revenue recognized on cost plus basis, is recorded considering the net eligible costs incurred/identified towards such revenue contracts, the final acceptance / determination of which is based on the confirmation by the customer. The difference, if any, between the revenue recorded and the amount of revenue finally determined based on confirmation from the customer is adjusted to revenue in the period of such final determination.

Unbilled revenue represents accrual of income relating to services provided but not billed as at the end of the period.

2.9 Other income

Interest income is accounted on accrual basis and Dividend income is recognized in the statement of profit and loss on the date that the Company's right to receive payment is established.

2.10 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.

Property, plant and equipment acquired and put to use for project purpose are capitalized and depreciation thereon is included in the project cost till the project is ready for its intended use.

Property, plant and equipment retired from active use and held for sale are stated at the lower of their net book value and net realizable value and are disclosed separately.

Capital work-in-progress

Projects under which property, plant and equipment are not yet ready for their intended use are carried at cost, comprising direct cost and related incidental expenses.

Capital advances

Advances paid towards acquisition of property plant and equipment are included under long-term loans and advances.

Intangible assets

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any duties and taxes.

2.11 Depreciation and amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Intangible assets are amortized over their estimated useful life on straight line method. The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

Asset blockUseful life	(years)
Computers	6
Computer software	3
Office equipment	5
Leasehold improvements	5 years or lease term whichever is lower
Furnitures and fixtures	10

2.12 Foreign currency translation

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the balance sheet date

Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Treatment of exchange differences

Company: Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognized as income or expense in the Statement of Profit and Loss.

Integral foreign operations: Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company's integral foreign operations are recognized as income or expense in the Statement of Profit and Loss.

2.13 Employee Benefits

Defined contribution plans

a) Provident fund

Contributions towards Employees' Provident Fund are made to the Employees' Provident Fund Scheme maintained by the Central Government and the Company's contribution to the fund are recognized as an expense in the year in which the services are rendered by the employees.

b) Superannuation

The Company contributes a specified percentage of eligible employees' salary to a Superannuation Fund administered by trustees and managed by the Insurer. The Company has no liability for future Superannuation Fund benefits other than its annual contribution and recognizes such contributions as an expense in the year in which the services are rendered by the employees.

c) Service bonus

The Company contributes a specified percentage of eligible employees' salary to Service bonus. The Company has liability for future Service bonus benefits and recognizes such contributions as an expense in the year in which the services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in other comprehensive income and not reclassified to profit or loss in subsequent periods. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the balance sheet date.

2.14 Borrowing costs

Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalization of such asset are added to the cost of the assets. Capitalization of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.15 Segment reporting

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.

2.16 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.17 Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

2.18 Provisions and contingencies

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognized in the financial statements.

2.19 GST input credit

GST input credit is accounted for in the books in the period in which the underlying goods and service received is accounted and when there is reasonable certainty in availing / utilizing the credits.

2.20 Taxes on income

Income tax expense is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.21 Leases

The Company's lease assets primarily consist of leases of buildings. For new leases entered into, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying 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 obtains 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 lease commencement date, the Company recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

At lease commencement date, the Company measures the lease liability at the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Company depreciates the right-of-use assets on a straight-line basis from the lease 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. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The Company also assesses the right-of-use asset for impairment when such indicators exist.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

2.22 Financial Instruments

Financial assets

Initial recognition and measurement

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the business model for managing them. The

Company initially measures a financial assets at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement

A financial asset is measured at amortized cost only if both of the following conditions are met:

(i) It is held within a business model whose objective is to hold assets in order to collect contractual cash flows.

(ii) The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest ('SPPI').

After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR method ('Effective Interest Rate'). Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

(i) The rights to receive cash flows from the asset have expired, or

(ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

- The Company has transferred substantially all the risks and rewards of the asset, or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of the consideration received is recognized in the statement of profit and loss.

2.23 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements 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 an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognized at the proceeds received, net of direct issue costs.

Financial liabilities

Initial recognition and measurement

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, financial liabilities are measured at fair value and subsequently measured at amortized cost.

Interest bearing debt is initially measured at fair value and are subsequently measured at amortized cost using the EIR method.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss. Any difference between the proceeds and the settlement or redemption of borrowings is recognized over the term of the borrowings in the statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

2.24 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: inputs are quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable."

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.25 Reconciliations

The following reconciliations provide the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101 :

1. Equity as at April 1, 2022 and March 31, 2023
2. Net profit for the year ended March 31, 2023

(In ₹ Millions)

Balance sheet	Note No.	As at April 1, 2022			As at March 31, 2023		
		IGAAP	Effects of transition to Ind AS	Ind AS	IGAAP	Effects of transition to Ind AS	Ind AS
Assets							
Non-current assets							
(a) Property, Plant and equipment		524	–	524	–	–	–
(b) Right-of-use assets	B	–	542	542	–	–	–
(c) Other intangible assets		1	–	1	–	–	–
(d) Financial assets							
(i) Others		69	(16)	53	–	–	–
(e) Deferred tax assets (net)	A	156	295	451	–	–	–
(f) Income tax assets (net)		71	–	71	40	–	40
(g) Other non-current assets		323	(294)	29	42	–	42
Total non-current assets		1,144	527	1,671	82	–	82
Current assets							
(a) Property, Plant and equipment		–	–	–	412	–	412
(b) Right-of-use assets		–	–	–	–	409	409
(c) Other intangible assets		–	–	–	–	–	–
(d) Financial assets							
(i) Trade receivables		931	–	931	713	–	713
(ii) Cash and cash equivalents		747	–	747	2,074	–	2,074
(iii) Others		35	–	35	519	(13)	506
(e) Other current assets		95	–	95	97	–	97
Total current assets		1,808	–	1,808	3,815	396	4,211
Total assets		2,952	527	3,479	3,897	396	4,293
Equity and liabilities							
Equity							
(a) Equity share capital		3	–	3	3	–	3
(b) Other equity		1,905	(46)	1,859	2,703	(51)	2,654
Total equity		1,908	(46)	1,862	2,706	(51)	2,657

Balance sheet	Note No.	As at April 1, 2022			As at March 31, 2023		
		IGAAP	Effects of transition to Ind AS	Ind AS	IGAAP	Effects of transition to Ind AS	Ind AS
Liabilities							
Non-current liabilities							
(a) Financial liabilities							
(i) Lease liability	B	–	434	434	–	–	–
(b) Other non current liabilities	C	19	(19)	–	–	–	–
(c) Provisions		388	–	388	–	–	–
Total non-current liabilities		407	415	822	–	–	–
Current liabilities							
(a) Financial liabilities							
(i) Lease liability	B	–	161	161	–	471	471
(ii) Trade payables		–	–	–			
Total outstanding dues of micro enterprises and small enterprises		–	–	–	–	–	–
Total outstanding dues of creditors other than micro enterprises and small enterprises		273	–	273	285	–	285
(iii) Other financial liabilities		29	–	29	1	–	1
(b) Other current liabilities	C	183	(1)	182	247	(25)	222
(c) Provisions		151	(1)	150	595	–	595
(d) Income tax liabilities (net)		–	–	–	62	–	62
Total current liabilities		636	159	795	1,191	446	1,636
Total equity and liabilities		2,952	527	3,479	3,897	396	4,293

Note: A Its due to deferred tax impact of Lease Liability.

Note: B On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹542 Mn. and a lease liability of ₹ 595 Mn. The cumulative effect of applying the standard, amounting to ₹ 53 Mn. 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. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

Note: C Deferred Rent Liability is adjusted with Lease Liability (Refer Note -4)

2.25 Reconciliations

(In ₹ Millions)

Particulars	Note No.	For the year ended March 31, 2023		
		IGAAP	Effects of transition to Ind AS	Ind AS
Income:				
Revenue from operations		7,222	–	7,222
Other income		155	3	158
Total Income		7,377	3	7,380
Expenses:				
Employee benefits expense	A	3,740	(39)	3,702
Finance costs	B	–	37	37
Depreciation and amortization expense	C	186	133	320
Other expenses	D	1,920	(167)	1,753
Total Expenses		5,846	(36)	5,812
Profit before tax		1,531	39	1,568
Tax Expense:				

Particulars	Note No.	For the year ended March 31, 2023		
		IGAAP	Effects of transition to Ind AS	Ind AS
Current tax		283	–	283
Deferred tax		450	15	465
Profit for the year		797	24	820
Other Comprehensive income/ (loss)				
Items that will not be reclassified subsequently to profit or loss	A	–	(25)	(25)
Other comprehensive expense for the year		–	(25)	(25)
Total comprehensive income for the year		797	(1)	795

Note: A- Actuarial Gain/Loss of Gratuity is adjusted and the amount transferred to OCI as per IndAS 19.

Note: B- Finance Cost of Lease Liability is adjusted

Note: C- Depreciation of Right to use Assets is adjusted

Note: D- Rental Expense of Leases property is treated as per IndAS 116.

2.25 Reconciliations

Total equity as on March 31, 2023 and April 1, 2022

(In ₹ Millions)

Particulars	Explanatory Note	As at April 1, 2022	As at March 31, 2023
Total equity as per previous GAAP		1,905	2,703
Adjustments due to adoption of Ind AS			
Right of Use Assets	B	542	409
Other Financial Assets- Security Deposit	B	(14)	(11)
Impact of Deferred Tax	A	1	–
Lease Liability	B	(595)	(471)
Other Non Current Liability - Deferred Rent Liability	C	19	–
Other Current Liability - Deferred Rent Liability	C	4	27
Total equity as per Ind AS		1,862	2,657

Note: A Its due to deferred tax impact of Lease Liability.

Note: B On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of Rs. 542 Million and a lease liability of Rs. 595 Million. The cumulative effect of applying the standard, amounting to Rs. 53 Million 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. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

Note: C Deferred Rent Liability is adjusted with Lease Liability (Refer Note -4)

2.25 Exemptions availed on first-time adoption of Ind AS 101

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.

A. Leased assets

Effective April 1, 2022, the Company adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on April 1, 2022 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 March 31, 2022 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2023.

On transition, the adoption of the new standard resulted in recognition of ROU asset of Rs. 515 million and a lease liability of Rs. 584 million. The cumulative effect of applying the standard, amounting to Rs. 69 million 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. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied 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 ROU 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 ROU 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.

B. Property, Plant and Equipment and Intangibles

The carrying amount of property, plant and equipment and intangibles under Indian GAAP as at the date of transition is considered as deemed cost as per Ind AS 101.

3.1 Property, plant and equipment

(In ₹ Millions)

Particulars	Leasehold improvements	Office Equipment	Furniture and Fixtures	Computers	Total
Gross Block					
Balance as at April 1, 2022 (iv)	249	67	88	120	524
Addition	–	6	–	68	74
Deductions	–	5	–	45	50
Balance as at March 31, 2023	249	68	88	143	548
Addition	–	1	–	–	1
Transfer (Refer Note 2.2)	249	69	88	143	549
Balance as at March 31, 2024	–	–	–	–	–
Accumulated Depreciation					
Balance as at April 1, 2022	–	–	–	–	–
Charge for the year	86	22	10	68	186
Deductions	–	5	–	45	50
Balance as at March 31, 2023	86	17	10	23	136
Charge for the year	36	8	4	27	75
Transfer (Refer Note 2.2)	122	25	14	50	211
Balance as at March 31, 2024	–	–	–	–	–
Net Block					
Balance as at April 1, 2022	249	67	88	120	524
Balance as at March 31, 2023	163	51	78	120	412
Balance as at March 31, 2024	–	–	–	–	–

(i) None of the above assets of the Company have been provided as security requiring any charges or satisfaction to be registered with the Registrar of Companies.

(ii) None of the above assets of the Company have been subject to any revaluation during the year.

(iii) There are no proceeding initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(iv) The carrying amount of property, plant and equipment under Indian GAAP as at the date of transition is considered as deemed cost as per Ind AS 101.

3.2 Intangible Assets

(In ₹ Millions)

Particulars	Computer Software	Total
Gross Block		
Balance as at April 1, 2022 *	1	1
Addition	–	–
Deductions	–	–
Balance as at March 31, 2023	1	1

Particulars	Computer Software	Total
Addition	–	–
Transfer (Refer Note 2.2)	1	1
Balance as at March 31, 2024	–	–
Accumulated Depreciation		
Balance as at April 1, 2022 *	–	–
Charge for the year	1	1
Deductions	–	–
Balance as at March 31, 2023	1	1
Charge for the year	–	–
Transfer (Refer Note 2.2)	1	1
Balance as at March 31, 2024	–	–
Net Block		
Balance as at April 1, 2022	1	1
Balance as at March 31, 2023	–	–
Balance as at March 31, 2024	–	–

* The carrying amount of intangible assets under Indian GAAP as at the date of transition is considered as deemed cost as per Ind AS 101.

4. Leases

(In ₹ Millions)

Particulars	Category of ROU asset	Total
	Buildings	
Balance as at April 1, 2023	409	409
Additions	–	–
Deletion	–	–
Depreciation	(56)	(56)
Transfer (Refer Note 2.2)	(353)	(353)
Balance as at March 31, 2024	–	–

(In ₹ Millions)

Particulars	Category of ROU asset	Total
	Buildings	
Balance as at April 1, 2022	542	542
Additions	–	–
Deletions	–	–
Depreciation	(133)	(133)
Balance as at March 31, 2023	409	409

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, 2024

(In ₹ Millions)

Particulars	As at March 31,	
	2024	2023
Current lease liabilities	–	471
Non-current lease liabilities	–	–
Total	–	471

The following is the movement in lease liabilities during the year ended March 31, 2024 and March 31, 2023:

(In ₹ Millions)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning	471	595
Additions	–	–
Finance cost accrued during the year	13	37
Deletions	–	–
Payment of lease liabilities	(64)	(161)
Transfer (Refer Note 2.2)	(420)	–
Balance at the end	–	471

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2024 on an undiscounted basis:

(In ₹ Millions)

Particulars	As at March 31,	
	2024	2023
Less than one year	–	471
One to five years	–	293
More than five years	–	99
Total	–	863

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The table below provides details regarding the security deposit for Lease agreement :

(In ₹ Millions)

Particulars	As at March 31,	
	2024	2023
Balance at the beginning	52	49
Interest Accrued during the year	1	3
Transfer (Refer Note 2.2)	(53)	–
Balance at the end	–	52

5. Other Financial Assets

(In ₹ Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Non - Current			
Security deposits	–	–	53
Total - Non-Current	–	–	53
Current			
Loans and advances to employees	–	6	8
Accruals - Interest accrued on deposits	–	16	4
Security deposits	–	56	12
Other advances	10	11	5
Unbilled revenue (Refer Note 27 & 7.1)	29	417	6
Total - Current	39	506	35

6. Other Assets

(In ₹ Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Non - Current			
GST credit receivable	41	42	28
Prepaid expenses	–	–	1
Total - Non-Current	41	42	29
Current			
Prepaid expenses	–	97	95
Total - Current	–	97	95

7. Trade receivables

(Unsecured, considered good)

(In ₹ Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Secured, considered good (Refer note 7.1 for ageing summary)	160	713	931
Unsecured, considered good	–	–	–
Unsecured, Credit Impaired	–	–	–
	160	713	931
Less: Allowances for doubtful debts	–	–	–
Total	160	713	931

(i) The average credit period provided by the Company to its related parties ranges from 30 to 45 days.

(ii) All the receivables mentioned above are due from related party (i.e. Parent Company. For 2023, it was Danske Bank A/S and for 2024, it is Infosys Limited) and based on past history there is no possibility of any Doubtful Debts as all amount due are received within the credit period allowed.

7.1 Trade receivable ageing summary

Trade receivables ageing as at March 31, 2024

(In ₹ Millions)

Particulars	Outstanding for the following period from due date of transaction					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered Good	160	–	–	–	–	160
(ii) Undisputed Trade Receivables - Considered Doubtful	–	–	–	–	–	–
(iii) Disputed Trade Receivables - Considered Good	–	–	–	–	–	–
(iv) Undisputed Trade Receivables - Considered Doubtful	–	–	–	–	–	–
Total	160	–	–	–	–	160

Trade receivables ageing as at March 31, 2023

(In ₹ Millions)

Particulars	Outstanding for the following period from due date of transaction					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered Good*	713	–	–	–	–	713
(ii) Undisputed Trade Receivables - Considered Doubtful	–	–	–	–	–	–
(iii) Disputed Trade Receivables - Considered Good	–	–	–	–	–	–
(iv) Undisputed Trade Receivables - Considered Doubtful	–	–	–	–	–	–
Total	713	–	–	–	–	713

* Above mentioned amount includes Unbilled Receivables Amounting to Rs. 417 Million which is disclosed in Other financial assets (Note No. 5).

Trade receivables ageing as at April 1, 2022

(In ₹ Millions)

Particulars	Outstanding for the following period from due date of transaction					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered Good	931	–	–	–	–	931
(ii) Undisputed Trade Receivables - Considered Doubtful	–	–	–	–	–	–
(iii) Disputed Trade Receivables - Considered Good	–	–	–	–	–	–
(iv) Undisputed Trade Receivables - Considered Doubtful	–	–	–	–	–	–
Total	931	–	–	–	–	931

* Above mentioned amount includes Unbilled Receivables Amounting to Rs. 6 Million which is disclosed in Other financial assets (Note No.5).

8. Cash and cash equivalents

(In ₹ Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Balances with banks			
In current accounts	93	607	45
In demand deposit accounts	450	1,467	702
Total	543	2,074	747

Details of non-cash transactions from investing activities and changes in liabilities arising from financing activities:

Year ended March 31, 2024

(In ₹ Millions)

Particulars	As at April 1, 2023	Cash flows (net)	Fair value adjustments	Non-cash changes Others	As at March 31, 2024
Investing activities					
Right-of-use assets	409	–	–	(409)	–
Financing activities					
Lease liabilities	471	(64)	–	(407)	–

Year ended March 31, 2023

Particulars	As at April 1, 2022	Cash flows (net)	Fair value adjustments	Non-cash changes Others	As at March 31, 2023
Investing activities					
Right-of-use assets	542	–	–	(133)	409
Financing activities					
Lease liabilities	595	(161)	–	37	471

9. Share capital

Particulars	As at March 31, 2024		As at March 31, 2023		As at April 1, 2022	
	Number of shares	(In ₹ Millions)	Number of shares	(In ₹ Millions)	Number of shares	(In ₹ Millions)
Authorized:						
Equity shares of Rs. 10/- each	2,000,000	20	2,000,000	20	2,000,000	20
Issued, subscribed and fully paid up:						
Equity shares of Rs. 10/- each	327,789	3	327,789	3	327,789	3
	327,789	3	327,789	3	327,789	3

Notes

a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2024		As at March 31, 2023		As at April 1, 2022	
	Number of shares	(In ₹ Millions)	Number of shares	(In ₹ Millions)	Number of shares	(In ₹ Millions)
Equity shares						
Shares outstanding at the beginning of the year	327,789	3	327,789	3	327,789	3
Add: Shares issued during the year	–	–	–	–	–	–
Shares outstanding at the end of the year	327,789	3	327,789	3	327,789	3

b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share. Dividends proposed by the Board of Directors, if any, is subject to the approval of the shareholders at the Annual General Meeting, except in the case of interim dividend.

In the event of liquidation of the Company, the repayment of capital will be in the proportion to the number of equity shares held by the shareholders.

c) Details of shares held by the holding company, and its subsidiaries:

Name of the shareholder	As at March 31, 2024		As at March 31, 2023		As at April 1, 2022	
	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding
Equity shares of Rs. 10 each with voting rights						
Danske Bank A/S	–	0.00%	327,788	99.99%	327,788	99.99%
Infosys Limited	327,788	99.99%	–	0.00%	–	0.00%
Manikantha AGS	1	0.01%	–	0.00%	–	0.00%
Realkredit Danmark A/S, a subsidiary of Danske Bank A/S	–	0.00%	1	0.01%	1	0.01%
	327,789	100.00%	327,789	100.00%	327,789	100.00%

d) Details of shares held by each shareholder holding more than 5% shares:

Name of the shareholder	As at March 31, 2024		As at March 31, 2023		As at April 1, 2022	
	Number of shares held	% total holding	Number of shares held	% total holding	Number of shares held	% total holding
Equity shares of Rs. 10 each with voting rights						
Danske Bank A/S	–	0.00%	327,788	99.99%	327,788	99.99%
Infosys Limited	327,788	99.99%	–	0.00%	–	0.00%

e) Details of shares held by promoter at the end of year March 31, 2024:

Promoter Name	As at March 31, 2024		As at March 31, 2023		Change
	Number of shares held	% total holding	Number of shares held	% total holding	% during the year
Infosys Limited	327,788	99.99%	–	0.00%	100% change
Danske Bank A/S	–	0.00%	327,788	99.99%	
Realkredit Danmark A/S, a subsidiary of Danske Bank A/S	–	0.00%	1	0.01%	
Total	327,788	99.99%	327,789	100%	

Details of shares held by promoter at the end of year March 31, 2023:

Promoter Name	As at March 31, 2023		As at April 1, 2022		Change
	Number of shares held	% total holding	Number of shares held	% total holding	% during the year
Danske Bank A/S	327,788	99.99%	327,788	99.99%	No Change
Realkredit Danmark A/S, a subsidiary of Danske Bank A/S	1	0.01%	1	0.01%	
Total	327,789	100%	327,789	100%	

Details of shares held by promoter at the end of year March 31, 2022:

Promoter Name	As at March 31, 2022		As at April 1, 2021		Change
	Number of shares held	% total holding	Number of shares held	% total holding	% during the year
Danske Bank A/S	327,788	99.99%	327,788	99.99%	No Change
Realkredit Danmark A/S, a subsidiary of Danske Bank A/S	1	0.01%	1	0.01%	
Total	327,789	100%	327,789	100%	

10. Other Liabilities

(In ₹ Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Current			
Statutory remittances	2	222	182
Total - Current	2	222	182

11. Provisions

(In ₹ Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Non - Current			
Provision for employee benefits			
Provision for gratuity (Refer Note 26)	–	–	180
Provision for compensated absences (Refer Note 26)	–	–	194
Provision for service bonus	–	–	14
Total - Non-Current	–	–	388
Current			
Provision for employee benefits			
Provision for gratuity (Refer Note 26)	–	291	22
Provision for compensated absences (Refer Note 26)	–	172	36
Provision for Performance based variable pay	–	107	92
Provision for service bonus	–	25	–
Total - Current	–	595	150

12. Other Financial Liability

(In ₹ Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Current			
Provision for employee benefits			
Salary payables	–	1	4
Payables on purchase of property, plant and equipment	–	–	25
Payable to Related Party (Refer Note 2.2)	37	–	–
Total - Current	37	1	29

13. Trade payables

(In ₹ Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Other than acceptances			
Total outstanding dues to micro and small enterprises	–	–	–
Total outstanding dues of creditors other than micro and small enterprises (Refer note 13.1 for ageing summary)	21	285	273
Total	21	285	273

The information as required to be disclosed pursuant under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) has been determined to the extent such parties have been identified on the basis of information available with the Company.

(In ₹ Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
The principal amount remaining unpaid to any supplier at the end of each accounting year;	–	–	–
The interest due thereon remaining unpaid to any supplier at the end of each accounting year;	–	–	–
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	–	–	3
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	–	–	–
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	–	–	–
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	–	–	–

Note: There are no dues to micro and small enterprises to whom the Company owes dues, which are outstanding for more than 45 days or due date whichever is earlier, as at the year end. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

13.1. Trade payables ageing

Trade payables ageing as at March 31, 2024

(In ₹ Millions)

Particulars	Outstanding for the following period from due date of payment					Total
	Unbilled & Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	–	–	–	–	–	–
(ii) Others*	5	16	–	–	–	21
(iii) Disputed dues - MSME	–	–	–	–	–	–
(iv) Disputed dues - Others	–	–	–	–	–	–
Total	5	16	–	–	–	21

* Above mentioned amount includes unbilled dues amounting to Rs.5 Million.

Trade payables ageing as at March 31, 2023

(In ₹ Millions)

Particulars	Outstanding for the following period from due date of payment					Total
	Unbilled & Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	–	–	–	–	–	–
(ii) Others*	281	4	–	–	–	285
(iii) Disputed dues - MSME	–	–	–	–	–	–
(iv) Disputed dues - Others	–	–	–	–	–	–
Total	281	4	–	–	–	285

* Above mentioned amount includes unbilled dues amounting to Rs.281 Million.

Trade payables ageing as at March 31, 2022

(In ₹ Millions)

Particulars	Outstanding for the following period from due date of payment					Total
	Unbilled & Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	–	–	–	–	–	–
(ii) Others*	269	4	–	–	–	273
(iii) Disputed dues - MSME	–	–	–	–	–	–
(iv) Disputed dues - Others	–	–	–	–	–	–
Total	269	4	–	–	–	273

* Above mentioned amount includes unbilled dues amounting to Rs.269 Million.

14. Income Taxes

Income tax expense in the statement of profit and loss comprises:

(In ₹ Millions)

Particulars	Year ended March 31	
	2024	2023
Current taxes	88	283
Deferred taxes	–	465
Income tax expense	88	748

Entire deferred income tax for the year ended March 31, 2023 relates to origination and reversal of temporary differences.

The Company filed an Advance Pricing Arrangement application in connection with the margin for the purposes of transfer pricing before the competent authority for a 5 year period beginning on April 01, 2018. The application was filed on March 22, 2018. During January 2022, virtual site visit and during May 2022 a physical Site visit was performed by Income Tax department. Subsequent to the year end 31st March 2023 the Company has received the final APA agreement from Income Tax department approving an operating margin at 17.25% (from earlier 14.50%). The final agreement is signed on January 09, 2024. Considering the above, the Company has recognized additional revenue of Rs.383 Million pertaining to financial years 2018-19 to 2021-22 due to change in mark-up and resultant additional tax liability of Rs.70 Million which has been recognized in the financial statements for the year ended March 31, 2023.

The Company's Advanced Pricing Arrangement (APA) with the Income Tax Authorities (India) for India income tax expired in March 2023. The Company's taxable income for the period April 2023 to August 2023 is based on the Company's best estimate determined based on the previous APA.

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 ₹ Millions)

Particulars	Year ended March 31	
	2024	2023
Profit before income taxes	627	1,568
Enacted tax rates in India	34.94%	34.94%
Computed expected tax expense	219	548
Tax effect due to non-taxable income for Indian tax purposes	(91)	(179)
MAT credit utilized	(77)	–
Effect of non-deductible expenses	3	2
Tax pertaining to prior years	–	–
Reversal of deferred tax	–	465
Others	34	(88)
Income tax expense	88	748

The applicable Indian statutory tax rate for fiscal 2024 and fiscal 2023 is 34.94%.

One of the business undertakings of the Company qualifies for deduction under Section 10AA of the Income Tax Act, 1961 being a registered SEZ (Special Economic Zone) Unit. The Company has exercised option to claim deduction under this section from the financial year 2015 - 2016 (i.e. Assessment year 2016 - 2017). In respect of the profits that are exempt from income tax, the Company recognizes deferred taxes in respect of those originating timing differences, which reverse after the tax holiday period resulting in tax consequences. Timing differences, which originate and reverse within the tax holiday period do not result in tax consequence and therefore no deferred taxes are recognized in respect of the same. For this purpose, the timing differences, which originate first, are considered to reverse first.

The following table provides the details of income tax assets and income tax liabilities as of March 31, 2024, March 31, 2023 and April 1, 2022:

(In ₹ Millions)

Particulars	As at March 31,		
	2024	2023	2022
Income tax assets	72	40	71
Current income tax liabilities	–	(62)	–
Net current income tax assets/ (liability) at the end	72	(22)	71

The gross movement in the current income tax asset/ (liability) for the year ended March 31, 2024 and March 31, 2023 is as follows:

(In ₹ Millions)

Particulars	Year ended March 31	
	2024	2023
Net current income tax asset/ (liability) at the beginning	(23)	71
Net income tax paid	184	189
Current income tax expense	(88)	(283)
Income tax on other comprehensive income	–	–
Net current income tax asset/ (liability) at the end	73	(23)

The movement in gross deferred income tax assets and liabilities (before set off) for the year ended March 31, 2024 is as follows:

(In ₹ Millions)

Particulars	Carrying value as of April 1, 2023	Changes through profit and loss	Changes through OCI	Carrying value as of March 31, 2024
Deferred income tax assets/(liabilities)				
Property, plant and equipment	–	–	–	–
Accrued compensation to employees	–	–	–	–
Service Bonus	–	–	–	–
Compensated absences	–	–	–	–
Lease liabilities	–	–	–	–
Others	–	–	–	–
Total deferred income tax assets/(liabilities)	–	–	–	–

The movement in gross deferred income tax assets and liabilities (before set off) for the year ended March 31, 2023 is as follows:

(In ₹ Millions)

Particulars	Carrying value as of April 1, 2022	Changes through profit and loss	Changes through OCI	Carrying value as of March 31, 2023
Deferred income tax assets/(liabilities)				
Property, plant and equipment	26	(26)	–	–
Accrued compensation to employees	43	(58)	15	–
Service Bonus	5	(5)	–	–

Particulars	Carrying value as of April 1, 2022	Changes through profit and loss	Changes through OCI	Carrying value as of March 31, 2023
Compensated absences	63	(62)	(1)	–
Lease liabilities	19	(19)	–	–
MAT credit utilised during the year	295	(295)	–	–
Total deferred income tax assets/(liabilities)	451	(465)	14	–

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

15. Revenue from operations

Effects on adoption of Ind AS 115

The Company has elected to adopt Ind AS 115 using the modified retrospective method. An entity that elects the modified retrospective method would apply Ind AS 115 retrospectively to only current period by recognizing the cumulative effect of initially applying Ind AS 115 as an adjustment to the opening balance of retained earnings at the date of application (April 1, 2022 in case of the Company).

Under the modified retrospective method, the comparative information in the financial statements would not be restated and would be presented based on the requirements of the previous standard. The impact of adoption of the standard on the financial statements is insignificant and hence no further adjustments are made.

Revenue recognition

Revenue from IT Software Development and Consultancy Services and Information Technology Enabled Services is recognized on rendering of services based on the agreed mark-up on cost incurred in accordance with the terms of an agreement entered into between the Company with its customers.

Revenue recognized on cost plus basis, is recorded considering the net eligible costs incurred/identified towards such revenue contracts, the final acceptance / determination of which is based on the confirmation by the customer. The difference, if any, between the revenue recorded and the amount of revenue finally determined based on confirmation from the customer is adjusted to revenue in the period of such final determination.

Unbilled revenue represents accrual of income relating to services provided but not billed as at the end of the period."

Revenue from operations

(In ₹ Millions)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Sale of Service (IT Software Development and Consultancy Services and Information Technology Enabled Services)	3,667	7,222
Total	3,667	7,222

Notes :

15.1 Pursuant to the Service Agreement between the Company and Danske Bank A/S, Denmark, the Company commenced providing IT Software Development and Consultancy Services w.e.f. August 1, 2015 and Information Technology Enabled Services w.e.f. May 7, 2018 accordingly, the Company has recognized an income of Rs. 3,484 Million and Rs. 183 Million respectively (Previous year Rs. 6,669 Million and Rs. 553 Million) during the year ended March 31, 2024. Also Refer Note 6 relating to Unbilled Revenue. The revenue for previous year ended March 31, 2023 includes Rs. 383 Million pertaining to financial years 2018-19 to 2021-22 due to change in mark-up (Refer note 14).

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 and 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.

16. Other income

(In ₹ Millions)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Interest income on deposits from banks	58	70
Net gain on foreign currency transactions and translation	38	85
Interest income on security deposit	1	3
Total	97	158

17. Employee benefits expense

(In ₹ Millions)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Salaries and bonus	1,749	3,234
Contribution to provident and other funds (Refer Note 26)	155	283
Employee insurance	38	85
Gratuity (Refer Note 26)	35	63
Staff welfare expenses	16	37
Total	1,993	3,702

18. Finance costs

(In ₹ Millions)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Interest on delayed payment of TDS and others	–	–
Interest on Lease Liability	13	37
Total	13	37

19. Other expenses

(In ₹ Millions)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Solicitation cost	–	2
Software expenses	32	69
IT consultancy services	769	1,375
Facilities and other administrative expenses	18	30
Rent	8	11
Utilities	12	22
Repairs and maintenance - others	17	37
Insurance	1	1
Travelling and conveyance		
Overseas travel expenses	15	25
Others	45	56
Legal and professional fees	22	51
Telephone and other communication expenses	13	26
Training expenses	15	26
Printing and stationery	–	–
Rates and taxes	5	–
Payment to Auditors		
Statutory audit	4	1
Tax audit	–	–
Reimbursement of expenses	–	–
Bank charges	–	1
Expenditure on Corporate Social Responsibility (Refer Note 19.1 below)	20	14
Miscellaneous expenses (Refer Note 19.2 below)	4	6
Total	1,000	1,753

19.1 Expenditure on Corporate Social Responsibility

(In ₹ Millions)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
a) amount required to be spent by the company during the year,	20	13
b) amount of expenditure incurred,	20	14
c) shortfall at the end of the year,	–	–
d) total of previous years shortfall,	–	–
e) reason for shortfall,	–	–
f) nature of CSR activities,		–
g) 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,	–	–
h) 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 should be shown separately.	–	–

19.2 Miscellaneous expenses includes loss on sale of assets amounting Rs.0.01 Million for FY 23-24 (FY 22-23- Gain on sale of assets Rs.6 Million) .

20. Financial instruments

Set out below, is a comparison by class of the carrying amount and fair value of the Company's financial instruments other than those with carrying amount that are reasonable approximations of fair values:

As at March 31, 2024

(In ₹ Millions)

Particulars	Note No	Amortized 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	5	39	–	–	39	–	–	–	–
Trade receivables	7	160	–	–	160	–	–	–	–
Cash and cash equivalents	8	543	–	–	543	–	–	–	–
Total financial assets		742	–	–	742	–	–	–	–
Liabilities									
Financial liabilities									
Trade payables	13	21	–	–	21	–	–	–	–
Other financial liabilities	12	37	–	–	37	–	–	–	–
Total financial liabilities		58	–	–	58	–	–	–	–

As at March 31, 2023

(In ₹ Millions)

Particulars	Note No	Amortized 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	5	506	–	–	506	–	–	–	–
Trade receivables	7	713	–	–	713	–	–	–	–
Cash and cash equivalents	8	2,074	–	–	2,074	–	–	–	–
Others		–	–	–	–	–	–	–	–
Total financial assets		3,293	–	–	3,293	–	–	–	–
Liabilities									
Financial liabilities									
Trade payables	13	285	–	–	285	–	–	–	–
Other financial liabilities	12	1	–	–	1	–	–	–	–
Total financial liabilities		286	–	–	286	–	–	–	–

As at April 1, 2022

(In ₹ Millions)

Particulars	Note No	Amortized cost	Financial assets/liabilities: Fair value through profit and loss	Financial assets/liabilities: Fair value through other comprehensive income	Total carrying value	Fair value: Level 1	Fair value: Level 2	Fair value: Level 3	Total
Assets									
Financial assets									
Other Financial Assets	5	89	–	–	89	–	–	–	–
Trade receivables	7	931	–	–	931	–	–	–	–
Cash and cash equivalents	8	747	–	–	747	–	–	–	–
Others		–	–	–	–	–	–	–	–
Total financial assets		1,767	–	–	1,767	–	–	–	–
Liabilities									
Financial liabilities									
Trade payables	13	273	–	–	273	–	–	–	–
Other financial liabilities	12	29	–	–	29	–	–	–	–
Total financial liabilities		302	–	–	302	–	–	–	–

Notes :-

The carrying value of all the items in the table above have been classified as amortized cost. Amortized cost is deemed to be the carrying value.

Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

21. Financial risk management

The Company's principal financial liabilities comprise Trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, cash and cash equivalents and other bank balances that derive directly from its operations.

The Company's activities exposes it to market risk, credit risk and liquidity risk.

(a) Risk management framework

The Company's risk management is carried out by the management under the policies approved by the Board of Directors that help in identification, measurement, mitigation and reporting all risks associated with the activities of the Company. These risks are identified on a continuous basis and assessed for the impact on the financial performance. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below. "

(b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, trade receivables, trade payables, deposits and investments.

(i) Foreign Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities when transactions are denominated in a different currency from the Company's functional currency.

(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, cash and cash equivalents and bank deposits. 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, 2024, 2023 and 2022 is nil.

(ii) Financial instrument and cash deposit

The company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The company does not expect any losses from nonperformance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. 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 March 31, 2024.

(In ₹ Millions)

Particulars	Less than 1 year	1 to 5 Years	More than 5 years	Total
Trade payables	21	–	–	21
Other financial liabilities	37	–	–	37
	58	–	–	58

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2023.

(In ₹ Millions)

Particulars	Less than 1 year	1 to 5 Years	More than 5 years	Total
Trade payables	285	–	–	285
Other financial liabilities	1	–	–	1
	286	–	–	286

The table below provides details regarding the contractual maturities of significant financial liabilities as at April 1, 2022.

(In ₹ Millions)

Particulars	Less than 1 year	1 to 5 Years	More than 5 years	Total
Trade payables	273	–	–	273
Other financial liabilities	29	–	–	29
	302	–	–	302

Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

22. Commitments and contingencies

A. Contingent liabilities

(In ₹ Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
A. Non payment of service tax on secondment services for FY 2013-14 (refer note below)	5	5	–
B. Non payment of service tax on secondment services for FY 2014-15 (refer note below)	3	3	–
Total	8	8	–

Note: The Company has received an order dated April 20, 2023 from the Joint Commissioner of Central Tax for the non- payment of Service tax for Financial year 2013-14 and 2014-15 with respect to the services received from their overseas associated company in respect of secondment of the employees and the payments made to such Company along with applicable interest and penalty. As advised by the Company's Tax consultant, the Company has not recorded provision in the books of accounts and the same has been considered as a contingent liability in accordance with AS 29- Provisions, Contingent Liabilities and Contingent Assets. Further, an appeal dated July 03, 2023 is filed with the Department for the Financial year 2014-15 with a deposit of INR 3 Million. The Company has also paid a deposit of INR 0.12 Million for the Financial year 2013-14.

23. Details of foreign currency exposure:

23.1 There are no outstanding forward contracts entered into by the Company.

23.2 The year end outstanding foreign currency exposure that have not been hedged by a derivative instrument or otherwise are given below:

For the year ended March 31, 2024

Particulars	Currency	(In ₹ Millions)	in Foreign Currency
Trade receivables	DKK	–	–
	DKK	(713)	(60)

For the year ended March 31, 2023

Particulars	Currency	(In ₹ Millions)	in Foreign Currency
Trade receivables	DKK	713	60
	DKK	(931)	(83)

(*) the balances included in brackets represent previous year balances.

23.3 Value of imports calculated on CIF basis

(In ₹ Millions)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Capital goods	1	2	74
Total	1	2	74

24 Foreign currency outgo

24.1 Expenditure in foreign currency

(In ₹ Millions)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Salaries and bonus	–	–
Software license fee	32	69
Employee Travelling, accommodation, conveyance and others	15	23
Training expenses	–	–
Legal and professional fees	2	1
Rent	–	–
License and subscriptions	1	1
Miscellaneous expenses	0	0
Total	50	94

24.2 Interim Dividend paid to Shareholders

(In ₹ Millions)

Particulars	Number of Shares held	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Danske Bank A/S	327,788	2,401	–
Realkredit Danmark A/S	1	0	–
Total	327,789	2,401	–

25. Earnings in foreign currency

(In ₹ Millions)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Export of Service (IT Support Services)	3,324	6,669
Export of Service (IT Enabled Support Services)	183	553
Total	3,507	7,222

26. Employee Benefits

Superannuation

The Company makes Superannuation Fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. As at March 31, 2024 the Company recognized Rs. 67 Million (Year ended March 31, 2023 Rs. 113 Million) for Superannuation Fund contributions.

Provident Fund

The Company makes Provident Fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. As at March 31, 2024 the Company recognized Rs. 89 Million (Year ended March 31, 2023 Rs. 170 Million) for Provident Fund contributions.

Compensated absences

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.

a. Gratuity and Compensated Absences

The following table sets out the details of the defined benefit retirement plans and the amounts recognized in the standalone financial statements as at March 31, 2024 and March 31, 2023:

(In ₹ Millions)

Particulars	Gratuity		Compensated Absences	
	2024	2023	2024	2023
Change in benefit obligations				
Benefit obligations at the beginning	291	201	172	230
Service cost	27	51	39	81
Interest expense	8	13	3	14
Past service cost - plan amendments	–	–	42	(110)
Transfer	(293)	–	(156)	–
Remeasurements - Actuarial (gains)/ losses	(1)	43	27	(5)
Employee contribution	–	–	–	–
Benefits paid	(32)	(17)	(127)	(38)
Translation difference	–	–	–	–
Benefit obligations at the end	–	291	–	172
Change in plan assets				
Fair value of plan assets at the beginning	–	–	–	–
Interest income	–	–	–	–
Transfer	–	–	–	–
Remeasurements- Return on plan assets excluding amounts included in interest income	–	–	–	–
Employee contribution	–	–	–	–
Employer contribution	–	–	–	–
Benefits paid	–	–	–	–
Translation difference	–	–	–	–
Fair value of plan assets at the end	–	–	–	–
Funded status	–	(291)	–	(172)
Defined benefit plan asset	–	–	–	–
Defined benefit plan liability	–	(291)	–	(172)

The amount for the year ended March 31, 2024 and March 31, 2023 recognized in the Statement of Profit and Loss under employee benefit expense are as follows:

(In ₹ Millions)

Particulars	Gratuity		Compensated Absences	
	2024	2023	2024	2023
Service cost	27	51	39	81
Net interest on the net defined benefit liability/asset	8	13	3	14
Actuarial (gain)/loss	–	–	42	(110)
Net cost	35	64	84	(15)

The amount for the year ended March 31, 2024 and March 31, 2023 recognized in the statement of other comprehensive income are as follows:

(In ₹ Millions)

Particulars	Gratuity		Compensated Absences	
	2024	2023	2024	2023
Remeasurements of the net defined benefit liability/ (asset)				
Actuarial (gains) / losses	(1)	43	27	(5)
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	–	–	–	–
	(1)	43	27	(5)

(In ₹ Millions)

Particulars	Gratuity		Compensated Absences	
	2024	2023	2024	2023
(Gain)/loss from change in demographic assumptions	–	–	–	–
(Gain)/loss from change in financial assumptions	–	(15)	–	(10)
(Gain) / loss from change in experience assumptions	–	58	–	6
	–	43	–	(4)

The weighted-average assumptions used to determine benefit obligations as at March 31, 2024 and March 31, 2023 are set out below:

Particulars	Gratuity		Compensated Absences	
	2024	2023	2024	2023
Discount Rate [(1)]	7.29%	7.32%	7.29%	7.32%
Weighted average rate of increase in compensation levels [(1)]	8.50%	11.50%	8.50%	11.50%
Weighted average duration of defined benefit obligation [(2)]	18.00%	20.00%	18.00%	20.00%

The weighted-average assumptions used to determine net periodic benefit cost for the year ended March 31, 2024 and March 31, 2023 are set out below:

Particulars	Gratuity		Compensated Absences	
	2024	2023	2024	2023
Discount rate	7.29%	7.32%	7.29%	7.32%
Weighted average rate of increase in compensation levels	8.50%	11.50%	8.50%	11.50%

[(1)] The average rate of increase in compensation levels is determined by the Company, considering factors such as, the Company's past compensation revision trends, inflation in respective markets and management's estimate of future salary increases.

[(2)] Attrition rate considered is the management's estimate based on the past long-term trend of employee turnover in the Company. The tenure has been considered taking into account the past long-term trend of employees' average remaining service life which reflects the average estimated term of post-employment benefit obligation.

The Company assesses all the above assumptions with its projected long-term plans of growth and prevalent industry standards.

27. Related party transactions

Details of related parties:

Description of relationship	Names of related parties
Holding Company (HC)	Infosys Limited (from September 01, 2023)
	Danske Bank A/s (upto August 31, 2023)
Key Management Personnel (KMP)	Mr. Deval Jitendra Shah, Managing Director
	Mr. A.G.S. Manikantha, Director (from September 01, 2023)
	Mr. Rajneesh Kumar Malviya, Director (from October 30, 2023)

Description of relationship	Names of related parties
	Mr. Mhaiskar Sandeep Ganesh, Whole Time Director (upto May 26, 2022)
	Mr. Anders Groen, Director (upto September 01, 2023)
	Ms. Linda Olsen, Additional Director (from April 29, 2022 to September 01, 2023)
	Mr. Bo Svejstrup, Additional Director (from June 28, 2022 to September 01, 2023)
	Mr. Satish H.C, Additional Director (from September 01, 2023 to December 31, 2023
	Ms. Bindya Somaraj, Additional Director (from March 30, 2024)

Details of related party transactions

(In ₹ Millions)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Revenue		
Sale of services		
Danske Bank A/s	3,507	7,222
Infosys Limited	160	–
Expenses		
Remuneration		
Mr. Deval Jitendra Shah	15	47
Mr. Mhaiskar Sandeep Ganesh	–	3
Software Expenses - Danske Bank A/S	32	69
Interim Dividend		
Danske Bank A/S	2,401	–
Realkredit Danmark A/S	–	–
Rent expenses		
Infosys Limited	1	–
Others		
Reimbursement of expenses		
Mr. Deval Jitendra Shah	–	1

Details of Outstanding balances

(In ₹ Millions)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Trade payables			
Danske Bank A/s	–	69	–
Infosys Limited	37		
Trade receivables			
Danske Bank A/s		713	931
Infosys Limited	160	–	–
Unbilled revenue			
Danske Bank A/s	–	–	–

Note:

(i) The Company accounts for costs incurred by / on behalf of the Holding Company based on the actual invoices / debit notes raised and accruals as confirmed by the Holding Company. The Holding Company has confirmed to the Management that as at March 31, 2024, there are no further amounts payable to / receivable from them, other than as disclosed above. The Company incurs certain costs on behalf of the Holding Company. These costs have been allocated / recovered from the Holding Company on a basis mutually agreed to with the Holding Company.

(ii) The information relating to related parties has been determined to the extent such parties have been identified on the basis of information provided by the Company which has been relied upon by auditors.

28. Segment Reporting

The company's operation predominantly relates to providing IT Support Services to Danske Bank A/S, Denmark. 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.

(In ₹ Millions)

Geographical Segment	Revenue	Segment assets	Capital expenditure incurred
India	160	783	1
	–	(3,529)	(74)
Denmark	3,507	–	–
	(7,222)	(724)	
Unallocated balances (Refer Note (i) below)	–	72	–
	–	(40)	
Total	3,667	855	1
Previous year	7,222	4,293	74

(*) the balances included in brackets represent previous year balances.

Note:

(i) Unallocated assets represent advance taxes and deferred tax balances, which do not represent segment assets.

29. Earnings per share

(In ₹ Millions)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Basic and Diluted		
Profit for the year ₹ in Millions	539	820
Weighted average number of equity shares	327,789	327,789
Nominal value of shares (₹	10	10
Earnings per share (₹		
Basic	1,644	2,502
Diluted	1,644	2,502

30. Summary of variance in ratio

Ratio	WNumerator	Denominator	For the year ended March 31, 2024	For the year ended March 31, 2023	Variance (%)	Explain Reason for Variance if above 25%
Current Ratio	Current Assets	Current Liabilities	12.4	2.6	382%	Refer Note 1
Debt-Equity Ratio,	Total Debt	Total Shareholders Equity	NA	NA	NA	NA
Debt Service Coverage Ratio	Earnings available for Debt Service	Debt Service	NA	NA	NA	NA
Return on Equity Ratio	Net Profit After Tax	Average Shareholders Equity	31%	62%	(49%)	Refer Note 4
Inventory turnover ratio	COGS or Sales	Average inventory	NA	NA	NA	NA

Ratio	WNumerator	Denominator	For the year ended March 31, 2024	For the year ended March 31, 2023	Variance (%)	Explain Reason for Variance if above 25%
Trade Receivables turnover ratio	Net Credit Sales	Average Accounts receivable	8.4	8.8	(4%)	Refer Note 1
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	NA	NA	NA	NA
Net capital turnover ratio	Net Sales	Average Working Capital	2.25	4.0	(44%)	Refer Note 2
Net profit ratio	Net Profit After Tax	Total Income	15%	11%	29%	Refer Note 4
Return on Capital employed	Earning before Interest and Tax	Capital Employed	81%	51%	57%	Refer Note 3
Return on investment	{MV(T1) – MV(T0) – Sum [C(t)]}	{MV(T0) + Sum [W(t) * C(t)]}	NA	NA	NA	NA

Note 1:

The current ratio has decreased when compared to previous year primarily due to transfer of outstanding liabilities to Infosys Limited as per SPA & BTA signed with Infosys Limited dated June 26, 2023 (refer note 2.2).

Note 2:

The Net Capital turnover ratio has decreased due to transfer assets and liabilities to Infosys Limited as per SPA & BTA signed with Infosys Limited dated June 26, 2023 (refer note 2.2). Further, during the financial year 2023-24, the company declared and paid dividend to shareholders Danske Bank AS and Realkredit Danmark AS before the transfer of business to Infosys Limited.

Note 3:

The decrease in Return on Capital employed is primarily due to company declared and paid dividend to shareholders Danske Bank AS and Realkredit Danmark AS before the transfer of business to Infosys Limited.

Note 4:

The variance is due to decrease in revenue since the business were transferred to Infosys Limited as per SPA & BTA signed with Infosys Limited dated June 26, 2023 (refer note 2.2) and recognition of available MAT Credit in FY'24 which has resulted in decrease of Profit After Tax.

31. Additional Regulatory Information

(i) The Company has not been declared a willful defaulter by any bank or financial institution or other lender.

(ii) The Company does not have any transactions or investments with struck off companies during the year ended March 31, 2024.

(iii) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall.

(a) 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

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(iv) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall

(a) 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

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(v) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(vi) The Company has not entered into any transactions involving Crypto currency or Virtual currency during the financial year.

32. Proper books of account as required by law have been kept by the Company, except for keeping backup on daily basis of such books of accounts maintained in electronic mode, in a server physically located in India.

33. The Ministry of Corporate Affairs (MCA) has issued a notification (Companies (Accounts) Amendment Rules, 2021) which is effective from April 1, 2023, states that every company which uses accounting software for maintaining its books of account shall use only the accounting software where there is a feature of recording audit trail of each and every transaction, and further creating an edit log of each change made to books of account along with the date when such changes are were made and ensuring that the audit trail cannot be disabled.

The company uses a Tally based ERP as a primary accounting software for maintaining books of account, which has a feature of recording audit trail edit logs facility and that was not operative throughout the financial year for the transactions recorded in the software impacting books of account.

For and on behalf of the Board of Directors of
Idunn Information Technology Private Limited

A.G.S Manikantha *Director*	Bindya Somaraj *Director*
DIN: 07196699	DIN: 10568385

Place : Bengaluru

Date: May 29, 2024

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Infosys Austria GmbH

Independent Auditor's report

To the Members of Infosys Austria GMBH

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Infosys Austria GMBH ("the Company"), which comprise the Balance Sheet as at December 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of preparation referred to in Section 1.2 of the special purpose financial statements, of the state of affairs of the Company as at December 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1.2 to the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company, Infosys Limited under the requirements of section 129 (3) of the Companies Act, 2013 and for issuing Annual Performance Report ("APR") which is required to be furnished by the Holding Company to Authorized Bank in accordance with regulation 10 of Foreign Exchange Management (Overseas Investment) Regulations. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for the above purpose and is not to be used, referred to or distributed for any other purpose without our prior consent.

Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

i) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

iii) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

For Shenoy & Kamath
Chartered Accountants,

Firm Registration Number. 006673S

(M Rathnakar Kamath)
Partner

Membership Number. 202841

UDIN: 24202841BKACIU1015

Place: Bengaluru

Date: May 7, 2024

Balance Sheet

(In EUR)

Particulars	Note	As at December 31, 2023	As at December 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	2.1	3,039	4,365
Right-of-use assets	2.2	357,157	194,528
Deferred tax assets (net)	2.13	103,976	56,741
Income tax assets (net)	2.13	40,249	45,546
Other non-current assets	2.3	213,802	50,661
Total non-current assets		718,224	351,840
Current assets			
Financial assets			
Trade receivables	2.4	75,538	885,416
Cash and cash equivalents	2.5	802,446	811,689
Other financial assets	2.6	854,843	739,110
Other current assets	2.3	808,237	206,246
Total current assets		2,541,065	2,642,462
Total assets		3,259,289	2,994,302
Equity and liabilities			
Equity			
Equity share capital	2.8	80,000	80,000
Other equity		(60,724)	97,191
Total equity		19,276	177,191
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	2.9	34,205	62,810
Lease liabilities	2.2	469,345	211,515
Other financial liabilities	2.10	471	69,331
Total non-current liabilities		504,021	343,655
Current liabilities			
Financial liabilities			
Borrowings	2.9	434,760	434,760
Trade payables			
Total outstanding dues of creditors other than micro enterprises and small enterprises	2.11	130,289	137,843
Lease liabilities	2.2	85,089	2,868
Other financial liabilities	2.10	1,350,215	1,626,158
Other current liabilities			

Particulars	Note	As at December 31,	
		2023	2022
Unearned revenue	2.12	26,748	–
Others	2.12	708,891	271,826
Income tax liability (net)	2.13	–	1
Total current liabilities		2,735,992	2,473,456
Total equity and liabilities		3,259,289	2,994,302

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 Austria GmbH

M. Rathnakar Kamath
Partner
Membership No. 202841

Lilly Vasanthini
Director

Roberto Busin
Director

Place: Bengaluru

Date: May 7, 2024

Statement of Profit and Loss

(In EUR)

Particulars	Note	Year ended December 31	
		2023	2022
Revenue from operations	2.14	1,416,101	1,806,115
Other income, net	2.15	39,137	5,277
Total income		1,455,239	1,811,392
Expenses			
Employee benefit expenses	2.16	281	50,992
Cost of technical sub-contractors	2.16	224,780	801,156
Finance costs	2.17	55,886	22,868
Travel expenses	2.16	–	3,643
Cost of software packages and others	2.16	1,258,514	1,062,271
Communication expenses	2.16	5,611	7,974
Consultancy and professional charges	2.16	15,249	16,311
Depreciation and amortization expense	2.2 and 2.1	73,854	30,102
Other expenses	2.16	17,879	51,786
Total expenses		1,652,054	2,047,103
Profit / (loss) before tax		(196,815)	(235,711)
Tax expense			
Deferred tax	2.13	(38,900)	(56,741)
Profit / (loss) for the year		(157,915)	(178,970)
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		(157,915)	(178,970)
Earnings per equity share			
Equity shares of par value EUR 1/- each			
Basic and Diluted (₹)		(1.97)	*(2.24)*
Weighted average equity shares used in computing earnings per equity share			
Basic and Diluted		80,000	*80,000*

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 Austria GmbH

M. Rathnakar Kamath
Partner
Membership No. 202841

Lilly Vasanthini
Director

Roberto Busin
Director

Place: Bengaluru

Date: May 7, 2024

Statement of Changes in Equity

(In EUR)

Particulars	Equity share capital	Other Equity		Total equity attributable to equity holders of the Company
		Reserves & Surplus	Other comprehensive income	
		Retained earnings	Other items of other comprehensive income	
Balance as of January 1, 2021	80,000	202,281	–	282,281
Changes in equity for the year ended December 31, 2021				
Profit / (loss) for the year	–	73,880	–	73,880
Balance as of December 31, 2021	80,000	276,161	–	356,161
Changes in equity for the year ended December 31, 2022				–
Profit / (loss) for the year	–	(178,970)	–	(178,970)
Balance as of December 31, 2022	80,000	97,191	–	177,191
Changes in equity for the year ended December 31, 2023				–
Profit / (Loss) for the year	–	(157,915)	–	(157,915)
Balance as of December 31, 2023	80,000	(60,724)	–	19,276

As per our report of even date attached
for Shenoy & Kamath
Chartered Accountants
Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership No. 202841

Place: Bengaluru
Date: May 7, 2024

for and on behalf of the Board of Directors of Infosys Austria GmbH

Lilly Vasanthini
Director

Roberto Busin
Director

Statements of Cash Flows

(In EUR)

Particulars	Note	Year ended December 31, 2023	2022
Cash flow from operating activities:			
Profit / (loss) for the year		(157,915)	(178,970)
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation	2.1 and 2.2	76,504	30,102
Income tax expense	2.14	(38,900)	(56,741)
Finance cost	2.18	55,886	22,868
Interest income		(39,137)	(5,277)
Provision on net investment in lease		2,520	502
Exchange differences on translation of assets and liabilities, net		–	28,005
Changes in assets and liabilities			
Trade receivables		809,878	(722,734)
Loans, other financial assets and other assets		(717,724)	(281,391)
Trade payables		(7,554)	112,599
Other financial and other liabilities		270,091	1,351,588
Cash generated from / (used in) operations		253,649	300,551
Income tax paid		(5,296)	8,179
Net cash generated from / (used in) operating activities		258,945	292,371
Cash flow from investing activities:			
Investment in lease		(163,142)	–
Net cash generated from/ (used in) investing activities		(163,142)	–
Cash flow from financing activities:			
Lease payments		(105,046)	(17,917)
Net cash generated used in financing activities		(105,046)	(17,917)
Net increase / (decrease) in cash and cash equivalents		(9,242)	274,454
Cash and cash equivalents at the beginning of the year		811,689	537,235
Cash and cash equivalents at the end of the year	2.5	802,446	811,689

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 Austria GmbH

M. Rathnakar Kamath
Partner
Membership No. 202841

Lilly Vasanthini
Director

Roberto Busin
Director

Place: Bengaluru

Date: May 7, 2024

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 and for issuing Annual Performance Report ("APR") which is required to be furnished by the Holding Company, to Authorized Bank in accordance with regulation 10 of Foreign Exchange Management (Overseas Investment) Regulations.

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.3 Presentation currency

The Company's presentation currency is Euro.

1.4 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions. These estimates and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.5 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of asset is as follows:

Computer equipment[1]	3-5 years

[1] Based on technical evaluation, the Management believes that the useful lives as given above best represent the period over which management expects to use these assets.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

1.6 Financial instruments

1.6.1 Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables, which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

1.6.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at Fair Value through Other Comprehensive Income (FVOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss

A financial asset, which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination, which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

1.7 Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

1.8 Impairment

a. Financial assets

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets and unbilled revenues which are not fair valued through profit or loss. Loss allowance for trade receivables and unbilled revenues with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the Statement of Profit and Loss.

b. Non-financial assets

(i) Property, plant and equipment

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

1.9 Foreign currency

Functional currency

The functional currency of the Company is the 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 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, 2023 are as follows:

(In EUR)

Particulars	Computer equipment	Total
Gross carrying value as of January 1, 2023	7,536	7,536
Additions	–	–
Deletions	–	–
Gross carrying value as of December 31, 2023	7,536	7,536
Accumulated depreciation as of January 1, 2023	3,171	3,171
Depreciation	1,326	1,326
Accumulated depreciation on deletions	–	–
Accumulated depreciation as of December 31, 2023	4,497	4,497
Carrying value as of December 31, 2023	3,039	3,039
Carrying value as of January 1, 2023	4,365	4,365

The changes in the carrying value of property, plant and equipment for the year ended December 31, 2022 were as follows:

Particulars	Computer equipment	Total
Gross carrying value as of January 1, 2022	7,536	7,536
Additions	–	–
Deletions	–	–
Gross carrying value as of December 31, 2022	7,536	7,536
Accumulated depreciation as of January 1, 2022	1,842	1,842
Depreciation	1,329	1,329
Accumulated depreciation on deletions	–	–
Accumulated depreciation as of December 31, 2022	3,171	3,171
Carrying value as of December 31, 2022	4,365	4,365
Carrying value as of January 1, 2022	5,694	5,694

2.2 Leases

Accounting policy

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The changes in the carrying value of right of use assets for the year ended December 31, 2023 are as follows:

(In EUR)

Particulars	Category of ROU asset		Total
	Computer	Buildings	
Balance as of January 1, 2023	190,946	3,582	194,528
Additions	433,584	1,842	435,426
Deletion	(200,270)	–	(200,270)
Depreciation	(69,783)	(2,744)	(72,527)
Balance as of December 31, 2023	354,477	2,679	357,157

The changes in the carrying value of right of use assets for the year ended December 31, 2022 were as follows:

(In EUR)

Particulars	Category of ROU asset		Total
	Computer	Buildings	
Balance as of January 1, 2022	–	6,449	6,449
Additions	216,852	7,214	224,066
Deletion	–	–	–
Depreciation	(25,906)	(10,081)	(35,987)
Balance as of December 31, 2022	190,946	3,582	194,528

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The break-up of current and non-current lease liabilities as at December 31, 2023 and December 31, 2022 is as follows:

(In EUR)

Particulars	As at December 31,	
	2023	2022
Current lease liabilities	85,089	2,868
Non-current lease liabilities	469,345	211,515
Total	554,434	214,383

The movement in lease liabilities during the year ended December 31, 2023 and December 31, 2022 is as follows:

(In EUR)

Particulars	For the year ended December 31,	
	2023	2022
Balance at the beginning	214,383	6,224
Additions	435,426	224,066.4
Finance cost accrued during the period	9,671	2,009.6
Payment of lease liabilities	(105,046)	(17,917)
Balance at the end	554,434	214,383

The details regarding the contractual maturities of lease liabilities as at December 31, 2023 and December 31, 2022 on an undiscounted basis are as follows:

(In EUR)

Particulars	As at December 31,	
	2023	2022
Less than one year	163,140	124,905
One to five years	403,994	99,525
Total	567,134	224,430

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,	
	2023	2022
Non-current		
Investment in lease	213,802	50,661
	213,802	50,661
Current		
Others		
Withholding taxes and others	808,237	206,246
Investment in lease		
Total current other assets	808,237	206,246
Total Other Assets	1,022,039	256,907

2.4 Trade receivables

(In EUR)

Particulars	As at December 31,	
	2023	2022
Current		
Unsecured		
Considered good [(1)]	75,538	885,416
Considered doubtful	4,789	7,282
	80,327	892,698
Less: Allowances for credit losses	4,789	7,282
Total trade receivables	75,538	885,416

(1) Includes dues from Holding Company and other fellow subsidiaries (Refer to Note 2.18)

(In EUR)

Particulars	As at December 31,	
	2023	2022
Current		
Trade Receivable considered good - Unsecured	80,327	892,698
Less: Allowance for expected credit loss	4,789	7,282
Trace Receivable considered good - Unsecured	75,538	885,416
Total trade receivables	75,538	885,416

Years ended Dec 31, 2023 and Dec 31, 2022

(In EUR)

Particulars	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	–	5,934	74,393	–	–	–	80,327
	(282,150)	983,709	156,248	48,693	(13,802)	–	892,698
Undisputed Trade Receivables – Credit impaired	–	–	–	–	–	–	–
	–	–	–	–	–	–	–
Less: Allowance for credit loss							4,789
							7,282
Total trade receivables							75,538
							885,416

2.5 Cash and cash equivalents

(In EUR)

Particulars	As at December 31,	
	2023	2022
Balances with banks		
In current accounts	802,446	811,689
Total cash and cash equivalents	802,446	811,689

2.6 Other financial assets

(In EUR)

Particulars	As at December 31,	
	2023	2022
Current		
Unbilled Revenue (1)	742,833	739,058
Others(1)(2)	112,011	53
Total Other Financial Assets	854,843	739,110
(1) Financial assets carried at amortized cost	854,843	739,110
(2) Includes dues from Holding Company and other fellow subsidiaries (refer note 2.18)	112,011	53

2.7 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,	
	2023	2022
Assets		
Cash and cash equivalents (Refer to Note 2.5)	802,446	811,689
Trade receivables (Refer to Note 2.4)	75,538	885,416
Other financial assets (Refer to Note 2.6)(1)	854,843	739,110
Total	1,732,828	2,436,216
Liabilities:		
Trade payables (Refer to Note 2.11)	130,289	137,843
Borrowings (Refer to Note 2.9)	468,966	497,571
Other financial liabilities (Refer to Note 2.10)	1,350,686	1,695,488
Total	1,949,940	2,330,902

(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: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

The gross carrying amount of a financial asset is written off (either partially or in full) when there is no realistic prospect of recovery.

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 Indian 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 analysis of the foreign currency risk from financial assets and liabilities as at March 31, 2023 is as follows:

(In EUR)

Particulars	USD
Net financial assets	(24,270)
Net financial liabilities	(572,981)
Total	(597,251)

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 75,538 and EUR 885,416 as at December 31, 2023 and December 31, 2022, respectively. 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, 2023 and December 31, 2022, the Company had cash and cash equivalents of EUR 802,446 and EUR 811,689.

2.8 Equity

Equity share capital

(In EUR)

Particulars	As at December 31, 2023	As at December 31, 2022
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, 2023 and December 31, 2022 are as follows :

Name of the shareholder	As at December 31, 2023	As at December 31, 2022
Infosys Limited	100%	100%

2.9 Borrowings

(In EUR)

Particulars	As at December 31, 2023	2022
Non-current		
Unsecured loan from fellow subsidiary (Refer to Note 2.18)	34,205	62,810
	34,205	62,810
Current		
Unsecured loan from fellow subsidiary (Refer to Note 2.18)	434,760	434,760
	434,760	434,760
Total borrowings	468,966	497,571

2.10 Other financial liabilities

(In EUR)

Particulars	As at December 31, 2023	2022
Non-current		
Other payables [(1)(3)]	471	69,331
	471	69,331
Current		
Others		
Compensated absences	–	–
Other payables [(1)(2)(3)]	1,350,215	1,626,158
	1,350,215	1,626,158
Total financial liabilities	1,350,686	1,695,488
[(1)] Financial liability carried at amortized cost	1,350,686	1,695,488

(2) Includes dues from Holding Company and other fellow subsidiaries (Refer note 2.18)

(3) Deferred contract cost in note 2.3 includes technology assets taken over by the Company from a customer as a part of transformation project which is not considered as distinct goods or services and the control related to the assets is not transferred to the Company in accordance with Ind AS 115 - Revenue from contract with customers. Accordingly, the same has been considered as a reduction to the total contract value and accounted as Deferred contract cost. The Company has entered into a financing arrangement with a third party for these assets which has been considered as financial liability.

2.11 Trade payables

(In EUR)

Particulars	As at December 31, 2023	2022
Trade payables [(1)]		
Total outstanding dues of micro enterprises and small enterprises	–	–
Total outstanding dues of creditors other than micro enterprises and small enterprises	130,289	137,843
	130,289	137,843
[(1)] Includes dues from Holding Company and other fellow subsidiaries	–	–

Trade payables ageing schedule

Year ended Dec 31, 2023 and Dec 31, 2022

(In EUR)

Particulars	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Others	94,492.82	35,796	–		–	130,289
	49,426.55	80,212	8,205	–	–	137,843
Total trade payables	94,492.82	35,796	–	–	–	130,289
Total trade payables	49,427	80,212	8,205	–	–	137,843

2.12 Other liabilities

(In EUR)

Particulars	As at December 31,	
	2023	2022
Current		
Unearned revenue	26,748	–
Others		
Withholding taxes and others	708,891	271,826
	735,639	271,826

2.13 Income taxes

Income tax expense in the statement of profit and loss comprises:

(In EUR)

Particulars	Years ended December 31,	
	2023	2022
Current taxes	8,336	–
Deferred taxes	(47,236)	(56,741)
Income tax expense	(38,900)	(56,741)

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is as follows:

(In EUR)

Particulars	Years ended December 31,	
	2023	2022
Profit before income taxes	(196,815)	(235,711)
Enacted tax rates in Austria	24.00%	25.00%
Computed expected tax expense	(47,236)	(58,928)
Effect of unrecognized deferred tax assets	–	–
Tax provision / reversals	8,336	–
Effective non-deductible expenses	–	2,364
Others	–	(177)
Income tax expense	(38,900)	(56,741)

The applicable Austria statutory tax rate for years ended December 31, 2023 and December 31, 2022 are 24% and 25%.

The details of income tax assets and income tax liabilities are as follows:

(In EUR)

Particulars	As at December 31	
	2023	2022
Income tax assets	40,250	45,546
Current income tax liabilities	1	1
Net current income tax assets / (liability) at the end	40,249	45,545

The gross movement in the current income tax asset / (liability) for the year ended are as follows:

(In EUR)

Particulars	Years ended December 31,	
	2023	2022
Net current income tax asset / (liability) at the beginning	45,545	37,366
Income tax paid	(5,296)	8,179
Current income tax expense	–	–
Net current income tax asset / (liability) at the end	40,249	45,545

2.14 Revenue from operations

(In EUR)

Particulars	Years ended December 31,	
	2023	2022
Income from software services	1,416,101	1,806,115
Income from software products	–	–
Total revenue from operation	1,416,101	1,806,115

Remaining performance obligation disclosure

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 and 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, 2023, other than those meeting the exclusion criteria mentioned above, is EUR 26,426. Out of this, the Company expects to recognize revenue of around 30.9% within the next one year and the remaining thereafter.

2.15 Other income

(In EUR)

Particulars	Years ended December 31,	
	2023	2022
Miscellaneous income, net	31923	5,277
Exchange gains / (losses) on foreign currency forward and options contracts	7,214	–
Total other income	39,137	5,277

2.16 Expenses

(In EUR)

Particulars	Years ended December 31,	
	2023	2022
Employee benefit expenses		
Salaries including bonus	–	50,221
Contribution to provident and other funds	–	397
Staff welfare	281	375
	281	50,992
Other expenses		
Cost of technical subcontractors	224,780	801,156
Legal and professional charges	15,249	16,311
Communication expenses	5,611	7,974
Cost of software packages and others	1,258,514	1,062,271
Rates and taxes	5,720	1,940
Travel expenses	–	3,643
Provision for post-sales client support and warranties	–	–
Exchange losses/ (gains) on translation of other assets and liabilities	–	28,611
Others	12,160	21,234
	1,522,033	1,943,141

2.17 Finance costs

(In EUR)

Particulars	Years ended December 31,	
	2023	2022
Interest expense on loan from fellow subsidiary	30,691	16,614
Others	25,195	6,254
Total finance costs	55,886	22,868

2.18 Related party transactions

List of related parties:

Name of Holding Companies	Country	Holding as at December 31,	
		2023	2022
Infosys Limited	India	100%	100%

Name of fellow subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)[1]	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)[1]	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)[1]	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)[1]	China
Infosys Nova Holdings LLC. (Infosys Nova)[1]	US
EdgeVerve Systems Limited (EdgeVerve)[1]	India
Skava Systems Private Limited (Skava Systems)[1][27]	India
Kallidus Inc, (Kallidus)[28]	US
Infosys Chile SpA[1]	Chile
Infosys Arabia Limited[2][27]	Saudi Arabia
Infosys Consulting Ltda.[1]	Brazil
Infosys CIS LLC[15]	Russia
Infosys Luxembourg S.a.r.l[1]	Luxembourg
Infosys Americas Inc. (Infosys Americas)[1]	US
Infosys Public Services, Inc. USA (Infosys Public Services)[1]	US
Infosys Canada Public Services Inc[20][39]	Canada
Infosys BPM Limited[1][47]	India
Infosys (Czech Republic) Limited s.r.o.[3]	Czech Republic
Infosys Poland Sp z.o.o[3]	Poland
Infosys McCamish Systems LLC[3]	US
Portland Group Pty Ltd[3]	Australia

Name of fellow subsidiaries	Country
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][38]	Czech Republic
Infy Consulting Company Ltd[4]	UK
Infy Consulting B.V.[4]	The Netherlands
Infosys Consulting S.R.L.[2]	Argentina
Infosys Consulting (Belgium) NV[5]	Belgium
Panaya Inc. (Panaya)[1]	US
Panaya Ltd.[6]	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH)[6]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[1][27]	UK
Brilliant Basics Limited[7][27]	UK
Infosys Consulting Pte. Ltd. (Infosys Singapore)[1]	Singapore
Infosys Middle East FZ LLC[8]	Dubai
Fluido Oy[8]	Finland
Fluido Sweden AB (Extero)[11]	Sweden
Fluido Norway A/S[11]	Norway
Fluido Denmark A/S[11]	Denmark
Fluido Slovakia s.r.o[11]	Slovakia
Infosys Compaz Pte. Ltd[9]	Singapore
Infosys South Africa (Pty) Ltd[8]	South Africa
WongDoody Holding Company Inc. (WongDoody)[1][40]	US
WDW Communications, Inc[10][41]	US
WongDoody, Inc[10][42]	US
HIPUS Co., Ltd[9]	Japan
Stater N.V.[9]	The Netherlands
Stater Nederland B.V.[12]	The Netherlands
Stater XXL B.V.[12]	The Netherlands
HypoCasso B.V.[12]	The Netherlands
Stater Participations B.V.[12]	The Netherlands
Stater Belgium N.V./S.A.[13]	Belgium
Stater Gmbh[12][32]	Germany
Outbox systems Inc. dba Simplus (US)[16]	US
Simplus North America Inc.[17][31]	Canada
Simplus ANZ Pty Ltd.[17]	Australia
Simplus Australia Pty Ltd[18]	Australia
Sqware Peg Digital Pty Ltd[19][35]	Australia
Simplus Philippines, Inc.[17]	Philippines
Simplus Europe, Ltd.[17][33]	UK
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)[11]	UK
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[21]	Ireland

Name of fellow subsidiaries	Country
Infosys Limited Bulgaria EOOD[1]	Bulgaria
Kaleidoscope Animations, Inc.[16]	US
Kaleidoscope Prototyping LLC[23]	US
GuideVision s.r.o.[14]	Czech Republic
GuideVision Deutschland GmbH[22]	Germany
GuideVision Suomi Oy[22]	Finland
GuideVision Magyarország Kft[22]	Hungary
GuideVision Polska SP.Z.O.O[22]	Poland
GuideVision UK Ltd[22]	UK
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[16]	US
Beringer Capital Digital Group Inc[16][45]	US
Mediotype LLC[24][45]	US
Beringer Commerce Holdings LLC[24][45]	US
SureSource LLC[25][43]	US
Blue Acorn LLC[25][43]	US
Simply Commerce LLC[25][43]	US
iCiDIGITAL LLC[26][44]	US
Infosys BPM UK Limited[3]	UK
Infosys Turkey Bilgi Teknolojikeri Limited Sirketi[1]	Turkey
Infosys Germany Holding Gmbh[1][29]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1][30]	Germany
Infosys Green Forum[1][36]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[37]	Malaysia
Infosys Business Solutions LLC[1][46]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[48]	Germany
oddity GmbH [49]	Germany
oddity (Shanghai) Co., Ltd. [50]	China
oddity Limited (Taipei) [50]	Taiwan
oddity space GmbH [49]	Germany
oddity jungle GmbH [49]	Germany
oddity code GmbH [49]	Germany
oddity code d.o.o [51]	Serbia
oddity waves GmbH [49]	Germany
oddity group services GmbH [49]	Germany
Infosys Public Services Canada Inc. [20][52]	Canda
BASE life science AG [54]	Switzerland
BASE life science GmbH [54]	Germany
BASE life science A/S [53]	Denmark
BASE life science S.A.S [54]	France
BASE life science Ltd. [54]	UK
BASE life science S.r.l. [54]	Italy
Innovisor Inc.[54]	US
BASE life science Inc.[54]	US
BASE life science S.L.[54][55]	Spain
Panaya Germany GmbH [6][56]	Germany

[1] Wholly-owned subsidiary of Infosys Limited

[2] Majority-owned and controlled subsidiary of Infosys Limited

[3] Wholly-owned subsidiary of Infosys BPM Limited

[4] Wholly-owned subsidiary of Infosys Consulting Holding AG

[5] Majority-owned and controlled subsidiary of Infosys Consulting Holding AG

[6] Wholly-owned subsidiary of Panaya Inc.

[7] Wholly-owned subsidiary of Brilliant Basics Holding Limited.

[8] Wholly-owned subsidiary of Infosys Consulting Pte. Ltd.

[9] Majority-owned and controlled subsidiary of Infosys Consulting Pte. Ltd.

[10] Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody)

[11] Wholly-owned subsidiary of Fluido Oy

[12] Wholly-owned subsidiary of Stater N.V.

[13] Majority-owned and controlled subsidiary of Stater Participations B.V.

[14] Wholly-owned subsidiary of Infy Consulting Company Limited

[15] Liquidated effective January 28, 2021.

[16] Wholly-owned subsidiary of Infosys Nova Holdings LLC

[17] Wholly-owned subsidiary of Outbox Systems Inc.

[18] Wholly-owned subsidiary of Simplus ANZ Pty Ltd

[19] Wholly-owned subsidiary of Simplus Australia Pty Ltd

[20] Wholly-owned subsidiary of Infosys Public Services, Inc.

[21] Wholly-owned subsidiary of Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)

[22] Wholly-owned subsidiary of GuideVision s.r.o.

[23] Wholly-owned subsidiary of Kaleidoscope Animations, Inc.

[24] Wholly-owned subsidiary of Blue Acorn iCi Inc

[25] Wholly-owned subsidiary of Beringer Commerce Holdings LLC

[26] Wholly-owned subsidiary of Beringer Capital Digital Group Inc.

[27] Under liquidation

[28] Liquidated effective March 9,2021

[29] Incorporated on March 23, 2021

[30] On March 28, 2021, Infosys Limited and Infosys Germany Holding GmbH registered Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm.

[31] Liquidated effective April 27,2021

[32] Incorporated on August 4, 2021

[33] Liquidated effective July 20, 2021

[34] Liquidated effective September 1, 2021

[35] Liquidated effective September 2, 2021

[36] Incorporated on August 31, 2021

[37] On December 14, 2021, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)

[38] Liquidated effective December 16, 2021

[39] Liquidated effective November 23, 2021

[40] Wholly-owned subsidiary of Infosys Limited, merged with WongDoody Inc, effective December 31, 2021

[41] Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody), merged with WongDoody Inc, effective December 31, 2021

[42] Wholly-owned subsidiary of Infosys Limited, effective December 31, 2021

[43] Merged with Beringer Commerce Holdings LLC, effective January 1, 2022

[44] Merged with Beringer Capital Digital Group Inc, effective January 1, 2022

[45] Merged with Blue Acorn iCi Inc, effective January 1, 2022

[46] Incorporated on February 20, 2022

[47] On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

[48] On March 22, 2022, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))

[49] On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly-owned subsidiary of Infosys Consulting Pte. Ltd) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and oddity GmbH.

[50] Wholly-owned subsidiary of oddity GmbH

[51] Wholly-owned subsidiary of oddity code GmbH.

[52] Incorporated on July 8, 2022

[53] On September 1, 2022, Infosys Consulting Pte. Ltd. (a Wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

[54] Wholly-owned subsidiary of BASE life science A/S

[55] Incorporated on September 6, 2022

[56] Incorporated effective December 15, 2022

The details of amounts due to or due from related parties as at December 31, 2023 and December 31, 2022 are as follows:

(In EUR)

Particulars	As at December 31,	
	2023	2022
Trade receivable		
Infosys Limited	–	159,520
	–	159,520
Other financial assets		
Infosys Limited	53	53
	53	53
Other financial liabilities		
Infosys Limited	129,660	635,111
Infosys Automotive and Mobility	1,044,319	160,981
Trade payable	129,660	635,111
Infosys (Czech Republic) Ltd	2,577	21,534
Infosys Technologies China	489	14,854
Infosys BPO Ltd .	11,021	20,104
	14,087	56,492
Borrowings [(1)]		
Infosys Consulting Pte Ltd.	468,966	497,571
	468,966	497,571

(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, 2023 and December 31, 2022 are as follows:

(In EUR)

Particulars	As at December 31	
	2023	2022
Revenue transactions:		
Purchase of Services		
Infosys Limited	385,985	549,807
Infosys China	19,414	12,210
Infosys BPM limited	198,822	55,882
Infosys (Czech Republic) Ltd	130,087	61,885
	734,307	679,784
Sale of services:		
Infosys Limited	–	61,350
	–	61,350
Interest expense:		
Infosys Consulting Pte Ltd.	30,691	16,614
	30,691	16,614

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.

2.20 Ratios

The ratios for the years ended March 31, 2023 and March 31, 2022 are as follows:

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance
Current ratio	Current assets	Current liabilities	0.93	1.11	(16.6%)
Debt – Equity ratio	Total debt (represents lease liabilities) (1)	Shareholder's equity	53.09	4.02	1221.4% *
Debt service coverage ratio	Earnings available for debt service(2)	Debt service(3)	(0.27)	(7.03)	96.2% **
Return on Equity (ROE)	Net profits after taxes	Average shareholder's equity	(1.61)	(0.56)	186.7% ***
Trade receivables turnover ratio	Revenue	Average Trade Receivable	2.95	21.59	(86.3%) ****
Trade payables turnover					
ratio	Purchases of services and other expenses	Average trade payables	11.41	103.93	(89.0%) #
Net capital turnover ratio	Revenue	Working capital	(7.26)	10.69	(168.0%) ##
Net profit ratio	Net profit	Revenue	(0.14)	(0.13)	6.5% ###
Return on Capital Employed (ROCE)	Earning before interest and taxes	Capital employed(4)	(0.28)	(0.54)	47.8% ####

(1) Debt represents only lease liabilities

(2) Net profit after taxes + Non-cash operating expenses + Interest + other adjustments like loss on sale of fixed assets etc.

(3) Lease payments for the current year

(4) Tangible net worth + deferred tax liabilities + Lease liabilities

* Debt equity ratio has increased due to increase in lease liability.

** Debt service coverage ratio has decreased due to increase in losses.

***Return on Equity ratio has decreased due to increase in losses.

**** Trade receivables turnover ratio ratio has decreased due to increase in revenue.

\# Trade payable turnover ratio ratio has increased due to increase in purchase of services.

\## Net capital turnover ratio ratio has increased due to increase in revenue.

\### Net profit ratio has decreased due to increase in losses.

\#### Return on Capital Employed has decreased due to increase in losses.

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Panaya Germany GmbH

Independent Auditor's report

To the Members of Panaya Germany GmbH (Panaya)

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Panaya Germany GmbH ("the Company"), which comprise the Balance Sheet as at December 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of preparation referred to in Section 1.2 of the special purpose financial statements, of the state of affairs of the Company as at December 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1.2 to the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared for inclusion in the annual report of the Ultimate Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act, 2013. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for the above purpose and is not to be used, referred to or distributed for any other purpose without our prior consent.

Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- • Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

i) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

iii) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

For Shenoy & Kamath
Chartered Accountants,

Firm Registration Number. 006673S

(M Rathnakar Kamath)
Partner

Membership Number. 202841

UDIN : 24202841BKACRK5641

Place: Bengaluru

Date: May 17, 2024

Balance Sheet

(In €)

Particulars	Note	As at December 31, 2023	As at December 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	2.1	1,390	–
Deferred tax assets		121,779	–
Income tax assets		6,774	–
Total non-current assets		129,943	–
Current assets			
Financial assets			
Trade receivables	2.2	400,092	–
Cash and cash equivalents	2.3	439,430	25,378
Other financial assets	2.4	485,201	–
Total current assets		1,324,723	25,378
Total Assets		1,454,667	25,378
Equity and liabilities			
Equity			
Equity share capital	2.5	25,000	25,000
Other equity		(246,447)	(122)
Total equity		(221,447)	24,878
Liabilities			
Current liabilities			
Financial liabilities			
Trade payables	2.6	147,875	500
Other financial liabilities	2.7	149,515	–
Other liabilities	2.8	1,378,725	–
Total current liabilities		1,676,114	500
Total equity and liabilities		1,454,667	25,378

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants

Firm's Registration No.: 006673S

M. Rathnakar Kamath
Partner
Membership No. 202841

Place: Bengaluru
Date: May 17, 2024

for and on behalf of Board of Directors of
Panaya Germany GmbH

David Binny
Director

Statement of Profit and Loss

(In €)

Particulars	Note	Year ended December 31, 2023	Year ended December 31, 2022
Revenue from operations	2.9	1,362,474	–
Other income, net	2.10	57	–
Total income		1,362,531	–
Expenses			
Employee benefit expenses	2.11	835,221	–
Cost of technical sub-contractors		325,078	–
Travel expenses		34,428	–
Communication expenses		190	–
Consultancy and professional charges		81,664	–
Finance cost		12,260	–
Depreciation expense	2.1	1,237	–
Other expenses	2.11	35,972	122
Total expenses		1,326,049	122
Profit before tax		36,482	(122)
Tax expense:			
Current tax	2.12	3,118	–
Deferred tax		(121,779)	–
Profit for the year		155,143	(122)
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		155,143	(122)
Earnings per equity share Equity shares of par value € 25,000/- each			
Basic & Diluted		155,143	(122)
Number of shares used in computing earning per share			
Basic & Diluted		1	1

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants

Firm's Registration No.: 006673S

M. Rathnakar Kamath
Partner
Membership No. 202841

Place: Bengaluru
Date: May 17, 2024

for and on behalf of Board of Directors of
Panaya Germany GmbH

David Binny
Director

Statement of Changes in Equity

(In €)

Particulars	Equity share capital	Other equity: Reserves and surplus: Securities premium	Other equity: Reserves and surplus: Retained earnings	Other equity: Other comprehensive income: Exchange difference on translation	Total equity attributable to equity holders of the Company
Balance as of January 1, 2022	–	–	–	–	–
Changes in equity for the year ended December 31, 2022	25,000		–		25,000
Profit for the year	–	–	(122)	–	(122)
Exchange differences on translation	–	–	–	–	–
Balance as of December 31, 2022	25,000	–	(122)	–	24,878
Changes in equity for the year ended December 31, 2023					
Profit for the year	–	–	155,143	–	155,143
Capital reserves – Reserves recorded upon business transfer under common control (Refer to note 1.17)	–	–	(401,468)	–	(401,468)
Exchange differences on translation	–	–	–	–	–
Balance as of December 31, 2023	25,000	–	(246,447)	–	(221,447)

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants

Firm's Registration No.: 006673S

M. Rathnakar Kamath
Partner
Membership No. 202841

Place: Bengaluru
Date: May 17, 2024

for and on behalf of Board of Directors of
Panaya Germany GmbH

David Binny
Director

Statements of Cash Flows

(In €)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Cash flow from operating activities:		
Profit for the year	155,143	(122)
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation	1,237	–
Other adjustments	(401,468)	–
Changes in assets and liabilities		
Deferred tax assets	(121,779)	–
Income tax assets	(6,774)	–
Trade receivables	(400,092)	–
Other financial assets and other assets	(485,201)	–
Trade payables	147,375	500
Other financial liabilities	149,515	–
Other liabilities	1,378,725	–
Net cash generated by operating activities	416,679	378
Cash flow from investing activities:		
Expenditure on property, plant and equipment	(2,627)	–
Net cash from investing activities	(2,627)	–
Cash flow from financing activities:		
Proceeds from issue of share capital	–	25,000
Net cash from financing activities	–	25,000
Effect of exchange differences on translation of foreign currency cash and cash equivalents	–	–
Net increase in cash and cash equivalents	414,053	25,378
Cash and cash equivalents at the beginning of the year	25,378	–
Cash and cash equivalents at the end of the year	439,430	25,378

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants

Firm's Registration No.: 006673S

M. Rathnakar Kamath
Partner
Membership No. 202841

Place: Bengaluru
Date: May 17, 2024

for and on behalf of Board of Directors of
Panaya Germany GmbH

David Binny
Director

Significant accounting policies

Company overview

Panaya Germany 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 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 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 EURO (€).

1.4 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions that affect the accounting policies and reported balances of assets and liabilities 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 of the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Examples of such estimates allowance for credit losses, future obligations under employee benefit plans, income taxes, and the useful lives of property, plant and equipment.

1.5 Revenue recognition

The Company derives its revenue principally from the sale of its ERP systems analysis services including activation and monthly service fees. Revenues from services are recognized as services are performed or on a straight-line basis if service is ongoing. Revenue is recognized provided that 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.

Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method.

When there is uncertainty as to the measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

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 the incremental costs of obtaining a contract which are recognized as assets and amortized over the term of the contract.

Contract modification

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract, if not priced at the standalone selling price.

Tax

The Company presents revenues net of indirect taxes in its Statement of Profit and Loss.

1.6 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

1.7 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the Management. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Computer equipment	3-5 years
Furniture and fixtures	5 years

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Based on technical evaluation, the Management believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence, the useful lives for these assets 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 are classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment 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 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 (cash-generating unit) 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, 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.

1.14 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 the 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.

1.17 Transfer of business from Infosys Financial Services GmbH

On January 5, 2023, the Board of Directors of Panaya Germany GmbH authorized the Company to execute a business transfer agreement and related documents with Infosys Financial Services GmbH, a wholly-owned subsidiary of Panaya Inc to transfer business for a consideration based on an independent valuation. Accordingly, on January 31, 2023 the Company entered into a business transfer agreement to transfer the business of Infosys Financial Services GmbH to Panaya Germany GmbH for a consideration of €182,000 on securing the requisite approval. The resultant impact on account of the business transfer was recorded in business transfer adjustment during the calendar year ended December 2023.

The details of the assets and liabilities taken over upon business transfer are as follows:

Particulars	Amount
Net assets / (liabilities), others	(219,468)
Total	(219,468)
Less: Consideration payable	(182,000)
Business transfer reserve	(401,468)

2.1 Property, plant and equipment

The changes in the carrying value of property, plant and equipment for the year ended December 31, 2023 are as follows:

(In €)

Particulars	Computer equipment	Furniture and fixtures	Total
Gross carrying value as of January 1, 2023	–	–	–
Additions	26,821	1,271	28,092
Deletions	–	–	–
Translation differences	–	–	–
Gross carrying value as of December 31, 2023	26,821	1,271	28,092
Accumulated depreciation as of January 1, 2023	–	–	–
Depreciation	(1,237)	–	(1,237)
Accumulated depreciation	(24,197)	(1,268)	(25,465)
Translation differences	–	–	–
Accumulated depreciation as of December 31, 2023	(25,434)	(1,268)	(26,702)
Carrying value as of December 31, 2023	1,387	3	1,390
Carrying value as of January 1, 2023	–	–	–

Following are the changes in the carrying value of property, plant and equipment for the year ended December 31, 2022 are as follows:

(In €)

Particulars	Computer equipment	Furniture and fixtures	Total
Gross carrying value as of January 1, 2022	–	–	–
Additions	–	–	–
Deletions	–	–	–
Translation differences	–	–	–
Gross carrying value as of December 31, 2022	–	–	–
Accumulated depreciation as of January 1, 2022	–	–	–
Depreciation	–	–	–
Accumulated depreciation on deletions	–	–	–

Particulars	Computer equipment	Furniture and fixtures	Total
Translation differences	–	–	–
Accumulated depreciation as of December 31, 2022	–	–	–
Carrying value as of December 31, 2022	–	–	–
Carrying value as of January 1, 2022	–	–	–

2.2 Trade receivables

(In €)

Particulars	As at December 31, 2023	2022
Current		
Unsecured		
Considered good [(1)]	400,092	–
Total trade receivables	400,092	–
[(1)] Includes dues from related parties (Refer to note 2.14)	–	–

The trade receivables ageing schedule for the year ended December 31, 2023 is as follows:

(In €)

Particulars	Not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables – considered good	54,153	345,940	–	–	–	–	400,092
Less: Allowance for credit loss							–
Total trade receivables							400,092

2.3 Cash and cash equivalents

(In €)

Particulars	As at December 31, 2023	2022
Balances with banks		
In current accounts	439,430	25,378
Total cash and cash equivalents	439,430	25,378

2.4 Other financial assets

(In €)

Particulars	As at December 31, 2023	2022
Current		
Others [(1)]	485,201	–
Total current other financial assets	485,201	–
Financial assets carried at amortized cost	485,201	–
[(1)] Includes dues from related parties (Refer to note 2.14)	485,201	–

2.5 Equity

Equity share capital

(In €)

Particulars	As at December 31, 2023	2022
Authorized equity share capital (1 equity share of par value €25,000 each)	25,000	25,000
Issued, subscribed and paid-up (wholly owned by Panaya Inc.)	25,000	25,000
Equity share capital (1 equity share of par value €25,000 each)	25,000	25,000
Total equity share capital	25,000	25,000

The details of shareholder holding more than 5% shares are as follows:

Name of the shareholder	As at December 31, 2023	2022
Panaya Inc	100%	100%

2.6 Trade payables

(In €)

Particulars	As at December 31, 2023	2022
Trade payables [1]	147,875	500
Total trade payables	147,875	500
[1] Includes dues to related parties (Refer to note 2.14)	144,994	–

2.7 Other financial liabilities

(In €)

Particulars	As at December 31, 2023	2022
Current		
Accrued compensation to employees[1]	102,817	–
Accrued expenses[1]	11,358	–
Compensated absences	35,339	–
Other payables[1]	–	–
Total current other financial liabilities	149,515	–
[1] Financial liability carried at amortized cost	114,176	–

2.8 Other liabilities

(In €)

Particulars	As at December 31, 2023	2022
Current		
Withholding and other taxes payable	129,829	–
VAT account	(14,366)	–
Unearned revenue	1,263,261	–
Total current other liabilities	1,378,725	–

2.9 Revenue from operations

(In €)

Particulars	Year ended December 31, 2023	2022
Revenue from products and platforms	1,362,474	–
Total revenue from operations	1,362,474	–

Trade receivables and contract balances

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

Revenue recognition for fixed-price development contracts is based on the percentage-of-completion method. Invoicing to the clients is based on milestones 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 as net of impairment in the Balance Sheet.

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the 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.

Disaggregate revenue information

The disaggregated revenues from contracts with customers for the years ended December 31, 2023 and December 31, 2022 by geography are as follows:

(In €)

Particulars	Year ended December 31, 2023	2022
Revenues by geography [1]		
EMEA	1,362,474	–
Total revenue	1,362,474	–

[1] Geographical revenue is based on the domicile of the customer.

2.10 Other income

(In €)

Particulars	Year ended December 31, 2023	2022
Exchange gain / (loss) of assets and liabilities	57	–
Total other income	57	–

2.11 Expenses

(In €)

Particulars	Year ended December 31, 2023	2022
Employee benefit expenses		
Salaries including bonus	833,275	–
Staff welfare	1,945	–
Total employee benefit expenses	835,221	–
Cost of technical sub-contractors		
Technical sub-contractors – subsidiaries	325,078	–
Total cost of technical sub-contractors	325,078	–

Particulars	Year ended December 31,	
	2023	2022
Travel expenses		
Overseas travel expenses	24,147	–
Overseas boarding and lodging	10,282	–
Per diem	–	–
Total travel expenses	34,428	–
Communication expenses		
Telephone charges	190	–
Total communication expenses	190	–
Other expenses		
Repairs and maintenance	47	–
Brand and marketing	38,215	–
Operating lease payments	–	–
Rates and taxes	120	–
Insurance	134	–
Bank charges	3,231	122
Commission charges	(6,210)	–
Others	434	–
Total other expenses	35,972	122

2.12 Income taxes

Income tax expense in the Statement of Profit and Loss comprises:

(In €)

Particulars	As at December 31,	
	2023	2022
Current taxes	3,118	–
Deferred taxes	(121,779)	–
Income tax expense	(118,661)	–

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 €)

Particulars	As at December 31,	
	2023	2022
Profit before income taxes	36,482	(122)
Enacted tax rates in Germany	32.50%	32.50%
Computed expected tax expense	11,857	(40)
Effect of non-deductible expense	(121,779)	-
Others	(8,739)	40
Income tax expense	(118,661)	–

The applicable statutory tax rate in Germany for year ending December 31, 2023 and December 31, 2022 is 32.50%.

2.13 Financial instruments

Financial instruments by category

The carrying value of financial instruments as of December 31, 2023 and December 31, 2022 were as follows:

(In €)

Particulars	Carrying value as on December 31,	
	2023	2022
Assets		
Cash and cash equivalents (Refer to note 2.3)	439,430	25,378
Trade receivables (Refer to note 2.2)	400,092	–
Other financial assets (Refer to note 2.4)	485,201	–
Total	1,324,723	25,378
Liabilities		
Trade payables (Refer to note 2.6)	147,875	500
Other financial liabilities (Refer to note 2.7)	114,176	–
Total	262,050	500

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 €885,293 and nil as of December 31, 2023 and December 31, 2022, 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 the available external and internal credit risk factors such as credit default swap quotes, credit ratings from international credit rating agencies and the Company's historical experience for customers.

The details in respect of percentage of revenues generated from top customer and top five customers are as follows:

(In %)

Particulars	Year ended December 31,	
	2023	2022
Revenue from top customer	12.8	0.0
Revenue from top five customers	50.7	0.0

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the years ended December 31, 2023 and December 31, 2022 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, 2023, the Company had a working capital of €945,963 including cash and cash equivalents of €439,430. As of December 31, 2022, the Company had a working capital of €24,878 including cash and cash equivalents of €25,378.

As of December 31, 2023 and December 31, 2022, the outstanding compensated absences were €35,339 and nil, respectively.

The details regarding the contractual maturities of significant financial liabilities as of December 31, 2023 are as follows:

(In €)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	147,875	–	–	–	147,875
Other financial liabilities	114,176	–	–	–	114,176

The details regarding the contractual maturities of significant financial liabilities as of December 31, 2022 were as follows:

(In €)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	500	–	–	–	500
Other financial liabilities	–	–	–	–	–

2.14 Related party transactions

List of related parties:

Name of holding companies	Country	Holding as at December 31,	
		2023	2022
Infosys Ltd	India	100%	100%

Name of fellow subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)(1)	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)(1)	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)(1)	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)(1)	China
Infosys Nova Holdings LLC. (Infosys Nova)(1)	US
EdgeVerve Systems Limited (EdgeVerve)(1)	India
Infosys Austria GmbH(1)	Austria
Skava Systems Private Limited (Skava Systems)(1)(22)	India
Infosys Chile SpA(1)	Chile
Infosys Arabia Limited(2)(22)	Saudi Arabia
Infosys Consulting Ltda.(1)	Brazil
Infosys Luxembourg S.a.r.l(1)	Luxembourg
Infosys Americas Inc. (Infosys Americas)(1)(39)	US

Name of fellow subsidiaries	Country
Infosys Public Services, Inc. USA (Infosys Public Services)(1)	US
Infosys BPM Limited(1)(27)	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 (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
Infy Consulting Company Ltd(4)	UK
Infy Consulting B.V.(4)	The Netherlands
Infosys Consulting S.R.L.(29)	Argentina
Infosys Consulting (Belgium) NV(4)	Belgium
Panaya Inc. (Panaya)(1)	US
Panaya Ltd.(5)	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH) (38)	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)(1)(22)	UK
Brilliant Basics Limited (6)(22)	UK
Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)(1)	Singapore
Infosys Middle East FZ LLC (7)	Dubai
Fluido Oy (7)	Finland
Fluido Sweden AB (9)	Sweden
Fluido Denmark A/S(9)	Denmark
Fluido Slovakia s.r.o(9)	Slovakia
Infosys Compaz Pte. Ltd (8)	Singapore
Infosys South Africa (Pty) Ltd(7)	South Africa
WongDoody Inc. (1)	US
HIPUS Co., Ltd(8)	Japan
Stater N.V.(8)	The Netherlands
Stater Nederland B.V.(10)	The Netherlands
Stater XXL B.V.(10)	The Netherlands
HypoCasso B.V.(10)	The Netherlands
Stater Participations B.V.(44)	The Netherlands
Stater Belgium N.V./S.A.(10)(44)	Belgium
Stater Gmbh(10)	Germany
Outbox systems Inc. dba Simplus (US)(12)	US
Simplus ANZ Pty Ltd.(13)	Australia
Simplus Australia Pty Ltd(14)	Australia
Simplus Philippines, Inc.(13)	Philippines
Infosys Fluido UK, Ltd.(9)	UK
Infosys Fluido Ireland, Ltd.(16)	Ireland
Infosys Limited Bulgaria EOOD(1)	Bulgaria

Name of fellow subsidiaries	Country
Kaleidoscope Animations, Inc.[12]	US
Kaleidoscope Prototyping LLC[18][43]	US
GuideVision s.r.o.[11]	Czech Republic
GuideVision Deutschland GmbH[17]	Germany
GuideVision Suomi Oy[17]	Finland
GuideVision Magyarország Kft[17]	Hungary
GuideVision Polska Sp. z.o.o[17]	Poland
GuideVision UK Ltd[17][22]	UK
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[12]	US
Beringer Capital Digital Group Inc[12][25]	US
Mediotype LLC[19][25]	US
Beringer Commerce Holdings LLC[19][25]	US
SureSource LLC[20][23]	US
Blue Acorn LLC[20][23]	US
Simply Commerce LLC[20][23]	US
iCiDIGITAL LLC[21][24]	US
Infosys BPM UK Limited[3]	UK
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[1]	Turkey
Infosys Germany Holding Gmbh[1]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1]	Germany
Infosys Green Forum[1]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[7]	Malaysia
Infosys Business Solutions LLC[1][26]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[28]	Germany
Wongdoody Gmbh (formerly known as oddity GmbH) [30]	Germany
oddity (Shanghai) Co., Ltd. [31]	China
oddity Limited (Taipei) [31]	Taiwan
oddity space GmbH [30][42]	Germany
oddity jungle GmbH [30][42]	Germany
oddity code GmbH [30][42]	Germany
WongDoody d.o.o (formerly known as oddity code d.o.o) [31][42]	Serbia
oddity waves GmbH [30][42]	Germany
oddity group services GmbH [30][42]	Germany
Infosys Public Services Canada Inc. [15][32]	Canada
BASE life science AG [34]	Switzerland
BASE life science GmbH [34]	Germany
BASE life science A/S [33]	Denmark
BASE life science S.A.S [34]	France
BASE life science Ltd. [34]	UK
BASE life science S.r.l. [34]	Italy
Innovisor Inc.[34]	US
BASE life science Inc.[34]	US
BASE life science S.L.[34][35]	Spain
Infosys Norway [7][37]	Norway
Infosys BPM Canada Inc [3][40]	Canada
Danske IT and Support Services India Private Limited ("Danske IT") [41]	India

[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 Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

[8] Majority-owned and controlled subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

[9] Wholly-owned subsidiary of Fluido Oy

[10] Wholly-owned subsidiary of Stater N.V

[11] Wholly-owned subsidiary of Infy Consulting Company Limited

[12] Wholly-owned subsidiary of Infosys Nova Holdings LLC

[13] Wholly-owned subsidiary of Outbox systems Inc. dba Simplus (US)

[14] Wholly-owned subsidiary of Simplus ANZ Pty Ltd

[15] Wholly-owned subsidiary of Infosys Public Services, Inc.

[16] Wholly-owned subsidiary of Infosys Fluido UK, Ltd.

[17] Wholly-owned subsidiary of GuideVision s.r.o.

[18] Wholly-owned subsidiary of Kaleidoscope Animations, Inc.

[19] Wholly-owned subsidiary of Blue Acorn iCi Inc

[20] Wholly-owned subsidiary of Beringer Commerce Holdings LLC

[21] Wholly-owned subsidiary of Beringer Capital Digital Group Inc.

[22] Under liquidation

[23] Merged with Beringer Commerce Holdings LLC, effective January 1, 2022

[24] Merged with Beringer Capital Digital Group Inc, effective January 1, 2022

[25] Merged with Blue Acorn iCi Inc, effective January 1, 2022

[26] Incorporated on February 20, 2022

[27] On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

[28] On March 22, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.), a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH (“Kristall”)).

[29] Infosys Consulting S.R.L. (Argentina) (formerly a wholly-owned subsidiary of Infosys Consulting Holding AG) became the majorityowned and controlled subsidiary of Infosys Limited with effect from April 1, 2022

[30] On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH [“Kristall”]) (a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.)) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and WongDoody Gmbh (formerly known as oddity GmbH)

[31] Wholly-owned subsidiary of WongDoody Gmbh (formerly known as oddity GmbH)

[32] Incorporated on July 8, 2022

[33] On September 1, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.) (a wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

[34] Wholly-owned subsidiary of BASE life science A/S

[35] Incorporated on September 6, 2022

[36] Incorporated effective December 15, 2022

[37] Incorporated effective February 7, 2023.

[38] Infosys Financial Services GmbH. (formerly Panaya GmbH) became a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.) with effect from February 23, 2023.

[39] Liquidated effective July 14, 2023

[40] Incorporated on August 11, 2023

[41] On September 1, 2023 Infosys Ltd. acquired 100% of voting interests in Danske IT and Support Services India Private Limited (“Danske IT”).

[42] On September 29, 2023, oddity space GmbH, oddity waves GmbH, oddity jungle GmbH, oddity group services GmbH and oddity code GmbH merged into WongDoody GmbH and oddity code d.o.o which was formerly a subsidiary of oddity code Gmbh has become a subsidiary of Wongdoody Gmbh (formerly known as oddity GmbH).

[43] Liquidated effective November 1, 2023

[44] On November 24, 2023 Stater Participations B.V (a wholly-owned subsidiary of Stater N.V.) merged with Stater N.V. and Stater Belgium N.V. / S.A. which was formerly a whollyowned subsidiary of Stater Participations B.V. became a wholly-owned subsidiary of Stater N.V.

The details of amounts due to or due from related parties as at December 31, 2023 and December 31, 2022 are as follows:

(In €)

Particulars	As at December 31, 2023	2022
Other financial assets		
Panaya Ltd	485,201	–
	485,201	–
Trade payables		
Panaya Ltd	144,994	–
	144,994	–

The details of the related parties transactions entered into by the Company, for the years ended December 31, 2023 and December 31, 2022 are as follows:

(In €)

Particulars	As at December 31, 2023	2022
Revenue transactions		
Purchase of services		
Panaya Ltd	325,078	–
Interest expense		
Panaya Inc	12,260	–
	337,338	–

2.15 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 the analysis of performance of the Company as a whole. Its operations are, therefore, considered to constitute a single segment in the context of Ind AS 108, Segment Reporting.

2.16 Ratios

The ratios for the years ended December 31, 2023 and December 31, 2022 are as follows:

Particulars	Numerator	Denominator	December 31, 2023	December 31, 2022	Variance %
Current Ratio	Current assets	Current liabilities	0.8	(98.4%)	*
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	(157.9%)	(1%)	(15953.3%)**
Trade receivables turnover ratio	Revenue	Average Trade Receivable	6.8	Nil	
Trade payables turnover ratio	Purchases of services and other expenses	Average Trade Payables	6.4	Nil	
Net capital turnover ratio	Revenue	Working Capital	(3.9)	Nil	*
Net profit ratio	Net Profit	Revenue	11.4%	Nil	
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed[1]	(22.0%)	(0.5%)	(4376.9%)**

[1] Tangible net worth + deferred tax liabilities + Lease Liabilities

* Current Liabilities has increased from last year

** Due to reduction in shareholders equity

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Infosys Financial Services GmbH

Independent Auditor's Report

To the Members of Infosys Financial Services GmbH

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Infosys Financial Services GmbH ("the Company"), which comprise the Balance Sheet as at December 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of preparation referred to in Section 1.2 of the special purpose financial statements, of the state of affairs of the Company as at December 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1.2 to the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared for inclusion in the annual report of the Ultimate Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act, 2013. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for the above purpose and is not to be used, referred to or distributed for any other purpose without our prior consent.

Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

i) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

iii) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

For Shenoy & Kamath
Chartered Accountants,
Firm Registration Number. 006673S

M Rathnakar Kamath
Partner
Membership Number. 202841

UDIN : 24202841BKACRJ5235

Place: Bengaluru

Date: May 17, 2024

Balance Sheet

(In ₹)

Particulars	Note No	As at December 31, 2023	As at December 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	2.1	–	2,41,410
Total non-current assets		–	2,41,410
Current assets			
Financial assets			
Trade receivables	2.2	34,01,215	59,61,09,294
Cash and cash equivalents	2.3	6,72,50,254	10,36,49,902
Other financial assets	2.4	4,36,64,024	7,06,20,141
Other current assets	2.5	12,49,454	12,59,477
Total current assets		11,55,64,947	77,16,38,815
Total assets		11,55,64,947	77,18,80,225
Equity and liabilities			
Equity			
Equity share capital	2.6	13,74,350	18,12,750
Other equity		3,85,85,230	(1,12,03,204)
Total equity		3,99,59,580	(93,90,454)
Liabilities			
Current liabilities			
Financial liabilities			
Trade payables	2.7	5,49,42,419	67,50,14,137
Other financial liabilities	2.8	–	1,83,23,980
Other liabilities	2.9	15,42,354	8,79,32,562
Provision	2.10	8,04,890	–
Income tax liabilities (net)	2.11	1,83,15,704	–
Total current liabilities		7,56,05,367	78,12,70,679
Total equity and liabilities		11,55,64,947	77,18,80,225

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 Infosys Financial Services GmbH

For Shenoy & Kamath
Chartered Accountants
Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership No. 202841

David Binny
Director

Atul Mayadeo
Director

Place: Bengaluru

Date: May 17, 2024

Statement of Profit and Loss

(In ₹)

Particulars	Note No	Year ended December 31, 2023	Year ended December 31, 2022
Revenue from operations	2.11	8,68,81,687	11,05,33,338
Other income, net	2.12	4,15,704	27,58,603
Total income		8,72,97,391	11,32,91,942
Expenses			
Employee benefit expenses	2.13	10,71,045	10,05,80,749
Cost of technical sub-contractors		5,34,54,863	–
Travel expenses		30,809	25,47,697
Communication expenses		47,654	2,91,887
Consultancy and professional charges		8,61,246	59,50,284
Depreciation expense	2.1	9,935	1,09,046
Other expenses	2.13	14,75,932	9,43,667
Total expenses		5,69,51,484	11,04,23,330
Profit before tax		3,03,45,907	28,68,611
Tax expense:			
Current tax	2.10	1,77,81,031	–
Profit for the year		1,25,64,876	28,68,611
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation		13,87,724	(2,42,453)
Total other comprehensive income / (loss), net of tax		13,87,724	(2,42,453)
Total comprehensive income for the year		1,39,52,600	26,26,158
Earnings per equity share			
Equity shares of par value € 25,000 (equivalent Rs 13,74,350) previous year € 30,000 (equivalent Rs 18,12,750)			
Basic and diluted		1,39,52,600	26,26,158
Number of shares used in computing earning per share			
Basic and diluted		1	1

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 Infosys Financial Services GmbH

For Shenoy & Kamath
Chartered Accountants
Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership No. 202841

David Binny
Director

Atul Mayadeo
Director

Place: Bengaluru

Date: May 17, 2024

Statements of Cash Flows

(In ₹)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Cash flow from operating activities:		
Profit for the year	1,25,64,876	28,68,611
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation	9,935	1,09,046
Provision	8,04,890	–
Income tax liability	1,83,15,704	–
Other adjustments	3,53,97,429	(2,04,889)
Exchange differences on translation of assets and liabilities	13,87,724	(2,42,453)
Changes in assets and liabilities		
Trade receivables	59,27,08,079	(2,65,11,782)
Other financial assets and other assets	2,69,66,140	24,89,219
Trade payables	(62,00,71,718)	2,78,44,433
Other financial liabilities and other liabilities	(10,47,14,182)	69,82,418
Net cash generated by operating activities	(3,66,31,123)	1,33,34,603
Cash flow from investing activities:		
Expenditure on property, plant and equipment	2,31,475	(1,44,646)
Net cash from investing activities	2,31,475	(1,44,646)
Cash flow from financing activities:		
Net cash from financing activities	–	–
Net increase in cash and cash equivalents	(3,63,99,648)	1,31,89,958
Cash and cash equivalents at the beginning of the year	10,36,49,902	9,04,59,945
Cash and cash equivalents at the end of the year	6,72,50,254	10,36,49,902

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 Infosys Financial Services GmbH

For Shenoy & Kamath
Chartered Accountants
Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership No. 202841

David Binny
Director

Atul Mayadeo
Director

Place: Bengaluru

Date: May 17, 2024

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	Retained earnings	Exchange difference on translation	
Balance as of December 31, 2021	18,12,750	5,21,612	(79,47,887)	(64,03,087)	(1,20,16,612)
Changes in equity for the year ended December 31, 2022					
Profit for the year	–	–	28,68,611	–	28,68,611
Exchange differences on translation	–	–	–	(2,42,453)	(2,42,453)
Balance as of December 31, 2022	18,12,750	5,21,612	(50,79,276)	(66,45,540)	(93,90,454)
Changes in equity for the year ended December 31, 2022					
Profit for the year	–	–	1,25,64,876	–	1,25,64,876
Reclass	(4,38,400)	4,38,400	–	–	–
Capital gain on business transfer	–	–	3,53,97,434	–	3,53,97,434
Exchange differences on translation	–	–	–	13,87,724	13,87,724
Balance as of December 31, 2023	13,74,350	9,60,012	4,28,83,034	(52,57,816)	3,99,59,580

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 Infosys Financial Services GmbH

For Shenoy & Kamath
Chartered Accountants
Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership No. 202841

David Binny
Director

Atul Mayadeo
Director

Place: Bengaluru

Date: May 17, 2024

Significant accounting policies

Company overview

Infosys Financial Services GmbH ("the Company") (formerly known as Panaya GmbH) is a wholly-owned subsidiary of Panaya Inc., US. 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 Ultimate holding company, Infosys Limited, under the requirements of Section 129 (3) of the Companies Act 2013.

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.3 Presentation currency

The Company's presentation currency is the Indian Rupee (₹).

1.4 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions that affect the accounting policies and reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Examples of such estimates allowance for credit losses, future obligations under employee benefit plans, income taxes, and the useful lives of property, plant and equipment.

1.5 Revenue recognition

The Company derives its revenue principally from the sale of its ERP systems analysis services including activation and monthly service fees. Revenues from services are recognized as services are performed or on a straight-line basis if service is ongoing.

Revenue is recognized provided that arrangement (usually in the form of a purchase order) exists, the fee is fixed and determinable and collection is reasonably assured. If uncertainties exist, revenue is recognized when the uncertainties are resolved.

Effective January 1, 2019, the Company adopted Ind AS 115, Revenue from Contracts with Customers using the cumulative catch-up transition method, applied to contracts that were not completed as at 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 catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Tax

The Company presents revenues net of indirect taxes in its Statement of Profit and loss.

1.6 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

1.7 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the Management. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows :

Computer equipment	3-5 years
Furniture and fixtures	5 years

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Based on technical evaluation, the Management believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

1.8 Financial instruments

1.8.1 Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted at trade date.

1.8.2 Subsequent measurement

Non-derivative financial instruments

(i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income, if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss

A financial asset, which is not classified in any of the above categories, is subsequently fair-valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

1.9 Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

1.10 Impairment

a. Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair-valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

b. Non-financial assets

(i) Property, plant and equipment

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in- use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the 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.

1.11 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 usingthe 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, the Management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

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, 2023 are as follows:

(In ₹)

Particulars	Computer equipment	Furniture and fixtures	Total
Gross carrying value as of January 1, 2023	23,64,006	1,11,982	24,75,988
Additions	–	–	–
Deletions	(23,64,006)	(1,11,982)	(24,75,988)
Translation difference	–	–	–
Gross carrying value as of December 31, 2023	–	–	–
Accumulated depreciation as of January 1, 2023	(21,22,861)	(1,11,717)	(22,34,578)
Depreciation	(9,935)	–	(9,935)
Accumulated depreciation on deletions	21,32,796	1,11,717	22,44,513
Translation difference	–	–	–
Accumulated depreciation as of December 31, 2023	–	–	–
Carrying value as of December 31, 2023	–	–	–
Carrying value as of January 1, 2023	2,41,146	264	2,41,410

(In ₹)

Particulars	Computer equipment	Furniture and fixtures	Total
Gross carrying value as of January 1, 2022	22,24,341	1,07,002	23,31,343
Additions	1,39,665	4,980	1,44,646
Deletions	–	–	–
Translation difference	–	–	–
Gross carrying value as of December 31, 2022	23,64,006	1,11,982	24,75,988
Accumulated depreciation as of January 1, 2022	(22,23,672)	(1,06,749)	(23,30,421)
Depreciation	(1,00,812)	(8,234)	(1,09,046)
Accumulated depreciation on deletions	–	–	–
Translation Difference	2,01,623	3,265	2,04,889
Accumulated depreciation as of December 31, 2022	(21,22,861)	(1,11,717)	(22,34,578)
Carrying value as of December 31, 2022	2,41,146	264	2,41,410
Carrying value as of January 1, 2022	669	253	921

2.2 Trade receivables

(In ₹)

Particulars	As at December 31,	
	2023	2022
Current		
Unsecured		
Considered good [1]	34,01,215	59,61,09,294
Total trade receivables	34,01,215	59,61,09,294
[1] Includes dues from related parties (Refer to Note 2.15)	34,01,215	59,61,09,294

The trade receivables ageing schedule for the year ended December 31, 2023 is as follows:

(In ₹)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	–	–	34,01,215	–	–	–	34,01,215
Undisputed Trade receivables – credit impaired	–	–	–	–	–	–	–
	–	–	34,01,215	–	–	–	34,01,215
Less: Allowance for credit loss	–	–	–	–	–	–	–
Total trade receivables[1]							34,01,215

The trade receivables ageing schedule for the year ended December 31, 2022 was as follows:

(In ₹)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	–	–	59,61,09,294	–	–	–	59,61,09,294
Undisputed trade receivables – credit impaired	–	–	–	–	–	–	–
	–	–	59,61,09,294	–	–	–	59,61,09,294
Less: Allowance for credit loss	–	–	–	–	–	–	–
Total trade receivables[(1)]							59,61,09,294

2.3 Cash and cash equivalents

(In ₹)

Particulars	As at December 31,	
	2023	2022
Balances with banks		
In current accounts	6,72,50,254	10,36,49,902
Total cash and cash equivalents	6,72,50,254	10,36,49,902

2.4 Other financial assets

(In ₹)

Particulars	As at December 31,	
	2023	2022
Current		
Others [(1)]	4,36,64,024	7,06,20,141
Total current other financial assets	4,36,64,024	7,06,20,141
Financial assets carried at amortized cost	4,36,64,024	7,06,20,141
[(1)] Includes dues from related parties (Refer to Note 2.15)	4,36,64,024	7,06,20,141

2.5 Other assets

(In ₹)

Particulars	As at December 31,	
	2023	2022
Current		
Withholding taxes and others	12,49,454	12,59,477
Total current other assets	12,49,454	12,59,477

2.6 Equity

Equity share capital

(In ₹)

Particulars	As at December 31,	
	2023	2022
Issued, subscribed and paid-up (wholly-owned by IC Singapore)		
Equity share capital (1 Equity share of par value € 25,000 (equivalent Rs 13,74,350) previous year € 30,000 (equivalent Rs 18,12,750) each)	13,74,350	18,12,750
Total equity share capital	13,74,350	18,12,750

The details of shareholder holding more than 5% shares are follows:

Name of the shareholder	As at December 31	
	2023	2022
IC Singapore	100%	–
Panaya Inc	–	100%

2.7 Trade payables

(In ₹)

Particulars	As at December 31,	
	2023	2022
Trade payables[1]	5,49,42,419	67,50,14,137
Total trade payables	5,49,42,419	67,50,14,137
[1]Includes dues to related parties (Refer to Note 2.15)	5,49,42,419	67,46,02,529

The trade payables ageing schedule for the year ended December 31, 2023 is as follows:

(In ₹)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Others	–	5,49,42,419	–	–	–	5,49,42,419
Total trade payables	–	5,49,42,419	–	–	–	5,49,42,419

The trade payables ageing schedule for the year ended December 31, 2022 was as follows:

(In ₹)

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Others	–	67,50,14,137	–	–	–	67,50,14,137
Total trade payables	–	67,50,14,137	–	–	–	67,50,14,137

2.8 Other financial liabilities

(In ₹)

Particulars	As at December 31,	
	2,023	2022
Current		
Accrued compensation to employees[1]	–	1,22,97,143
Accrued expenses[1]	–	14,75,992
Compensated absences	–	45,50,844
Total current other financial liabilities	–	1,83,23,980
[1]Financial liability carried at amortized cost	–	1,37,73,135

2.9 Other liabilities

(In ₹)

Particulars	As at December 31,	
	2,023	2022
Current		
Withholding and other taxes payable	15,42,354	9,51,645
Unearned revenue	–	8,69,80,917
Total current other liabilities	15,42,354	8,79,32,562

2.10 Provision

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 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. 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.

Provision for post-sales client support and other provisions

(In ₹)

Particulars	As at December 31,	
	2023	2022
Current		
Post-sales client support and others	8,04,890	–
Total provisions	8,04,890	–

2.11 Income taxes

Income tax expense in the Statement of Profit and Loss comprises:

(In ₹)

Particulars	As at December 31,	
	2023	2022
Current taxes	1,77,81,031	–
Deferred taxes	–	–
Income tax expense	1,77,81,031	–

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is as follows:

(In ₹)

Particulars	As at December 31,	
	2023	2022
Profit before income taxes	3,03,45,907	28,68,611
Enacted tax rates in Germany	32.50%	32.50%
Computed expected tax expense	98,62,420	9,32,299
Tax provision/(reversals)	–	–
Effect of non-deductible expenses	1,15,04,166	–
Effect of unrecognized deferred tax assets	(35,85,555)	(9,32,299)
Income tax expense	1,77,81,031	–

The applicable statutory tax rate in Germany for year ending December 31, 2023 and December 31, 2022 is 32.50%.

2.12 Revenue from operations

(In ₹)

Particulars	Years ended December 31,	
	2023	2022
Revenue from products and platforms	8,68,81,687	11,05,33,338
Total revenue from operations	8,68,81,687	11,05,33,338

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.

The trade receivables are presented net of impairment in the Balance Sheet.

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the 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, 2023, other than those meeting the exclusion criteria mentioned above, is ₹4,57,65,34 Out of this, the Group expects to recognize revenue of around 20% within the next one year and the remaining thereafter. The aggregate value of performance obligations that are completely or partially unsatisfied as at December 31, 2022 is ₹86,980,917. Out of this, the Group expects to recognize revenue of around 66% within the next one year and the remaining thereafter. The contracts can generally be terminated by the customers and typically includes an enforceable termination penalty payable by them. Generally, customers have not terminated contracts without cause.

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the years ended December 31, 2023 and December 31, 2022 by geography.

(In ₹)

Particulars	Years ended December 31,	
	2023	2022
Revenues by geography [1]		
EMEA	8,68,81,687	11,05,33,338
Total revenue	8,68,81,687	11,05,33,338

[1] Geographical revenue is based on the domicile of customer

2.13 Other income

(In ₹)

Particulars	Years ended December 31,	
	2023	2022
Others	4,15,704	27,58,603
Total other income	4,15,704	27,58,603

2.14 Expenses

(In ₹)

Particulars	Years ended December 31	
	2023	2022
Employee benefit expenses		
Salaries including bonus	10,71,045	10,02,22,664
Staff welfare	–	3,58,085
Total employee benefit expenses	10,71,045	10,05,80,749

(In ₹)

Particulars	Years ended December 31	
	2023	2022
Other expenses		
Brand and marketing	7,83,814	1,45,876
Rates and taxes	2,47,524	3,103
Insurance	3,85,695	1,48,728
Others	58,899	6,45,960
Total other expenses	14,75,932	9,43,667

2.15 Financial instruments

Financial instruments by category

The carrying value of financial instruments as of December 31, 2023 and December 31, 2022 are as follows:

(In ₹)

Particulars	Carrying value as on December 31,	
	2023	2022
Assets:		
Cash and cash equivalents (Refer to Note 2.3)	6,72,50,254	10,36,49,902
Trade receivables (Refer to Note 2.2)	34,01,215	59,61,09,294
Other financial assets (Refer to Note 2.4)	4,36,64,024	7,06,20,141
Total	11,43,15,493	77,03,79,337
Liabilities:		
Trade payables (Refer to Note 2.7)	5,49,42,419	67,50,14,137
Other financial liabilities (Refer to Note 2.8)	–	1,37,73,135
Total	5,49,42,419	68,87,87,273

All the above financial instruments are carried at amortized cost, and the carrying values approximate 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.

The gross carrying amount of a financial asset is written off (either partially or in full) when there is no realistic prospect of recovery.

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 Indian 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 analysis of the foreign currency risk from financial assets and liabilities as at March 31, 2023:

(In ₹)

Particulars	USD
Trade payables	(28,884,380)
Total	(28,884,380)

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 ₹ 3,401,215 and ₹ 596,109,294 as of December 31, 2023, and December 31, 2022, 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.

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended December 31, 2023 and December 31, 2022 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, 2023, the Company had a working capital of ₹ 39,959,580 including cash and cash equivalents of ₹ 67,250,254 As of December 31, 2022, the Company had a working capital of ₹ -96,31864 including cash and cash equivalents of ₹ 10,36,49,902.

As of December 31, 2023 and December 31, 2022, the outstanding compensated absences were nil and ₹ 45,50,844 respectively.

The details regarding the contractual maturities of significant financial liabilities as of December 31, 2023 are as follows:

(In ₹)

Particulars	Less than 1 year	1-2 years	2-4 years	More than 4 years	Total
Trade payables	5,49,42,419	–	–	–	5,49,42,419
Other financial liabilities	–	–	–	–	–

The details regarding the contractual maturities of significant financial liabilities as of December 31, 2022 were as follows:

(In ₹)

Particulars	Less than 1 year	1-2 years	2-4 years	More than 4 years	Total
Trade payables	67,50,14,137	–	–	–	67,50,14,137
Other financial liabilities	1,37,73,135	–	–	–	1,37,73,135

Related party transactions

List of related parties:

Name of subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)[1]	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)[1]	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)[1]	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)[1]	China
Infosys Nova Holdings LLC. (Infosys Nova)[1]	US
EdgeVerve Systems Limited (EdgeVerve)[1]	India
Infosys Austria GmbH[1]	Austria
Skava Systems Private Limited (Skava Systems)[1][22]	India
Infosys Chile SpA[1]	Chile
Infosys Arabia Limited[2][22]	Saudi Arabia
Infosys Consulting Ltda.[1]	Brazil
Infosys Luxembourg S.a.r.l[1]	Luxembourg
Infosys Americas Inc. (Infosys Americas)[1][39]	US
Infosys Public Services, Inc. USA (Infosys Public Services)[1]	US
Infosys BPM Limited[1][27]	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 [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
Infy Consulting Company Ltd[4]	UK
Infy Consulting B.V.[4]	The Netherlands
Infosys Consulting S.R.L.[29]	Argentina
Infosys Consulting (Belgium) NV[4]	Belgium
Panaya Inc. (Panaya)[1]	US
Panaya Ltd.[5]	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH) [38]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[1][22]	UK
Brilliant Basics Limited [6][22]	UK
Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)[1]	Singapore

Name of subsidiaries	Country
Infosys Middle East FZ LLC [7]	Dubai
Fluido Oy [7]	Finland
Fluido Sweden AB [9]	Sweden
Fluido Norway A/S[9]	Norway
Fluido Denmark A/S[9]	Denmark
Fluido Slovakia s.r.o[9]	Slovakia
Infosys Compaz Pte. Ltd [8]	Singapore
Infosys South Africa (Pty) Ltd[7]	South Africa
WongDoody Inc. [1]	US
HIPUS Co., Ltd[8]	Japan
Stater N.V.[8]	The Netherlands
Stater Nederland B.V.[10]	The Netherlands
Stater XXL B.V.[10]	The Netherlands
HypoCasso B.V.[10]	The Netherlands
Stater Participations B.V.[44]	The Netherlands
Stater Belgium N.V./S.A.[10][44]	Belgium
Stater Gmbh[10]	Germany
Outbox systems Inc. dba Simplus (US)[12]	US
Simplus ANZ Pty Ltd.[13]	Australia
Simplus Australia Pty Ltd[14]	Australia
Simplus Philippines, Inc.[13]	Philippines
Infosys Fluido UK, Ltd.[9]	UK
Infosys Fluido Ireland, Ltd.[16]	Ireland
Infosys Limited Bulgaria EOOD[1]	Bulgaria
Kaleidoscope Animations, Inc.[12]	US
Kaleidoscope Prototyping LLC[18][43]	US
GuideVision s.r.o.[11]	Czech Republic
GuideVision Deutschland GmbH[17]	Germany
GuideVision Suomi Oy[17]	Finland
GuideVision Magyarország Kft[17]	Hungary
GuideVision Polska Sp. z.o.o[17]	Poland
GuideVision UK Ltd[17][22]	UK
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[12]	US
Beringer Capital Digital Group Inc[12][25]	US
Mediotype LLC[19][25]	US
Beringer Commerce Holdings LLC[19][25]	US
SureSource LLC[20][23]	US
Blue Acorn LLC[20][23]	US
Simply Commerce LLC[20][23]	US
iCiDIGITAL LLC[21][24]	US
Infosys BPM UK Limited[3]	UK
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[1]	Turkey
Infosys Germany Holding Gmbh[1]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1]	Germany
Infosys Green Forum[1]	India

Name of subsidiaries	Country
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[7]	Malaysia
Infosys Business Solutions LLC[1][26]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[28]	Germany
WongDoody Gmbh (formerly known as oddity GmbH) [30]	Germany
oddity (Shanghai) Co., Ltd. [31]	China
oddity Limited (Taipei) [31]	Taiwan
oddity space GmbH [30][42]	Germany
oddity jungle GmbH [30][42]	Germany
oddity code GmbH [30][42]	Germany
WongDoody d.o.o (formerly known as oddity code d.o.o) [31][42]	Serbia
oddity waves GmbH [30][42]	Germany
oddity group services GmbH [30][42]	Germany
Infosys Public Services Canada Inc. [15][32]	Canada
BASE life science AG [34]	Switzerland
BASE life science GmbH [34]	Germany
BASE life science A/S [33]	Denmark
BASE life science S.A.S [34]	France
BASE life science Ltd. [34]	UK
BASE life science S.r.l. [34]	Italy
Innovisor Inc.[34]	US
BASE life science Inc.[34]	US
BASE life science S.L.[34][35]	Spain
Panaya Germany GmbH [5][36]	Germany
Infosys Norway [7][37]	Norway
Infosys BPM Canada Inc [3][40]	Canada
Danske IT and Support Services India Private Limited (Danske IT) [41]	India

(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 Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)
(8) Majority-owned and controlled subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)
(9) Wholly-owned subsidiary of Fluido Oy
(10) Wholly-owned subsidiary of Stater N.V
(11) Wholly-owned subsidiary of Infy Consulting Company Limited
(12) Wholly-owned subsidiary of Infosys Nova Holdings LLC
(13) Wholly-owned subsidiary of Outbox systems Inc. dba Simplus (US)
(14) Wholly-owned subsidiary of Simplus ANZ Pty Ltd
(15) Wholly-owned subsidiary of Infosys Public Services, Inc.
(16) Wholly-owned subsidiary of Infosys Fluido UK, Ltd.
(17) Wholly-owned subsidiary of GuideVision s.r.o.
(18) Wholly-owned subsidiary of Kaleidoscope Animations, Inc.
(19) Wholly-owned subsidiary of Blue Acorn iCi Inc
(20) Wholly-owned subsidiary of Beringer Commerce Holdings LLC
(21) Wholly-owned subsidiary of Beringer Capital Digital Group Inc.
(22) Under liquidation
(23) Merged with Beringer Commerce Holdings LLC, effective January 1, 2022
(24) Merged with Beringer Capital Digital Group Inc, effective January 1, 2022

[25] Merged with Blue Acorn iCi Inc, effective January 1, 2022

[26] Incorporated on February 20, 2022

[27] On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

[28] On March 22, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.), a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")).

[29] Infosys Consulting S.R.L. (Argentina) (formerly a wholly-owned subsidiary of Infosys Consulting Holding AG) became the majority-owned and controlled subsidiary of Infosys Limited with effect from April 1, 2022

[30] On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.)) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and WongDoody Gmbh (formerly known as oddity GmbH)

[31] Wholly-owned subsidiary of WongDoody Gmbh (formerly known as oddity GmbH)

[32] Incorporated on July 8, 2022

[33] On September 1, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.) (a wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

[34] Wholly-owned subsidiary of BASE life science A/S

[35] Incorporated on September 6, 2022

[36] Incorporated effective December 15, 2022

[37] Incorporated effective September 22, 2022.

[38] Infosys Financial Services GmbH. (formerly Panaya GmbH) became a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.) with effect from February 23, 2023.

[39] Liquidated effective July 14, 2023

[40] Incorporated on August 11, 2023

[41] On September 1, 2023 Infosys Ltd. acquired 100% of voting interests in Danske IT and Support Services India Private Limited (Danske IT).

[42] On September 29, 2023, oddity space GmbH, oddity waves GmbH, oddity jungle GmbH, oddity group services GmbH and oddity code GmbH merged into WongDoody GmbH and oddity code d.o.o which was formerly a subsidiary of oddity code Gmbh has become a subsidiary of WongDoody Gmbh (formerly known as oddity GmbH).

[43] Liquidated effective November 1, 2023

[44] On November 24, 2023 Stater Participations B.V (a wholly-owned subsidiary of Stater N.V.) merged with Stater N.V. and Stater Belgium N.V./S.A which was formerly a wholly-owned subsidiary of Stater Participations B.V. became a wholly-owned subsidiary of Stater N.V.

[45] On TEXT MISSING IN EXCEL

The details of amounts due to or due from related parties as at December 31, 2023 and December 31, 2022 are as follows:

(In ₹)

Particulars	As at December 31, 2023	As at December 31, 2022
Trade receivables		
Panaya Ltd	34,01,215	59,61,09,294
	34,01,215	59,61,09,294
Other financial assets		
Panaya Ltd	4,36,64,024	7,06,20,141
	4,36,64,024	7,06,20,141
Trade payables		
Panaya Ltd.	5,49,42,419	67,46,02,529
	5,49,42,419	67,46,02,529

The details of the related parties transactions entered into by the Company, for the years ended December 31, 2023 and December 31, 2022 are as follows:

(In ₹)

Particulars	As at December 31, 2023	As at December 31, 2022
Revenue transactions:		
Purchase of services		
Panaya Ltd.	5,34,54,863	–
	5,34,54,863	–
Sale of services		
Panaya Ltd	4,15,704	27,58,603
	4,15,704	27,58,603

2.17 Segment reporting

The Company is engaged in developing and marketing solutions in a single geography. Based on the management approach as defined in Ind AS 108, Segment Reporting, the Chief Operating Decision Maker (CODM) evaluates the performance and allocates resources based on analysis of performance of the Company as a whole. Its operations are, therefore, considered to constitute a single segment in the context of Ind AS 108, Segment Reporting.

2.18 Ratios

The ratios for the years ended December 31, 2023 and December 31, 2022 are as follows:

Particulars	Numerator	Denominator	December 31, 2023	December 31, 2022	Variance
Current ratio	Current assets	Current liabilities	1.1	1.0	10.7%
Return on Equity (ROE)	Net profits after taxes	Average shareholder's equity	(26.8%)	(26.8%)	0.0%
Trade receivables turnover ratio	Revenue	Average trade receivables	25.5	0.2	13369.8%*
Trade payables turnover ratio	Purchases of services and other expenses	Average trade payables	1.0	0.0	6942.5%**
Net capital turnover ratio	Revenue	Working capital	2.2	(11.5)	118.9%***
Net profit ratio	Net profit	Revenue	14.4%	2.6%	11.8%
Return on Capital Employed (ROCE)	Earning before interest and taxes	Capital employed[(1)]	75.9%	(30.5%)	106.5%

(1) Tangible net worth + deferred tax liabilities + Lease Liabilities

* Revenue growth has resulted in an improvement in the ratio.

** Reduction in the expenses has resulted in an improvement in the ratio.

*** Revenue growth along with higher efficiency on working capital improvement has resulted in an improvement in the ratio

Infosys Norway A/S

Independent Auditor's report

To the Members of Infosys Norway AS

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Infosys Norway AS, which comprise the Balance Sheet as at December 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). 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, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use.

We draw attention to Note 1.2 to the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared for inclusion in the annual report of the Ultimate Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act, 2013. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for the above purpose and is not to be used, referred to or distributed for any other purpose without our prior consent.

Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

i) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

iii) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

For Shenoy & Kamath
Chartered Accountants,

Firm Registration Number. 006673S

(M Rathnakar Kamath)
Partner

UDIN : 24202841BKACR14185

Place: Bengaluru.

Date: May 17, 2024

Balance Sheet

(In NOK)

Particulars	Note	As at December 31, 2023	2022
Assets			
Non-current assets			
Current assets			
Financial assets			
Trade receivables	2.1	1,399,230	–
Cash and cash equivalents	2.2	12,768,792	–
Other current assets	2.3	931,223	–
Total current assets		15,099,245	–
Total assets		15,099,245	–
Equity and liabilities			
Equity			
Equity share capital	2.4	2,030,000	–
Other equity		(1,062,730)	–
Total equity		967,270	–
Liabilities			
Current liabilities			
Financial liabilities			
Borrowings	2.5	10,309,517	–
Trade payables	2.6	52,525	–
Other financial liabilities	2.7	1,517,191	–
Other current liabilities	2.8	2,252,743	–
Total current liabilities		14,131,976	–
Total equity and liabilities		15,099,245	–

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 No.: 006673S

M. Rathnakar Kamath
Partner

Membership No. 202841

for and on behalf of the Board of Directors of Infosys Norway AS

Lilly Vasanthini
Director

Authorized Signatory

Place: Bengaluru

Date: May 17, 2024

Statement of Profit and Loss

(In NOK)

Particulars	Note	Year ended December 31,2023	For the period September 22, 2022 to December 31, 2022
Revenue from operations	2.9	5,466,240	–
Other income, net	2.10	912,505	–
Total income		6,378,745	–
Expenses			
Employee benefit expenses	2.11	5,226,218	–
Finance cost	2.12	137,146	–
Consultancy and professional charges	2.13	260,859	–
Other expenses	2.14	1,817,252	–
Total expenses		7,441,475	–
Profit / (loss) before tax		(1,062,730)	–
Tax expense			
Current tax		–	–
Deferred tax		–	–
Profit / (loss) for the year		(1,062,730)	–
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		(1,062,730)	–
Earnings per equity share			
Equity shares of par value NOK 6,766.66/- each			
Basic (in NOK per Share₹)		(3,542)	–
Diluted (in NOK per Share₹)		(3,542)	–
Weighted average equity shares used in computing earnings per equity share			
Basic		300	–
Diluted		300	–

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 No.: 006673S

M. Rathnakar Kamath
Partner

Membership No. 202841

for and on behalf of the Board of Directors of Infosys Norway AS

Lilly Vasanthini
Director

Authorized Signatory

Place: Bengaluru

Date: May 17, 2024

Statement of Cash Flow

(In NOK)

Particulars	Years ended December 31,2023	For the period September 22, 2022 to December 31, 2022
Cash flow from operating activities:		
Profit / (loss) for the year	(1,062,730)	–
Adjustments to reconcile net profit to net cash provided by operating activities:		
Finance cost	137,146	
Change in asset and liabilities	1,492,005	–
Trade receivables	(1,399,230)	–
Other current assets	(931,223)	–
Trade payables	52,525	–
Other current liabilities	3,769,933	–
Cash generated from operations	566,421	–
Income taxes paid	–	–
Net cash generated by operating activities	566,421	–
Cash flow from investing activities:		
Proceed from issue of share capital	2,030,000	–
Proceed from intercompany loan	10,172,372	
Net cash generated from / (used in) financing activities	12,202,372	–
Net increase / (decrease) in cash and cash equivalents	12,768,792	–
Cash and cash equivalents at the beginning of the year	–	–
Cash and cash equivalents at the end of the year	12,768,792	–

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 No.: 006673S

M. Rathnakar Kamath
Partner

Membership No. 202841

for and on behalf of the Board of Directors of Infosys Norway AS

Lilly Vasanthini
Director

Authorized Signatory

Place: Bengaluru

Date: May 17, 2024

Statement of Changes in Equity

(In NOK)

Particulars	Equity share capital	Other equity Reserves and surplus Rtained earnings	Total equity attributable to equity holders of the Company
Balance as at January 1, 2022			
Changes in equity for the year ended December 31, 2022			
Increase in equity share capital on account of fresh issue	–	–	–
Profit / (loss) for the year	–	–	–
Balance as at December 31, 2022	–	–	–
Changes in equity for the year ended December 31, 2023			
Increase in equity share capital on account of fresh issue	2,030,000	–	2,030,000
Profit / (loss) for the year	–	(1,062,730)	(1,062,730)
Balance as at December 31, 2023	2,030,000	(1,062,730)	967,270

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 No.: 006673S

M. Rathnakar Kamath
Partner

Membership No. 202841

Place: Bengaluru
Date: May 17, 2024

for and on behalf of the Board of Directors of Infosys Norway AS

Lilly Vasanthini
Director

Authorized Signatory

Company overview and significant accounting policies

Company overview

Infosys Norway AS is a wholly-owned subsidiary of Infosys Singapore Pte. Limited (formerly Infosys Consulting Pte. Limited). The Company's objective is to provide, maintain and develop software and provide consultancy services as well as activities related therewith.

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 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 Companies (Indian Accounting Standards) Amendment Rules, 2016. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Company got approval for registration on September 22, 2022. The operations of the Company started on February 7, 2023.

1.3 Reporting currency

The Company's reporting currency is NOK.

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.

The Company presents revenues net of value-added 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 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:

Building[(1)]	22-25 years
Plant and machinery[(1)]	5 years
Office equipment	5 years
Computer equipment[(1)]	3-5 years
Furniture and fixtures[(1)]	5 years
Vehicles[(1)]	5 years

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year-end.

(1) For this class of assets, based on internal assessment and independent technical evaluation carried out by external valuers, the Management believes that the useful lives as given above best represent the period over which the Management expects to use these assets.

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 of are reported at the lower of the carrying value or the fair value less cost to sell.

1.7 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 that can be capitalized include the cost of material, direct labor, overhead costs that are directly attributable to preparing the asset for its intended use.

1.8 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.

1.9 Foreign currency

Functional currency

The functional currency of the Company is the NOK. These financial statements are presented in NOK.

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

The tax expense for the period comprises current and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity, respectively.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

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 items 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 Investments

Associates are entities over which the Company has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. The Company's investment in associates includes goodwill identified on acquisition.

1.13 Revenue

a. To recognize revenues, the Company applies the following five-step approach:
    i. Identify the contract with a customer,
    ii. Identify the performance obligations in the contract,
    iii. Determine the transaction price,
    iv. Allocate the transaction price to the performance obligations in the contract, and
    v. Recognize revenues when a performance obligation is satisfied.
b. At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgment to determine whether each product or service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligations based on their relative standalone selling price or residual method. Standalone selling prices are determined based on sale prices for the components when it is regularly sold separately. In cases where the Company is unable to determine the standalone selling price, the Company uses third-party prices for similar deliverables, or the Company uses the expected cost-plus-margin approach in estimating the standalone selling price.
c. For performance obligations where control is transferred over time, revenues are recognized by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the promised products or services to be provided.

    The Company accounts for variable considerations, such as volume discounts, as a reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which the Company may be entitled.
d. The timing of revenue recognition may differ from the timing of invoicing to customer. The Company classifies its rights to consideration in exchange for deliverables as either an accounts receivable or an unbilled revenue. Unbilled revenue represents earnings in excess of billings, while unearned income represents billings in excess of earnings.

Revenue is 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.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.

1.14 Financial instruments

1.14.1 Financial instruments

1.14.1.1 Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

1.14.1.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination, which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

1.14.2 Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Financial instruments by category

The carrying value and fair value of financial instruments by categories were as follows:

(In NOK)

Particulars	As at December 31, 2023	2022
Assets:		
Cash and cash equivalents (Refer to Note 2.2)	12,768,792	–
Trade receivables (Refer to Note 2.1)	1,399,230	–
Total	14,168,023	–
Liabilities:		
Trade payables (Refer to Note 2.6)	52,525	–
Total	52,525	–

All the above financial instruments are carried at amortized cost and the carrying values approximates their fair value.

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 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 NOK 1,399,230 as at December 31, 2023. 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 considers 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 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 NOK and USD.

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 years.

2.1 Trade receivables

(In NOK)

Particulars	As at December 31,	
	2023	2022
Current		
Trade receivables considered good – Unsecured	1,399,230	–
Less: Allowance for expected credit loss	–	–
Total trade receivables(1)	1,399,230	–
(1) Includes dues from related party (Refer to Note 2.15)	1,399,230	–

Year ended December 31, 2023

(In NOK)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	–	1,399,230	–	–	–	–	1,399,230
Less: Allowance for credit loss		–					–
Total trade receivables(1)	–	1,399,230	–	–	–	–	1,399,230

2.2 Cash and cash equivalents

(In NOK)

Particulars	As at December 31,	
	2023	2022
Balances with banks		
In current and deposit accounts	12,768,791	–
	12,768,791	–
In current accounts		
Citi bank account	12,768,791	–
In deposit accounts	–	–
Total cash and cash equivalents as per Balance Sheet	12,768,791	–

2.3 Other assets

(In NOK)

Particulars	As at December 31, 2023	2022
Current		
VAT receivable	476,577	–
Intercompany non-revenue	454,646	–
Total other current assets	931,223	–

2.4 Equity

Equity share capital

(In NOK)

Particulars	As at December 31, 2023	2022
Issued, subscribed and paid-up Equity shares, NOK 2,030,000 NOK 6,766.66 par value 300 equity shares fully paid up	2,030,000	–
	2,030,000	–

The details of shareholder holding more than 5% shares as at December 31, 2023 are as follows:

Name of the shareholder	As at December 31,2023
Infosys Singapore Pte. Ltd. (Formerly Infosys Consulting Pte. Ltd)	100%

Reconciliation of number of shares

The reconciliation of the number of shares outstanding and the amount of share capital as at December 31, 2023 is as follows:

Particulars	As at December 31, 2023	2022
	Number of shares	Amount
Number of shares at the beginning of the period	–	–
Add: Shares issued during the year	300	2,030,000
Number of shares at the end of the period	300	2,030,000

2.5 Borrowings

(In NOK)

Particulars	As at December 31, 2023	2022
Current		
Unsecured loan from parent / fellow subsidiary[1]	10,309,517	–
Total borrowings	10,309,517	–

[1] Includes accrued interest

2.6 Trade payables

(In NOK)

Particulars	As at December 31, 2023	2022
Trade payables [1]	52,525	–
Total trade payables	52,525	–

[1] Includes dues to subsidiaries (Refer to Note 2.15)

Trade payables ageing schedule year ended December 31, 2023

Particulars	Not due	Outstanding for following periods from due date of payment (In Nok)				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Others	–	52,525	–	–	–	52,525
Total trade payables	–	52,525	–	–	–	52,525

2.7 Other financial liabilities

(In NOK)

Particulars	As at December 31, 2023	2022
Current		
Financial liabilities		
Accrued expenses	150,000	–
Provision for performance bonus	1,367,191	–
Total financial liabilities	1,517,191	–

2.8 Other liabilities

(In NOK)

Particulars	As at December 31, 2023	2022
Current		
Others		
VAT and withholding taxes	371,502	–
Social security liabilities and others	394,344	–
Intercompany non-revenue payables	1,486,895	–
Total other liabilities	2,252,742	–

2.9 Revenue from operations

(In NOK)

Particulars	Year ended December 31,2023	For the period September 22, 2022 to December 31, 2022
Income from software services	5,466,240	–
Total revenue from operation	5,466,240	–

2.10 Other income

(In NOK)

Particulars	Year ended December 31,2023	For the period September 22, 2022 to December 31, 2022
Exchange losses / (gains) on translation of other assets and liabilities	912,505	–
Total other income	912,505	–

Expenses

2.11 Employee benefit expenses

(In NOK)

Particulars	Year ended December 31,2023	For the period September 22, 2022 to December 31, 2022
Employee benefit expenses		
Salaries including bonus	5,180,015	–
Medical insurance	40,026	–
Share-based payments to employees	6,177	–
Total employee benefit expenses	5,226,218	–

2.12 Finance cost

(In NOK)

Particulars	Year ended December 31,2023	For the period September 22, 2022 to December 31, 2022
Finance cost		
Interest on intercompany loan	137,146	–
Total finance cost	137,146	–

2.13 Consultancy and professional charges

(In NOK)

Particulars	Year ended December 31,2023	For the period September 22, 2022 to December 31, 2022
Consultancy and professional charges		
Consultancy and professional charges	260,859	–
Total consultancy and professional charges	260,859	–

2.14 Other expenses

(In NOK)

Particulars	Year ended December 31,2023	For the period September 22, 2022 to December 31, 2022
Bank charges	5,006	–
Office rent	1,812,246	–
Total other expenses	1,817,252	–

2.15 Related party transactions

Name of holding company	Country	Holding as at December 31, 2023
Infosys Singapore Pte. Ltd. (Formerly Infosys Consulting Pte. Ltd)	Singapore	100%

Name of ultimate holding company	Country	Holding as at December 31, 2023
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)]	US
EdgeVerve Systems Limited (EdgeVerve)[(1)]	India
Infosys Austria GmbH[(1)]	Austria
Skava Systems Private Limited (Skava Systems)[(1)(22)]	India
Infosys Chile SpA[(1)]	Chile
Infosys Arabia Limited[(2)(22)]	Saudi Arabia
Infosys Consulting Ltda.[(1)]	Brazil
Infosys Luxembourg S.a.r.l[(1)]	Luxembourg
Infosys Americas Inc. (Infosys Americas)[(1)(39)]	US
Infosys Public Services, Inc. USA (Infosys Public Services)[(1)]	US
Infosys BPM Limited[(1)(27)]	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 [(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
Infy Consulting Company Ltd[(4)]	UK
Infy Consulting B.V.[(4)]	The Netherlands
Infosys Consulting S.R.L.[(29)]	Argentina
Infosys Consulting (Belgium) NV[(4)]	Belgium
Panaya Inc. (Panaya)[(1)]	US
Panaya Ltd.[(5)]	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH) [(38)]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[(1)(22)]	UK
Brilliant Basics Limited [(6)(22)]	UK

Name of fellow subsidiaries	Country
Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)(1)	Singapore
Infosys Middle East FZ LLC (7)	Dubai
Fluido Oy (7)	Finland
Fluido Sweden AB (9)	Sweden
Fluido Norway A/S(9)	Norway
Fluido Denmark A/S(9)	Denmark
Fluido Slovakia s.r.o(9)	Slovakia
Infosys Compaz Pte. Ltd (8)	Singapore
Infosys South Africa (Pty) Ltd(7)	South Africa
WongDoody Inc. (1)	US
HIPUS Co., Ltd(8)	Japan
Stater N.V.(8)	The Netherlands
Stater Nederland B.V.(10)	The Netherlands
Stater XXL B.V.(10)	The Netherlands
HypoCasso B.V.(10)	The Netherlands
Stater Participations B.V.(44)	The Netherlands
Stater Belgium N.V./S.A.(10)(44)	Belgium
Stater Gmbh(10)	Germany
Outbox systems Inc. dba Simplus (US)(12)	US
Simplus ANZ Pty Ltd.(13)	Australia
Simplus Australia Pty Ltd(14)	Australia
Simplus Philippines, Inc.(13)	Philippines
Infosys Fluido UK, Ltd.(9)	UK
Infosys Fluido Ireland, Ltd.(16)	Ireland
Infosys Limited Bulgaria EOOD(1)	Bulgaria
Kaleidoscope Animations, Inc.(12)	US
Kaleidoscope Prototyping LLC(18)(43)	US
GuideVision s.r.o.(11)	Czech Republic
GuideVision Deutschland GmbH(17)	Germany
GuideVision Suomi Oy(17)	Finland
GuideVision Magyarország Kft(17)	Hungary
GuideVision Polska Sp. z.o.o(17)	Poland
GuideVision UK Ltd(17)(22)	UK
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)(12)	US
Beringer Capital Digital Group Inc(12)(25)	US
Mediotype LLC(19)(25)	US
Beringer Commerce Holdings LLC(19)(25)	US
SureSource LLC(20)(23)	US
Blue Acorn LLC(20)(23)	US
Simply Commerce LLC(20)(23)	US
iCiDIGITAL LLC(21)(24)	US
Infosys BPM UK Limited(3)	UK
Infosys Turkey Bilgi Teknolojileri Limited Sirketi(1)	Turkey
Infosys Germany Holding Gmbh(1)	Germany
Infosys Automotive and Mobility GmbH & Co. KG(1)	Germany
Infosys Green Forum(1)	India

Name of fellow subsidiaries	Country
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[7]	Malaysia
Infosys Business Solutions LLC[1][26]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[28]	Germany
Wongdoody Gmbh (formerly known as oddity GmbH) [30]	Germany
oddity (Shanghai) Co., Ltd. [31]	China
oddity Limited (Taipei) [31]	Taiwan
oddity space GmbH [30][42]	Germany
oddity jungle GmbH [30][42]	Germany
oddity code GmbH [30][42]	Germany
WongDoody d.o.o (formerly known as oddity code d.o.o) [31][42]	Serbia
oddity waves GmbH [30][42]	Germany
oddity group services GmbH [30][42]	Germany
Infosys Public Services Canada Inc. [15][32]	Canada
BASE life science AG [34]	Switzerland
BASE life science GmbH [34]	Germany
BASE life science A/S [33]	Denmark
BASE life science S.A.S [34]	France
BASE life science Ltd. [34]	UK
BASE life science S.r.l. [34]	Italy
Innovisor Inc.[34]	US
BASE life science Inc.[34]	US
BASE life science S.L.[34][35]	Spain
Panaya Germany GmbH [5][36]	Germany
Infosys BPM Canada Inc [3][40]	Canada
Danske IT and Support Services India Private Limited ("Danske IT") [41]	India

(1) Not shared in the Excel.

(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 Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

(8) Majority-owned and controlled subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

(9) Wholly-owned subsidiary of Fluido Oy

(10) Wholly-owned subsidiary of Stater N.V

(11) Wholly-owned subsidiary of Infy Consulting Company Limited

(12) Wholly-owned subsidiary of Infosys Nova Holdings LLC

(13) Wholly-owned subsidiary of Outbox systems Inc. dba Simplus (US)

(14) Wholly-owned subsidiary of Simplus ANZ Pty Ltd

(15) Wholly-owned subsidiary of Infosys Public Services, Inc.

(16) Wholly-owned subsidiary of Infosys Fluido UK, Ltd.

(17) Wholly-owned subsidiary of GuideVision s.r.o.

(18) Wholly-owned subsidiary of Kaleidoscope Animations, Inc.

(19) Wholly-owned subsidiary of Blue Acorn iCi Inc

(20) Wholly-owned subsidiary of Beringer Commerce Holdings LLC

(21) Wholly-owned subsidiary of Beringer Capital Digital Group Inc.

(22) Under liquidation

(23) Merged with Beringer Commerce Holdings LLC, effective January 1, 2022

(24) Merged with Beringer Capital Digital Group Inc, effective January 1, 2022

(25) Merged with Blue Acorn iCi Inc, effective January 1, 2022

(26) Incorporated on February 20, 2022

(27) On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

(28) On March 22, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.), a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ["Kristall"]).

(29) Infosys Consulting S.R.L. (Argentina) (formerly a wholly-owned subsidiary of Infosys Consulting Holding AG) became the majority-owned and controlled subsidiary of Infosys Limited with effect from April 1, 2022.

(30) On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ["Kristall"]) (a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.)) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and WongDoody Gmbh (formerly known as oddity GmbH)

(31) Wholly-owned subsidiary of WongDoody Gmbh (formerly known as oddity GmbH)

(32) Incorporated on July 8, 2022

(33) On September 1, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.) (a wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

(34) Wholly-owned subsidiary of BASE life science A/S

(35) Incorporated on September 6, 2022

(36) Incorporated effective December 15, 2022

(38) Infosys Financial Services GmbH. (formerly Panaya GmbH) became a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.) with effect from February 23, 2023.

(39) Liquidated effective July 14, 2023

(40) Incorporated on August 11, 2023

(41) On September 1, 2023 Infosys Ltd. acquired 100% of voting interests in Danske IT and Support Services India Private Limited ("Danske IT").

(42) On September 29, 2023, oddity space GmbH, oddity waves GmbH, oddity jungle GmbH, oddity group services GmbH and oddity code GmbH merged into WongDoody GmbH and oddity code d.o.o which was formerly a subsidiary of oddity code Gmbh has become a subsidiary of Wongdoody Gmbh (formerly known as oddity GmbH).

(43) Liquidated effective November 1, 2023

(44) On November 24, 2023 Stater Participations B.V (a wholly-owned subsidiary of Stater N.V) merged with Stater N.V and Stater Belgium N.V./S.A which was formerly a wholly-owned subsidiary of Stater Participations B.V. became a wholly-owned subsidiary of Stater N.V.

The amounts due to or due from related parties as at December 31, 2023 and December 31, 2022 are as follows:

(In NOK)

Particulars	As at December 31	
	2023	2022
Trade receivables		
Infosys Limited	1,399,230	–
	1,399,230	–
Other receivables		
Infosys Limited	454,646	–
	454,646	–
Trade payables		
Infosys Limited	52,525	–
	52,525	–
Loans taken (including interest accrued)		
Infosys Technologies (Sweden) AB	10,309,517	–
	10,309,517	–
Other payables		
Infosys Limited	1,486,895	–
	1,486,895	–

The details of the related parties transactions entered into by the Company for the year ended December 31, 2023 and December 31, 2022 are as follows:

(In NOK)

Particulars	As at December 31	
	2023	2022
Interest on intercompany loan		
Infosys Technologies (Sweden) AB	137,146	–
	137,146	–
Sale of services		
Infosys Limited	5,466,240	–
	5,466,240	–
Purchase of shared services including facilities and personnel		
Infosys Limited	64,016	–
	64,016	–

2.16 Segment reporting

The Company has only one line of business hence there is no requirement of separate disclosure.

2.17 Ratios

The ratios for the years ended December 31, 2023 are as follows:

Particulars	Numerator	Denominator	December 31, 2023
Current ratio	Current assets	Current liabilities	1.1
Debt equity ratio	Debt(2)	Equity	10.5
Debt service coverage ratio	Earnings available for debt service(3)	Debt service(4)	(0.1)
Return on Equity (ROE)	Net profits after taxes	Shareholder's equity	(110%)
Trade receivables turnover ratio	Revenue	Trade receivable	3.9
Trade payables turnover ratio	Purchases of services and other expenses	Trade payables	39.6
Net capital turnover ratio	Revenue	Working capital	5.7
Net profit ratio	Net profit	Revenue	(0.2)
Return on capital employed (ROCE)	Earning before interest and taxes	Capital employed(1)	(96%)

(1) Tangible net worth + deferred tax liabilities + Lease Liabilities

(2) excluding Interest Accrued

(3) Net Profit after taxes + Interest

(4) Interest + Principal

* As the operations of the Company started from February 7, 2023 , ratios for previous year are not available for comparison.

Infosys Nova Holdings LLC

Independent Auditor's report

To the Members of Infosys Nova Holding LLC

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Infosys Nova Holding LLC ("the Company"), which comprise the Balance Sheet as at December 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of preparation referred to in Section 1.2 of the special purpose financial statements, of the state of affairs of the Company as at December 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1.2 to the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company, Infosys Limited under the requirements of section 129 (3) of the Companies Act, 2013 and for issuing Annual Performance Report ("APR") which is required to be furnished by the Holding Company to Authorized Bank in accordance with regulation 10 of Foreign Exchange Management (Overseas Investment) Regulations. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for the above purpose and is not to be used, referred to or distributed for any other purpose without our prior consent.

Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

i) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

iii) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

UDIN : 24202841BKADAB8543

For Shenoy & Kamath
Chartered Accountants,

Firm Registration Number. 006673S

(M Rathnakar Kamath)
Partner

Membership Number. 202841

Place: Bengaluru.

Date: May 27, 2024

Balance Sheet

(In US$)

Particulars	Note No.	As at December 31, 2023	As at December 31, 2022
ASSETS			
Non-current assets			
Investments	2.1	361,759,929	361,759,929
Income tax assets (net)	2.8	4,850	4,404
Other non-current assets	2.4	41,692	–
Total non-current assets		361,806,470	361,764,333
Current assets			
Financial assets			
Cash and cash equivalents	2.2	7,316,862	8,596,833
Other financial assets	2.3	10,863	–
Other current assets	2.4	399,080	915,609
Total current assets		7,726,806	9,512,442
Total assets		369,533,276	371,276,775
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.9	372,000,010	372,000,010
Other equity		(2,910,809)	(2,762,803)
Total equity		369,089,201	369,237,207
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	2.5	–	1,596,388
Total non - current liabilities		–	1,596,388
Current liabilities			
Financial liabilities			
Trade payables	2.6	2,427	
Other financial liabilities	2.7	441,648	441,648
Income tax liabilities (net)	2.8	–	1,532
Total current liabilities		444,075	443,180
Total equity and liabilities		369,533,276	371,276,775

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 Nova Holdings LLC

M. Rathnakar Kamath
Partner
Membership No. 202841

Inderpreet Sawhney
Authorized Signatory

Place: Bengaluru

Date: May 27, 2024

Statement of Profit and Loss

(In US$)

Particulars	Note No.	Years ended December 31	
		2023	2022
Other income, net	2.10	381,460	3,809,263
Total income		381,460	3,809,263
Expenses			
Finance cost	2.11	44,250	461,896
Insurance expenses		474,836	474,836
Consultancy and professional charges		10,330	11,746
Other expenses	2.12	50	797
Total expenses		529,466	949,274
Profit/(loss) before tax		(148,006)	2,859,989
Tax expense			
Current tax - Prior year	2.8	–	1,532
Profit/(loss) for the year		(148,006)	2,858,457
Total other comprehensive income, net of tax		–	–
Total comprehensive income for the period		(148,006)	2,858,457
Earnings per equity share (EPS)			
Basic & Diluted	2.16	(1,480)	28,585
Number of shares used in computing earning per share		100	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 Registration Number: 006673S

for and on behalf of the Board of Directors of Infosys Nova Holdings LLC

M. Rathnakar Kamath
Partner
Membership No. 202841

Inderpreet Sawhney
Authorized Signatory

Place: Bengaluru

Date: May 27, 2024

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, 2022	372,000,010	(5,621,260)	366,378,750
Changes in equity for the year ended December 31, 2022			
Profit for the year	–	2,858,457	2,858,457
Balance as of December 31, 2022	372,000,010	(2,762,803)	369,237,207
Changes in equity for the year ended December 31, 2023			
Profit for the year	–	(148,006)	(148,006)
Balance as of December 31, 2023	372,000,010	(2,910,809)	369,089,201

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 Nova Holdings LLC

M. Rathnakar Kamath
Partner
Membership No. 202841

Inderpreet Sawhney
Authorized Signatory

Place: Bengaluru

Date: May 27, 2024

Statements of Cash Flows

(In US$)

Particulars	Years ended December 31, 2023	2022
Cash flow from operating activities:		
Profit/(loss) for the year	(148,006)	2,858,457
Adjustments to reconcile net profit to net cash provided by operating activities:		
Prepaid expense	474,836	474,836
Interest expense on Loan	44,250	60,692
Interest on contingent consideration	–	401,204
Reversal of contingent consideration	–	(3,040,749)
Cash flow before working capital changes	371,080	754,440
Advance tax set-off	(1,978)	(871)
Interest accrued but no due	(10,863)	–
Increase in Trade payables	2,427	–
Net cash flow from operating activities	360,668	753,569
Cash flow from investing activities:		
Payment of contingent consideration pertaining to the acquisition of business	–	(3,800,000)
Net cash used in investing activities	–	(3,800,000)
Cash flow from financing activities:		
Loan repaid to Infosys Public Services, Inc.	(1,640,638)	–
Net cash used in financing activities	(1,640,638)	–
Net decrease in cash and cash equivalents	(1,279,971)	(3,046,431)
Cash and cash equivalents at the beginning of the year	8,596,833	11,643,264
Cash and cash equivalents at the end of the year	7,316,862	8,596,833

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 Nova Holdings LLC

M. Rathnakar Kamath
Partner
Membership No. 202841

Inderpreet Sawhney
Authorized Signatory

Place: Bengaluru

Date: May 27, 2024

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 and for issuing Annual Performance Report ("APR") which is required to be furnished by the Holding Company, to Authorized Bank in accordance with regulation 10 of Foreign Exchange Management (Overseas Investment) Regulations..

These financial statements are prepared in accordance with Indian Accounting Standards (Ind-AS) under the historical cost convention on an accrual basis. The Ind-AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.3 Reporting currency

The Company's reporting currency is US$.

1.4 Use of estimates and judgements

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.5 Foreign currency

1.5.1 Functional currency

The functional currency of the Company is US$. These financial statements are presented in US$.

1.5.2 Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense, and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

1.6 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.7 Investments

Associates are entities over which the Company has significant influence but 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,	
	2023	2022
Non-current investments		
Unquoted		
Long-term investments - at cost		
Investments in equity instruments of Subsidiaries		
Outbox Systems Inc. dba Simplus (100 shares of common stock at a par value of $0.01 per share)	199,509,943	199,509,943
Kaleidoscope Animations INC (429150 shares of voting common capital stock)	40,368,762	40,368,762
Blue Acorn iCi Inc	121,881,224	121,881,224

Particulars	As at December 31,	
	2023	2022
(100 equity shares fully paid up, par value $ 1 each)		
Total non-current investments	361,759,929	361,759,929

2.2 Cash and cash equivalents

(In US$)

Particulars	As at December 31,	
	2023	2022
Balances with banks		
In current and deposit accounts	7,316,862	8,596,833
	7,316,862	8,596,833
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 institutions comprise time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

2.3 Other financial assets

(In US$)

Particulars	As at December 31,	
	2023	2022
Interest on FD accrued but not due	10,863	–
	10,863	–

2.4 Other assets

(In US$)

Particulars	As at December 31,	
	2023	2022
Non-current		
Prepaid expenses	41,692	-
	41,692	-
Current		
Prepaid expenses	399,080	915,609
	399,080	915,609
Total other assets	440,772	915,609

2.5 Borrowings

(In US$)

Particulars	As at December 31,	
	2023	2022
Loan from Infosys Public Services, Inc	–	1,596,388
	–	1,596,388

2.6 financial liabilities

(In US$)

Particulars	As at December 31,	
	2023	2022
Trade Payables		-
Less than 6 months	2,427	-
Total Trade Payables	2,427	-

2.7 Other financial liabilities

(In US$)

Particulars	As at December 31,	
	2023	2022
Current		
Contingent consideration	–	–
Others	441,648	441,648
Total Current Other Financial Liabilities	441,648	441,648

2.8 Income taxes

Income tax expense in the Statement of Profit and Loss comprises:

(In US$)

Particulars	Years ended December 31,	
	2023	2022
Current taxes	-	1,532
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 below:

(In US$)

Particulars	Years ended December 31,	
	2023	2022
Profit before income taxes	(148,006)	2,859,989
Tax rate	21.00%	21.00%
Computed expected tax expense	(31,081)	600,598
DTA not created on loss	(77,927)	(5,047)
Effect of non-deductible expenses	109,008	(595,551)
Prior Period Tax expense	-	1,532
Income tax expense	-	1,532

The details of income tax assets and income tax liabilities as of December 31, 2023, December 31, 2022 are as follows.

(In US$)

Particulars	As at December 31, 2023	As at December 31, 2022
Current income tax liabilities	-	1,532
Income tax assets	4,850	4,404
Net current income tax assets/ (liability) at the end	4,850	2,872

The gross movement in the current income tax asset/ (liability) for the years ended December 31, 2023 and December 31, 2022 is as follows:

(In US$)

Particulars	Years ended December 31, 2023	Years ended December 31, 2022
Net current income tax asset/ (liability) at the beginning	2,872	2,001
Income tax paid/Set Off	1,978	871
Net current income tax asset/ (liability) at the end	4,850	2,872

2.9 Equity

Equity share capital

(In US$)

Particulars	As at December 31, 2023	As at December 31, 2022
Equity shares		
Authorized share capital	372,000,010	372,000,010
Issued, Subscribed and Paid-Up	372,000,010	372,000,010

The details of shareholder holding more than 5% shares as at December 31, 2023 and December 31, 2022 are as follows:

Name of the shareholder	As at December 31, 2023	As at December 31, 2022
Infosys Limited	100%	100%

2.10 Other income

(In US$)

Particulars	Years ended December 31, 2023	Years ended December 31, 2022
Interest on loan to Simplus	–	–
Miscellaneous income	–	731,938
Contingent consideration reversal	–	3,040,749
Interest from bank	381,460	36,576
Total other income	381,460	3,809,263

2.11 Finance cost

(In US$)

Particulars	Years ended December 31, 2023	Years ended December 31, 2022
Interest on contingent consideration	–	401,204
Interest expense on Loan	44,250	60,692
Total Finance Cost	44,250	461,896

2.12 Expenses

(In US$)

Particulars	Years ended December 31, 2023	Years ended December 31, 2022
Rates and taxes	50	797
Total Expenses	50	797

2.13 Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories as of December 31, 2023 are as follows:

(In US$)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer to Note 2.2)	7,316,862	–	–	–	–	7,316,862	7,316,862
Other financial assets (Refer Note 2.3)	10,863					10,863	10,863
Total	7,327,725	–	–	–	–	7,327,725	7,327,725

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		
Liabilities:							
Trade payables (Refer Note 2.6)	–	–	2,427	–	–	2,427	2,427
Other financial liabilities (Refer to Note 2.7)	–	–	441,648	–	–	441,648	441,648
Total	–	–	444,075	–	–	444,075	444,075

The carrying value and fair value of financial instruments by categories as of December 31, 2022 were as follows:

(In US$)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer to Note 2.2)	8,596,833	–	–	–	–	8,596,833	8,596,833
Total	8,596,833	–	–	–	–	8,596,833	8,596,833
Liabilities:							
Borrowings (Refer to Note 2.5)	1,596,388	–	–	–	–	1,596,388	1,596,388
Other financial liabilities (Refer to Note 2.7)	–	–	441,648	–	–	441,648	441,648
Total	1,596,388	–	441,648	–	–	2,038,036	2,038,036

2.14 Related party transactions

List of related parties:

Name of holding company	Country	Holding as at December 31,	
		2023	2022
Infosys Limited	India	100%	100%

Name of fellow subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)(1)	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)(1)	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)(1)	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)(1)	China
EdgeVerve Systems Limited (EdgeVerve)(1)	India
Infosys Austria GmbH(1)	Austria
Skava Systems Private Limited (Skava Systems)(1)(22)	India
Infosys Chile SpA(1)	Chile
Infosys Arabia Limited(2)(22)	Saudi Arabia
Infosys Consulting Ltda.(1)	Brazil
Infosys Luxembourg S.a.r.l(1)	Luxembourg
Infosys Americas Inc. (Infosys Americas)(1)(39)	U.S.

Name of fellow subsidiaries	Country
Infosys Public Services, Inc. USA (Infosys Public Services)(1)	U.S.
Infosys BPM Limited(1)(27)	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 (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
Infy Consulting Company Ltd(4)	U.K.
Infy Consulting B.V.(4)	The Netherlands
Infosys Consulting S.R.L.(29)	Argentina
Infosys Consulting (Belgium) NV(4)	Belgium
Panaya Inc. (Panaya)(1)	U.S.
Panaya Ltd.(5)	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH) (38)	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)(1)(22)	U.K.
Brilliant Basics Limited (6)(22)	U.K.
Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)(1)	Singapore
Infosys Middle East FZ LLC (7)	Dubai
Fluido Oy (7)	Finland
Fluido Sweden AB (9)	Sweden
Fluido Norway A/S(9)	Norway
Fluido Denmark A/S(9)	Denmark
Fluido Slovakia s.r.o(9)	Slovakia
Infosys Compaz Pte. Ltd (8)	Singapore
Infosys South Africa (Pty) Ltd(7)	South Africa
WongDoody Inc. (1)	U.S.
HIPUS Co., Ltd(8)	Japan
Stater N.V.(8)	The Netherlands
Stater Nederland B.V.(10)	The Netherlands
Stater XXL B.V.(10)	The Netherlands
HypoCasso B.V.(10)	The Netherlands
Stater Participations B.V.(44)	The Netherlands
Stater Belgium N.V./S.A.(10)(44)	Belgium
Stater Gmbh(10)	Germany
Outbox systems Inc. dba Simplus (US)(12)	U.S.
Simplus ANZ Pty Ltd.(13)	Australia
Simplus Australia Pty Ltd(14)	Australia
Simplus Philippines, Inc.(13)	Philippines
Infosys Fluido UK, Ltd.(9)	U.K.
Infosys Fluido Ireland, Ltd.(16)	Ireland
Infosys Limited Bulgaria EOOD(1)	Bulgaria

Name of fellow subsidiaries	Country
Kaleidoscope Animations, Inc.[12]	U.S.
Kaleidoscope Prototyping LLC[18][43]	U.S.
GuideVision s.r.o.[11]	Czech Republic
GuideVision Deutschland GmbH[17]	Germany
GuideVision Suomi Oy[17]	Finland
GuideVision Magyarország Kft[17]	Hungary
GuideVision Polska Sp. z.o.o[17]	Poland
GuideVision UK Ltd[17][22]	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[12]	U.S.
Beringer Capital Digital Group Inc[12][25]	U.S.
Mediotype LLC[19][25]	U.S.
Beringer Commerce Holdings LLC[19][25]	U.S.
SureSource LLC[20][23]	U.S.
Blue Acorn LLC[20][23]	U.S.
Simply Commerce LLC[20][23]	U.S.
iCiDIGITAL LLC[21][24]	U.S.
Infosys BPM UK Limited[3]	U.K.
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[1]	Turkey
Infosys Germany Holding Gmbh[1]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1]	Germany
Infosys Green Forum[1]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[7]	Malaysia
Infosys Business Solutions LLC[1][26]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")[28]	Germany
Wongdoody Gmbh (formerly known as oddity GmbH) [30]	Germany
oddity (Shanghai) Co., Ltd. [31]	China
oddity Limited (Taipei) [31]	Taiwan
oddity space GmbH [30][42]	Germany
oddity jungle GmbH [30][42]	Germany
oddity code GmbH [30][42]	Germany
WongDoody d.o.o (formerly known as oddity code d.o.o) [31][42]	Serbia
oddity waves GmbH [30][42]	Germany
oddity group services GmbH [30][42]	Germany
Infosys Public Services Canada Inc. [15][32]	Canada
BASE life science AG [34]	Switzerland
BASE life science GmbH [34]	Germany
BASE life science A/S [33]	Denmark
BASE life science S.A.S [34]	France
BASE life science Ltd. [34]	U.K.
BASE life science S.r.l. [34]	Italy
Innovisor Inc.[34]	U.S.
BASE life science Inc.[34]	U.S.
BASE life science S.L.[34][35]	Spain
Panaya Germany GmbH [5][36]	Germany
Infosys Norway [7][37]	Norway
Infosys BPM Canada Inc [3][40]	Canada
Danske IT and Support Services India Private Limited ("Danske IT") [41]	India

[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 Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

[8] Majority owned and controlled subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

[9] Wholly-owned subsidiary of Fluido Oy

[10] Wholly-owned subsidiary of Stater N.V

[11] Wholly-owned subsidiary of Infy Consulting Company Limited

[12] Wholly-owned subsidiary of Infosys Nova Holdings LLC

[13] Wholly-owned subsidiary of Outbox systems Inc. dba Simplus (US)

[14] Wholly-owned subsidiary of Simplus ANZ Pty Ltd

[15] Wholly-owned subsidiary of Infosys Public Services, Inc.

[16] Wholly-owned subsidiary of Infosys Fluido UK, Ltd.

[17] Wholly-owned subsidiary of GuideVision s.r.o.

[18] Wholly-owned subsidiary of Kaleidoscope Animations, Inc.

[19] Wholly-owned subsidiary of Blue Acorn iCi Inc

[20] Wholly-owned subsidiary of Beringer Commerce Holdings LLC

[21] Wholly-owned subsidiary of Beringer Capital Digital Group Inc.

[22] Under liquidation

[23] Merged with Beringer Commerce Holdings LLC, effective January 1, 2022

[24] Merged with Beringer Capital Digital Group Inc, effective January 1, 2022

[25] Merged with Blue Acorn iCi Inc, effective January 1, 2022

[26] Incorporated on February 20, 2022

[27] On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

[28] On March 22, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.), a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH (“Kristall”)).

[29] Infosys Consulting S.R.L. (Argentina) (formerly a Wholly-owned subsidiary of Infosys Consulting Holding AG) became the majority owned and controlled subsidiary of Infosys Limited with effect from April 1, 2022

[30] On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH (“Kristall”)) (a wholly owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.)) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and Wongdoody Gmbh (formerly known as oddity GmbH)

[31] Wholly-owned subsidiary of Wongdoody Gmbh (formerly known as oddity GmbH)

[32] Incorporated on July 8, 2022

[33] On September 1, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.) (a Wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

[34] Wholly-owned subsidiary of BASE life science A/S

[35] Incorporated on September 6, 2022

[36] Incorporated effective December 15, 2022

(37ncorporated effective February 7, 2023.

[38] Infosys Financial Services GmbH. (formerly Panaya GmbH) became a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.) with effect from February 23, 2023.

[39] Liquidated effective July 14, 2023

[40] Incorporated on August 11, 2023

[41] On September 1, 2023 Infosys Ltd. acquired 100% of voting interests in Danske IT and Support Services India Private Limited (“Danske IT”).

[42] On September 29, 2023, oddity space GmbH, oddity waves GmbH, oddity jungle GmbH, oddity group services GmbH and oddity code GmbH merged into WongDoody GmbH and oddity code d.o.o which was formerly a subsidiary of oddity code Gmbh has become a subsidiary of Wongdoody Gmbh (formerly known as oddity GmbH).

[43] Liquidated effective November 1, 2023

[44] On November 24, 2023 Stater Participations B.V (Wholly-owned subsidiary of Stater N.V) merged with Stater N.V and Stater Belgium N.V./S.A which was formerly a wholly owned subsidiary of Stater Participations B.V. became a wholly owned subsidiary of Stater N.V.

The details of amounts due to or due from related parties as at December 31, 2023 and December 31, 2022 are as follows:

(In US$)

Particulars	As at December 31	
	2023	2022
Loan taken		
Infosys Public Services, Inc (Refer to Note 2.5)	–	1,596,388
	–	1,596,388

The details of the related party transaction entered into by the company for the years ended December 31, 2023 and December 31, 2022 are as follows:

(In US$)

Particulars	As at December 31	
	2023	2022
Capital Transactions		
Financing Transaction		
Equity [(1)]		
Blue Acorn iCi Inc	–	48,566,224
Beringer Capital Digital Group Inc	–	(48,566,224)
	–	–
Revenue transaction		
Interest Expense		
Infosys Public Services, Inc (Refer to Note 2.11)	44,250	60,692
	44,250	60,692

(1) Refer to Note 2.1 on Investments for details

2.15 Ratios

The ratios for the years ended December 31, 2023 and December 31, 2022 are as follows:

Particulars	Numerator	Denominator	December 31, 2023	December 31, 2022	Variance	
Current Ratio	Current assets	Current liabilities	17.4	21.5	(18.9%)	
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	0.0%	0.8%	(0.8%)	
Net capital turnover ratio	Revenue	Working Capital	5.2%	42.0%	(36.8%)	*
Net profit ratio	Net Profit	Revenue	(38.8%)	75.0%	(113.8%)	*
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed(1)	0.0%	0.8%	(0.8%)	

[(1)] Tangible net worth + deferred tax liabilities + Lease Liabilities and * There is a huge variance in these ratios since there was a reversal of contingent consideration in the year ended December 31, 2022 due to which the profit was higher.

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Infosys Consulting Holding AG

Report of the Statutory Auditor

To the General Meeting of Infosys Consulting Holding AG, Kloten

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Infosys Consulting Holding AG, Kloten (the Company), which comprise the balance sheet as at 31 December 2023 and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law, and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Board of Directors' Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Furthermore, we confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Deloitte AG

Jan Meyer *Licensed Audit Expert*	Aude Salord *Licensed Audit Expert Auditor in Charge*

Place: Zürich

Date: April 30, 2024

JME/ASA/rap

Enclosures

- Financial statements (balance sheet, income statement and notes)
- Proposed appropriation of available earnings

Balance Sheet

(In CHF)

Particulars	Note	As at December 31, 2023	As at December 31, 2022
Assets			
Cash and cash equivalents		2,431,079.19	374,410.38
Other short-term receivables from third parties		624,724.60	269,478.19
Other short-term receivables from subsidiaries		565.73	565.73
Total current assets		3,056,369.52	644,454.30
Loans to affiliates		40,701,432.87	46,576,182.35
Investments	2.1	27,808,211.35	27,808,211.35
Total non-current assets		68,509,644.22	74,384,393.70
Total assets		71,566,013.74	75,028,848.00
Liabilities and equity			
Other short-term liabilities to third parties		4,649.51	2.48
Other short-term liabilities to subsidiaries		1,403,769.71	6,680,980.12
Accrued expenses and deferred income		580,016.06	620,044.56
Total short-term liabilities		1,988,435.28	7,301,027.16
Loans from subsidiaries		2,044,287.16	4,721,755.43
Total long-term liabilities		2,044,287.16	4,721,755.43
Total liabilities		4,032,722.44	12,022,782.59
Share capital	2.2	25,696,000.00	25,696,000.00
Statutory retained earnings		3,320,688.53	3,005,585.14
Voluntary retained earnings (brought forward)		33,989,376.88	28,002,412.52
Net result for the year		4,527,225.89	6,302,067.75
Total equity		67,533,291.30	63,006,065.41
Total liabilities and equity		71,566,013.74	75,028,848.00

Income statement

(In CHF)

Particulars	Note	For the year ended December 31, 2023	2022
Dividends		9,732,749.99	6,418,555.65
Gross profit		9,732,749.99	6,418,555.65
Office and administration expenses		(28,473.84)	(25,699.20)
Consulting expenses		(24,884.89)	(22,928.44)
Operating expenses		(53,358.73)	(48,627.64)
Earnings before interest and tax (EBIT)		9,679,391.26	6,369,928.01
Financial expenses		(1,913,543.90)	(646,534.20)
Financial income		1,702,613.66	808,522.45
Net financial result		(210,930.24)	161,988.25
Extraordinary expenses	2.3	(4,676,954.34)	(204,631.23)
Extraordinary income	2.4	–	12,290.16
Net extraordinary result		(4,676,954.34)	(192,341.07)
Earnings before tax (EBT)		4,791,506.68	6,339,575.19
Tax expenses		(264,280.79)	(37,507.44)
Net result for the year		4,527,225.89	6,302,067.75

Notes to the financial statements

1. Summary of significant accounting policies

1.1 Basis of preparation

Infosys Consulting Holding AG ("the Company") is a company incorporated in Kloten, Switzerland.

The financial statements of the Company have been prepared in accordance with the provisions of the Swiss law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below. Swiss law allows the Company to create and, as a consequence, also release hidden reserves in its financial statements.

The Company's parent company, Infosys Limited incorporated in India, prepares consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS IASB), which include the financial statements of the Company. In accordance with the Swiss Code of Obligations, the Company is therefore exempt from preparing a management report, a cash flow statement and certain additional disclosures in the notes to the financial statements.

1.2 Foreign currency

The Company's functional currency is the Swiss Franc (CHF) as this is assessed to be the principal currency of the economic environment in which it operates.

Transactions in foreign currency are translated into the functional currency at the exchange rate prevailing on the transaction date. Monetary and short-term 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. Unrealized losses on long-term loans are recorded in the income statement, whereas unrealized profits are deferred.

1.3 Investments

Investments are initially recorded at acquisition cost. Investments are annually assessed for impairment and are adjusted to their recoverable value, if required, on an individual basis as appropriate.

Notes to the financial statements

2. Information on the Balance Sheet and income statement items

2.1 Investments

Particulars		Years ended December 31,	
		2023	2022
Company: Infosys Consulting GmbH			
Location: Garching b. München, Germany			
Share capital:	EUR	2,086,000.00	2,086,000.00
Directly held percentage of ownership and voting rights:		100.00%	100.00%
Company: Infosys Consulting AG			
Location: Kloten, Switzerland			
Share capital:	CHF	120,000.00	120,000.00
Directly held percentage of ownership and voting rights:		100.00%	100.00%
Company: Infosys Management Consulting Pty Ltd			
Location: Pyrmont, Australia			
Share capital:	AUD	3,500,300.00	3,500,300.00
Directly held percentage of ownership and voting rights:		100.00%	100.00%
Company: 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			

Particulars		Years ended December 31,	
		2023	2022
Location: Brüssel, Belgium			
Share capital:	EUR	489,326.00	489,326.00
Directly held percentage of ownership and voting rights:		100.00%	100.00%
Company: Infy Consulting B.V.			
Location: 's-Gravenhage, Netherlands			
Share capital:	EUR	90,000.00	90,000.00
Directly held percentage of ownership and voting rights:		100.00%	100.00%
Company: Infosys Consulting SAS			
Location: Paris, France			
Share capital:	EUR	80,000.00	80,000.00
Directly held percentage of ownership and voting rights:		100.00%	100.00%
Company: Infosys Consulting S.R.L.			
Location: Buenos Aires, Argentina			
Share capital:	ARS	0.00	0.00
Directly held percentage of ownership and voting rights:		0.00%	0.00%
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 2023 and 31 December 2022 respectively, 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 Extraordinary expenses

(In CHF)

Particulars	Years ended December 31,	
	2023	2022
Loss on sale of investment	–	204,631.23
Write-off loan outstanding to Argentina	4,664,320.01	0.00
Taxes for expatriates	12,634.33	0.00

2.4 Extraordinary income

(In CHF)

Particulars	Years ended December 31,	
	2023	2022
Refund of taxes for expatriates	–	12,290.16

2.5 Guarantees

(In CHF)

Particulars	Years ended December 31,	
	2023	2022
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

2.6 Full-time equivalents

The Company does not have any employees (2022: no employees).

Proposal on the appropriation of voluntary retained earnings

The Board of Directors proposes to appropriate the voluntary retained earnings as follows:

(In CHF)

Particulars	Years ended December 31,	
	2023	2022
Voluntary retained earnings (brought forward)	33,989,376.88	28,002,412.52
Net profit for the year	4,527,225.89	6,302,067.75
Total voluntary retained earnings	38,516,602.77	34,304,480.27
Allocation to statutory retained earnings (5%)	226,361.29	315,103.39
Dividend	–	–
To be carried forward	38,290,241.48	33,989,376.88

Infosys Arabia Limited

Independent Auditor's report

To the Members of Infosys Arabia Limited

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Infosys Arabia Limited ("the Company"), which comprise the Balance Sheet as at December 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of preparation referred to in Section 1.2 of the special purpose financial statements, of the state of affairs of the Company as at December 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1.2 to the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company, Infosys Limited under the requirements of section 129 (3) of the Companies Act, 2013 and for issuing Annual Performance Report ("APR") which is required to be furnished by the Holding Company to Authorized Bank in accordance with regulation 10 of Foreign Exchange Management (Overseas Investment) Regulations. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for the above purpose and is not to be used, referred to or distributed for any other purpose without our prior consent.

We draw attention to Note No. 1.2 of the Financial Statements which state that the company has applied for liquidation and the financials have not been prepared on a going concern basis.

Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

i) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

iii) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

UDIN : 24202841BKACVU2838

For Shenoy & Kamath
Chartered Accountants,

Firm Registration Number. 006673S

(M Rathnakar Kamath)
Partner

Membership Number. 202841

Place: Bengaluru.

Date: May 21, 2024

Balance Sheet

(In SAR)

Particulars	Note No.	As at December 31, 2023	As at December 31, 2022
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 No: 202841

for and on behalf of the Board of Directors of
Infosys Arabia Limited

Balakrishna Doddaballapur
Authorized Signatory

Place: Bengaluru

Date: May 21, 2024

Statement of Profit and Loss

(In SAR)

Particulars	Note No.	Year ended December 31	
		2023	2022
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 No: 202841

Place: Bengaluru

Date: May 21, 2024

for and on behalf of the Board of Directors of
Infosys Arabia Limited

Balakrishna Doddaballapur
Authorized Signatory

Statement of changes in Equity

(In SAR)

Particulars	Equity Share Capital	Other Equity Reserves & Surplus Retained earnings	Total equity attributable to equity holders of the Company
Balance as of January 1, 2022	1,678,751	–	1,678,751
Changes in equity for the year ended December 31, 2022			
Equity share capital	–	–	–
Balance as of December 31, 2022	1,678,751	–	1,678,751
Balance as of January 1, 2023	1,678,751	–	1,678,751
Changes in equity for the year ended December 31, 2023			
Equity share capital	–	–	–
Balance as of December 31, 2023	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 No: 202841

Place: Bengaluru

Date: May 21, 2024

for and on behalf of the Board of Directors of
Infosys Arabia Limited

Balakrishna Doddaballapur
Authorized Signatory

Statements of Cash Flows

(In SAR)

Particulars	Year ended December 31, 2023	2022
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 No: 202841

for and on behalf of the Board of Directors of
Infosys Arabia Limited

Balakrishna Doddaballapur
Authorized Signatory

Place: Bengaluru

Date: May 21, 2024

Company Overview and Significant Accounting Policies

Company overview

Infosys Arabia Limited is a subsidiary of Infosys Limited. The purpose of the Company is to engage in any lawful act or activity for which corporation may be organized under the Law of Kingdom of Saudi Arabia, as the same exists or as may hereafter be amended from time to time, incorporated on August 12, 2016.

1 Significant accounting policies

1.1 Accounting year

The accounting year of the Company is from January 1, 2023 to December 31, 2023.

1.2 Basis of preparation of financial statements

These special purpose financial statements are prepared for inclusion in the annual report of the Holding Company, Infosys Limited under the requirements of Section 129 (3) of the Companies Act 2013 and for issuing Annual Performance Report ("APR") which is required to be furnished by the Holding Company, to Authorized Bank in accordance with regulation 10 of Foreign Exchange Management (Overseas Investment) Regulations.

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis. The Ind-AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The company applied for liquidation on 25th January 2022, accordingly, these financial statements have not been prepared on a going concern basis. Instead, these financial statements have been prepared on liquidation basis. Assets and liabilities are presented as current. Assets have been recorded at their realizable value and liabilities recorded at their known estimated settlement value.

1.3 Reporting currency

The Company's reporting currency is the Saudi Riyal.

1.4 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities, and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.5 Foreign currency

Functional currency

The functional currency of the Company is the Saudi Riyal. These financial statements are presented in Saudi Riyal.

1.6 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.1 Cash and cash equivalents

(In SAR)

Particulars	As at December 31,	
	2023	2022
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,	
	2023	2022
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, 2023 and December 31, 2022 are as follows:

Name of the shareholder	As at December 31,	
	2023	2022
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, 2023 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 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,	
		2023	2022
Infosys Limited	India	70%	70%

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][21]	India
Infosys Chile SpA[1]	Chile
Infosys Consulting Ltda.[1]	Brazil
Infosys Luxembourg S.a.r.l[1]	Luxembourg
Infosys Americas Inc. (Infosys Americas)[1][38]	US
Infosys Public Services, Inc. USA (Infosys Public Services)[1]	US
Infosys BPM Limited[1][26]	India
Infosys (Czech Republic) Limited s.r.o.[2]	Czech Republic
Infosys Poland Sp z.o.o[2]	Poland
Infosys McCamish Systems LLC[2]	US
Portland Group Pty Ltd[2]	Australia
Infosys BPO Americas LLC.[2]	US
Infosys Consulting Holding AG [1]	Switzerland
Infosys Management Consulting Pty Limited[3]	Australia
Infosys Consulting AG[3]	Switzerland
Infosys Consulting GmbH[3]	Germany
Infosys Consulting S.R.L.[1]	Romania
Infosys Consulting SAS[3]	France
Infy Consulting Company Ltd[3]	UK

Name of fellow subsidiaries	Country
Infy Consulting B.V.[3]	The Netherlands
Infosys Consulting S.R.L.[28]	Argentina
Infosys Consulting (Belgium) NV[3]	Belgium
Panaya Inc. (Panaya)[1]	US
Panaya Ltd.[4]	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH) [37]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[1][21]	UK
Brilliant Basics Limited [5][21]	UK
Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)[1]	Singapore
Infosys Middle East FZ LLC [6]	Dubai
Fluido Oy [6]	Finland
Fluido Sweden AB [8]	Sweden
Fluido Norway A/S[8]	Norway
Fluido Denmark A/S[8]	Denmark
Fluido Slovakia s.r.o[8]	Slovakia
Infosys Compaz Pte. Ltd [7]	Singapore
Infosys South Africa (Pty) Ltd[6]	South Africa
WongDoody Inc. [1]	US
HIPUS Co., Ltd[7]	Japan
Stater N.V.[7]	The Netherlands
Stater Nederland B.V.[9]	The Netherlands
Stater XXL B.V.[9]	The Netherlands
HypoCasso B.V.[9]	The Netherlands
Stater Participations B.V.[43]	The Netherlands
Stater Belgium N.V./S.A.[9][43]	Belgium
Stater Gmbh[9]	Germany
Outbox systems Inc. dba Simplus (US)[11]	US
Simplus ANZ Pty Ltd.[12]	Australia
Simplus Australia Pty Ltd[13]	Australia
Simplus Philippines, Inc.[12]	Philippines
Infosys Fluido UK, Ltd.[8]	UK
Infosys Fluido Ireland, Ltd.[15]	Ireland
Infosys Limited Bulgaria EOOD[1]	Bulgaria
Kaleidoscope Animations, Inc.[11]	US
Kaleidoscope Prototyping LLC[17][42]	US
GuideVision s.r.o.[10]	Czech Republic
GuideVision Deutschland GmbH[16]	Germany
GuideVision Suomi Oy[16]	Finland
GuideVision Magyarország Kft[16]	Hungary
GuideVision Polska Sp. z.o.o[16]	Poland
GuideVision UK Ltd[16][21]	UK
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[11]	US
Beringer Capital Digital Group Inc[11][24]	US
Mediotype LLC[18][24]	US
Beringer Commerce Holdings LLC[18][24]	US
SureSource LLC[19][22]	US

Name of fellow subsidiaries	Country
Blue Acorn LLC[19][22]	US
Simply Commerce LLC[19][22]	US
iCiDIGITAL LLC[20][23]	US
Infosys BPM UK Limited[2]	UK
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[1]	Turkey
Infosys Germany Holding Gmbh[1]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1]	Germany
Infosys Green Forum[1]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[6]	Malaysia
Infosys Business Solutions LLC[1][25]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[29]	Germany
Wongdoody Gmbh (formerly known as oddity GmbH) [29]	Germany
oddity (Shanghai) Co., Ltd. [30]	China
oddity Limited (Taipei) [30]	Taiwan
oddity space GmbH [29][41]	Germany
oddity jungle GmbH [29][41]	Germany
oddity code GmbH [29][41]	Germany
WongDoody d.o.o (formerly known as oddity code d.o.o) [30][41]	Serbia
oddity waves GmbH [29][41]	Germany
oddity group services GmbH [29][41]	Germany
Infosys Public Services Canada Inc. [14][31]	Canada
BASE life science AG [33]	Switzerland
BASE life science GmbH [33]	Germany
BASE life science A/S [32]	Denmark
BASE life science S.A.S [33]	France
BASE life science Ltd. [33]	UK
BASE life science S.r.l. [33]	Italy
Innovisor Inc.[33]	US
BASE life science Inc.[33]	US
BASE life science S.L.[33][34]	Spain
Panaya Germany GmbH [4][35]	Germany
Infosys Norway [6][36]	Norway
Infosys BPM Canada Inc [2][39]	Canada
Danske IT and Support Services India Private Limited ("Danske IT") [40]	India

[1] Wholly-owned subsidiary of Infosys Limited
[2] Wholly-owned subsidiary of Infosys BPM Limited
[3] Wholly-owned subsidiary of Infosys Consulting Holding AG
[4] Wholly-owned subsidiary of Panaya Inc.
[5] Wholly-owned subsidiary of Brilliant Basics Holding Limited.
[6] Wholly-owned subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)
[7] Majority owned and controlled subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)
[8] Wholly-owned subsidiary of Fluido Oy
[9] Wholly-owned subsidiary of Stater N.V
[10] Wholly-owned subsidiary of Infy Consulting Company Limited
[11] Wholly-owned subsidiary of Infosys Nova Holdings LLC
[12] Wholly-owned subsidiary of Outbox systems Inc. dba Simplus (US)
[13] Wholly-owned subsidiary of Simplus ANZ Pty Ltd
[14] Wholly-owned subsidiary of Infosys Public Services, Inc.
[15] Wholly-owned subsidiary of Infosys Fluido UK, Ltd.

[16] Wholly-owned subsidiary of GuideVision s.r.o.

[17] Wholly-owned subsidiary of Kaleidoscope Animations, Inc.

[18] Wholly-owned subsidiary of Blue Acorn iCi Inc

[19] Wholly-owned subsidiary of Beringer Commerce Holdings LLC

[20] Wholly-owned subsidiary of Beringer Capital Digital Group Inc.

[21] Under liquidation

[22] Merged with Beringer Commerce Holdings LLC, effective January 1, 2022

[23] Merged with Beringer Capital Digital Group Inc, effective January 1, 2022

[24] Merged with Blue Acorn iCi Inc, effective January 1, 2022

[25] Incorporated on February 20, 2022

[26] On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

[27] On March 22, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.), a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")).

[28] Infosys Consulting S.R.L. (Argentina) (formerly a Wholly-owned subsidiary of Infosys Consulting Holding AG) became the majority owned and controlled subsidiary of Infosys Limited with effect from April 1, 2022

[29] On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.)) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and Wongdoody Gmbh (formerly known as oddity GmbH)

[30] Wholly-owned subsidiary of Wongdoody Gmbh (formerly known as oddity GmbH)

[31] Incorporated on July 8, 2022

[32] On September 1, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.) (a Wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

[33] Wholly-owned subsidiary of BASE life science A/S

[34] Incorporated on September 6, 2022.

[35] Incorporated effective December 15, 2022.

[36] Incorporated effective September 22, 2022.

[37] Infosys Financial Services GmbH. (formerly Panaya GmbH) became a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.) with effect from February 23, 2023.

[38] Liquidated effective July 14, 2023

[39] Incorporated on August 11, 2023

[40] On September 1, 2023 Infosys Ltd. acquired 100% of voting interests in Danske IT and Support Services India Private Limited ("Danske IT").

[41] On September 29, 2023, oddity space GmbH, oddity waves GmbH, oddity jungle GmbH, oddity group services GmbH and oddity code GmbH merged into WongDoody GmbH and oddity code d.o.o which was formerly a subsidiary of oddity code Gmbh has become a subsidiary of Wongdoody Gmbh (formerly known as oddity GmbH).

[42] Liquidated effective November 1, 2023

[43] On November 24, 2023 Stater Participations B.V (Wholly-owned subsidiary of Stater N.V) merged with Stater N.V and Stater Belgium N.V./S.A which was formerly a wholly owned subsidiary of Stater Participations B.V. became a wholly owned subsidiary of Stater N.V.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants

Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner

Membership No: 202841

Place: Bengaluru

Date: May 21, 2024

for and on behalf of the Board of Directors of
Infosys Arabia Limited

Balakrishna Doddaballapur
Authorized Signatory

Infosys Germany Holding GmbH

Independent Auditor's report

To the Members 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, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of preparation referred to in Section 1.2 of the special purpose financial statements, of the state of affairs of the Company as at December 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics, We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1.2 to the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company, Infosys Limited under the requirements of section 129 (3) of the Companies Act, 2013 and for issuing Annual Performance Report ("APR") which is required to be furnished by the Holding Company to Authorized Bank in accordance with regulation 10 of Foreign Exchange Management (Overseas Investment) Regulations. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for the above purpose and is not to be used, referred to or distributed for any other purpose without our prior consent.

Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the- accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the company's Management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives is to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

i. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii. in our opinion proper books of account as required by law have been kept by the Company ' so far as it appears from our examination of those books;

iii. the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

For Shenoy & Kamath
Chartered Accountants,
Firm Registration Number. 006673S

M Rathnakar Kamath
Partner
Membership Number. 202841

UDIN: 24202841BKACJA2065

Place: Bengaluru.

Date: May 7, 2024

Balance Sheet

In EUR

Particulars	Note No.	As at December 31, 2023	As at December 31, 2022
ASSETS			
Current assets			
Financial Assets			
Cash and cash equivalents	2.1	192,014	192,270
Other current assets	2.2	978	803
Income Tax Assets	2.7	657	–
Total current assets		193,649	193,073
Total Assets		193,649	193,073
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.3	200,000	200,000
Other equity		(6,351)	(7,113)
Total equity		193,649	192,887
Liabilities			
Current liabilities			
Financial liabilities			
Trade Payables	2.6	–	185
Total Current liabilities		–	185
Total equity and liabilities		193,649	193,073

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 Germany Holding GmBH

M. Rathnakar Kamath
Partner
Membership No. 202841

Florian Lorenz
Director

Andrea Hendrickx
Director

Place: Bengaluru
Date:: May 7, 2024

Statement of Profit and Loss

In EUR

Particulars	Note	Year ended December 31, 2023	2022
Revenue from operations		–	–
Other income, net	2.4	3,759	–
Total Income		3,759	–
Expenses			
Consultancy and professional charges		922	4,424
Other Expenses	2.5	1,741	1,740
Total expenses		2,663	6,164
Profit/(Loss) before tax		1,096	(6,164)
Tax expense			
Current tax	2.7	335	–
Profit/Loss for the year		762	(6,164)
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		762	(6,164)
Earnings per equity share par value of EUR 1 each Basic and Diluted (in EUR)		0.004	0.031
Weighted average equity shares used in computing earnings per equity share			
Basic and Diluted		200,000	200,000

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants
Firm's Registration Number: 006673S

for and on behalf of the Board of Directors of Infosys Germany Holding GmBH

M. Rathnakar Kamath
Partner
Membership No. 202841

Florian Lorenz
Director

Andrea Hendrickx
Director

Place: Bengaluru
Date:: May 7, 2024

Statement of Changes in Equity

In EUR

Particulars	Equity Share Capital	Other Equity				Total equity attributable to equity holders of the Company
		Reserves & Surplus	Share application	Capital reserve	General reserve	
Balance as at January 01, 2022	200,000	(949)	–	–	–	199,051
Changes in equity for the year ended December 31, 2023						
Increase in equity share capital on account of fresh issue	–	–	–	–	–	–
Profit/(Loss) for the year 2022	–	(6,164)	–	–	–	(6,164)
Balance as at December 31, 2022	200,000	(7,113)	–	–		192,887
Balance as at January 01, 2023	200,000	(7,113)	–	–	–	192,887
Changes in equity for the year ended December 31, 2023				–	–	–
Increase in equity share capital on account of fresh issue	–	–		–	–	–
Profit/(Loss) for the year 2023	–	762	–	–	–	762
Balance as at December 31, 2023	200,000	(6,351)	–	–	–	193,649

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 Germany Holding GmBH

M. Rathnakar Kamath
Partner
Membership No. 202841

Florian Lorenz
Director

Andrea Hendrickx
Director

Place: Bengaluru
Date:: May 7, 2024

Statements of Cash Flows

In EUR

Particulars	Note	Year ended December 31, 2023	2022
Cash flow from operating activities:			
Profit/(Loss) for the year		762	(6,164)
Adjustments to reconcile net profit to net cash provided by operating activities		–	–
Changes in assets and liabilities			
Trade payables	2.6	(185)	185
Other assets	2.2	(175)	(803)
Cash generated/(used) from operations		401	(6,781)
Income tax paid	2.7	(657)	–
Net cash generated/(used) in operating activities		(256)	(6,781)
Cash flow from financing activities:			
Proceed from issue of share capital		–	–
Net cash from financing activities		–	–
Net increase/(decrease) in cash and cash equivalents		(256)	(6,781)
Cash and cash equivalents at the beginning of the period		192,270	199,051
Cash and cash equivalents at the end of the period	2.1	192,014	192,270

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 Germany Holding GmBH

M. Rathnakar Kamath
Partner
Membership No. 202841

Florian Lorenz
Director

Andrea Hendrickx
Director

Place: Bengaluru
Date:: May 7, 2024

Company Overview and Significant Accounting Policies

Company overview

Infosys Germany Holding GmbH is a wholly-owned subsidiary of Infosys Limited incorporated on March 31, 2021.The company was setup as a legal requirement for incorporation of the subsidiary Infosys Automotive and Mobility GmbH and CoKG

1 Significant accounting policies

1.1 Accounting year

The accounting year of the Company is from January 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 and for issuing Annual Performance Report ("APR") which is required to be furnished by the Holding Company, to Authorized Bank in accordance with regulation 10 of Foreign Exchange Management (Overseas Investment) Regulations.

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use."

1.3 Reporting currency

The Company's reporting currency is EUR

1.4 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities, and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.5 Foreign currency

Functional currency

The functional currency of the Company is the EUR. These financial statements are presented In EUR.

Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense, and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

1.6 Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.7 Income taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability, simultaneously.

1.8 Other Income

Other income is comprised primarily of interest income. Interest income is recognized using the effective interest method.

1.9 Financial instruments

1.9.1 Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

1.9.2 Subsequent measurement

Non-derivative financial instruments

(I) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

1.9.3 Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

2.1 Cash and cash equivalents

In EUR

Particulars	As at December 31,	
	2023	2022
Balance with banks		
In current and deposit accounts	192,014	192,270
Total Cash and cash equivalents	192,014	192,270

2.2 Other Assets

In EUR

Particulars	As at December 31,	
	2023	2022
Current		
Reimbursable VAT	978	803
Total Other Assets	978	803

2.3 Equity

Equity share capital

In EUR

Particulars	As at December 31,	
	2023	2022
Authorized share capital (200,000 Equity share of par value €1 each)	200,000	200,000
Issued, Subscribed and Paid-Up (200,000 Equity share of par value €1 each)	200,000	200,000

The details of shareholder holding more than 5% shares as at December 31, 2023 and December 31, 2022 are set out below :

Name of the shareholder	As at December 31,	
	2023	2022
Infosys Limited	100%	100%

2.4 Other Income

In EUR

Particulars	Year ended December 31, 2023	2022
Bank Interest	3,759	–
Total	3,759	–

2.5 Other expenses

In EUR

Particulars	Year ended December 31, 2023	2022
Other Miscellaneous expenses	899	–
Bank Charges	842	1,740
Total	1,741	1,740

2.6 Trade payables

In EUR

Particulars	As at December 31, 2023	2022
Trade payables[(1)]	–	185
Total trade payables	–	185
[(1)]Includes dues to subsidiaries	–	–

Trade payables ageing schedule

Year ended December 31, 2023 and December 31, 2022

Particulars	Not Due	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Others	–	–	–	–	–	–
	–	185	–	–	–	185
Total trade payables	–	–	–	–	–	–
Total trade payables	–	185	–	–	–	185

2.7 Income taxes

Income tax expense in the statement of profit and loss comprises:

In EUR

Particulars	Year ended December 31, 2023	2022
Current taxes	335	–
Deferred taxes	–	–
Income tax expense	335	–

Current tax expense for the years ended December 31, 2023 and December 31, 2022 includes provisions (net of reversals) amounting to EUR Nil and Nil, respectively pertaining to prior periods.

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

In EUR

Particulars	Year ended December 31, 2023	2022
Profit before income taxes	1,096	(6,164)
Enacted tax rates in Germany	30.53%	30.53%
Computed expected tax expense	335	–
Income tax expense	335	–

The applicable Germany statutory tax rate for fiscal 2023 and fiscal 2022 is 30.53%.

The details of income tax assets and income tax liabilities are as follows :

In EUR

	Year ended December 31, 2023	2022
Income tax assets	657	–
Current income tax liabilities	–	–
Net current income tax assets/ (liability) at the end	657	–

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	Year ended December 31, 2023	2022
Assets		
Cash and cash equivalents (Refer to Note 2.1)	192,014	192,270
Total	192,014	192,270
Liabilities		
Trade Payables (Refer to Note 2.6)	–	185
Total	–	185

2.9 Related party transactions

List of holding companies:

Name of the holding company	Country	Holding as at December 31, 2023	2022
Infosys Limited	India	100.00%	100.00%

List of related parties:

Name of fellow subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)[(1)]	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)[(1)]	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)[(1)]	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)[(1)]	China
Infosys Nova Holdings LLC. (Infosys Nova)[(1)]	U.S.
EdgeVerve Systems Limited (EdgeVerve)[(1)]	India
Infosys Austria GmbH[(1)]	Austria
Skava Systems Private Limited (Skava Systems)[(1)(22)]	India
Infosys Chile SpA[(1)]	Chile
Infosys Arabia Limited[(2)(22)]	Saudi Arabia
Infosys Consulting Ltda.[(1)]	Brazil
Infosys Luxembourg S.a.r.l[(1)]	Luxembourg
Infosys Americas Inc. (Infosys Americas)[(1)(39)]	U.S.
Infosys Public Services, Inc. USA (Infosys Public Services)[(1)]	U.S.
Infosys BPM Limited[(1)(27)]	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 fellow subsidiaries	Country
Portland Group Pty Ltd[3]	Australia
Infosys BPO Americas LLC.[3]	U.S.
Infosys Consulting Holding AG [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
Infy Consulting Company Ltd[4]	U.K.
Infy Consulting B.V.[4]	The Netherlands
Infosys Consulting S.R.L.[29]	Argentina
Infosys Consulting (Belgium) NV[4]	Belgium
Panaya Inc. (Panaya)[1]	U.S.
Panaya Ltd.[5]	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH) [38]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[1][22]	U.K.
Brilliant Basics Limited [6][22]	U.K.
Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)[1]	Singapore
Infosys Middle East FZ LLC [7]	Dubai
Fluido Oy [7]	Finland
Fluido Sweden AB [9]	Sweden
Fluido Norway A/S[9]	Norway
Fluido Denmark A/S[9]	Denmark
Fluido Slovakia s.r.o[9]	Slovakia
Infosys Compaz Pte. Ltd [8]	Singapore
Infosys South Africa (Pty) Ltd[7]	South Africa
WongDoody Inc. [1]	U.S.
HIPUS Co., Ltd[8]	Japan
Stater N.V.[8]	The Netherlands
Stater Nederland B.V.[10]	The Netherlands
Stater XXL B.V.[10]	The Netherlands
HypoCasso B.V.[10]	The Netherlands
Stater Participations B.V.[44]	The Netherlands
Stater Belgium N.V./S.A.[10][44]	Belgium
Stater Gmbh[10]	Germany
Outbox systems Inc. dba Simplus (US)[12]	U.S.
Simplus ANZ Pty Ltd.[13]	Australia
Simplus Australia Pty Ltd[14]	Australia
Simplus Philippines, Inc.[13]	Philippines
Infosys Fluido UK, Ltd.[9]	U.K.
Infosys Fluido Ireland, Ltd.[16]	Ireland
Infosys Limited Bulgaria EOOD[1]	Bulgaria
Kaleidoscope Animations, Inc.[12]	U.S.
Kaleidoscope Prototyping LLC[18][43]	U.S.
GuideVision s.r.o.[11]	Czech Republic
GuideVision Deutschland GmbH[17]	Germany

Name of fellow subsidiaries	Country
GuideVision Suomi Oy[17]	Finland
GuideVision Magyarország Kft[17]	Hungary
GuideVision Polska Sp. z.o.o[17]	Poland
GuideVision UK Ltd[17][22]	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[12]	U.S.
Beringer Capital Digital Group Inc[12][25]	U.S.
Mediotype LLC[19][25]	U.S.
Beringer Commerce Holdings LLC[19][25]	U.S.
SureSource LLC[20][23]	U.S.
Blue Acorn LLC[20][23]	U.S.
Simply Commerce LLC[20][23]	U.S.
iCiDIGITAL LLC[21][24]	U.S.
Infosys BPM UK Limited[3]	U.K.
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[1]	Turkey
Infosys Automotive and Mobility GmbH & Co. KG[1]	Germany
Infosys Green Forum[1]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[7]	Malaysia
Infosys Business Solutions LLC[1][26]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[28]	Germany
Wongdoody Gmbh (formerly known as oddity GmbH) [30]	Germany
oddity (Shanghai) Co., Ltd. [31]	China
oddity Limited (Taipei) [31]	Taiwan
oddity space GmbH [30][42]	Germany
oddity jungle GmbH [30][42]	Germany
oddity code GmbH [30][42]	Germany
WongDoody d.o.o (formerly known as oddity code d.o.o) [31][42]	Serbia
oddity waves GmbH [30][42]	Germany
oddity group services GmbH [30][42]	Germany
Infosys Public Services Canada Inc. [15][32]	Canada
BASE life science AG [34]	Switzerland
BASE life science GmbH [34]	Germany
BASE life science A/S [33]	Denmark
BASE life science S.A.S [34]	France
BASE life science Ltd. [34]	U.K.
BASE life science S.r.l. [34]	Italy
Innovisor Inc.[34]	U.S.
BASE life science Inc.[34]	U.S.
BASE life science S.L.[34][35]	Spain
Panaya Germany GmbH [5][36]	Germany
Infosys Norway [7][37]	Norway
Infosys BPM Canada Inc [3][40]	Canada
Danske IT and Support Services India Private Limited ("Danske IT") [41]	India

[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 Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)
[8] Majority owned and controlled subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)
[9] Wholly-owned subsidiary of Fluido Oy
[10] Wholly-owned subsidiary of Stater N.V
[11] Wholly-owned subsidiary of Infy Consulting Company Limited
[12] Wholly-owned subsidiary of Infosys Nova Holdings LLC
[13] Wholly-owned subsidiary of Outbox systems Inc. dba Simplus (US)
[14] Wholly-owned subsidiary of Simplus ANZ Pty Ltd
[15] Wholly-owned subsidiary of Infosys Public Services, Inc.
[16] Wholly-owned subsidiary of Infosys Fluido UK, Ltd.
[17] Wholly-owned subsidiary of GuideVision s.r.o.
[18] Wholly-owned subsidiary of Kaleidoscope Animations, Inc.
[19] Wholly-owned subsidiary of Blue Acorn iCi Inc
[20] Wholly-owned subsidiary of Beringer Commerce Holdings LLC
[21] Wholly-owned subsidiary of Beringer Capital Digital Group Inc.
[22] Under liquidation
[23] Merged with Beringer Commerce Holdings LLC, effective January 1, 2022
[24] Merged with Beringer Capital Digital Group Inc, effective January 1, 2022
[25] Merged with Blue Acorn iCi Inc, effective January 1, 2022
[26] Incorporated on February 20, 2022
[27] On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.
[28] On March 22, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.), a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")).
[29] Infosys Consulting S.R.L. (Argentina) (formerly a Wholly-owned subsidiary of Infosys Consulting Holding AG) became the majority owned and controlled subsidiary of Infosys Limited with effect from April 1, 2022
[30] On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.)) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and Wongdoody Gmbh (formerly known as oddity GmbH)
[31] Wholly-owned subsidiary of Wongdoody Gmbh (formerly known as oddity GmbH)
[32] Incorporated on July 8, 2022
[33] On September 1, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.) (a Wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.
[34] Wholly-owned subsidiary of BASE life science A/S
[35] Incorporated on September 6, 2022
[36] Incorporated effective December 15, 2022
[37] Incorporated effective September 22, 2022.
[38] Infosys Financial Services GmbH. (formerly Panaya GmbH) became a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.) with effect from February 23, 2023.
[39] Liquidated effective July 14, 2023
[40] Incorporated on August 11, 2023
[41] On September 1, 2023 Infosys Ltd. acquired 100% of voting interests in Danske IT and Support Services India Private Limited ("Danske IT").
[42] On September 29, 2023, oddity space GmbH, oddity waves GmbH, oddity jungle GmbH, oddity group services GmbH and oddity code GmbH merged into WongDoody GmbH and oddity code d.o.o which was formerly a subsidiary of oddity code Gmbh has become a subsidiary of Wongdoody Gmbh (formerly known as oddity GmbH).
[43] Liquidated effective November 1, 2023
[44] On November 24, 2023 Stater Participations B.V (Wholly-owned subsidiary of Stater N.V) merged with Stater N.V and Stater Belgium N.V./S.A which was formerly a wholly owned subsidiary of Stater Participations B.V. became a wholly owned subsidiary of Stater N.V.

The details of the related parties transactions entered into by the Company for the year ended December 31, 2023 and December 31, 2022 is as follows:

In EUR

Particulars	Year ended December 31,	
	2023	2022
Capital transactions		
Financing transactions		
Equity		
Infosys Limited	–	–

2.10 Ratios

The ratios for the years ended December 31, 2023 and December 31, 2022 are as follows:

Particulars	Numerator	Denominator	years ended December 31,		Variance
			2023	2022	
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	0.4%	(3.1%)	3.5%
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed[1]	0.4%	(3.2%)	3.6%

[1] Tangible net worth + deferred tax liabilities + Lease Liabilities

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Infosys Germany GmbH

Independent Auditor's Report

To Infosys Germany GmbH, Cologne/Germany

Audit Opinions

We have audited the consolidated financial statements of Infosys Germany GmbH, Cologne/Germany, and its subsidiaries (the Group) which comprise the consolidated balance sheet as at December 31, 2023, and the consolidated statement of profit and loss, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from January 1 to December 31, 2023, and the notes to the consolidated financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the group management report of Infosys Germany GmbH, Cologne/Germany, for the financial year from January 1 to December 31, 2023.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Group as at December 31, 2023 and of its financial performance for the financial year from January 1 to 31 December 2023 in compliance with German Legally Required Accounting Principles, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Section 322 (3) sentence 1 German Commercial Code (HGB), we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional 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 audit opinions on the consolidated financial statements and on the group management report.

Responsibilities of the Executive Directors for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the requirements of German commercial law, and that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the group management report that as a whole provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

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 whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 and this group management report.

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 and of the group management 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 audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. 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 be able 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 present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German Legally Required Accounting Principles.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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.

Munich/Germany, 24 May 2024

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft

Signed:	Signed:
Marco Farrenkopf	Ruth Ehrlich
Wirtschaftsprüfer	*Wirtschaftsprüferin*
(German Public Auditor)	*(German Public Auditor)*

Group management report

A. Business activity

Infosys Germany GmbH has the function of a holding company and – via its subsidiaries on hand on Balance Sheet date – offers its customers particular services in the fields of strategy development, conception, creation, development and implementation of multi-channel campaigns, content marketing, branding, digital experience design including UX/UI, 3D/digital twin solutions, animations and film productions, digital services, web and e-commerce solutions.

With effect from January 1, 2023, the following wholly-owned subsidiaries were merged with their sister company WongDoody GmbH (formerly oddity GmbH):

oddity space GmbH (Stuttgart)

oddity jungle GmbH (Berlin)

oddity waves GmbH (Stuttgart)

oddity code GmbH (Stuttgart)

oddity group services GmbH (Stuttgart)

oddity GmbH was renamed WongDoody GmbH, is the only direct subsidiary of Infosys Germany GmbH as at the reporting date and now has the following subsidiaries:

WongDoody (Shanghai) Co. Ltd. in Shanghai, China (formerly oddity (Shanghai) Co. Ltd.)

WongDoody Limited in Taipei, Taiwan (formerly oddity Limited)

WongDoody d.o.o. in Belgrade (formerly oddity code d.o.o.)

The WongDoody companies are hereinafter referred to collectively as "WongDoody".

The external customers in particular comprise large trading companies and brand companies. The majority of the direct customers are based in Germany, Austria and Switzerland.

The services of WongDoody are mainly provided by own staff.

Infosys Germany GmbH is a subsidiary of Infosys Singapore Pte. Ltd., a wholly-owned subsidiary of Infosys Limited. Infosys Limited offers consulting, technology, outsourcing and next-generation digital services worldwide to help customers implement their digital transformation strategies.

As part of the integration of WongDoody into the international Infosys Limited Group, further contracts are to be successively awarded to WongDoody by Infosys Group companies.

B. Economic framework

According to first computations of the Federal Statistical Office (Destatis), the price-adjusted gross domestic product (GDP) in Germany was 0.3% lower in 2023 than in the prior year[(1)]. The economic situation in Germany and Europe in 2023 was characterized by a combination of persistently high inflation rates, geopolitical uncertainties and moderate growth prospects. High inflation and high interest rates weighed on private consumption and corporate investment in 2023.

The reluctance to buy is clearly evident in e-commerce. After many years of strong growth, e-commerce sales in Germany declined again for the first time in 2023. Gross sales of goods fell by a double-digit 11.8% to bEUR 79.7 for the first time in 2023, after bEUR 90.4 in the prior year[(2)].

For many e-commerce companies and multichannel retailers, these declines in revenue are leading to budget reductions that also have a direct impact on service providers.

The year 2023 marked a significant breakthrough for artificial intelligence (AI) - and not just in terms of public perception. More and more companies are actively looking at how they can use AI to reduce costs/increase efficiency, automate processes or improve quality, for example. AI and the associated automation directly affect services in the marketing environment. See also 'Outlook' section.

On the one hand, the difficult economic conditions led to budget cuts for traditional marketing services at many retail and brand companies. On the other hand, the digital customer experience, 3D/digital twin solutions and AI-based applications and services are becoming increasingly important for more and more companies.

The portfolio of WongDoody comprises classical agency services as well as also digital experience services (with the focus on digital agency services). According to the German Association of Communications Agencies (GWA), the rather classic GWA agencies in Germany grew by 3.3% in 2023 with a return of 8.2%[(3)].

(1) https://www.destatis.de/DE/Presse/Pressemitteilungen/2024/01/PD24_019_811.html

(2) https://bevh.org/detail/umsaetze-im-e-commerce-erreichen-talsohle

(3) https://www.gwa.de/content/uploads/2021/01/20240312_GWA_Fruehjahrsmonitor_2024.pdf

C. Business trend and situation of the Company

The acquisition of the WongDoody companies in 2022, the merger, and the renaming in 2023 did not have any negative effects on existing key account customers of WongDoody in 2023.

The renaming aims to create an international offering under the 'WongDoody' brand with a focus on experience design, 3D/immersive experiences, and future marketing, with international locations and a link to the existing Infosys services. The renaming requires the establishment and publicizing of the new 'WongDoody' brand in Germany, Serbia, China, and Taiwan. The new brand is unknown to both potential employees and potential customers.

In 2023, further joint clients were acquired with Infosys Limited and WongDoody Inc. (the human experience agency of Infosys Limited, with locations in the USA), which expanded the scope and reach of the WongDoody companies' business in Germany, Serbia, and Asia. Revenue growth was more subdued than forecast, as was the increase in the number of employees (December 31, 2022: 334; December 31, 2023: 348 employees; both at the end of the year).

Despite the challenging economic situation in Europe, WongDoody faced positive economic development in the year 2023.

2023 was a very difficult year for WongDoody in China, as existing customers from Europe reduced their activities in China,

- partly due to the intense competition on Chinese e-commerce platforms. As a result, the teams in China and Taiwan were massively reduced at the end of 2023. The share of sales for projects in China amounted to approx. 2% in 2023.

It should be noted that the amounts/previous year comparisons for 2022 presented below take into account the operating WongDoody companies in the period from 21 April to December 31, 2022.

Financial performance

In the financial year 2023, Infosys Germany GmbH realized revenue of kEUR 34,456 (prior year: kEUR 24,115). Revenue is divided into agency services (with a focus on digital) of kEUR 21,907 and film productions/3D services of kEUR 12,549. The overall development of revenue is positive; in particular the film productions/3D services show a stronger growth than the agency business. More than 80% of the revenue was realized in Germany.

The revenue includes passed-on external services of kEUR 7,102 (prior year: kEUR 5,198). Net revenue (revenue less external services and incl. change in inventories) of the Group was kEUR 27,364 (prior year: kEUR 18,637). Net revenue growth thus amounted to 47% and is within the forecast of mid-double-digit growth.

Personnel expenses were at kEUR 21,651 (prior year: kEUR 13,495). Personnel expenses include costs for the management incentive program amounting to kEUR 1,776.

In fiscal 2023, Infosys Germany Group realized the following EBITDA:

(kEUR)

	2023	2022
Consolidated loss for the year	(6,330)	(3,328)
Income taxes	(304)	(195)
Net finance income/expense	2,439	910
Depreciation, amortization and write-downs	5,677	5,149
EBITDA	1,482	2,536

The net finance expense of kEUR 2,439 (prior year: kEUR 910) includes interest expenses from the financing of the acquisition of the investment in the WongDoody companies of kEUR 2,437 (prior year: kEUR 901). The amortization, depreciation and write-downs include amortization of goodwill capitalized within the scope of the initial consolidation (kEUR 3,106) and of the customer base (kEUR 1,941). The taxes on income include income from the reversal of deferred taxes of kEUR 573.

The EBITDA margin in relation to the net revenue is 5.4%. The EBITDA margin achieved is assessed by the management as average, as the special effect of the management incentive program that was concluded with the key personnel as part of the takeover must be taken into account (without this special effect, the EBITDA margin would be 11.8%). The EBITDA margin in relation to net revenue is therefore in line with the forecast of a year-on-year decline (previous year: 13.6%).

Assets, liabilities and financial position

(kEUR)

	2023	2022
Assets		
Fixed assets	34,841	40,076
Inventories	77	67
Receivables and other current assets	8,231	6,780
Cash and cash equivalents	3,363	4,044
Prepaid expenses and deferred tax assets	271	377
Deficit not covered by equity	9,706	3,331
Total assets	56,489	54,676
Equity and liabilities		
Equity	–	–
Provisions	3,104	9,910
Liabilities	51,006	41,793
Deferred income and deferred tax liabilities	2,379	2,973
Total equity and liabilities	56,489	54,676

The fixed assets include the goodwill of kEUR 25,877 (prior year: kEUR 28,983) that results from the initial consolidation as well as the residual book values of the other intangible fixed assets capitalized within the scope of the initial consolidation (customer base) of kEUR 7,765 (prior year: kEUR 9,706).

The receivables include trade receivables of kEUR 6,220. Based on past experience, we assume that there will be no significant payment defaults.

The deficit not covered by equity results from the non-operating effects shown under the financial performance, such as the management incentive program, the amortization of goodwill and the customer base, and the financing expenses from the acquisition of the WongDoody companies.

Provisions mainly include provisions for personnel.

The liabilities include liabilities to affiliated companies of kEUR 49,571 from the financing of the purchase price of the WongDoody companies (thereof kEUR 3,338 in total referring to interest for the years 2022 and 2023). The loan bears interest at a variable rate in line with market conditions and is formally due on a daily basis. The lending shareholder Infosys Singapore Pte. Ltd., Singapore. has given Infosys Germany GmbH a written assurance dated 27 March 2024 that it will not call the credit facility before December 31, 2025.

From the management's point of view, the group's financial situation is stable overall.

Capital structure

As of the Balance Sheet date, the Group has a stable liquidity base: cash and cash equivalents were at kEUR 3,363.

No liabilities to banks are disclosed at present. The purchase price for the acquisition of the shares in the WongDoody companies was financed with a shareholder loan (see explanations above).

Liquidity situation

The main objective of the financial management is to ensure the group companies' solvency in order to meet the payment obligations on time and to reduce financial risks. The capital requirements are generally to be covered by the funds generated from operating activities.

Infosys Germany GmbH and the subsidiaries were able to meet their payment commitments at any time. The existing credit line (mEUR 55) of the loan agreement enabled the earn-out payment obligation to be met. Until further notice, the formal short-term maturity of the utilized loan is not relevant in terms of liquidity due to a corresponding written commitment by the lender.

There are no risks from volatile securities or derivative financial instruments as such transactions are deliberately not made.

Overall assessment of the business trend

In Germany and Serbia, the operational business development of Infosys Germany GmbH can be assessed as positive for the financial year 2023. Projects for China are declining in terms of business development, accounting for only around 2% of total revenue in 2023.

From a current perspective, the future operating business and company development in Germany and Serbia is expected to be stable, although it is crucial to continuously monitor the macroeconomic environment and the associated budget developments on the customer side, as medium-term planning is difficult in the current market environment.

D. Financial and non-financial performance indicators

Profitability and performance of the Group were generally assessed based on the following financial performance indicators:

- Net revenue and
- EBITDA margin

The EBITDA margin is calculated as the quotient of EBITDA and net revenue (revenue less external services and incl. changes in inventories).

E. Forecast

The European Commission estimates economic growth of 0.9% in Europe in 2024 and 0.3% in Germany[(4)]. The German government estimates economic growth of 0.2% in Germany in 2024[(5)].

The inflation rate in Germany measured as the change in the consumer price index (CPI) compared to the same month of the prior year was +2.9% in January 2024[(6)]. The IFO Institute forecasts an inflation rate of 3.1% for Germany in 2024[(7)].

For the e-commerce market, BEVH expects a nominal revenue growth of 2.0% in the overall market. Key success factors are customer focus, process optimization, and cost reduction[(8)].

The last few years have been characterized by various crises and geopolitical conflicts: COVID-19 pandemic (2020 until 2022), Ukraine conflict and energy crisis (2022 until today), Gaza conflict (2023 until today) or the current tensions between the USA and China. For companies, these crises mean sales fluctuations, market uncertainty and volatility, challenges in or disruptions to supply chains, regulatory and geopolitical risks, cyber security risks and special financial burdens. There is currently no sign of an overall easing of the situation.

At the beginning of the year, many large companies announced redundancies to increase efficiency. A key challenge will be that many of these customers will also reduce their budgets for digital projects or postpone projects until they have clarity on how 2024 will develop for them.

It can be stated that the economic conditions for 2024 can still be assessed as difficult to very difficult - traditional agency services are currently not a growth area and are declining, while we see potential in the areas of experience design, 3D/digital twin and AI solutions in the marketing environment and are planning to expand our activities.

For 2024 as a whole, we expect net revenue growth for WongDoody to be in the mid-single-digit percentage range (revenue less third-party services). In Asia, we are focusing even more on cooperation with Infosys in the area of experience design in addition to individual direct customers.

Due to the moderate increase in sales planned for WongDoody, we are only planning a few new jobs at the locations in Germany, Serbia and Asia - we are currently assuming a total of around 360 employees by the end of 2024.

Investments are planned for the WongDoody companies for 2024 on the usual scale (approx. kEUR 500).

Due to the change in the revenue mix as a result of the increase in projects for clients of Infosys Limited Group, as well as necessary salary increases, additional expenses for integration and the management incentive program, we expect an EBITDA margin in the single-digit percentage range (based on net revenue).

Infosys Germany GmbH is in the process of acquiring in-tech Holding GmbH Garching b. Munich. The share purchase agreement was signed on April 18, 2024. The acquisition is expected to be completed before the end of September 2024, subject to customary closing conditions and approval by the authorities.

The Company was founded in 2002 and has grown continuously since then. in-tech currently employs around 2,200 people at locations in Germany, Austria, China, the UK, the Czech Republic, Spain, Romania and India, with group-level sales of mEUR 140.5 in 2022. in-tech is shaping digitalization in the automotive, rail and industrial sectors.

The information on the future development of the Group in this management report does not include in-tech Holding GmbH, as the takeover has not yet been finalized.

(4) https://economy-finance.ec.europa.eu/economic-forecast-and-surveys/economic-forecasts/winter-2024-economic-fore- cast-delayed-rebound-growth-amid-faster-easing-inflation_en#executive-summary

(5) https://www.bundestag.de/presse/hib/kurzmeldungen-990892

(6) https://www.destatis.de/DE/Presse/Pressemitteilungen/2024/02/PD24_051_611.html

(7) https://www.ifo.de/pressemitteilung/2024-04-19/wirtschaftsexperten-erwarten-leichten-rueckgang-der-inflation-welt-weit#:~:text=Demnach%20wird%20die%20Inflationsrate%20im,der%20Schweiz%201%2C8%25.

(8) https://bevh.org/detail/umsaetze-im-e-commerce-erreichen-talsohle

F. Opportunities and risks of future development

Risk management

Our risk management aims to early identify the risks as well as also the opportunities. We continuously monitor the business development and reconcile this monthly with Infosys Limited.

We continuously monitor the revenue development with our customers and are in an ongoing dialogue with them. We record new projects in an opportunity management system that systematically records future business opportunities. Regular feedback meetings with employees ensure that the managers of the individual WongDoody companies have a clear picture of the satisfaction of key personnel.

The central opportunities and risks are described in the following.

The classification of the risk refers in each case to the assessment of the probability of occurrence and the level of occurrence. The probability of occurrence is differentiated between not likely (low), likely (moderate) and very likely (high). The level of occurrence is differentiated into insignificant impact (low), significant impact (moderate) and potentially existentially threatening impact (high). The combination of both components is given below as an assessment of the risk.

Risk report

The main risks for the business performance of the subsidiaries existing on the reporting date:

a) Possible loss of key account customers

A typical risk is the loss of a key account what can have many reasons in the agency/service segment (examples are: change of the acting persons, internal specification to renegotiate/retender the cooperation, specifications from headquarters for certain agencies/service providers etc.). We counteract this risk by maintaining a close dialogue with our customers, continuously improving our performance, expanding our solutions with AI services, and striving to successively broaden our customer portfolio. Risk: moderate

b) Budget reductions at customers

Due to the economic situation and the pressure on margins on the customer side, both B2C and B2B companies may have to cut their marketing budgets, which can lead to direct budget reductions for WongDoody. With fewer and fewer clients agreeing to long-term budget commitments or annual budgets, this is easy to do. Other risks include the establishment of in-house teams and the substitution of agency services with AI solutions. However, we see more opportunities than risks in AI (see opportunities report). We are closely monitoring the development and would discuss consequences for our customer projects promptly with our affected business partners and adjust project and resource planning if necessary. Risk: moderate

c) Joint new business with other companies of Infosys Limited Group is growing slower than planned

The joint projects with Infosys Limited Group constitute a large future potential. First larger, joint customers were gained. One risk, however, is that further joint projects start slower and later due to the economic situation, lead times and tendering processes. Special teams and measures are designed to counteract this. Risk: moderate

d) Departure of key personnel at WongDoody

In 2024, key employees will continue to receive offers from competitors as well as from retail and brand companies at regular intervals. To counteract this, a management incentive plan has been implemented with the acquisition of WongDoody by Infosys. Nevertheless, key personnel may decide to leave WongDoody. Risk: low to moderate

e) New brand WongDoody

oddity was renamed WongDoody in order to create a globally standardized image for agency services within the Infosys Group. The brand is not recognized by potential employees or potential clients in the main market of Germany. This can lead to fewer enquiries from potential clients/projects as well as a decline in good applicants. To counteract this, marketing/PR measures are being intensified and a special new customer sales team is being established. Risk: moderate

f) Financing of the oddity/WongDoody acquisition

To finance the acquisition of the WongDoody companies (formerly oddity), the parent company was granted a credit line of kEUR 55,000 by its shareholder, of which kEUR 49,571 had been utilized as at the reporting date. As the loan is formally due on demand, the lender gave a written assurance on 27 March 2024 that the credit line would not fall due before December 31, 2025 and that it would be irrevocably available until that date. Risk: low

With regard to other financial risks, Infosys Germany GmbH and the WongDoody subsidiaries can refer to a solvent customer base. Bad debts on receivables have not yet been occurred to a significant extent. Moreover, WongDoody has been working with the majority of its customers for many years. Liabilities are settled within the agreed payment periods.

Overall risk situation

The cumulative materialization of risks, in particular the ongoing difficult economic situation in Europe and the resulting risks of budget cuts, may adversely affect the future development of the Group. According to the current state of knowledge, the management does not assume any risks that could threaten the existence of the Company.

Opportunity report

The main opportunities for the business performance of the subsidiaries existing on the reporting date:

Expansion of the areas of 3D/digital twin, experience design and AI services

The increasing digitalization and automation of processes in companies is leading to stable demand in the areas of 3D/digital twin and experience design (incl. UX/UI). New AI services - optionally in combination with 3D/digital twin - enable improved personalization, automated content production and efficiency gains in customer projects, among other things.

Utilization of resources in India/expansion of collaboration with Infosys

For reasons of cost optimization and the shortage of skilled workers in Europe, there is an opportunity for WongDoody to make even greater use of Infosys Limited's resources in India in 2024 and to implement projects with cross-location teams.

New business and joint projects with Infosys Limited/WongDoody Inc.

Infosys Limited has a global active customer base. Services of WongDoody GmbH are to be successively offered to the clients of Infosys Limited and WongDoody Inc (USA). The services of WongDoody expand the service portfolio of Infosys Limited and also in part that of WongDoody Inc. in the USA (e.g. 3D/digital twin and AI services). There is also an opportunity to leverage and deploy Infosys Limited's technology expertise with WongDoody's direct new and existing customers as topics such as artificial intelligence continue to grow in importance.

International customer support and acquisition

The majority of the former WongDoody customers are based in Germany, Austria and Switzerland. As part of Infosys Limited and through the co-operation with WongDoody Inc., clients can now be served internationally - with offices in Europe, UK, Asia, Australia and the USA. We see potential here with existing customers and for the acquisition of internationally active companies.

Cologne/Germany, 24 May 2024

Andrea Hendrickx
(Managing director)

Ruchir Budhwar
(Managing director)

Group balance sheet

(EUR)

	Particulars	As at December 31, 2023	2022
	Assets		
A.	Fixed assets		
I.	Intangible fixed assets		
1	Acquired concessions, industrial rights and similar rights and assets as well as licenses in such rights and assets	10,634.00	107,726.00
2	Customer base	7,764,723.00	9,705,900.00
3	Goodwill	25,877,330.00	28,982,610.00
		33,652,687.00	38,796,236.00
II.	Property, plant and equipment		
1	Other assets, operating and office equipment	1,188,617.50	1,278,076.37
2	Prepayments made and assets under construction	–	2,000.00
		1,188,617.50	1,280,076.37
		34,841,304.50	40,076,312.37
B.	Current assets		
I.	Inventories		
	Work in progress	76,503.56	67,047.55
II.	Receivables and other current assets		
1	Trade receivables	6,220,362.09	5,429,829.85
2	Receivables from affiliated companies	793,989.27	495,886.94
3	Other assets - thereof with a residual term of more than one year: EUR 142,855.69 (prior year: EUR 142,855.69)	1,216,265.66	853,824.69
		8,230,617.02	6,779,541.48
III.	Cash-on-hand and bank balances	3,363,231.13	4,044,110.65
		11,670,351.71	10,890,699.68
C.	Prepaid expenses	268,733.66	354,487.58
D.	Deferred tax assets	2,482.41	22,988.64
E.	Deficit not covered by equity	9,705,877.38	3,331,491.26
		56,488,749.66	54,675,979.53

Equity and liabilities

(EUR)

	Particulars	As at December 31, 2023	As at December 31, 2022
A.	Equity		
I.	Subscribed capital	25,000.00	25,000.00
II.	Equity difference on currency translation	(72,259.06)	(28,354.41)
III.	Accumulated losses brought forward	(3,328,136.85)	0.00
IV.	Consolidated loss for the year	(6,330,481.47)	(3,328,136.85)
		(9,705,877.38)	(3,331,491.26)
	Deficit not covered by equity (Shown under assets E.)	9,705,877.38	3,331,491.26
		–	–
B.	Provisions		
1	Tax provisions	521,969.72	668,971.05
2	Other provisions	2,581,614.60	9,241,467.57
		3,103,584.32	9,910,438.62
C.	Liabilities		
1	Payments received on account of orders - thereof with a residual term of up to one year EUR 0.00 (prior year: EUR 41,155.50)	–	41,155.50
2	Trade payables - thereof with a residual term of up to one year: EUR 516,642.52 (prior year: EUR 692,329.21)	516,642.52	692,329.21
3	Liabilities to affiliated companies - thereof with a residual term of up to one year: EUR 49,639,007.70 (EUR 40,334,687.00)	49,639,007.70	40,334,687.00
4	Other liabilities - thereof from taxes: EUR 697,840.14 (EUR 623,113.41) - thereof within the scope of social security: EUR 4,756.63 (EUR 1,913.50) - thereof with a residual term of up to one year: EUR 850,279.87 (prior year: EUR 724,679.55)	850,279.87	724,679.55
		51,005,930.09	41,792,851.00
D.	Deferred income	9,053.25	9,023.65
E.	Deferred tax liabilities	2,370,182.00	2,963,666.00
		56,488,749.66	54,675,979.53

Consolidated statement of profit and loss

(EUR)

	Particulars		Years ended December 31, 2023	2022
1.	Revenue	34,456,444.97		24,115,020.61
2.	Increase (prior year: decrease) in work in progress	9,456.04		(280,409.93)
3.	Operating income		34,465,901.01	23,834,610.68
4.	Other operating income		356,267.96	202,118.16
			34,822,168.97	24,036,728.84
5.	Cost of materials			
	Cost of purchased services		7,102,263.81	5,197,664.48
6.	Personnel expenses			
a)	Wages and salaries	18,264,723.54		11,529,946.71
b)	Social security, post-employment and other employee benefit costs - thereof post-employment costs: EUR 27,436.78 (prior year: kEUR 20)	3,386,422.01		1,964,874.75
			21,651,145.55	13,494,821.46
7.	Amortization and write-downs of intangible fixed assets and depreciation and write-downs of property, plant and equipment		5,676,638.21	5,149,004.68
8.	Other operating expenses		4,587,381.29	2,807,910.11
9.	Other interest and similar income		37,567.90	478.31
10.	Interest and similar expenses - thereof from affiliated companies: EUR 2,436,662.00 (prior year: kEUR 901)		2,476,628.40	910,460.68
			(6,634,320.39)	(3,522,654.26)
11.	Income taxes (2023: tax revenue) - thereof from deferred taxes: EUR 573,144.00 (2023: tax revenue)		303,828.02	194,517.41
12.	Other taxes		10.90	–
13.	Earnings after taxes = loss for the year		(6,330,481.47)	(3,328,136.85)

Notes to the consolidated financial statements

I. General information

The parent company Infosys Germany GmbH is resident in Cologne/Germany. It has been entered in the Commercial Register of the Cologne local court under the registration number HRB 107082.

The consolidated financial statements on hand were prepared in accordance with Sec. 290 et seq. German Commercial Code (HGB). The nature of expense method (Sec. 275 (2) HGB) applies to the Consolidated Statement of Profit and Loss. The reporting date of the consolidated financial statements and the included subsidiaries is December 31.

In the interest of a clear and understandable presentation, the disclosures required to be made according to the legal regulations with respect to the Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss items that can be optionally disclosed either in the Consolidated Balance Sheet or the Consolidated Statement of Profit and Loss or in the notes to the consolidated financial statements are disclosed in the notes to the consolidated financial statements. The movements in fixed assets are presented separately.

II. Scope of consolidation and consolidation principles and methods

The consolidated financial statements of Infosys Germany GmbH, Cologne/Germany, include all companies, in which Infosys Germany GmbH directly or indirectly holds the majority of the shares or voting rights. In addition to the parent company, the following companies were included in the scope of consolidation:

Subsidiary	Seat	Shares	Type of consolidation
WongDoody GmbH (formerly oddity GmbH)	Stuttgart/ Germany	100 %[1]	Fully consolidated
WongDoody d.o.o. (formerly oddity code d.o.o.)	Belgrade/ Serbia	100 %[1]	Fully consolidated
WongDoody Limited (formerly oddity Limited)	Taipei/ Taiwan	100 %[2]	Fully consolidated
WongDoody (Shanghai) Co. Ltd. (formerly oddity (Shanghai) Co., Ltd.)	Shanghai/ China	100 %[2]	Fully consolidated

[1] Direct investment

[2] Indirect equity investment

In the reporting year, oddity space GmbH, Stuttgart, oddity jungle GmbH, Berlin, oddity waves GmbH, Stuttgart, oddity code GmbH, Stuttgart, and oddity group services GmbH, Stuttgart, were merged with WongDoody GmbH, Stuttgart (formerly oddity GmbH, Stuttgart).

The ultimate parent is Infosys Limited, Bengaluru, India, which prepares consolidated financial statements for the largest group of consolidated entities. The consolidated financial statements are published on the homepage of Infosys Limited.

Infosys Germany GmbH prepares the consolidated financial statements for the smallest group of consolidated entities; these consolidated financial statements are transmitted electronically to the authority in charge of the register of companies for inclusion in the register of companies.

The consolidation is based on the sets of financial statements of the subsidiaries that are mostly prepared according to uniform principles.

Capital consolidation follows the revaluation method in accordance with Sec. 301 (1) sentence 2 HGB.

This involves offsetting the carrying amount of the shares belonging to the parent company against the amount of the subsidiaries' equity attributable to these shares. In accordance with the revaluation method, equity is recognized at the amount that corresponds to the fair value of the assets, liabilities, and prepaid expenses to be included in the consolidated financial statements at the time of initial consolidation. Provisions are recognized in accordance with Sec. 253 (1) sentences 2 and 3 and Sec. 253 (2) HGB and deferred taxes in accordance with Sec. 274 (2) HGB. Offsetting is carried out in accordance with Sec. 301 (2) HGB at the time at which the Company became a subsidiary. The consolidation took place as of the date of acquisition and/or the initial inclusion in the consolidated financial statements, i.e. for all companies as of 21 April 2022.

Receivables, provisions, and liabilities between companies included in the consolidated financial statements were offset.

Intragroup revenue and other intragroup income were offset against the respective expenses. Investment income from included companies was eliminated. The elimination of intercompany results was waived due to immateriality.

The hidden reserves disclosed during the initial consolidations were capitalized as a customer base, an order backlog, and goodwill and amortized accordingly.

III. Notes to recognition and measurement policies

1. Accounting and valuation principles

For the foreign companies included in the consolidated financial statements, the annual financial statements prepared in accordance with national law were used as the basis for consolidation. Where necessary, the annual financial statements of the foreign and domestic group companies were adjusted to the uniform Group accounting and valuation principles as part of the consolidation.

The principles of accounting, reporting, and valuation consistency were observed in the reporting year.

Acquired intangible fixed assets have been recognized at acquisition cost less straight-line amortization if they are subject to wear and tear. The useful life is between three and 15 years.

The customer base is amortized over a useful life of five years and eight months. A useful life of eight months was assumed for the order backlog. Goodwill is amortized over its presumed useful life (Sec. 253 (3) sentence 3 HGB). As no reliable useful life could be estimated, a depreciation period of ten years was applied in accordance with German Accounting Standard GAS 23, para. 122.

Property, plant and equipment were measured at cost and, if subject to wear and tear, depreciated. The assets were amortized / depreciated on a straight-line basis over their estimated useful lives. The useful life is between one and 13 years.

Work in progress is measured at direct costs plus adequate overheads.

Receivables and other current assets are recognized at nominal value undertaking into account all risks identifiable. A general allowance was recognized on trade receivables for considering the general credit risk.

Cash-in-hand and bank balances were measured at nominal values.

Prepaid expenses include expenses incurred prior to the Balance Sheet date that constitute an expenditure for a certain period after this date and are thus accrued pro rata temporis.

Tax and other provisions consider all risks identifiable, impending losses from pending transactions, and uncertain liabilities and are recognized at appropriate settlement value based on sound business judgment. Provisions with an expected residual term of more than one year are discounted using the interest rate published by the German Central Bank. As of the Balance Sheet date, there were no material provisions with a residual term of more than one year.

Liabilities have been recognized at a settlement value.

For the determination of deferred taxes on account of differences between the values of assets, liabilities, and prepaid expenses/ deferred income recognized under commercial law and the respective values recognized under tax law, the amounts of the arising tax burden and tax relief are measured at the corporate-specific tax rates as of the date of reversal of the differences and are not discounted. The tax rate used throughout the Group is 30.5% (corporate income tax plus solidarity surcharge as well as municipal trade tax). There are no significant differences between the commercial and tax valuations in the Balance Sheet in the underlying sets of financial statements.

There are deferred tax liabilities from the amortized hidden reserves from the initial consolidation as of 21 April 2022.

Differences between the values recognized in the Consolidated Balance Sheet and the relevant tax values primarily relate to the customer base of kEUR 7,765, on which deferred tax liabilities of kEUR 2,370 are set up. Deferred tax assets on tax loss carryforwards were recognized if it can be assumed that they can be offset in the respective legal unit within the following five years. Further, deferred tax assets from loss carryforwards were not recognized despite the existence of deferred tax liabilities because they accrue in different legal entities and are not disclosed to the same tax creditor.

Low-value items with acquisition costs of up to EUR 800 are immediately recognized as operational expenses in the year of acquisition.

As a general rule, revenue is realized after the provision of the service.

2. Currency translation

Assets and liabilities denominated in foreign currency with a residual term of up to one year are translated at the middle spot rate in effect on Balance Sheet date. The sundry receivables and liabilities denominated in foreign currency are also recognized at the closing rate unless the rate on the transaction date was lower (for assets) or higher (for liabilities).

Gains and losses from converting foreign currency transactions into local currency are recognized separately in the statement of profit and loss under the items “other operating income” and “other operating expenses,” respectively.

The asset and liability items of the Balance Sheets of the consolidated companies denominated in foreign currencies were - with the exception of equity, which was translated at historical exchange rates - translated into euros at the middle spot rate in effect on the Balance Sheet date. The items of the statement of profit or loss of the consolidated companies denominated in foreign currencies were translated into euros at the average exchange rate. The resulting translation differences are recognized in equity under the item “Equity difference from currency translation”.

The exchange rates used in the consolidated financial statements 2023 are as follows:

Currency	Exchange rate as of December 31, 2023	Annual average exchange rate 2023
CNY	7.8509 / EUR	7.6600 / EUR
TWD	33.8777 / EUR	33.7030 / EUR
RSD	117.2300 / EUR	117.2532 / EUR

IV. Notes to the Consolidated Balance Sheet

1. Disclosures on fixed assets

The movements in fixed assets are presented in the attached statement of movements in fixed assets (appendix to the consolidated notes).

As of reporting date, the residual book values on initial consolidation amounted to kEUR 25,877 for goodwill and to kEUR 7,765 for the customer base.

No write-downs were made on the fixed assets in the financial year 2023.

2. Disclosures on receivables with a residual term of more than one year

(kEUR)

Particulars	As at December 31,	
	2023	2022
Trade receivables		
thereof residual term of more than one year	–	–
Receivables from affiliated companies		
thereof residual term of more than one year	–	–
Other assets		
thereof residual term of more than one year	143	143

3. Disclosures on equity

The subscribed capital of the parent company Infosys Germany GmbH is kEUR 25 (prior year: kEUR 25). The movements in equity are presented in the statement of changes in equity.

4. Provisions

Other provisions mainly relate to personnel provisions (holiday, overtime and management incentive program).

5. Statement of liabilities

(kEUR)

Type	Total amount December 31, 2023	thereof with a residual term of up to 1 year	More than 1 and up to 5 years	more than 5 years
Payments received on account	–	–	–	–
Prior year	*41*	*41*	–	–
Trade payables	516	516	–	–
Prior year	*692*	*692*	–	–
Liabilities to affiliated companies	49,639	49,639	–	–
Prior year	*40,335*	*40,335*	–	–
Other liabilities	850	850	–	–
Prior year	*725*	*725*	–	–
Total	51,006	51,006	–	–
Prior year	*41,793*	*41,793*	–	–

Liabilities with security rights

The total amount of liabilities that are collateralized by liens or similar rights is kEUR 0.

Liabilities to shareholders

Liabilities to shareholders amount to kEUR 49,571 (prior year: kEUR 40,335). Since the respective loan for financing the acquisition of the WongDoody companies is formally daily due, the lending shareholder Infosys Singapore Pte. Ltd. has given Infosys Germany GmbH a written assurance dated 27 March 2024 that it will not call the credit facility before December 31, 2025.

6. Off-balance-sheet transactions and other financial commitments

In addition to the liabilities shown in the Balance Sheet, the following financial obligations from tenancy agreements and leases exist in the amount of kEUR 1,507 (details according to payment due date):

(kEUR)

2024:	609
2025-2028:	663

In connection with leasing contracts, the Group benefits in particular from regular payments instead of a high initial investment. This is offset by fundamentally higher costs.

V. Notes to the Consolidated Statement of Profit and Loss

1. Revenue

Breakdown of revenues by regions

(kEUR)

Particulars	2023	2022
Germany	28,271	22,115
Foreign	6,185	2,000
Total	34,456	24,115

Revenue is divided into agency services (with a focus on digital) of kEUR 21,907 (prior year: kEUR 16,433) and film productions/3D services of kEUR 12,549 (prior year: kEUR 7,682).

2. Income and expenses on currency translation

The income on currency translation amounts to kEUR 45 (prior year: kEUR 28) and the expenses on currency translation are at kEUR 63 (prior year: kEUR 5).

3. Deferred tax assets and liabilities

(kEUR)

Particulars	Deferred tax assets	Deferred tax liabilities
Deferred taxes as at January 1, 2023	23	2,964
Cash-effective changes in the financial year	(20)	(594)
Deferred taxes as at December 31, 2023	3	2,370

VI. Other disclosures

1. Management

During the past financial year, the business affairs of the Company were upon Ms Andrea Hendrickx. With shareholder resolution dated February 23, 2024, Ruchir Budhwar was appointed as further executive director.

In application of Sec. 314 para. 3 HGB, the total remuneration of the management is not disclosed.

2. Information on auditor's fees

(kEUR)

Particulars	2023
Annual audit	89
Total	89

3. Average number of employees in the financial year

The average number of employees within the Group was 343 in the financial year, thereof 331 salaried employees and 12 executives.

4. Appropriation of results of the parent company

Management of Infosys Germany GmbH, Cologne/Germany, proposes to carry forward onto new account the loss for the year of kEUR -2,567.

5. Statement of cash flows

The cash funds comprise all cash and bank balances, to which the Group companies have access at all times, and thus the Balance Sheet item "Cash-in-hand and bank balances" as of December 31, 2023.

6. Subsequent events

Infosys Germany GmbH is in the process of acquiring in-tech Holding GmbH, Garching near Munich/Germany. The share purchase agreement was signed on April 18, 2024. The acquisition is expected to be completed before the end of September 2024, subject to customary closing conditions and approval by the authorities.

We are not aware of any further reportable events of particular significance after the end of the financial year within the meaning of Sec. 314 (1) no. 25 HGB.

Cologne/Germany, 24 May 2024

Andrea Hendrickx
(Managing director)

Ruchir Budhwar
(Managing director)

Movements in consolidated fixed assets

Acquisition or production cost

	Particulars	Balance as at 1 Jan. 2023	Additions financial year	Disposals financial year	Reclassification financial year	Currency adjustments	Balance as at 31 Dec. 2023
		Euro	Euro	Euro	Euro	Euro	Euro
A.	Fixed assets						
I.	Intangible fixed assets						
1	Acquired concessions, industrial rights and similar rights and assets as well as licences in such rights and assets	1,373,032.08	12,000.00	(51,961.00)	–	–	1,333,071.08
2	Customer base	11,000,000.00	–	–	–	–	11,000,000.00
3	Goodwill	31,052,796.62	–	–	–	–	31,052,796.62
	Intangible fixed assets	43,425,828.70	12,000.00	(51,961.00)	–	–	43,385,867.70
II.	Property, plant and equipment						
1	Other assets, operating and office equipment	1,791,083.13	509,310.99	(28,913.16)	2,000.00	(9,652.96)	2,263,828.00
2	Prepayments made and assets under construction	2,000.00	–	–	(2,000.00)	–	–
	Property, plant and equipment	1,793,083.13	509,310.99	(28,913.16)	–	(9,652.96)	2,263,828.00
		45,218,911.83	521,310.99	(80,874.16)	–	(9,652.96)	45,649,695.70

Depreciation, amortisation and write-downs

	Particulars	Balance as at 1 Jan. 2023	Depreciation, amortization and write-downs financial year	Disposals financial year	Balance as at 31 Dec. 2023
		Euro	Euro	Euro	Euro
A.	Fixed assets				
I.	Intangible fixed assets				
1	Acquired concessions, industrial rights and similar rights and assets as well as licences in such rights and assets	1,265,306.08	57,131.00	–	1,322,437.08
2	Customer base	1,294,100.00	1,941,177.00	–	3,235,277.00
3	Goodwill	2,070,186.62	3,105,280.00	–	5,175,466.62
	Intangible fixed assets	4,629,592.70	5,103,588.00	–	9,733,180.70
II.	Property, plant and equipment				
1	Other assets, operating and office equipment	513,006.76	573,050.21	(10,846.47)	1,075,210.50
2	Prepayments made and assets under construction	–	–	–	–
	Property, plant and equipment	513,006.76	573,050.21	(10,846.47)	1,075,210.50
		5,142,599.46	5,676,638.21	(10,846.47)	10,808,391.20

Net Book Balue

	Particulars	Book value 31 Dec. 2023	Book value 31 Dec. 2022
		Euro	Euro
A.	Fixed assets		
I.	Intangible fixed assets		
1	Acquired concessions, industrial rights and similar rights and assets as well as licences in such rights and assets	10,634.00	107,726.00
2	Customer base	7,764,723.00	9,705,900.00
3	Goodwill	25,877,330.00	28,982,610.00
	Intangible fixed assets	33,652,687.00	38,796,236.00
II.	Property, plant and equipment		
1	Other assets, operating and office equipment	1,188,617.50	1,278,076.37
2	Prepayments made and assets under construction	–	2,000.00
	Property, plant and equipment	1,188,617.50	1,280,076.37
		34,841,304.50	40,076,312.37

Consolidated statement of cash flows

(kEUR)

Particulars		Years ended December 31, 2023	2022
1.	Cash flow from operating activities		
	Profit/loss for the period	(6,330)	(3,328)
	Amortization, depreciation and write-downs of fixed assets	5,677	5,149
	Decrease in provisions	(160)	1,749
	Increase (-)/decrease in inventories, trade receivables as other assets that cannot be assigned to inancing activities	(1,062)	(610)
	Increase/decrease (-) in trade payables as well as other liabilities that cannot be assigned to financing activities	(23)	(1,081)
	Gain on/loss (-) from disposal of fixed assets	71	(4)
	Interest expenses (+)/interest income (-)	2,439	910
	Income tax expense/income (-)	(303)	(195)
	Income taxes paid	(730)	(704)
	Cash flow from operating activities	(421)	1,886
2.	Cash flow from investing activities		
	Payments to acquire (-) intangible fixed assets	(12)	(5)
	Payments to acquire (-) property, plant and equipment	(509)	(580)
	Proceeds from disposals of property, plant and equipment	8	13
	Received interest	38	–
	Payments to acquire consolidated subsidiaries	(6,500)	(39,418)
	Cash flow from investing activities	(6,975)	(39,990)
3.	Cash flow from financing activities		
	Proceeds from capital contributions from shareholders	–	13
	Proceeds from financing loans	6,800	39,433
	Interest paid	(40)	(9)
	Cash flow from financing activities	6,760	39,437
4.	Cash funds		
	Net change in cash funds	(636)	1,333
	Effect on cash funds of exchange rate changes and of valuation	(45)	28
	Effect on cash funds of changes in the scope of consolidation	–	2,670
	Cash funds at the beginning of the period	4,044	13
	Cash funds at the end of the period	3,363	4,044
5.	Analysis of cash fund		
	Cash and cash equivalents	3,363	4,044
		3,363	4,044

Consolidated statement of changes in equity

(kEUR)

Particulars	Subscribed Capital	Equity difference on currency translation	Consolidated Net retained profits/ net accumulated losses (-)	Consolidated Equity
Balance as at January 1 2022	12,500.00	–	–	12,500.00
Addition to the share capital	12,500.00	–	–	12,500.00
Allocation to reserves	–	–	–	–
Distributions	–	–	–	–
Currency translation	–	(28,354.41)	–	(28,354.41)
Change in the scope of consolidation	–	–	–	–
Other changes	–	–	–	–
Consolidated loss for the year	–	–	(3,328,136.85)	(3,328,136.85)
Balance as at January 1, 2023 / December 31, 2022	25,000.00	(28,354.41)	(3,328,136.85)	(3,331,491.26)
Addition to the share capital	–	–	–	–
Allocation to reserves	–	–	–	–
Distributions	–	–	–	–
Currency translation	–	(43,904.65)	–	(43,904.65)
Change in the scope of consolidation	–	–	–	–
Other changes	–	–	–	–
Consolidated loss for the year	–	–	(6,330,481.47)	(6,330,481.47)
Balance as at December 31, 2023	25,000.00	(72,259.06)	(9,658,618.32)	(9,705,877.38)

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Infosys Turkey Bilgi Teknolojileri Limited Sirketi

Independent Auditor's report

To the Members 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, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of Section 129 (3) of the Companies Act, 2013.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of preparation referred to in Section 1.2 of the special purpose financial statements, of the state of affairs of the Company as at December 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics, We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1.2 to the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company, Infosys Limited under the requirements of section 129 (3) of the Companies Act, 2013 and for issuing Annual Performance Report ("APR") which is required to be furnished by the Holding Company to Authorized Bank in accordance with regulation 10 of Foreign Exchange Management (Overseas Investment) Regulations. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for the above purpose and is not to be used, referred to or distributed for any other purpose without our prior consent.

Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the- accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the company's Management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives is to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

i. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii. in our opinion proper books of account as required by law have been kept by the Company ' so far as it appears from our examination of those books;

iii. the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

UDIN: 24202841BKADEF9199

For Shenoy & Kamath
Chartered Accountants,

Firm Registration Number. 006673S

(M Rathnakar Kamath)
Partner

Membership Number. 202841

Place: Bengaluru.

Date: May 30, 2024

Balance Sheet

(In TRY)

Particulars	Note	As at December 31, 2023	As at December 31, 2022
Assets			
Non-current assets			
Right-of-use asset	2.2	36,077,135	1,663,718
Financial assets			
Other financial assets	2.6	1,408	7,113
Total non-current assets		36,078,543	1,670,831
Current assets			
Financial assets			
Trade receivables	2.4	41,132,208	–
Cash and cash equivalents	2.5	82,434,021	9,477,335
Other financial assets	2.6	210,054,485	49,181,837
Other current assets	2.3	34,536,076	150,747,561
Income tax assets (net)		4,893,134	–
Total current assets		373,049,924	209,406,733
Total assets		409,128,468	211,077,564
Equity and liabilities			
Equity			
Equity share capital	2.7	167,752,390	27,316,556
Other equity		(147,757,109)	(201,804,131)
Total equity		19,995,281	(174,487,575)
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	2.9	–	162,341,860
Lease liabilities	2.2	22,056,522	–
Deferred tax liabilities (net)	2.1	727,199	227,266
Total non-current liabilities		22,783,721	162,569,126
Current liabilities			
Financial liabilities			
Borrowings	2.9	1,858,323	–
Trade payables	2.10	42,999,261	28,147,744
Other financial liabilities	2.11	260,337,003	175,245,557
Lease liabilities	2.2	15,778,416	216,582
Other current liabilities	2.12	45,210,157	18,556,868
Provisions	2.13	166,307	–
Income tax liabilities (net)		–	829,263
Total current liabilities		366,349,466	222,996,014
Total equity and liabilities		409,128,468	211,077,564

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants

Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner

Membership No. 202841

Place: Bengaluru

Date: : May 30, 2024

for and on behalf of the Board of Directors of Infosys Turkey Bilgi Teknolojileri Limited Şirketi

A.G.S. Manikantha
Authorized Signatory

Statement of Profit and Loss

(In TRY)

Particulars	Note	Year ended December 31, 2023	Year ended December 31, 2022
Revenue from operations	2.14	(28,708,752)	166,468,559
Other income, net	2.15	34	–
Net monetary gain due to operations in hyperinflationary economy	2.1	75,120,010	2,665,114
Total income		46,411,292	169,133,674
Expenses			
Employee benefit expenses	2.16	1,621,215	1,991,301
Cost of technical sub-contractors	2.16	(17,077,685)	74,868,182
Cost of software packages and others	2.16	14,876,302	105,118,727
Consultancy and professional charges	2.16	902,199	94,460
Finance costs	2.17	14,137,900	6,962,753
Exchange losses/(gains) on foreign currency	2.16	64,806,156	39,902,199
Depreciation and amortization expense	2.2	4,914,469	797,013
Other expenses	2.16	(97,368,728)	146,198,247
Total expenses		(13,188,172)	375,932,881
Profit/(loss) before tax		59,599,464	(206,799,207)
Tax expense			
Current tax		–	–
Deferred tax	2.1	499,933	65,039
Profit/(loss) for the year		59,099,531	(206,864,246)
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		59,099,531	(206,864,246)
Earnings per equity share			
Equity shares of par value TRY 100 each			
Basic		187	(1,440)
Diluted		187	(1,440)
Weighted average equity shares used in computing earnings per equity share			
Basic		315,595	143,641
Diluted		315,595	143,641

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants

Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner

Membership No. 202841

Place: Bengaluru

Date: : May 30, 2024

for and on behalf of the Board of Directors of Infosys Turkey Bilgi Teknolojileri Limited Şirketi

A.G.S. Manikantha
Authorized Signatory

Statement of Changes in Equity

(In TRY)

Particulars	Equity share capital	Other equity: Reserves and surplus – Securities premium reserve	Other equity: Reserves and surplus – Retained earnings	Total equity attributable to equity holders of the Company
Balance as of January 1,2022	–	–	1,509,827	1,509,827
Impact on account of operations in hyperinflationary economy			486,681	486,681
Balance as of January 1, 2022 (after considering the impact on account of operations in hyperinflationary economy)	–	–	1,996,508	1,996,508
Changes in equity for the year ended December 31, 2022				
Increase in equity share capital on account of fresh issue	14,364,100	77	–	14,364,177
Profit/(Loss) for the year	–	–	(206,864,246)	(206,864,246)
Net gain/(loss) on account of operations in hyperinflationary economy	12,952,455		3,063,530	16,015,986
Balance as of December 31, 2022	27,316,556	77	(201,804,208)	(174,487,575)
Changes in equity for the year ended December 31, 2023				
Increase in equity share capital on account of fresh issue	136,441,900	(77)		136,441,823
Profit/ (loss) for the year		–	59,099,531	59,099,531
Net gain/(loss) on account of operations in hyperinflationary economy	3,993,935		(5,052,432)	(1,058,497)
Balance as at December 31, 2023	167,752,390	–	(147,757,109)	19,995,281

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants

Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner

Membership No. 202841

Place: Bengaluru

Date: : May 30, 2024

for and on behalf of the Board of Directors of Infosys Turkey Bilgi Teknolojileri Limited Şirketi

A.G.S. Manikantha
Authorized Signatory

Statements of Cash Flows

(In TRY)

Particulars	Note	Year ended December 31, 2023	2022
Cash flow from operating activities:			
Profit / (loss) for the year		59,099,531	(206,864,246)
Adjustments to reconcile net profit to net cash provided by operating activities:			
Income tax expense	2.1	499,933	65,039
Depreciation and amortization	2.2	4,914,469	797,013
Finance cost	2.17	14,137,900	6,962,753
Exchange differences on translation of assets and liabilities, net		(1,825,110)	(1,116,953)
Net monetary gain due to operations in hyperinflationary economy	2.1	(75,120,010)	(2,665,114)
Changes in assets and liabilities			
Trade receivables		(41,132,208)	–
Other financial assets and other assets		(44,655,458)	(195,388,570)
Trade payables		14,851,516	28,036,814
Other financial liabilities and other liabilities		111,911,041	191,913,806
Cash used in operations		42,681,605	(178,259,459)
Income tax paid		5,722,397	(325,987)
Net cash used in operating activities		36,959,208	(177,933,472)
Cash flow from investing activities:			
Cash flow from financing activities:			
Proceeds from issue of share capital		140,435,758	27,316,633
Proceeds from borrowings		(160,483,537)	161,512,356
Payment of lease liabilities		(574,597)	(570,883)
Other payments		(13,447,723)	(6,852,120)
Net cash generated from financing activities		(34,070,100)	181,405,986
Net gain/(loss) on account of the Company operating in hyperinflationary economy		70,067,578	5,728,644
Net increase in cash and cash equivalents		2,889,108	3,472,513
Cash and cash equivalents at the beginning of the year		9,477,335	276,177
Cash and cash equivalents at the end of the year	2.5	82,434,021	9,477,335

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants

Firm's Registration Number: 006673S

M. Rathnakar Kamath
Partner

Membership No. 202841

Place: Bengaluru

Date: : May 30, 2024

for and on behalf of the Board of Directors of Infosys Turkey Bilgi Teknolojileri Limited Şirketi

A.G.S. Manikantha
Authorized 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 and for issuing Annual Performance Report ("APR") which is required to be furnished by the Holding Company, to Authorized Bank in accordance with regulation 10 of Foreign Exchange Management (Overseas Investment) Regulations.

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis. 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 TRY.

1.4 Hyperinflation accounting

To reflect changes in purchasing power at the Balance Sheet date, the carrying amounts of non-monetary assets and liabilities, shareholders equity and comprehensive income are restated in terms of a measuring unit current at the Balance Sheet date in accordance with Ind AS 29 'Financial Reporting in Hyperinflationary Economies. These are indexed using a general price index in accordance with Ind AS 29, Financial Reporting in Hyperinflationary Economies. In contrast, no restatement is required for monetary assets and liabilities carried at amounts current at the end of the Balance Sheet date because they represent money held, to be received, or to be paid. Corresponding figures for previous year have been restated for the changes in the general purchasing power of the functional currency and, as a result, are stated in terms of the measuring unit current at the end of the reporting year.

Gains and losses from hyperinflation are included in the income statement. Non-monetary assets that have been restated following the guidance in Ind AS 29 are still subject to impairment assessment in accordance with the guidance in the relevant Ind AS.

1.5 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions. These estimates and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.6 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 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.

1.7 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 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.

1.8 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 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.

1.10 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.

1.11 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 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.

1.12 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.

1.13 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.

1.14 Borrowing cost

Borrowing cost are charged to the Statement of Profit and Loss in the period in which they are incurred.

2.1 Effects of hyperinflation

Due to the rapid devaluation of the Turkish Lira, Turkey is considered as hyperinflationary economy. During the year ended December 31, 2023, the financial statements of the Company were adjusted to recognize the inflationary effects since January 1, 2021. The financial statements of the Company are based on a historical cost approach and are restated using a general price index in accordance with Ind AS 29. The consumer price index at December 31, 2023 was 1,859.38, December 31, 2022 was 1,128.45, and December 31, 2021 was 686.95.

2.2 Leases

Accounting policy

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The changes in carrying value of right-of-use assets for the years ended December 31, 2023 and December 31, 2022 are as follows:

(In TRY)

Particulars	Category of ROU asset		Total
	Buildings	Computer equipment	
Balance as of January 1, 2022	1,318,288	–	1,318,288
Additions	1,142,443	–	1,142,443
Deletion	–	–	–
Depreciation [1]	(797,013)	–	(797,013)
Balance as of December 31, 2022	1,663,718	–	1,663,718
Additions	1,108,557	38,219,329	39,327,886
Deletion	–	–	–
Depreciation [1]	(1,503,837)	(3,410,632)	(4,914,469)
Balance as of December 31, 2023	1,268,439	34,808,696	36,077,135

[1] The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The break-up of current and non-current lease liabilities as at December 31, 2023 and December 31, 2022 is as follows:

(In TRY)

Particulars	As at December 31,	
	2023	2022
Current lease liabilities	15,778,416	216,582
Non-current lease liabilities	22,056,522	–
Total	37,834,938	216,582

The movement in lease liabilities during the years ended December 31, 2023 and December 31, 2022 is as follows :

(In TRY)

Particulars	As at December 31,	
	2023	2022
Balance at the beginning	216,582	651,341
Additions	39,327,886	1,142,443
Finance cost accrued during the period	690,177	110,633
Deletions	–	–
Payment of lease liabilities	(574,597)	(570,883)
Translation difference	(1,825,110)	(1,116,953)
Balance at the end	37,834,938	216,582

The details regarding the contractual maturities of lease liabilities as at December 31, 2023 and December 31, 2022 on an undiscounted basis are as follows:

(In TRY)

Particulars	As at December 31,	
	2023	2022
Less than one year	17,254,081	487,316
One to five years	21,638,028	–
Total	38,892,109	487,316

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 TRY)

Particulars	As at December 31,	
	2023	2022
Current	–	
VAT receivable	34,536,076	25,186,194
Deferred contract cost [1]	–	125,561,367
Total current other assets	34,536,076	150,747,561
Total other assets	34,536,076	150,747,561

[1] Includes technology assets taken over by the Company from a customer as a part of transformation project which is not considered as distinct goods or services and the control related to the assets is not transferred to the Company in accordance with Ind AS 115, Revenue from Contract with Customers. Accordingly, the same has been considered as a reduction to the total contract value and accounted as Deferred contract cost.

2.4 Trade receivables

(In TRY)

Particulars	As at December 31,	
	2023	2022
Current		
Unsecured		
Considered good	49,392,740	116,270,272
	49,392,740	116,270,272
Less: Allowances for credit losses	8,260,532	116,270,272
Total trade receivables	41,132,208	–

The trade receivables ageing schedule for the years ended December 31, 2023 and December 31, 2022 is as follows:

(In TRY)

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	20,161,679	25,940,171	3,290,891	–	–	–	49,392,740
	86,332,609	*23,655,632*	*6,282,031*	–	–	–	*116,270,272*
Less: Allowance for credit loss							8,260,532
							116,270,272
Total trade receivables							41,132,208
							–

2.5 Cash and cash equivalents

(In TRY)

Particulars	As at December 31,	
	2023	2022
Balances with banks		
In current accounts	82,434,021	9,477,335
Total cash and cash equivalents	82,434,021	9,477,335

2.6 Other financial assets

(In TRY)

Particulars	As at December 31,	
	2023	2022
Non-current		
Investments in lease[(1)]	1,408	7,113
	1,408	7,113
Current		
Unbilled revenue [(1)]	39,822,120	47,087,561
Investments in lease[(1)]	2,934	–
Other deposits [(1)]	130,052	214,290
Other receivables [(1)/(2)]	170,099,378	1,879,985
	210,054,485	49,181,837
Total other financial assets	210,055,893	49,188,950
[(1)] Financial assets carried at amortized cost	210,057,301	49,196,063
[(2)] Includes dues from the holding company and other fellow subsidiaries (Refer to Note 2.18)	170,099,378	1,879,985

2.7 Equity

Equity share capital

(In TRY)

Particulars	As at December 31,	
	2023	2022
Share capital		
1,508,060 (143,641) equity share of TRY 100 par value restated basis hyperinflationary economy accounting	167,752,390	27,316,556

The details of shareholder holding more than 5% shares as at December 31, 2023 is as follows:

Name of the shareholder	As at December 31,	
	2023	2022
Infosys Limited	100%	100%

2.8 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,	
	2023	2022
Assets:		
Trade receivables (Refer to Note 2.4)	41,132,208	–
Cash and cash equivalents (Refer to Note 2.5)	82,434,021	5,751,755
Other financial assets (Refer to Note 2.6)[(1)]	210,057,301	49,196,063
Total	333,623,531	54,947,819
Liabilities:		
Trade payables (Refer to Note 2.10)	42,999,261	28,147,744
Borrowings (Refer to Note 2.9)	1,858,323	162,341,860

Particulars	As at December 31,	
	2023	2022
Lease liabilities (Refer to Note 2.2)	37,834,938	216,582
Other financial liabilities (Refer to Note 2.11)	260,337,003	175,245,557
Total	343,029,524	365,951,743

(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: 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's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

The gross carrying amount of a financial asset is written off (either partially or in full) when there is no realistic prospect of recovery.

Due to the rapid devaluation of the Turkish Lira, Turkey is considered as hyperinflationary economy.

The analysis of the foreign currency risk from financial assets and liabilities as at December 31, 2023 is as follows:

(In TRY)

Particulars	US Dollar	Euro	United Kingdom Pound Sterling	Australian Dollar	Other currencies	Total
Net financial assets	9,483,600	236,925,070	–	–	–	246,408,670
Net financial liabilities	(66,105,967)	(180,514,750)	–	–	–	(246,620,717)
Total	(56,622,367)	56,410,320	–	–	–	(212,046)

The analysis of the foreign currency risk from financial assets and liabilities as at December 31, 2022 was as follows:

(In TRY)

Particulars	US Dollar	Euro	United Kingdom Pound Sterling	Australian Dollar	Other currencies	Total
Net financial assets	1,004,005	249,575	–	–	–	1,253,580
Net financial liabilities	(28,227,038)	(19,077,324)	–	–	–	(47,304,362)
Total	(27,223,033)	(18,827,749)	–	–	–	(46,050,782)

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, 2023, the Company had cash and cash equivalents of TRY 82,434,021. Other than lease liabilities, the Company does not have any other non-current liabilities. The Company expects to settle its financials liabilities within the next one year.

2.9 Borrowings

(In TRY)

Particulars	As at December 31,	
	2023	2022
Non-current		
Unsecured loan [1]	–	162,341,860
Current		
Unsecured loan [1]	1,858,323	–
Total borrowings	1,858,323	162,341,860
[1] Includes dues from the holding company and other fellow subsidiaries (Refer to Note 2.18)	1,858,323	162,341,860

2.10 Trade payables

(In TRY)

Particulars	As at December 31, 2023	2022
Trade payables[1]	42,999,261	28,147,744
Total trade payables	42,999,261	28,147,744
[1] Includes dues from the holding company and other fellow subsidiaries (Refer to Note 2.18)	39,159,272	14,821,612

The trade payables ageing schedule for the years ended December 31, 2023 and *December 31, 2022* is as follows:

(In TRY)

Particulars	Outstanding for following periods from due date of payment				
	Not due	Less than 1 year	1-2 years	More than 3 years	Total
Others	3,374,510	24,803,138	14,821,612	–	42,999,261
	905,391	*27,242,353*		–	*28,147,744*
Total trade payables	3,374,510	24,803,138	14,821,612	–	42,999,261
	905,391	*27,242,353*	–	–	*28,147,744*

2.11 Other financial liabilities

(In TRY)

Particulars	As at December 31, 2023	2022
Current		
Others		
Accrued compensation to employees	19,502	117,913
Provision for expenses[1]	19,486,470	152,718,088
Interco advance received[1]	–	16,135,918
Other financial liabilities [2]	70,267,531	–
Other payables [1]	170,563,500	6,273,637
	260,337,003	175,245,557
Total financial liabilities	260,337,003	175,245,557
[1] Includes dues from Holding Company and other fellow subsidiaries (Refer to Note 2.18)	170,563,500	64,154,484

[2] Deferred contract cost in note 2.3 includes technology assets taken over by the Company from a customer as a part of transformation project which is not considered as distinct goods or services and the control related to the assets is not transferred to the Company in accordance with Ind AS 115 - Revenue from contract with customers. Accordingly, the same has been considered as a reduction to the total contract value and accounted as Deferred contract cost. The Company has entered into financing arrangements with a third party for these assets which is shown as other financial liabilities.

2.12 Other liabilities

(In TRY)

Particulars	As at December 31, 2023	2022
Current		
Provision for expenses	–	122,490
Withholding taxes and other	45,210,157	18,434,378
Total current other liabilities	45,210,157	18,556,868

2.13 Provisions

(In TRY)

Particulars	As at December 31,	
	2023	2022
Current		
Others		
Provision for expenses	166,307	–
Total provisions	166,307	–

2.14 Revenue from operations

(In TRY)

Particulars	Year ended December 31,	
	2023	2022
Income from software services	(28,708,752)	166,468,559
Total revenue from operation	(28,708,752)	166,468,559

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 is classified as unearned revenue.

Trade receivables and unbilled revenues are presented net of impairment in the Balance Sheet.

Remaining performance obligation disclosure

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 and 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, 2023, other than those meeting the exclusion criteria mentioned above, is TRY 837,764. Out of this, the Company expects to recognize revenue of around 33% within the next one year and the remaining thereafter. The aggregate value of performance obligations that are completely or partially unsatisfied as at December 31, 2022 is TRY 1,144,432 . 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 TRY)

Particulars	Year ended December 31,	
	2023	2022
Finance Income under revenue deals	34	–
Total other income	34	–

2.16 Expenses

(In TRY)

Particulars	Year ended December 31,	
	2023	2022
Employee benefit expenses		
Salaries including bonus	1,621,215	1,991,301
	1,621,215	1,991,301
Cost of technical subcontractors – inter-company	(17,077,685)	74,868,182
Cost of software packages for own use	14,876,302	105,118,727
Consultancy and professional charges	902,199	94,460
Exchange losses/(gains) on foreign currency	64,806,156	39,902,199
Other expenses		
Rates and taxes	4,306,783	4,041,642
Others	(101,675,511)	142,156,605
	(33,861,756)	366,181,814

2.17 Finance costs

(In TRY)

Particulars	Year ended December 31,	
	2023	2022
Interest expense on loan	13,447,723	6,852,120
Interest expense on lease liabilities	690,177	110,633
Total finance costs	14,137,900	6,962,753
(1) Includes interest expense on loan from fellow subsidiaries (Refer to Note 2.18)	13,447,723	6,852,120

2.18 Related party transactions

List of related parties:

Name of holding companies	Country	Holding as at December 31,	
		2023	2022
Infosys Limited	India	100%	100%

Name of fellow subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)[1]	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)[1]	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)[1]	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)[1]	China
Infosys Nova Holdings LLC. (Infosys Nova)[1]	US
EdgeVerve Systems Limited (EdgeVerve)[1]	India
Infosys Austria GmbH[1]	Austria
Skava Systems Private Limited (Skava Systems)[1][22]	India
Infosys Chile SpA[1]	Chile
Infosys Arabia Limited[2][22]	Saudi Arabia
Infosys Consulting Ltda.[1]	Brazil
Infosys Luxembourg S.a.r.l[1]	Luxembourg
Infosys Americas Inc. (Infosys Americas)[1][39]	US
Infosys Public Services, Inc. USA (Infosys Public Services)[1]	US
Infosys BPM Limited[1][27]	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 [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
Infy Consulting Company Ltd[4]	UK
Infy Consulting B.V.[4]	The Netherlands
Infosys Consulting S.R.L.[29]	Argentina
Infosys Consulting (Belgium) NV[4]	Belgium
Panaya Inc. (Panaya)[1]	US
Panaya Ltd.[5]	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH) [38]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[1][22]	UK
Brilliant Basics Limited [6][22]	UK
Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)[1]	Singapore
Infosys Middle East FZ LLC [7]	Dubai
Fluido Oy [7]	Finland
Fluido Sweden AB [9]	Sweden
Fluido Norway A/S[9]	Norway

Name of fellow subsidiaries	Country
Fluido Denmark A/S[9]	Denmark
Fluido Slovakia s.r.o[9]	Slovakia
Infosys Compaz Pte. Ltd [8]	Singapore
Infosys South Africa (Pty) Ltd[7]	South Africa
WongDoody Inc. [1]	US
HIPUS Co., Ltd[8]	Japan
Stater N.V.[8]	The Netherlands
Stater Nederland B.V.[10]	The Netherlands
Stater XXL B.V.[10]	The Netherlands
HypoCasso B.V.[10]	The Netherlands
Stater Participations B.V.[44]	The Netherlands
Stater Belgium N.V./S.A.[10][44]	Belgium
Stater Gmbh[10]	Germany
Outbox systems Inc. dba Simplus (US)[12]	US
Simplus ANZ Pty Ltd.[13]	Australia
Simplus Australia Pty Ltd[14]	Australia
Simplus Philippines, Inc.[13]	Philippines
Infosys Fluido UK, Ltd.[9]	UK
Infosys Fluido Ireland, Ltd.[16]	Ireland
Infosys Limited Bulgaria EOOD[1]	Bulgaria
Kaleidoscope Animations, Inc.[12]	US
Kaleidoscope Prototyping LLC[18][43]	US
GuideVision s.r.o.[11]	Czech Republic
GuideVision Deutschland GmbH[17]	Germany
GuideVision Suomi Oy[17]	Finland
GuideVision Magyarország Kft[17]	Hungary
GuideVision Polska Sp. z.o.o[17]	Poland
GuideVision UK Ltd[17][22]	UK
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[12]	US
Beringer Capital Digital Group Inc[12][25]	US
Mediotype LLC[19][25]	US
Beringer Commerce Holdings LLC[19][25]	US
SureSource LLC[20][23]	US
Blue Acorn LLC[20][23]	US
Simply Commerce LLC[20][23]	US
iCiDIGITAL LLC[21][24]	US
Infosys BPM UK Limited[3]	UK
Infosys Germany Holding GmbH[1]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[1]	Germany
Infosys Green Forum[1]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[7]	Malaysia
Infosys Business Solutions LLC[1][26]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[28]	Germany
WongDoody Gmbh (formerly known as oddity GmbH) [30]	Germany
oddity (Shanghai) Co., Ltd. [31]	China
oddity Limited (Taipei) [31]	Taiwan

Name of fellow subsidiaries	Country
oddity space GmbH [30][42]	Germany
oddity jungle GmbH [30][42]	Germany
oddity code GmbH [30][42]	Germany
WongDoody d.o.o (formerly known as oddity code d.o.o) [31][42]	Serbia
oddity waves GmbH [30][42]	Germany
oddity group services GmbH [30][42]	Germany
Infosys Public Services Canada Inc. [15][32]	Canada
BASE life science AG [34]	Switzerland
BASE life science GmbH [34]	Germany
BASE life science A/S [33]	Denmark
BASE life science S.A.S [34]	France
BASE life science Ltd. [34]	UK
BASE life science S.r.l. [34]	Italy
Innovisor Inc.[34]	US
BASE life science Inc.[34]	US
BASE life science S.L.[34][35]	Spain
Panaya Germany GmbH [5][36]	Germany
Infosys Norway [7][37]	Norway
Infosys BPM Canada Inc [3][40]	Canada
Danske IT and Support Services India Private Limited (Danske IT) [41]	India

(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 Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)
(8) Majority-owned and controlled subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)
(9) Wholly-owned subsidiary of Fluido Oy
(10) Wholly-owned subsidiary of Stater N.V.
(11) Wholly-owned subsidiary of Infy Consulting Company Limited
(12) Wholly-owned subsidiary of Infosys Nova Holdings LLC
(13) Wholly-owned subsidiary of Outbox systems Inc. dba Simplus (US)
(14) Wholly-owned subsidiary of Simplus ANZ Pty Ltd
(15) Wholly-owned subsidiary of Infosys Public Services, Inc.
(16) Wholly-owned subsidiary of Infosys Fluido UK, Ltd.
(17) Wholly-owned subsidiary of GuideVision s.r.o.
(18) Wholly-owned subsidiary of Kaleidoscope Animations, Inc.
(19) Wholly-owned subsidiary of Blue Acorn iCi Inc
(20) Wholly-owned subsidiary of Beringer Commerce Holdings LLC
(21) Wholly-owned subsidiary of Beringer Capital Digital Group Inc.
(22) Under liquidation
(23) Merged with Beringer Commerce Holdings LLC, effective January 1, 2022
(24) Merged with Beringer Capital Digital Group Inc, effective January 1, 2022
(25) Merged with Blue Acorn iCi Inc, effective January 1, 2022
(26) Incorporated on February 20, 2022
(27) On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.
(28) On March 22, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.), a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")).

(29) Infosys Consulting S.R.L. (Argentina) (formerly a wholly-owned subsidiary of Infosys Consulting Holding AG) became the majority-owned and controlled subsidiary of Infosys Limited with effect from April 1, 2022.

(30) On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.)) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and WongDoody Gmbh (formerly known as oddity GmbH).

(31) Wholly-owned subsidiary of WongDoody Gmbh (formerly known as oddity GmbH)

(32) Incorporated on July 8, 2022

(33) On September 1, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.) (a wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

(34) Wholly-owned subsidiary of BASE life science A/S

(35) Incorporated on September 6, 2022

(36) Incorporated effective December 15, 2022

(37) Incorporated effective September 22, 2022

(38) Infosys Financial Services GmbH. (formerly Panaya GmbH) became a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.) with effect from February 23, 2023.

(39) Liquidated effective July 14, 2023

(40) Incorporated on August 11, 2023

(41) On September 1, 2023, Infosys Limited acquired 100% of voting interests in Danske IT and Support Services India Private Limited (Danske IT).

(42) On September 29, 2023, oddity space GmbH, oddity waves GmbH, oddity jungle GmbH, oddity group services GmbH and oddity code GmbH merged into WongDoody GmbH and oddity code d.o.o which was formerly a subsidiary of oddity code Gmbh has become a subsidiary of WongDoody Gmbh (formerly known as oddity GmbH).

(43) Liquidated effective November 1, 2023

(44) On November 24, 2023, Stater Participations B.V (a wholly-owned subsidiary of Stater N.V.) merged with Stater N.V. and Stater Belgium N.V./S.A which was formerly a wholly-owned subsidiary of Stater Participations B.V. became a wholly owned subsidiary of Stater N.V.

The details of amounts due to or due from related parties as at December 31, 2023 is as follows:

(In TRY)

Particulars	As at December 31,	
	2023	2022
Other financial assets		
Infosys Limited	1,791,329	1,805,134
Infosys Automotive and Mobility GmbH & Co. KG	168,262,622	–
Infosys Middle East FZ- LLC	45,427	74,851
	170,099,378	1,879,985
Trade Payables		
Infosys (Czech Republic) Ltd	13,249,470	7,212,052
Infosys Limited	9,499,420	–
Infosys Technologies China	2,297,016	1,335,035
Infosys BPM Limited	14,113,366	6,274,525
	39,159,272	14,821,612
Other financial liabilities		
Infosys Automotive and Mobility GmbH & Co. KG	163,992,564	4,180,306
Infosys Limited	6,396,030	1,805,134
Infosys Consulting S.R.L. (Romania)	–	1,314,306
Infosys Middle East FZ- LLC	174,906	288,197
	170,563,500	7,587,944
Accrued expense		
Infosys Limited	–	56,566,540
	–	56,566,540
Borrowings [1]		
Infosys Consulting Holding AG (Infosys Lodestone)	1,858,323	1,818,101
Infosys Limited	–	160,523,759
	1,858,323	162,341,860

(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, 2023 are as follows:

(In TRY)

Particulars	As at December 31, 2023	As at December 31, 2022
Revenue transactions:		
Purchase of Services		
Infosys Limited	(52,657,417)	59,248,609
Infosys China	1,629,840	1,411,664
Infosys BPM limited	23,978,199	6,611,972
Infosys (Czech Republic) Ltd	9,971,692	7,595,937
	(17,077,685)	74,868,182
Interest expense		
Infosys Consulting Holding AG (Infosys Lodestone)	77,728	9,894
Infosys Consulting S.R.L. (Romania)	45,513	–
Infosys Limited	13,324,482	6,842,225
	13,447,723	6,852,120

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.

2.20 Ratios

The ratios for the years ended December 31, 2023 and December 31, 2022 are as follows:

Particulars	Numerator	Denominator	December 31, 2023	December 31, 2022	Variance
Current ratio	Current assets	Current liabilities	1.0	0.9	8.4%*
Debt – Equity ratio	Total debt (1)	Shareholder's equity	2.0	(0.0)	(160030.3%)**
Debt service coverage ratio	Earnings available for debt service(2)	Debt service(3)	(136.0)	(83.0)	63.9%***
Return on Equity (ROE)	Net profits after taxes	Average shareholder's equity	(76.5%)	233.2%	(309.7%)****
Trade receivables turnover ratio	Revenue	Average trade receivable	(1.4)	–	100.0%*****
Trade payables turnover ratio	Purchases of services and other expenses	Average trade payables	(0.1)	11.9	(100.5%)#
Net capital turnover ratio	Revenue	Working capital	(4.3)	(12.2)	(65.0%)##
Net profit ratio	Net profit	Revenue	(205.9%)	(124.3%)	(82%)###
Return on Capital Employed (ROCE)	Earning before interest and taxes	Capital employed(4)	123.5%	114.7%	8.9%####

(1) Debt represents lease liabilities and borrowings

(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 + Borrowings

* Increase in other financial liabilities significantly has resulted in deterioration in the ratio.

** Negative shareholder's equity has resulted in deterioration in the ratio

*** Negative earnings available for debt service has resulted in deterioration in the ratio

**** Improvement in ration is due to increase in net profits after taxes in absolute value

*****Increase in debtors and negative revenue led to an improvement in the ratio

\# Increase in trade payables resulted in deterioration in the ratio.

\## Negative working capital has resulted in deterioration in the ratio

\### Negative revenue in the year has resulted in improvement in the ratio

\####Entity loss has resulted in deterioration in the ratio

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Infosys BPM UK Limited

Independent Auditor's Report

To the Members of Infosys BPM UK Limited

Opinion

We have audited the financial statements of Infosys BPM UK Limited (the 'Company') for the year ended 31 March 2024, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements were authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report

Other information

The director is responsible for the other information contained in the annual report. The other information comprises the information included in the Director's Report and the Statement of Director's Responsibilities, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the director's report and from the requirement to prepare a strategic report.

Responsibilities of the director

As explained more fully in the Statement of Director's Responsibilities set out on page 3, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit is capable of detecting irregularities, including fraud

We design our procedures so as to obtain sufficient appropriate audit evidence that the financial statements are not materially misstated due to non-compliance with laws and regulations or due to fraud and error.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations. The primary responsibility for prevention and detection of fraud rests with both those charged with governance of the entity and management.

Based on our understanding of the Company and the industry, discussions with the management, we identified Companies Act 2006, Financial Reporting Standard 102 Section 1A and UK taxation legislation as having a direct effect on the amounts and disclosures in the financial statements.

As part of the engagement team discussion about how and where the Company's financial statements may be materially misstated due to fraud, we did not identify any areas with an increased risk of fraud.

Our audit procedures included:

- enquiry of management about the Company's policies, procedures and related controls regarding compliance with the laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- evaluation of the selection and application of accounting policies related to subjective measurements and other transactions;
- testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.
- review of accounting estimates for biases.

Owing to the inherent limitations of an audit there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK).

The potential effects of inherent limitations are particularly significant in case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organised schemes to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

A further description of our responsibilities for the audit of financial statements is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Amanjit Singh FCA
(Senior Statutory Auditor)

For and on behalf of KNAV Limited,
Statutory Auditor

Hygeia Building

Ground Floor

66-68 College Road

Harrow

Middlesex

HA1 1BE

Date :May 28, 2024

Profit and Loss

(In GBP)

Particulars	Years ended March 31, 2024	2023
Turnover	–	–
Administrative expenses	38,915	21,790
Other operating income	3,326	–
Loss before taxation	(35,589)	(21,790)
Taxation	–	–
Loss for the financial year	(35,589)	(21,790)

The Profit and Loss Account has been prepared on the basis that all operations are continuing operations. No other comprehensive income was recognized during the year or the prior year.

The notes on pages 1220 to 1221 form an integral part of these financial statements.

Balance Sheet

(In GBP)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
Assets			
Current assets			
Cash at bank and in hand	4	60,501	81,400
Debtors	5	–	4,810
		60,501	86,210
Creditors amount falling due within one year			
Provisions	6	(17,880)	(8,000)
Net current assets		42,621	78,210
Total assets less current liabilities		42,621	78,210
Capital and reserves			
Called up share capital	7	100,000	100,000
Profit and loss account		(57,379)	(21,790)
Total equity		42,621	78,210

These financial statements have been prepared and delivered in accordance with the special provisions relating to companies subject to small companies regime within part 15 of the Companies Act, 2006.

The notes on pages 1220 to 1221 form an integral part of these financial statements.

The financial statements were approved and authorized for issue by the Board and were signed on its behalf by :

Ritesh Gandhi
Director

Date: May 28, 2024

Statement of Changes in Equity

(In GBP)

Particulars	Called-up share capital	Profit and loss account	Total equity
At April 1, 2022	100	–	100
Contributions by and distribution to owners			
Shares issued during the year	99,900	–	99,900
Loss for the year	–	(21,790)	(21,790)
At March 31, 2023	100,000	(21,790)	78,210
Contributions by and distribution to owners			
Loss for the year	–	(35,589)	(35,589)
At March 31, 2024	100,000	(57,379)	42,621

The notes on pages 1220 to 1221 form an integral part of these financial statements.

Notes to the financial statements

1. General information

Infosys BPM UK Limited ("the Company") is a private company limited by shares incorporated in England and Wales. Its registered office is 14th Floor, 10 Upper Bank Street, Canary Wharf, London, E14 5NP.

The financial statements were authorized for issue by the director on 28 May 2024.

2. Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and these financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

The functional and presentational currency is GBP Sterling (£), being the currency of the primary economic environment in which the Company operates in. The amounts are presented rounded to the nearest pound.

2.2 Going Concern

The Company meets its day-to-day working capital requirements through funds available with the Company. The Company's business plans, taking into account a severe but plausible change in trading performance, show that the Company should be able to operate within the levels of its current facilities. There is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future for at least a minimum period of 12 months from the date of the approval of these financial statements. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

2.3 Financial instruments

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognized at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Any equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

2.4 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.5 Cash at bank and in hand

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

2.6 Current and deferred taxation

The tax expense for the period comprises current tax. Tax is recognized in profit or loss, except that a change attributable to an item of income or expense recognized as other comprehensive income is also recognized directly in other comprehensive income. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates taxable income.

Deferred tax is recognized in respect of all timing differences that have originated but not reversed at the Balance Sheet date where transactions or events have occurred at that date that will result in an obligation to pay more or a right to pay less tax at a future date. Deferred tax assets are recognized only to the extent that the director consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the Balance Sheet date.

3. The average monthly number of persons employed by the Company during the year, was nil (2023: Nil). Directors' remuneration during the year was nil (2023: Nil).

4. Cash and cash equivalents

(In GBP)

Particulars	As at March 31,	
	2024	2023
Cash at bank	**60,501**	81,400

5. Debtors

(In GBP)

Particulars	As at March 31,	
	2024	2023
Prepaid expenses	–	4,510
Other receivables	–	300
Total	–	4,810

6. Creditors amount falling due within one year

(In GBP)

Particulars	As at March 31,	
	2024	2023
Provision for expenses	**17,880**	8,000

7. Equity share capital

(In GBP)

Particulars	As at March 31,			
	2024		2023	
	No.	**Amount**	No	Amount
Issued, subscribed and paid-up equity shares GBP 1 par value Shares allotted	**100,000**	**100,000**	100,000	100,000

Shares Alloted

During the previous year ended March 31, 2023, 99,900 ordinary shares were issued on June 1, 2022, for GBP 1 each. The shares have an aggregate nominal value of GBP 99,900. All of the 100,000 shares were paid in the fiscal 2023.

8. Related party transactions

The Company has taken advantage of the exemption available in accordance with FRS 102 Section 33.1A 'Related Party Disclosures' not to disclose transactions entered into between two or more members of a group, as the Company is a wholly-owned subsidiary undertaking of the group to which it is party to the transactions.

9. Events subsequent to reporting date

There have been no significant events affecting the Company since year end.

10. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Infosys BPM Limited, a company incorporated in India.

The parent undertaking of a largest and smallest group for which consolidated financial statements are prepared is Infosys Limited, incorporated in India. Consolidated financial statements are available to the public at its registered office address, which is Electronics City, Hosur Road, Bengaluru, 560100, India or from the website www.infosys.com

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Stater N.V.

1 Management report

The year 2024 has started for Stater under good stars. We were able to sign a long-term contract (17 years) with a.s.r. for the servicing of their complete mortgage portfolio, composed after the merger of a.s.r. and Aegon. The contract was agreed upon in the end of 2023, signing took place on the 31st of January 2024 and the migration is scheduled for 2025. Furthermore, we saw a slight recovery of the mortgage market in the beginning of 2024. This was very welcome after the difficult year of 2023 for the mortgage market and as a result of that, also for Stater. There were geopolitical reasons for the uncertainty in the market as well as more national developments which led to unclarity. Geopolitical there are a number of events that influence the world, the financial market in general and the mortgage market in particular. The ongoing Ukraine-Russian war and the tense situation in the Middle East are some examples of impactful situations.

Also, in The Netherlands uncertainty increased. After the cabinet stepped down, there were elections in The Netherlands. Currently, The Netherlands is in a vacuum regarding the political course. As a result, there is a risk of indecisiveness, inconsistency and even more polarization. This impacts a market that was already in a difficult situation because of a lack of houses, building restrictions due to environmental constraints, shortages of skilled labor and construction materials and an insufficiently adapted infrastructure.

As stated, this resulted in a difficult year for the mortgage market as a whole and also for Stater. We are proud that we were able to adapt to the circumstances, and as a result we achieved a positive financial result for the full year, and were able to continue investing in our primary services, as well as in data service, assurance services and business services. We have continued to invest in our strategy to become thé mortgage service provider for Europe. The go-live in Germany is an example of this, the same goes for the improved services in Belgium. With this focus and commitment to our strategy, we ensured to remain the business partner for our clients. Now and in the future, near and long term.

The strategy of Stater is consistent for over 10 years already. And although we adapted to the developments over the years, we kept our focus on our end goal: becoming thé mortgage service provider for Europe, based on the pillars Economy of Scale, Innovative services and Assurance.
Over the years we had several milestones: for example, the buying of the remaining shares of Stater Belgium, the moment Infosys group bought 75% of the shares of Stater from ABN AMRO Bank, the go-live in Germany, the growth with existing and new clients over the years, the ongoing investment in our IT-platform and development of our services. We are confident 2024 will be a next milestone for Stater with further growth in our home countries.

Stater is market leader in Europe for mortgage processing. Our goal is to build on our success and facilitate our clients to reach their goal, financially and non-financially, in a social responsible way. Part of being social responsible is having an eye for the situation in the world. In the management report of 2022, we expressed our thoughts to all individuals all over the world who live in terrible conditions, without access to basic necessities of life. Who live in fear for themselves or for their loved ones. And we were hoping the situation would improve in short notice. Unfortunately, this was not the case and sadly we have to repeat this message.

Although the market most likely remains difficult, we are very positive about the future. Together with our shareholders, clients and employees, we are looking forward to the future.

1.1 Organisational structure

Stater is a 75% subsidiary of Infosys Consulting Pte. Ltd. and a 25% subsidiary of ABN AMRO Bank N.V. The consolidated annual accounts of Stater N.V. include the following group companies:

- Stater Nederland B.V. (100%);
- Stater Belgium N.V./ S.A. (100%)
- HypoCasso B.V. (100%)
- Stater XXL B.V. (100%)
- Stater G.m.b.H (100%)

Stater Participations B.V. merged into Stater N.V. on 23 November 2023 to simplify the legal structure. Stater N.V. was the acquiring company. Stater Participations B.V. therefore ceased to exist.

The head office of Stater is located in Amersfoort. In addition, Stater has offices in Brussels and Düsseldorf.

Stater is managed by a Management Board. In 2023 there were no changes in the structure of the Managing Board of Stater. There were two changes from a personnel perspective, though. As mentioned in the previous management report, Monique Molenaar-Vader started on January 1st 2023 and Jonnes Bouma started in April. After approval of the authorities, they were appointed as CFRO and CTO, respectively. The management of Stater consists of the CEO (Erwin Dreuning), CFRO (Monique Molenaar-Vader), CTO (Jonnes Bouma), MD Netherlands (Mario Menheere), MD Belgium (Thomas Bardram) and Arjan Hessels (MD New Business & Innovation). With this composition we have a balanced Management Board where substantive mortgage knowledge, knowledge of the financial markets and managerial experience is combined, and where the Members reinforce each other. The Management Board is responsible for all Stater activities in the Netherlands, Belgium and Germany.

1.2 Financial developments 2023

Profit after tax

In 2023, Stater generated a net profit of €0.9 million (2022: €8.3 million). This is 0.5% of total revenue (2022: 4.9%). Net profit 2023 is substantially lower than in 2022. This is mainly the consequence of decreasing mortgage volumes in the Dutch housing market. These volumes started to decline in the 2nd half year of 2022 and stabilized in 2023.

Stater continued to invest in new clients and systems. Due to challenging labor markets, our average staff costs increased.

The effective tax rate increased to 50% due to the unrecognized deferred tax asset of Stater GmbH. Stater GmbH is in a start-up phase and went live with its first client in 2023. In this first year the operating result of Stater GmbH was negative, but Stater took a prudent approach and did not recognize a tax asset.

Capital and solvency

Stater’s solvency ratio remains good (49% at the end of 2023; 51% at the end of 2022).

Since 2010, Stater's mortgage services has been rated by Fitch with the highest rating for primary servicing in Europe. This rating has been reconfirmed at the end of 2023.

The dividend of 2022 was used for a share buy-back transaction. In the General Meeting held on September 7, 2023, shareholders authorized the Management Board of Stater N.V. to repurchase up to 115.194 class A shares and 38.398 class B shares in the capital of Stater N.V. against a purchase price of € 52,09 (total transaction value €8.000.000).

Liquidity

Stater's liquidity remains very good. At the end of 2023, a large part of the excess liquidity (€17.5 million) was still lent to Infosys (2022: €25.5 million). These funds are structured in a flexible loan, withdrawable within 14 days. The current ratio in 2023 is 1.38 (2022: 1.39) and Stater is well capable of meeting short-term obligations.

Revenue

Overall, the revenue for Stater N.V. has decreased 1.7% from €169.1 million in 2022 to €166.2 million in 2023. The revenue for Stater Netherlands has decreased 2.6% from €145.7 million in 2022 to €141.9 million in 2023. Again, this is mainly caused by the decline and following stabilization of the mortgage market in the Netherlands: mortgage processing revenue decreased 4.6%. Revenues are lower because fewer houses are being built, the number of moves has decreased, and the refinancing market has declined sharply due to the increased interest rates.

Project revenue was 5.1% higher due to client indexation and slightly less project demand (mainly due to cost savings by our clients), while Data/BI services contributed most to the 5.5% increase in other revenues in Stater Netherlands.

The revenue of Hypocasso (tradename Mender, part of Stater Netherlands) was slightly (2.1%) higher in 2023 compared to 2022. In line with previous years, this was the result of a lower inflow due to low unemployment and the high level of house prices.

Stater Belgium experienced an increase in revenue (4.2%) from €23.1 million in 2022 to €24.1 million in 2023, mainly because of client indexation which is partly offset by lower market volumes.

Following the project phase in 2022 and the first half year of 2023, Stater Germany realized the first mortgage processing revenue in 2023.

Operating expenses

Operating expenses increased 5.0%, from €157.5 million in 2022 to €165.3 million in 2023. The main driver was an increase in personnel costs resulting from higher costs per FTE, due to the stressed labor market in the Netherlands.

The cost of subcontracted work decreased due to strict cost management, following the lower mortgage volumes. Other operating expenses remained on similar levels compared to 2022.

1.3 Investments

Stater continues to invest in the development and renewal of its mortgage systems and supportive applications. Although 2023 was a difficult year from a financial perspective, we continued to invest in our services and in further improvements in system stability and performance, as well as in data, innovation, new services and new clients to ensure our long-term success. Also, we invested in Germany. In 2024, we foresee even more investments in our services as in 2023. An important factor in this are the benefits of Infosys Limited as the majority shareholder. These benefits are visible in several areas. Not limitative: first of all, we are an industry investment for Infosys. As a result, the long-term Infosys goals are aligned with other stakeholders. Secondly, it results in easier access to talented staff and managed service capabilities. A third important factor is the access to commercial capabilities. For 2024, we foresee further cooperation with our majority shareholder. All with the goal to make the next step in our strategy.

1.4 Risks

Stater is committed to being a well-capitalized and sufficiently liquid mortgage service provider. This is the basis of our strategic risk appetite statement and ensured by Stater's Risk Management framework. The risk appetite of Stater determines the level of risk Stater is willing to take in order to pursue its strategy and safeguards our low risk profile. The financial impact is assessed on the basis of capital and net profit. Non-financial risk is the key risk type for Stater.

Stater is convinced that the quality and continuity of its services are extremely important. The strategic risks are defined in Stater's strategic risk assessment. Most prominent are "information security", "availability", "(International) market risk/developments", "change process" and "human resource".

The status of adherence to the risk appetite and the outlook are discussed quarterly by the Operational Risk Committee of Stater and by the Supervisory Board. Plans to mitigate are in place and are being monitored. Updates are discussed in the Operational Risk Committee as well. The main focus in 2023 was mitigation of the Availability and Information Security Risk.

Code of conduct

Employees are expected to act in line with Stater's core values and Code of Conduct, which defines our standards and behavior. In our work environment, we have to abide by the Code of Conduct, laws, guidelines and regulations every day and agreements with our clients that we must adhere to. As extra support, we have bundled the agreements on how we co-operate with each other in respect of the code of conduct. This code is based on our (core) values and gives substance to these values in practice.

Three lines of defense model

Effective risk management requires organization-wide risk governance. Our risk and control structures are based on the 'three lines of defense' governance model. The three lines of defense model clarifies the relationship between the risk takers and the internal control functions and provides clarity with regard to risk management responsibilities.

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.

Assurance

Our focus on (internal) control is reflected in annual ISAE3402 statements and ISAE3000 statements. Ensuring continuous improvement is part of the management of risks. E.g., preparations to upgrade the GRC tooling as the basis for oversight of the risk frameworks, interaction between all stakeholders and risk reporting were made. Further, Stater is committed to comply with the DNB good practices framework regarding information security, and made a roadmap based on a gap analysis that was performed in the first half of 2023. The Information Security Board of Stater monitors the implementation of this roadmap.

Stater also has a Business Continuity Management certificate and an Information Security Management certificate issued by BSI. BSI is the market leader in the field of auditing, certification and standardization for companies. As far as BCM is concerned: every year Stater practices the fallback of its services, showing that it is in control of its critical business processes, even in the event of calamities. The Crisis Management Team (CMT) also holds annual exercises. Management, together with Senior Managers, form the CMT or deputy CMT.

Credit Risk

Stater does business with originators and customers and has defined credit rating procedures. The company has 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.

Funding and liquidity

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.

Fraud risk

Furthermore, inherent to the Stater business model 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 and part of Stater’s Control Framework. On a tactical and strategic level, Stater's anti-fraud policy serves as central guideline for all employees and activities of Stater. During the annual Risk Training special attention is paid to fraud risk awareness. In addition, Stater has installed an Anti-Fraud Working Group, consisting of fraud coordinators of relevant organization units. An annual Fraud Risk Assessment is executed to evaluate the completeness and operational effectiveness of fraud controls.

During the reporting period, no material fraud risks have been identified.

1.5 Financial instruments

The group's primary financial instruments are used to finance the group's operational activities or follow directly from these activities. The group's policy is not to trade in financial instruments.

Stater's credit risk is historically very low. Costs of unpaid invoices have only a very limited impact on the result.

1.6 Staff and remuneration policy

The labor market remained difficult in 2023 in our home countries. Nevertheless, in some areas we saw a change during the year. Because of our success, Stater becomes a more appealing employer, which was one of the reasons for this change.

We realize that staff engagement is crucial for our success. We have a number of instruments to engage our staff, develop our staff and remain an attractive employer. We are confident Stater will remain an employer of choice.
Career and development opportunities are important to remain a preferred employer. In 2023, a substantial number of training courses was attended by Stater employees, these were mandatory as well as non-mandatory and focused on knowledge and on capabilities. One of our goals is continuous development of the organization and its people.

Our colleagues

The average number of employed FTEs increased from 936 in 2022 to 974 in 2023. In sum, the Netherlands contributed completely to this increase in FTEs. The average number of external staff decreased to 332 FTEs in 2023 (2022: 386 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. The average tenure of a Stater colleague is relatively long. Although colleagues are offered opportunities outside Stater, we are able to connect with professionals inside the mortgage market as well as outside the mortgage market. Reasons for this are our strategy, which offers professionals a challenging international environment, a high-performance culture where initiative are supported, taking responsibility is stimulated and we invest in an accessible open culture, based on local values.

Working conditions

In 2023, a hybrid working model has been fully embedded in the organization and is now part of the new way of working. All home working facilities are facilitated and available to employees.

The last period of 2023, we see more employees returning to the office.

Stater also has a whistleblower policy and an external confidential advisor. At Stater, we consider these principles to be of paramount importance in the culture we want to foster. Creating a safe working environment is a recurring theme in the risk inventory and evaluation.

Employment

Stater has a Remuneration policy in place 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, is entitled to a remuneration of €1 million or more.

Stater's remuneration policy is well-considered and in line with the market. The Supervisory Board has established that Stater's total remuneration package can be compared in three equal parts with the financial, utilities and IT sectors. The remuneration policy has been drawn up in accordance with the Wbfo and Wnbfo regulations and is implemented accordingly.

Based on this information, Stater's total remuneration package was benchmarked over 2022 and compared on the basis of the above-mentioned distribution. This benchmark was carried out by an external, specialized party. It was concluded that Stater pays on the average of these sectors. Stater applied 6.5% indexation to all wages in 2023, which means that wages have risen in line with the market.

Diversity

Stater has a very open and family-oriented culture where diversity is highly valued. Our goal to attract knowledge migrants, with the help of Infosys, was achieved in 2023. We were able to welcome more new colleagues from diverse backgrounds, religions and gender, which we see as complementary and enriching within Stater.

Diversity is a priority for Stater's Management Board. This priority stems from the vision that a diverse composition of Stater's staff in general and more specific senior management, contributes to our strategy and objectives. In our view, it improves decision-making and business outcomes. Therefore, diversity has the full attention of the respective responsible bodies. Stater intends to comply with the growth quota for Supervisory Board members. For the Management Board and senior management Stater will stretch the current targets in the upcoming year. In many places this has already yielded results. A diverse working force remains a focus for Stater and although we make great progress there, we remain focused on this important topic.

In 2023, the chairperson of the SB resigned. In the nomination process, a strong preference for a more diverse composition was the explicit preference of all stakeholders, shareholders, other SB-members and CEO. We are excited that a female candidate will be appointed as chairperson of the SB at the annual shareholders meeting of April 25th. On December 31st the SB exists of 5 positions. Of these 5 positions, 4 are fulfilled, all by men, the vacancy will be fulfilled as stated above.

With the appointment of Monique Molenaar-Vader in the MB we made the next step in our goal to have at least one-third female representation in the Supervisory Board, Management Board (statutory and non-statutory) and senior management.

Below is the situation as of 31-12-2023:

	Total	Number of women	Target
Supervisory Board	5*	0	1
Management Board (statutory and non-statutory)	6*	1	1
Senior Management Team	32*	12	11

(* this number may include open positions)

On December 31st, 2023, the Leadership Team of Stater exists of 38 positions. The Leadership Team consists of 6 MB members and 32 Senior Management Team members (Senior Management Team members are Managers reporting to the MB). Of the Senior Management Team positions, 12 are fulfilled by woman and 20 by men. There are no vacancies in the Senior Management Team. The Managing Board exists of 6 members. Of these 6, 1 member is female and 5 are male. There are no vacancies in the MB.

In order to achieve our diversity-objectives, a process for each managerial entity is defined where maximum effort will be taken to meet this objective.

Supervisory Board members and Chief Executive Officer: With regard to SB members, they are appointed by shareholders. Shareholders are aware of the objective and are expected to reasonably pursue that objective.

Management Board: Responsibility of the CEO, in consultation with the SB and where necessary with approval of the shareholders.

Senior Management Team: Responsibility of the MB.

The principal arrangement is that in the event that the target has not yet been achieved, there is a preference for a female candidate. If unavailable, male candidates will also be searched for.
This principle concerns only open positions, already filled positions and officers will not be replaced or relocated.

1.7 Environmental, Social and Governance (ESG) aspects of entrepreneurship

A sustainability policy is integrated into Stater's growth strategy. During 2023, the policy, which was introduced in 2022, was further expanded, activities were carried out and objectives were achieved on the basis of 5 ambition statements. Below is an explanation of each of the 5 ambition statements.

1. **Ambition in the field of client support in the sustainability of the portfolio**

In recent years, Stater has developed various propositions for its clients, such as the portals, the Sustainability Depot and the Energy Savings Budget (EBB) application line. In 2023, the sustainability propositions for our clients have been expanded: the hybrid application line has gone live, the sustainability dashboard has been expanded and the EBB has been adapted to legislation and the wishes of our clients. In addition, Stater is a member of the EEM NL HUB (Energy Efficient Mortgages), in which European legislation is translated into Dutch standards. The EEM NL Hub aims to accelerate energy-efficient homes on the Dutch market. Participation gives Stater a knowledge advantage. Stater has also started organizing Sustainability Communities to start initiatives together with its clients and chain parties to make the housing market more sustainable.

2. **Ambition in the field of sustainable business operations**

The building in Amersfoort has an energy label A. Cooling and heating from natural sources is provided by means of a CHP installation. The cold/heat control in the building is designed in such a way that a match between supply and demand is utilized. Stater purchases 100% NL wind energy through our energy supplier, so that the electricity used is fully renewable.

Stater also sets high standards for waste processing through separate waste collection and processing. Stater replaced disposable plastic cups by glasses early 2024 to minimize plastic waste.

3. Ambition as a good employer

Stater adheres to the principles of being a good employer, stimulates sustainable employability and ensures that employees are broadly and sustainably employable by means of training. The Stater Learning Centre has received a huge boost in 2023 with innovation in design and offering. In addition, the House of Energy program, focused on vitality, was successful due to the participation of many employees in the various training courses, seminars and workshops.

4. Community involvement

Stater wants every employee to be aware of their own responsibility in the field of sustainability. That's why the Stater Green Team was initiated. In this way, Stater offers every employee the opportunity to do volunteer work. For some time now, Stater has also been working with JINC, an organization that is committed to helping young people between the ages of 8 and 16 on their way to work. A total of 26 colleagues were active guest lecturers in 2023. In addition, Stater started a collaboration with the Present foundation in 2023. Teams are given the opportunity to do a social responsibility activity via Present as team building or as a team outing. Employees also do voluntary work in debt counselling; via Schuldhulpmaatje and ONS Bank.

5. Quality of governance

Stater creates sustainable value for customers, employees and society. The sustainability policy, based on ESG principles, ensures a balance between added value for people and the environment on the one hand and (the continuity) of the organisation on the other. In addition, Stater has a Sustainability Statement to confirm its responsibility regarding sustainability to its clients. In 2024, Stater will further tighten this Sustainability Statement to involve suppliers in the value chain in taking further steps in the field of ESG.

During 2023, a lot of attention was given to internal communication about the actions the organization is taking in the field of sustainability. This was done through podcasts, interviews and articles on Stater's intranet.

Outlook ESG 2024

In the coming year, the focus will be on sustainable propositions for our clients. Further, there will be a lot of attention for the CSRD (Corporate Sustainability Reporting Directive) implementation. The CSRD requires companies to report on the impact of corporate activities on the environment and society. Stater is preparing to be able to report on its sustainability policy and performance in the management report for 2025, based on various sustainability criteria in accordance with the CSDR legislation. Stater will do this on a group level including the activities of its subsidiaries. At the end of 2023 a CSRD steering group and project were started.

1.8 General Information

Stater provides services in the entire mortgage value chain. We facilitate the orientation, provide services for the application, service the mortgage in the complete life cycle and provided arrears management services. That makes us the ideal outsourcing partner. In The Netherlands, Belgium and Germany we are a partner of choice for originators. Our goal is to unburden originators in the mortgage process and contribute to their success. Furthermore, we want to allow consumers in the mortgage market to manage their mortgage safely, quickly and without problems. We do this for more than 40 money lenders in The Netherlands, Belgium and Germany. More than 1.6 million mortgages are serviced via Stater.

1.9 Outlook 2024

Last year was a difficult for year for the mortgage market. Increased interest rates, uncertainty and, because of the higher interest rates, a disappeared refinancing market had a negative effect on the market and on the results of Stater. Nevertheless, we invested in our services, client base and strategy. With the signing of a.s.r., a well filled pipeline, widely supported strategy and next step in our services, we are excellently positioned to build on our current success in the mortgage market and have a positive outlook for 2024 and onwards.

In 2024, Stater will continue to tailor its services to the wishes and needs of our clients. We will continue to invest in order to remain at the front of developments in the mortgage market, in terms of digitization, further efficiency improvements and stable & future proof IT Platform.

With this, we will support our strategy of being the mortgage services provider of choice in our home countries The Netherlands, Belgium and Germany and build further on our goal to be the mortgage service provider of Europe. Goal is to grow with existing clients and gain new clients by introducing new products and excelling in service and efficiency.

In response to the geopolitical tensions, Stater has taken additional technical and organizational measures to address in particular the increased risk of cyber incidents.

Stater is and will remain a financial healthy company, with a positive outlook. Nevertheless, we will closely monitor the situation and evaluate different scenarios on solvency, liquidity and operations to ensure out continuity in the short and long term.

Amersfoort, April 23, 2024

E.R. Dreuning CEO

M. Molenaar- Vader CFRO

CONSOLIDATED ANNUAL ACCOUNTS 2023

1 CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2023

(before appropriation of results)

		2023		2022	
		x €1,000	x €1,000	x €1,000	x €1,000
ASSETS					
Fixed assets					
Intangible fixed assets	(1)		28,458		26,266
Tangible fixed assets	(2)		19,780		22,197
Financial fixed assets	(3)				
Receivables from participants and from companies in which participation takes place		17,500		25,500	
Other receivables		1,096		1,223	
			18,596		26,723
NON-CURRENT ASSETS			66,834		75,186
Current assets	(4)				
Trade receivables		5,080		4,142	
Receivables from other related parties		2,179		2,595	
Taxes and social securities		4,236		1,805	
Other receivables		920		1,075	
Prepayments and accrued income		19,033		18,723	
			31,448		28,340
Cash and cash equivalents	(5)		11,241		16,256
			109,523		119,782

		2023		2022	
		x €1,000	x €1,000	x €1,000	x €1,000
EQUITY AND LIABILITIES					
Group equity	(6)		53,723		60,870
Provisions	(7)				
Deferred tax liability		5,732		5,910	
Other provisions		6,130		5,512	
			11,862		11,422
Long-term liabilities	(8)		13,110		15,451
Current liabilities, accruals and deferred income	(9)				
Trade creditors		1,849		2,418	
Payables to other related parties		564		601	
Taxes and social securities		10,726		9,689	
Pension premiums		1,041		1,005	
Accruals and deferred income		16,648		18,326	
			30,828		32,039
			109,523		119,782

2 CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR 2023

		2023		2022	
		x €1,000	x €1,000	x €1,000	x €1,000
Net turnover	(10)		166,233		169,065
Cost of subcontracted work and other external charges	(11)	32,590		37,710	
Wages and salaries	(12)	76,259		65,611	
Social security charges		12,327		10,717	
Pension costs		10,222		9,352	
Amortisation and depreciation	(13)	11,665		11,188	
Impairment of fixed assets	(14)	307		580	
Other operating expenses	(15)	21,910		22,297	
Total operating expenses			165,280		157,455
Operating result			953		11,610
Interest income and expenses	(16)		761		245
Result before taxation			1,714		11,855
Taxes	(17)		-861		-3,604
Result of the legal entity			853		8,251

3 CONSOLIDATED CASH FLOW STATEMENT 2023

The cash flow statement has been prepared using the indirect method.

	2023		2022	
	x €1,000	x €1,000	x €1,000	x €1,000
Cash flow from operating activities				
Operating result	953		11,610	
Adjustments for:				
Amortisation, depreciation and impairments	11,972		11,768	
Movement of provisions	618		-1,377	
Movement of working capital:				
Movement of long-term liabilities	-		-329	
Movements of receivables and prepaid costs	-1,017		-1,322	
Movement of short-term liabilities	-1,211		483	
Cash flow from business activities		11,315		20,833
Interest expense	-288		-284	
Corporate income tax	-3,430		1,285	
Interest and similar income	1,049		529	
		-2,669		1,530
Cash flow from operating activities		8,646		22,363
Cash flow from investing activities				
Investments in intangible fixed assets	-8,204		-8,020	
Investments in tangible fixed assets	-2,101		-4,059	
Cash flow from investing activities		-10,305		-12,079
Cash flow from financing activities				
Other receivables (additional funding)	-338		-430	
Decrease in receivable shareholders and associates	8,000		2,000	
Other receivables (repayments)	465		487	
Share buyback/Dividend paid	-8,000		-10,000	
Lease liabilities (long-term)	-3,483		-3,129	
Cash flow from financing activities		-3,356		-11,072
		-5,015		-788

	Cash and cash equivalents
	x €1,000
Compilation cash	
Compilation cash at January 1, 2022	17,044
Movement 2022	-788
Compilation cash December 31, 2022	16,256
Compilation cash at January 1, 2023	16,256
Movement 2023	-5,015
Compilation cash December 31, 2023	11,241

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, 2023 to December 31, 2023.

All amounts are in thousands and are stated in Euro's.

Activities

The activities of Stater N.V. and its group holdings mainly consist of mortgage servicing and change projects for clients.

Basis of accounting

The company has prepared the annual accounts in accordance with the provisions of Part 9 of Book 2 of the Dutch Civil Code. The company have voluntarily adopted IFRS 16 in 2019. The annual accounts were authorised for issue by the Management Board on April 23, 2024.

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 finance its investments from its own cash flows. Turnover remains stable and is projected to grow in the future. Furthermore, as a result of a significant amount of flexible staff, costs can 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 (2022 : 100%)
- Stater Belgium N.V./S.A. in Brussels: 100% participation (2022 : 100%)
- HypoCasso B.V. in Amersfoort: 100% participation (2022 : 100%)
- Stater XXL B.V. in Amersfoort: 100% participation (2022 : 100%)
- Stater G.m.b.H. in Düsseldorf: 100% participation (2022: 100%)

In 2023 Stater Participations B.V. merged into Stater N.V. (November 23, 2023) where Stater N.V. is the acquiring company.Stater Participations B.V. therefore ceased to exist. The Stater Participations B.V. balance sheet of 1 january 2023 is accounted for in the balance sheet of Stater N.V. retrospective. This includes mainly the participation of Stater Belgium N.V./S.A..

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 (2022:100%)
- Stater XXL B.V. in Amersfoort: 100% participation (2022:100%)
- HypoCasso B.V. in Amersfoort: 100% participation (2022:100%)

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

For lessee accounting IFRS 16 removes the distinction 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 buildings 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 1.67% (2022 1.27%). 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.

Stater has not entered into a sales and leaseback transaction.

A lease modification is a change in the scope of the lease, or the consideration of a part of a lease that was not part in the original terms and conditions of the lease. A lease modifications result in either a separate additional lease or a change in the accounting for the existing lease. In the case of a lease modification not resulting in an additional lease, the lease liability is remeasured by adjusting the carrying amount of the ROU asset, and to reflect the partial or full termination of the lease, recognising any gain or loss in profit and loss.

Expenses related to short-term leases with a term of less than 12 months and leases of low-value are recognised in the profit and loss account, as permitted by the standard. ROU assets are included in tangible fixed assets, while the lease liabilities are included in long-term liabilities. Depreciation is presented in the line item for amortisation and depreciation and interest expenses is included in the line financial income ande expenses.

Stater did not choose the apply this standard to a portfolio of leases and did not combine two or more contracts with the same counterparty.

ACCOUNTING PRINCIPLES APPLIED TO THE VALUATION OF ASSETS AND LIABILITIES

Intangible fixed assets

Intangible fixed assets are presented at cost less accumulated amortisation and, if applicable, less impairments in value. Amortisation is charged as a fixed percentage of cost, as specified in more detail in the notes to the balance sheet. Amortisation and impairments are accounted in the profit and loss account. If assets are at zero value and still in use they are still taken into account based on the yearly check of existence and use. The useful life and the amortisation method are reassessed at the end of each financial year.

Intangible fixed assets arising from development shall be recognised if the company can demonstrate all of the following points:

- the technical feasibility of completing the intangible fixed asset, so that it wil be available for use or sale;
- its intention to complete the intangible fixed asset and to use or sell it;
- how the intangible fixed asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible fixed asset; and
- its ability to measure the expenditure attributable to the intangible fixed asset during its development.

Expenses relating to an intangible fixed asset that do not meet these points are recognised directly in the profit and loss account. The intangible fixed assets will be yearly assessed - based on business cases - for impairment purposes. In case of a reversal of an impairment, the increased amount cannot be higher than the carrying amount that would have been determined without impairment loss in previous years.

A statutory reserve is created for the part of the cost of internally developed software that has not yet been amortised.

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.

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 2022) and the probability of employees using this scheme.

Provision for long-service awards
The collective labour agreement for Stater includes bonuses paid on the occasions of several service anniversaries and termination of employment on account of full incapacity or reaching state pension age. The provision is calculated based on a probability of employees staying with the company and an annual pay increase. The provision is calculated at present value, while also factoring in survival probability (Prognosetafel [Life Table] AG 2022).

Other

This concerns obligations on account of termination of employees' employment contracts prior to the normal pension date. Termination benefits are recognised if it demonstrably concerns an obligation to terminate employment contracts with employees. Remunerations are recorded at nominal value.

The pension plan(s) of Stater Belgium N.V./S.A. are qualified as a defined benefit plan under the Accounting standard IAS19. The projected unit credit method was used for the valuation, for the determination of the accrued benefits and for the service cost and was applied in a manner consistent with IAS19. Because the total provision is considered as not material, not all required disclosures are included.

The provisions are mostly long-term.

Long-term liabilities

On initial recognition long-term liabilities are recognised at fair value. Transaction costs which can be directly attributed to the acquisition of the long-term liabilities are included in the initial recognition. After initial recognition long-term liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs.

The difference between stated book value and the mature redemption value is accounted for as interest cost in the profit and loss account on the basis of the effective interest rate during the estimated term of the long-term liabilities.

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 recognised as an expense in the profit and loss account for the period in which the work is performed and, to the extent that they have not yet been paid, a liability in the balance sheet. Where amounts already paid exceed the remuneration due, the difference is recorded as an accrual, either to reimburse staff or to offset against future payments by the company.

For staff commitments involving future expenditure, actuarial calculations are carried out and provision is made for this in the annual accounts.

If remuneration is paid that does not include accrual of entitlements (such as continued payment during sickness absence or a period of incapacity), the anticipated expenses are recognised in the period for which the remuneration is payable. A liability is created to cover obligations that exist on the balance sheet date to continue to pay remuneration to employees who, on the balance sheet date, are expected to permanently be fully or partially unable to perform work due to sickness or incapacity.

Pension costs

The basic principle is that the pension expense to be recognised for the reporting period is equal to the pension contributions payable to the pension fund for that period. Insofar as the payable contributions have not yet been paid on the balance sheet date, a current liability is recognised. When the contributions paid as at the balance sheet date exceed the contributions due, an accrued asset item will be included insofar as it will concern repayment by the fund or a set-off against future contributions due.

Amortisation and depreciation

The amortisation of the intangible fixed assets is calculated using fixed percentages of the purchase price or the costs of internally developed software.

The depreciation on tangible fixed assets is calculated by using a fixed rate on the acquisition cost based on the expected life cycle. Gains and losses from the occasional sale of property, plant or equipment are included in the profit & loss account.

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.

Minority interest

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, 2023

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, 2023			
Purchase price	92,576	18,678	111,254
Cumulative amortisation and impairment	-68,426	-16,562	-84,988
	24,150	2,116	26,266
Movement			
Investments	7,572	632	8,204
Disposals	-180	-2,436	-2,616
Amortisation disposal	180	2,400	2,580
Amortisation	-4,841	-828	-5,669
Impairments	-307	0	-307
Reclassification	599	-599	0
	3,023	-831	2,192
Carrying amount as of December 31, 2023			
Purchase price	99,968	16,874	116,842
Cumulative amortisation and impairment	-72,795	-15,589	-88,384
	27,173	1,285	28,458

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 € 60,925,000 that have been fully written down, but are still in use. The purchased software includes assets amounting to € 10,457,000 that have been fully written down, but are still in use.

There are no investment commitments in respect of intangible fixed assets (2022: € 0).

The company has the full ownership of the intangible fixed assets as disclosed. As of December 31, 2023 the intangible fixed assets are not pledged as security for liabilities, nor are there any pending commitments regarding the acquisition of intangible fixed assets.

	2023	2022
	x €1,000	x €1,000
Internally developed software		
Purchase price	92,576	96,871
Cumulative amortisation and impairment	-68,426	-75,977
Carrying amount as of January 1	24,150	20,894
Movement		
Investments	7,572	7,719
Disposals	-180	-12,014
Depreciation disposal	180	12,014
Amortisation	-4,841	-3,883
Impairments	-307	-580
Reclassification	599	0
	3,023	3,256
Purchase price	99,968	92,576
Cumulative amortisation and impairment	-72,795	-68,426
Carrying amount as of December 31	27,173	24,150

	2023	2022
	x €1,000	x €1,000
Purchased software		
Purchase price	18,678	21,339
Cumulative amortisation and impairment	-16,562	-18,487
Carrying amount as of January 1	2,116	2,852
Movement		
Investments	632	301
Disposals	-2,436	-2,962
Amortisation disposal	2,400	2,962
Amortisation	-828	-1,037
Reclassification	-599	0
	-831	-736
Purchase price	16,874	18,678
Cumulative amortisation and impairment	-15,589	-16,562
Carrying amount as of December 31	1,285	2,116

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, 2023					
Purchase price	5,037	17,701	5,063	24,812	52,613
Cumulative depreciation and impairment	-3,862	-11,325	-4,649	-10,580	-30,416
	1,175	6,376	414	14,232	22,197
Movement					
Additions	56	1,958	87	999	3,100
Disposals	-538	-1,530	-514	-1,057	-3,639
Depreciation disposal	534	1,529	500	1,036	3,599
Reassessment	0	0	0	484	484
Depreciation	-162	-2,563	-161	-3,075	-5,961
	-110	-606	-88	-1,613	-2,417

	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, 2023					
Purchase price	4,555	18,129	4,636	25,238	52,558
Cumulative depreciation and impairment	-3,490	-12,359	-4,310	-12,619	-32,778
Carrying amount as of December 31, 2023	1,065	5,770	326	12,619	19,780

The company has the full ownership of the tangible fixed assets as disclosed. As of December 31, 2023 the tangible fixed assets are not pledged as security for liabilities.

The commitments in respect of (future) tangible fixed assets as per December 31, 2023 amount to € 1,242,000 (2022: € 0).

The right of use assets include Stater's leased premises in Amersfoort and Brussels amounting to € 11,247,000 (2022 € 13,248,000), as well as the lease cars amounting to € 1,371,000 (2022 € 984,000).

With effect from April 1, 2018, the building in Amersfoort lease has been renewed for 10 years with an option to renew for 2 consecutive periods of 5 years, i.e. until March 31, 2038 at the latest. These renewal options have not been included in the IFRS 16 calculation. The lease for the premises in Brussels was entered into on December 1, 2022 and ends by operation of law on November 30, 2031.

There are no variable lease payments present in the lease contracts.

Depreciation rates

	%
Leasehold improvements	10
Hardware	20-33
Equipment	20
Right of use assets	10-25

	2023	2022
	x €1,000	x €1,000
Leasehold improvements		
Purchase price	5,037	4,509
Cumulative depreciation and impairment	-3,862	-3,850
Carrying amount as of January 1	1,175	659
Movement		
Investments	56	619
Disposals	-538	-91
Depreciation disposal	534	90
Depreciation	-162	-102
	-110	516
Purchase price	4,555	5,037
Cumulative depreciation and impairment	-3,490	-3,862
Carrying amount as of December 31	1,065	1,175
Hardware		
Purchase price	17,701	19,372
Cumulative depreciation and impairment	-11,325	-13,696
Carrying amount as of January 1	6,376	5,676
Movement		
Investments	1,958	3,237
Disposals	-1,530	-4,908
Depreciation disposal	1,529	4,834
Depreciation	-2,563	-2,463
	-606	700
Purchase price	18,129	17,701
Cumulative depreciation and impairment	-12,359	-11,325
Carrying amount as of December 31	5,770	6,376

	2023	2022
	x €1,000	x €1,000
Equipment		
Purchase price	5,063	5,661
Cumulative depreciation and impairment	-4,649	-5,263
Carrying amount as of January 1	414	398
Movement		
Investments	87	203
Disposals	-514	-801
Depreciation disposal	500	801
Depreciation	-161	-187
	-88	16
Purchase price	4,636	5,063
Cumulative depreciation and impairment	-4,310	-4,649
Carrying amount as of December 31	326	414

	2023	2022
Right of use assets		
Purchase price	24,812	23,652
Cumulative depreciation and impairment	-10,580	-9,924
Carrying amount as of January 1	14,232	13,728
Movement		
Investments	999	2,527
Disposals	-1,057	-2,787
Depreciation disposal	1,036	2,751
Reassessment	484	1,420
Depreciation	-3,075	-3,407
	-1,613	504
Purchase price	25,238	24,812
Cumulative depreciation and impairment	-12,619	-10,580
Carrying amount as of December 31	12,619	14,232

3. Financial fixed assets

	12/31/2023	12/31/2022
	x €1,000	x €1,000
Receivables from participants and from companies in which participation takes place		
Loan Infosys Consulting Pte. Ltd.	17,500	25,500

Interest rate is considered as market related and is equal to 12 months EURIBOR +1.05 per annum (5.25% 2022: 3.85%), provided that the minimum interest rate owed by Infosys to Stater will never be less than 0.25%. The loan was granted on 27 January 2020 for a term 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.

	2023	2022
	x €1,000	x €1,000
Carrying amount as of January 1	25,500	27,500
Loan granted	0	4,000
Repayment	-8,000	-6,000
Carrying amount as of December 31	17,500	25,500

	12/31/2023	12/31/2022
	x €1,000	x €1,000
Other receivables		
Other receivables	1,096	1,223

Other receivables relate to a loan granted to the leasing company. The interest rate is 0% (2022 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.

	2023	2022
	x €1,000	x €1,000
Other receivables		
Carrying amount as of January 1	1,223	1,280
Loans granted	338	430
Repayments	-465	-487
Carrying amount as of December 31	1,096	1,223

4. Current assets

	12/31/2023	12/31/2022
	x €1,000	x €1,000
Trade receivables		
Debtors	5,120	4,148
Allowance for doubtful debt	-40	-6
	5,080	4,142

	2023	2022
	x €1,000	x €1,000
Allowance for doubtful debt		
Carrying amount as of January 1	6	8
Reversal	-1	-2
Allocation	40	0
Withdrawal	-5	0
Carrying amount as of December 31	40	6

	12/31/2023	12/31/2022
	x €1,000	x €1,000
Receivables from other related parties		
ABN AMRO Hypotheken groep B.V.	1,960	2,271
Infosys Consulting Pte. Ltd.	219	324
	2,179	2,595

	12/31/2023	12/31/2022
	x €1,000	x €1,000
Taxes and social securities		
Corporate income tax	3,559	551
VAT	568	248
Payroll tax	20	0
Deferred tax	89	1,006
	4,236	1,805
Other receivables		
Volume discount suppliers	641	892
Grants	196	148
Other receivables	83	35
	920	1,075
Prepayments and accrued income		
Services to be invoiced	12,839	13,044
Prepaid costs	6,194	5,679
	19,033	18,723

The prepaid costs mainly refer to software maintenance and software licence fees.

5. Cash and cash equivalents

Bank	11,241	16,256

An amount of € 161,000 (2022: € 511,000) is not freely disposable.

EQUITY AND LIABILITIES

6. Group equity

Please refer to the notes to the non-consolidated balance sheet on page 69 of this report for an explanation of the equity.

Proposed appropriation of profit

The annual accounts for 2022 were adopted by the General Meeting held on April 19, 2023. The General Meeting has determined the appropriation of the result as it was proposed.

It is proposed to the General Meeting that the result after taxes for 2023 will be added to the other reserves.

7. Provisions

Deferred tax liability

This provision concerns the temporary differences between the valuation in the annual accounts and the tax valuation of assets and liabilities. The provision is calculated based on the applicable tax rate.

	2023	2022
	x €1,000	x €1,000
Carrying amount as of January 1	5,910	4,916
Allocation	1,946	1,857
Withdrawal	-1,165	-863
deferred tax assets	-959	0
Carrying amount as of December 31	5,732	5,910

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: € 4,439,000 (2022 € 4,745,000).
The taxable loss for Stater GmbH as a starting company is not recognized yet.

	12/31/2023	12/31/2022
	x €1,000	x €1,000
Other provisions		
Claim provision	1,698	1,125
Other long-term employee benefits	4,391	4,275
Other	41	112
	6,130	5,512

	2023	2022
	x €1,000	x €1,000
Claim provision		
Carrying amount as of January 1	1,125	2,302
Allocation	1,363	563
Withdrawal	-359	-743
Reversal	-431	-997
Carrying amount as of December 31	1,698	1,125

Provisions for legal claims are recognised when the company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Management makes estimates as to whether provisions are needed on a case-by-case basis.
The claim provision has a predominantly long-term character.

Other long-term employee benefits		
Carrying amount as of January 1	4,275	4,422
Allocation	608	285
Withdrawal	-492	-432
Carrying amount as of December 31	4,391	4,275

The provision for other long-term employee benefits has a predominantly long-term character: € 3,864,000 (2022: € 3,842,000)

Other		
Carrying amount as of January 1	112	165
Withdrawal	-71	-53
Carrying amount as of December 31	41	112

The other provision has a predominantly short-term character.

8. Long-term liabilities

Lease liabilities

	2023	2022
	x €1,000	x €1,000
Lease liabilities		
Carrying amount as of January 1	15,451	14,485
Funds withdrawn	1,415	3,314
Interest added	329	229
Repayment	-4,085	-2,577
Long-term part as at December 31	13,110	15,451

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:

	12/31/2023	12/31/2022
	x € 1,000	x € 1,000
Particulars		
Less than one year	3,131	3,397
One to five years	11,609	13,916
More than five years	2,084	2,253
Total	16,825	19,566

9. Current liabilities, accruals and deferred income

	12/31/2023	12/31/2022
	x €1,000	x €1,000
Taxes and social securities		
VAT	5,951	5,355
Payroll tax	4,775	4,334
	10,726	9,689

Accruals and deferred income		
Holiday bonus	1,591	1,461
Holiday accruals	1,909	1,845
Variable pay	301	229
Prepaid amount	2,868	3,907
Accruals other costs	4,506	4,757
Accruals external staff	2,569	3,006
Lease liabilities	2,904	3,121
	16,648	18,326

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

	12/31/2023	12/31/2022
	x €1,000	x €1,000
Less than one year	74	90
One to five years	203	408
	277	498

Other long-term financial obligations

	12/31/2023	12/31/2022
	x €1,000	x €1,000
Less than one year	4,241	2,362
One to five years	4,833	3,043
	9,074	5,405

Other long term financial obligations

This mainly relates to the multi-year contract with respect to software support and facility management in our office in Amersfoort, the Netherlands.

Financial instruments

General

Details provided in this note are intended to facilitate estimation of the scope of risks involved in financial instruments, both financial instruments recognised on the balance sheet and off-balance sheet financial instruments.

The company's financial instruments are used to finance the group's operational activities or ensue directly from these activities. The company is risk averse and as a result of this only residual operational risks in the category low are accepted. Stater is convinced that the quality and continuity of our services are extremely important. On a regular base, risk items are discussed in the Operational Risk Committee. Plans to mitigate are in place and are being monitored. Updates are discussed in the Risk Committee as well.

Generally, the risks involved in financial instruments are credit risk, currency risk, liquidity risk, cash flow risk, and price risk consisting of interest and market risk. The group's risk mitigation policy is as follows:

Market risk

Stater does not engage in financial instrument trading. The management estimates market risk to be very limited for Stater.

Credit risk

The company predominantly does business with high-net-worth customers and has defined credit rating procedures. The group has furthermore articulated guidelines to limit the credit risk it is exposed to with each party. Aside from that, the group continuously monitors its receivables and has a strict reminder procedure in place. The above measures have reduced the credit risk for the group to a minimum. The number of write-offs is very low. Management estimates the credit risk on these parties to be low.

Liquidity risk and cash flow risk

The company has a healthy cash position and is able to finance current investments from operating cash flow.

<u>Fair value</u>

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 2023

10. Net turnover

	2023	2022
	x €1,000	x €1,000
Business segments		
Mortgage processing	132,809	136,694
Projects	17,185	16,528
Other	16,239	15,843
	166,233	169,065
Geographical segments		
The Netherlands	141,948	145,723
Belgium	24,067	23,092
Germany	218	250
	166,233	169,065

11. Cost of subcontracted work and other external charges

	2023	2022
Total cost of subcontracted work	32,590	37,710

12. Wages and salaries

	2023	2022
Salaries and wages	71,704	61,288
Other	4,555	4,323
	76,259	65,611

Emoluments of directors and supervisory directors

The emoluments (including pension obligations) which were charged in 2023 amount to € 2,127,000 (2022: € 1,755,000) for (former) directors and € 82,000 (2022: € 75,000) for supervisory directors.

Staff

The average number of employees in 2023 was 974 FTEs (2022: 936 FTEs).

	2023	2022
The breakdown is as follows (FTEs):		
the Netherlands	809	769
Belgium	159	161
Germany	6	6
	974	936

	2023	2022
	x €1,000	x €1,000
13. Amortisation and depreciation		
Intangible fixed assets	5,669	4,920
Tangible fixed assets	5,956	6,193
Loss on disposals	40	75
	11,665	11,188
14. Impairment of fixed assets		
Internally developed software	307	580
15. Other operating expenses		
Housing	1,874	2,307
Office expenses	4,412	4,354
IT costs	11,372	10,790
VAT (non-refundable portion)	-21	87
Marketing & Communication	392	466
Third party costs	2,395	3,919
Other operating costs	1,486	374
	21,910	22,297

Fees audit firm:

2023

	Auditors	Other network	Total network
	x € 1,000	x € 1,000	x € 1,000
Audit of the annual accounts	111	21	132
Other audit engagements	568	155	723
Tax advisory services	-	-	-
Other non-audit services	-	18	18
	679	194	873

2022

	Auditors	Other network	Total network
	x € 1,000	x € 1,000	x € 1,000
Audit of the annual accounts	105	49	154
Other audit engagements	368	83	451
Tax advisory services	-	-	-
Other non-audit services	-	25	25
	473	157	630

Auditors are Deloitte for the audit of the annual accounts and for other audit engagements. The other audit engagements mainly refer to the audit of mortgage reporting schedules and the ISAE 3400/3402 audit.

	2023	2022
	x €1,000	x €1,000
16. Interest income and expenses		
Interest and similar income	1,049	529
Interest and similar expenses	-288	-284
	761	245

	2023	2022
	x €1,000	x €1,000
17. Taxes		
Corporate income tax	-314	1,934
Corporate income tax prior periods	-128	385
Movement of deferred tax assets	-42	-187
Movement of deferred tax liabilities	781	994
Corporate income taxes in foreign jurisdictions	564	478
	861	3,604

Reconciliation of the effective tax rate and the applicable tax rate for the consolidated annual accounts is as follows:

	2023	2022
	%	%
Applicable rate	25.80	25.80
Deferred tax	-6.26	-1.66
Tax on non-deductible amounts	6.13	3.10
Prior years	-7.47	3.25
Rate differences	3.46	-0.08
Unrecognized deferred tax asset	28.57	-
Effective tax rate	50.23	30.41

The unrecognized deferred tax refers to the loss of Stater G.m.b.H.

Transactions with related parties

The group has entered into the following transactions with related parties:

	2023 Receivables x € 1,000	2023 Payables x € 1,000	2022 Receivables x € 1,000	2022 Payables x € 1,000
Related parties				
Infosys Limited	0	564	0	592
Infosys Singapore Pte. Ltd.	17,719	0	25,721	0
Infosys BPM Limited	0	0	103	9
ABN AMRO Hypotheken Groep B.V.	1,960	0	2,271	0
	19,679	564	28,095	601

	2023 Revenues x € 1,000	2023 Costs x € 1,000	2022 Revenues x € 1,000	2022 Costs x € 1,000
Related parties				
Infosys Limited	0	8,275	0	4,668
Infosys Singapore Pte. Ltd.	1,049	0	523	0
Infosys BPM Limited	474	28	297	169
Infosys Belgium	177	0	227	0
ABN AMRO Arbo Services B.V. (Beter)	0	267	0	231
ABN AMRO Hypotheken Groep B.V.	76,351	0	78,664	0
ABN AMRO Bank N.V.	0	80	0	116
	78,051	8,650	79,711	5,184

Sale and purchase transactions between related parties are conducted at normal market prices.

The transactions with the Infosys companies relate to the supply of personnel for IT and Operations.
The costs for the related party Beter refers to the health and safety service.
The deliveries to ABN AMRO Hypotheken Groep B.V. relate to the care and support of the entire mortgage process.

Infosys Limited is head of the the group of several Infosys companies. Since May 23, 2019 Infosys Singapore Pte. Ltd. (formerly known as Infosys Consulting Pte. Ltd.) has held 75% of the shares of Stater N.V. (2022: 75%).

ABN AMRO Bank N.V. is head of the group of several ABN AMRO companies holds a 25% stake since May 23, 2019 in Stater N.V. (2022:25%).

7 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT 2023

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

	2023	2022
	x €1,000	x €1,000
Compilation cash at January 1	16,256	17,044
Movement of cash and cash equivalents	-5,015	-788
Cash and cash equivalents December 31	11,241	16,256

8 OTHER DISCLOSURE

Subsequent events

Withdrawal of shares

In 2023, the shareholders decided to repurchase shares for an amount of € 8,000,000. Following the valuation by external party, reviewed by the shareholders and Stater, this corresponds to 153,592 shares. These shares have been acquired from both shareholders in the existing ratio 75:25. Payment was made in October 2023 and charged to the other reserves.

On 27 December 2023, the resolution to cancel the shares was filed. After completing the two months opposition period, Stater transferred the € 8,000,000 from the other reserves to issued share capital (€ 152,592) and share premium reserve (€ 7,846,408) on February 28, 2024.

Loan Infosys Singapore Pte. Ltd.

To finance the cash out due to investments, € 4M of the loan with Infosys Signapore Pte. Ltd. was called for and received in January 2024.

Additional sales contract

On 31 January 2024, Stater Nederland B.V. renewed a long-term contract with one of our existing clients in the Netherlands. Given the extension of services and duration, the new long-term contract significantly contributes to the revenues and operating result of Stater, starting from the date the full migration of its mortgage portfolio to the Stater platform is completed, which is expected as per 31 October 2025.

Appropriation of the result for the 2022 financial year

The annual accounts for 2022 were adopted by the General Meeting held on April 19, 2023. The General Meeting has determined the appropriation of the result as it was proposed.

COMPANY ANNUAL ACCOUNTS 2023

9 COMPANY-ONLY BALANCE SHEET AS AT DECEMBER 31, 2023
(before appropriation of results)

		2023		2022	
		x €1,000	x €1,000	x €1,000	x €1,000
ASSETS					
Fixed assets					
Intangible fixed assets	(18)		26,161		23,131
Tangible fixed assets	(19)		11,550		13,367
Financial fixed assets	(20)				
Participations in group companies		23,240		13,751	
Receivables from group companies		0		509	
Receivables from participants and from companies in which participation takes place		17,500		25,500	
Other receivables		1,096		1,223	
			41,836		40,983
Current assets	(21)				
Trade receivables		0		1	
Receivables from group companies		1,183		3,510	
Receivables from other related parties		219		324	
Taxes and social securities		7,096		14,021	
Other receivables		826		998	
Prepayments and accrued income		151		94	
			9,475		18,948
Cash and cash equivalents	(22)		2,653		429
			91,675		96,858

		2023		2022	
		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		27,446		24,351	
Other reserves		12,287		15,131	
Result for the year		853		8,251	
			53,723		60,870
Provisions	(24)				
Deferred tax liability		5,780		5,910	
Other provisions		4,391		4,275	
			10,171		10,185
Long-term liabilities	(25)		14,506		12,870
Current liabilities, accruals and deferred income	(26)				
Trade creditors		555		539	
Payables to other related parties		4		0	
Taxes and social securities		4,765		4,305	
Pension premiums		1,041		1,005	
Accruals and deferred income		6,910		7,084	
			13,275		12,933
			91,675		96,858

10 COMPANY-ONLY PROFIT AND LOSS ACCOUNT 2023

		2023	2022
		x €1,000	x €1,000
Share in result of participating interests after taxes	(27)	788	8,517
Other income and expenses after taxation		65	-266
Result after tax		853	8,251

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, 2023

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, 2023			
Purchase price	86,254	3,316	89,570
Cumulative amortisation and impairment	-63,683	-2,756	-66,439
	22,571	560	23,131
Movement			
Investments	7,543	0	7,543
Disposals	-180	-149	-329
Amortisation disposal	180	149	329
Amortisation	-3,873	-333	-4,206
Impairments	-307	0	-307
	3,363	-333	3,030
Carrying amount as of December 31, 2023			
Purchase price	93,617	3,167	96,784
Cumulative amortisation and impairment	-67,683	-2,940	-70,623
	25,934	227	26,161

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 € 58,019,000 that have been fully written down but are still in use. The purchased software includes assets amounting to € 944,000 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, 2023 the intangible fixed assets are not pledged as security for liabilities, nor are there any pending commitments regarding the acquisition of intangible fixed assets.

	2023	2022
	x €1,000	x €1,000
Internally developed software		
Purchase price	86,254	79,621
Cumulative amortisation and impairment	-63,683	-60,635
Carrying amount as of January 1	22,571	18,986
Movement		
Investments	7,543	6,930
Disposals	-180	-297
Depreciation disposal	180	297
Amortisation	-3,873	-2,765
Impairments	-307	-580
	3,363	3,585
Purchase price	93,617	86,254
Cumulative amortisation and impairment	-67,683	-63,683
Carrying amount as of December 31	25,934	22,571

	2023	2022
	x €1,000	x €1,000
Purchased software		
Purchase price	3,316	3,316
Cumulative amortisation and impairment	-2,756	-2,423
Carrying amount as of January 1	560	893
Movement		
Disposals	-149	0
Amortisation disposal	149	0
Amortisation	-333	-333
	-333	-333
Purchase price	3,167	3,316
Cumulative amortisation and impairment	-2,940	-2,756
Carrying amount as of December 31	227	560

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, 2023					
Purchase price	5,037	149	4,489	21,598	31,273
Cumulative depreciation and impairment	-3,862	-95	-4,154	-9,795	-17,906
	1,175	54	335	11,803	13,367
Movement					
Additions	56	0	85	578	719
Disposals	-538	0	-334	-676	-1,548
Depreciation disposal	534	0	334	655	1,523
Reassessment	0	0	0	484	484
Depreciation	-162	-30	-142	-2,661	-2,995
	-110	-30	-57	-1,620	-1,817

	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, 2023					
Purchase price	4,555	149	4,240	21,984	30,928
Cumulative depreciation and impairment	-3,490	-125	-3,962	-11,801	-19,378
Carrying amount as of December 31, 2023	1,065	24	278	10,183	11,550

The right of use assets include Stater's leased premises in Amersfoort amounting to 9,295,000 (2022: € 11,804,000), as well as the lease cars amounting to € 886,000 (2022: € 754,000).

With effect from April 1, 2018, 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 commitments in respect of (future) tangible fixed assets as per December 31, 2023 amount to € 0 (2022: € 0).

Depreciation rates

	%
Leasehold improvements	10
Hardware	20-33
Equipment	20
Right of use assets	10-25

	2023	2022
	x €1,000	x €1,000
Leasehold improvements		
Purchase price	5,037	4,509
Cumulative depreciation and impairment	-3,862	-3,850
Carrying amount as of January 1	1,175	659
Movement		
Investments	56	619
Disposals	-538	-91
Depreciation disposal	534	90
Depreciation	-162	-102
	-110	516
Purchase price	4,555	5,037
Cumulative depreciation and impairment	-3,490	-3,862
Carrying amount as of December 31	1,065	1,175

	2023	2022
Hardware		
Purchase price	149	309
Cumulative depreciation and impairment	-95	-224
Carrying amount as of January 1	54	85
Movement		
Disposals	0	-160
Depreciation disposal	0	159
Depreciation	-30	-30
	-30	-31
Purchase price	149	149
Cumulative depreciation and impairment	-125	-95
Carrying amount as of December 31	24	54

	2023	2022
	x €1,000	x €1,000
Equipment		
Purchase price	4,489	4,388
Cumulative depreciation and impairment	-4,154	-4,051
Carrying amount as of January 1	335	337
Movement		
Investments	85	149
Disposals	-334	-48
Depreciation disposal	334	48
Depreciation	-142	-151
	-57	-2
Purchase price	4,240	4,489
Cumulative depreciation and impairment	-3,962	-4,154
Carrying amount as of December 31	278	335

	2023	2022
Right of use assets		
Purchase price	21,598	20,255
Cumulative depreciation and impairment	-9,795	-7,462
Carrying amount as of January 1	11,803	12,793
Movement		
Investments	578	258
Disposals	-676	-335
Depreciation disposal	655	299
Reassessment	484	1,420
Depreciation	-2,661	-2,632
	-1,620	-990
Purchase price	21,984	21,598
Cumulative depreciation and impairment	-11,801	-9,795
Carrying amount as of December 31	10,183	11,803

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, 2023	13,751	509	25,500	1,223	40,983
Purchases, loans granted	0	1,200	0	338	1,538
Redemptions	0	0	-8,000	-465	-8,465
Investments	10,011	0	0	0	10,011
Impairments in value	0	-1,709	0	0	-1,709
Reversal of impairment	7,309	0	0	0	7,309
Current year participation result	788	0	0	0	788
Dividends participating interests	-8,619	0	0	0	-8,619
Carrying amount as of December 31, 2023	23,240	0	17,500	1,096	41,836

The reversal of impairment is largely caused by to the merger of Stater Participations B.V.

Stater N.V. participates in Stater G.m.b.H. which has a negative equity per year-end of EUR 2,589,000. As a result the receivables (financial fixed and current) from Stater N.V. on this participation have been fully written down for an amount of EUR 2,589,000.

	2023	2022
	x €1,000	x €1,000
Participations in group companies		
Carrying amount as of January 1	13,751	15,053
Investments	10,011	0
Value decreases	0	-212
Reversal of impairment	7,309	691
Share in result	788	8,517
Dividend	-8,619	-10,298
Carrying amount as of December 31	23,240	13,751

The investments of € 10,011,000 is a result of the merge of Stater Participations B.V. and refers to the participation of Stater Belgium N.V./S.A.

	12/31/2023	12/31/2022
	x €1,000	x €1,000
Receivables from group companies		
Stater G.m.b.H. at Düsseldorf	0	509

Interest rate is considered as market related and is equal to 12 months EURIBOR +1.35% per annum till 01/07/2023 and 12 months EURIBOR +1.63% per annum from 01/07/2023 (5.83% ; 2022: 3.85%), provided that the interest owed by Stater N.V. to Stater G.m.b.H. will never be less than 0.25%. The loan was granted on 20 December 2021 for a term of 5 years. The principal amount of the loan (including interest) is repayable on demand of Stater (in full or in parts) at any time by giving a 15 days' prior notice, without Stater G.m.b.H being obliged to pay any compensation.

Stater GmbH has a negative equity per year-end of EUR 2,589,000. As a result of this the loan from Stater N.V. on Stater GmbH has been impaired for an amount of EUR 2,400,000. Stater N.V.'s current receivable from Stater GmbH has impaired for the remaining amount of EUR 189,000.

	2023	2022
	x €1,000	x €1,000
Participations in group companies		
Carrying amount as of January 1	509	400
Value decreases	-1,709	-691
Loan granted	1,200	800
Carrying amount as of December 31	0	509

	12/31/2023	12/31/2022
	x €1,000	x €1,000
Receivables from participants and from companies in which participation takes place		
Loan Infosys Consulting Pte. Ltd.	17,500	25,500

Interest rate is considered as market related and is equal to 12 months EURIBOR +1.05 per annum (5.25% 2022: 3.85%), provided that the minimum interest rate owed by Infosys to Stater will never be less than 0.25%. The loan was granted on 27 January 2020 for a term 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.

	2023	2022
	x €1,000	x €1,000
Carrying amount as of January 1	25,500	27,500
Loan granted	0	4,000
Repayment	-8,000	-6,000
Carrying amount as of December 31	17,500	25,500

	12/31/2023	12/31/2022
	x €1,000	x €1,000
Other receivables		
Other receivables	1,096	1,223

Other receivables relate to a loan granted to the leasing company. The interest rate is 0% (2022 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.

	2023	2022
	x €1,000	x €1,000
Other receivables		
Carrying amount as of January 1	1,223	1,280
Loans granted	338	430
Repayments	-465	-487
Carrying amount as of December 31	1,096	1,223

21. Current assets

	12/31/2023	12/31/2022
	x €1,000	x €1,000
Trade receivables		
Debtors	0	7
Allowance for doubtful debt	0	-6
	0	1

	2023	2022
	x €1,000	x €1,000
Allowance for doubtful debt		
Carrying amount as of January 1	6	8
Reversal	-1	-2
Withdrawal	-5	0
Carrying amount as of December 31	0	6

Receivables from group companies

There has been no interest calculated because the amounts are settled every month.

	12/31/2023	12/31/2022
	x €1,000	x €1,000
Taxes and social securities		
Corporate income tax	6,533	12,805
VAT	563	248
Deferred tax	0	968
	7,096	14,021

Other receivables

Volume discount suppliers	547	815
Grants	196	148
Other receivables	83	35
	826	998

Prepayments and accrued income

Services to be invoiced	98	75
Prepaid costs	53	19
	151	94

22. Cash and cash equivalents

Bank	2,653	429

This amount is freely disposable.

23. Equity

	12/31/2023	12/31/2022
	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 (voting and dividend):

- 75% Infosys Consulting Pte. Ltd.
- 25% ABN AMRO Bank N.V.

In 2023, the shareholders decided to repurchase shares for an amount of € 8,000,000. Following the valuation by external party, reviewed by the shareholders and Stater, this corresponds to 153,592 shares. These shares have been acquired from both shareholders in the existing ratio 75:25. Payment was made in October 2023 and charged to the other reserves.

On 27 December 2023, the resolution to cancel the shares was filed. After completing the two months opposition period, Stater transferred the € 8,000,000 from the other reserves to issued share capital (€ 152,592) and share premium reserve (€ 7,846,408) on February 28, 2024.

	2023	2022
	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

	2023	2022
Carrying amount as of January 1	22,571	18,986
Withdrawal	-4,180	-3,345
Allocation	7,543	6,930
Carrying amount as of December 31	25,934	22,571

	2023	2022
	x €1,000	x €1,000
Reserve related to retained profits from participating interests		
Carrying amount as of January 1	1,780	2,065
Allocation	700	833
Withdrawal	-968	-1,118
Carrying amount as of December 31	1,512	1,780

The reserve mainly refers to capitalised development costs for Stater Belgium N.V./S.A.

Other reserves

Carrying amount as of January 1	15,131	17,527
Allocation of previous financial year net result	8,251	10,904
Share buyback/Dividend paid	-8,000	-10,000
Transfer to legal reserves	-3,095	-3,300
Carrying amount as of December 31	12,287	15,131

Proposed appropriation of profit

The annual accounts for 2022 were adopted by the General Meeting held on April 19, 2023. The General Meeting has determined the appropriation of the result as it was proposed. So the result after tax for 2022 € 8,251,000 was added to the other reserves.

In a General Meeting held on September 7, 2023 shareholders authorized the Management Board of Stater N.V. to repurchase up do 115,194 class A shares and 38,398 class B shares in the capital of Stater N.V. against a purchase price of € 52.09, so in total € 8,000,000.

Proposed appropriation of profit

It is proposed to the General Meeting that the result after taxes for 2023 will be added to the other reserves.

Result for the year

Carrying amount as of January 1	8,251	10,904
Appropriation of the prior year profit	-8,251	-10,904
Unappropriated profit of current year	853	8,251
Carrying amount as of December 31	853	8,251

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.

	2023	2022
	x €1,000	x €1,000
Carrying amount as of January 1	5,910	4,916
Allocation	1,946	1,857
Withdrawal	-1,165	-863
deferred tax assets	-911	0
Carrying amount as of December 31	5,780	5,910

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: € 4,4439,000 (2022 € 4,745,000).

Other provisions

Other long-term employee benefits

Carrying amount as of January 1	4,275	4,422
Allocation	608	285
Withdrawal	-492	-432
Carrying amount as of December 31	4,391	4,275

The provision for other long-term employee benefits has a predominantly long-term character: € 3,864,000 (2022: € 3,842,000)

25. Long-term liabilities

Lease liabilities

	2023	2022
	x €1,000	x €1,000
Lease liabilities		
Carrying amount as of January 1	12,870	14,313
Funds withdrawn	993	896
Interest added	230	220
Repayment	-3,587	-2,559
Long-term part as at December 31	10,506	12,870

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:

	12/31/2023	12/31/2022
	x € 1,000	x € 1,000
Particulars		
Less than one year	2,640	3,322
One to five years	9,847	12,465
More than five years	835	819
Total	13,322	16,606

Stater Belgium N.V./S.A.

	2023	2022
	x €1,000	x €1,000
Carrying amount as of January 1	0	0
New loan	4,000	0
Long-term part as at December 31	4,000	0

The loan was granted on 26 October 2023 for a term of 5 years. The principal amount of the loan (including interest) is repayable on demand of Stater Belgium N.V./S.A. (in full or in parts) at any time by giving a 15 days' prior notice, without Stater Belgium N.V./S.A. being obliged to pay any compensation.
An interest rate of 5.25% has been calculated.

26. Current liabilities, accruals and deferred income

	12/31/2023	12/31/2022
	x €1,000	x €1,000

Taxes and social securities

Payroll tax	4,765	4,305

Accruals and deferred income

Holiday accruals	1,902	1,836
Variable pay	204	134
Accruals other costs	2,028	1,905
Accruals external staff	268	169
Lease liabilities	2,508	3,040
	6,910	7,084

CONTINGENT ASSETS AND LIABILITIES

Contingent liabilities

Tax entity

The company constitutes a tax entity for corporate income tax and VAT with Stater N.V. and other group companies; consequently the company is liable for the resulting debts.

Long-term financial obligations

Other long-term financial obligations

	12/31/2023	12/31/2022
	x €1,000	x €1,000
Less than one year	3,346	1,892
One to five years	3,856	2,704
	7,202	4,596

13 NOTES TO THE COMPANY PROFIT AND LOSS ACCOUNT 2023

27. Minority interest

	2023	2022
	x €1,000	x €1,000
Share in result of participating interests	788	8,517

Participating interests

- Stater Nederland B.V. in Amersfoort : 100% participation (2022:100%)
- Stater XXL B.V. in Amersfoort : 100% participation (2022:100%)
- HypoCasso B.V. in Amersfoort : 100% participation (2022: 100%)
- Stater Belgium N.V./S.A. in Brussels: 100% participation (2022 : 100%)
- Stater G.m.b.H. in Düsseldorf : 100% participation (2022: 100%)

14 OTHER DISCLOSURE

Subsequent events

Withdrawal of shares

In 2023, the shareholders decided to repurchase shares for an amount of € 8,000,000. Following the valuation by external party, reviewed by the shareholders and Stater, this corresponds to 153,592 shares. These shares have been acquired from both shareholders in the existing ratio 75:25. Payment was made in October 2023 and charged to the other reserves.

On 27 December 2023, the resolution to cancel the shares was filed. After completing the two months opposition period, Stater transferred the € 8,000,000 from the other reserves to issued share capital (€ 152,592) and share premium reserve (€ 7,846,408) on February 28, 2024.

Loan Infosys Singapore Pte. Ltd.

To finance the cash out due to investments incurred in 2023, € 4M of the loan with Infosys Consulting Pte. Ltd. was called for and received in January 2024.

Appropriation of the result for the 2022 financial year

The annual accounts for 2022 were adopted by the General Meeting held on April 19, 2023. The General Meeting has determined the appropriation of the result as it was proposed.

Amersfoort, 23 April 2024

Management Board:

E.R. Dreuning
Chief Executive Officer

M. Molenaar-Vader
Chief Financial Risk Officer

Supervisory Board:

F.M.R. van der Horst

S.K. Dhareshwar

J.V. Nair

A. Radhakrishnan

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 2022 financial year

The annual accounts for 2022 were adopted by the General Meeting held on April 19, 2023. 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 2023 included in Financial Report

Our opinion

We have audited the financial statements 2023 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 2023, and of its result for 2023 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. The consolidated and company balance sheet as at 31 December 2023.
2. The consolidated and company profit and loss account for 2023.
3. The consolidated cash flow statement for 2023.
4. The notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Stater N.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the supervisory board exercises oversight, as well as the outcomes.We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as among others the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due fraud is present.

Following these procedures and the presumed fraud risks under the prevailing audit standards, we considered management override of controls as the only fraud risk during our audit. Our audit procedures to respond to this fraud risk include, amongst others, an evaluation of relevant internal controls and supplementary audit procedures, including journal entry testing and detailed testing of manual entries to revenues. Data analytics, including analyses of high-risk journals, are part of our audit approach to address fraud risks, which could have a material impact on the financial statements.

Further, we performed procedures including the following:

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We considered available information and made enquiries of relevant executives and the supervisory board.

We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.

We evaluated whether the selection and application of accounting policies by the entity, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting.

We evaluated whether the judgments and decisions made by management in making the accounting estimates included in the financial statements indicate a possible bias that may represent a risk of material misstatement due to fraud. Management insights, estimates and assumptions that might have a major impact on the financial statements are disclosed in notes to the consolidated annual accounts on page 20 of the financial statements. We performed a retrospective review of management judgments and assumptions related to significant accounting estimates reflected in prior year financial statements. Impairment testing of intangible and fixed assets is a significant area to our audit as the determination whether these assets are not carried at more than their recoverable amounts is subject to significant management judgment.

This did not lead to indications for fraud potentially resulting in material misstatements.

Audit approach compliance with laws and regulations

We assessed the laws and regulations relevant to the entity through discussion with management, reading minutes and reports of internal audit.

As a result of our risk assessment procedures, and while realizing that the effects from non-compliance could considerably vary, we considered the following laws and regulations: (corporate) tax law and financial reporting regulations the requirements under Part 9 of Book 2 of the Dutch Civil Code with a direct effect on the financial statements as an integrated part of our audit procedures, to the extent material for the related financial statements.

We obtained sufficient appropriate audit evidence regarding provisions of those laws and regulations generally recognized to have a direct effect on the financial statements.

Apart from these, Stater N.V. is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance, through imposing fines or litigation.

Given the nature of the Stater N.V.'s business and the complexity of Dutch Law, there is a risk of non-compliance with the requirements of such laws and regulations.

Our procedures are more limited with respect to these laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the financial statements. Compliance with these laws and regulations may be fundamental to the operating aspects of the business, to Stater N.V.'s ability to continue its business, or to avoid material penalties (e.g., compliance with the terms of operating licenses and permits or compliance with environmental regulations) and therefore non-compliance with such laws and regulations may have a material effect on the financial statements. Our responsibility is limited to undertaking specified audit procedures to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements. Our procedures are limited to (i) inquiry of management, the Supervisory Board, the Executive Board and the Internal Audit Department within Stater N.V. as to whether Stater N.V. is in compliance with such laws and regulations and (ii) inspecting correspondence, if any, with the relevant licensing or regulatory authorities to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements.

Naturally, we remained alert to indications of (suspected) non-compliance throughout the audit.

Finally, we obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

Audit approach going concern

Our responsibilities, as wel as the responsibilities of the Management Board and the Supervisory Board, related to going concern under the prevailing standards, are outlined in the 'Descritpion of responsibilities regarding the financial statements' section below'. In fulfilling our responsibilities, we performed procedures including evaluating the Board of Directors' assessment of Stater's ability to continue as a going concern:

- We have assessed whether the Board of Directors' continuity assessment includes all pertinent information that we are cognizant of, as a consequence of our audit, and have made inquiries to the Board of Directors concerning the most significant assumptions.

- We have evaluated the budgeted operating results and related cash flows for the period of 12 months from the date of preparation of the annual accounts, taking into account the developments in the industry and our knowledge obtained from the audit.

- We have analyzed whether the current and necessary financing to sustain all business activities is ensured, including compliance with relevant covenants.

- We held inquiries with the Board or Directors about its knowledge of going concern risks after the period of the continuity assessment performed by the Board or Directors and considering the impact of financial, operational, and other conditions.

Based on these procedures, we did not identify any reportable finding related to the entity's ability to continue as a going concern.

Report on the other information included in Financial Report

Financial Report contain other information, in addition to the financial statements and our auditor's report thereon.

The other information consists of:

- Management Board's Report.
- Other Information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the Management Board's Report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 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 23, 2024

Deloitte Accountants B.V.

A. Den Hertog

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Infosys Consulting SAS

47 rue de Caumartin – 75009 Paris
Tél : +33 (0)1 43 59 33 88
Email : info@coffra.fr

COFFRA

Paris, March 14, 2024

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, 2023.

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, 2023 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 – 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, 2023 to the date of our report.

Justification of assessments

In accordance with the requirements of Articles L. 821-53 and R. 821-180 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. 821-55 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;

- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;

- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;

- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

The Statutory auditor
Compagnie Fiduciaire Franco-Allemande
Member of the « Compagnie Régionale de Paris »

represented by

sign. Franz-Josef Töcker
Partner

Appendices

The financial statements are numbered from page C1 to page C18

2023 Annual Financial Statements

Financial year from 01/01/2023 to 31/12/2023

SAS INFOSYS CONSULTING

77 Esplanade Gal. de Gaulle
92800 PUTEAUX
Siret : 52414413600032

Balance sheet and Income statement

Balance sheet assets

	Gross	Depreciation Amortisation	Net 31/12/2023	Net 31/12/2022
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	70 550	39 645	30 904	48 571
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	**70 550**	**39 645**	**30 904**	**48 571**
CIRCULATING ASSETS				
Inventories and work-in-progress				
Raw materials and other supplies				
Work in process inventory (goods and services)				
Intermediate and finished products				
Merchandise				
Advances and down- payments paid on orders				**515**
Receivables				
Trade and related receivables	1 500 515	201	1 500 314	797 442
Other receivables	21 697		21 697	416 260
Called, subscribed capital, not paid up				
Miscellaneous				
Short- term investments				
Cash	3 532 771		3 532 771	2 294 755
Prepaid expenses (3)	1 110		1 110	2 224
TOTAL CIRCULATING ASSETS	**5 056 092**	**201**	**5 055 891**	**3 511 196**
Loan issue costs				
Bond redemption premiums				
Translation adjustment (assets)				
TOTAL	**5 126 642**	**39 846**	**5 086 795**	**3 559 767**

Balance sheet liabilities

	31/12/2023	31/12/2022
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	535 368	1 327 612
Retained earnings		
PROFIT/ (LOSS) FOR THE PERIOD	**745 096**	**407 756**
Investment grants		
Regulated provisions		
TOTAL EQUITY	**1 368 464**	**1 823 368**
OTHER EQUITY		
Income from issues of equitty interests		
Conditional advances		
TOTAL OTHER EQUITY		
PROVISIONS		
Provisions for risks		
Provisions for charges		
TOTAL CONTINGENT LIABILITIES		
LIABILITIES (1)		
Convertible bonds		
Other bonds		
Bank borrowings and other liabilities to banks		
Other borrowings and finanancial liabilities	5 563	11 873
Advances and down- payments received on orders in process	45 517	
Trade and related payables	3 132 752	1 405 993
Tax and social security payables	522 253	309 080
Debts on capital assets and related payables		
Other payables		
Prepaid income	12 247	
TOTAL LIABILITIES	**3 718 332**	**1 726 946**
Translation adjustment (liabilities)		9 453
TOTAL	**5 086 795**	**3 559 767**

Income statement - I

	France	Exports	31/12/2023	31/12/2022
Operating income				
Sales of goods				
Products sold (goods)				
Products sold (services)	29 806	9 499 722	9 529 527	8 460 511
Net revenue	**29 806**	**9 499 722**	**9 529 527**	**8 460 511**
Production in inventory				
Capitalised production				
Operating grants				
Reversals of provisions (and amortisation) and transfers of charges				17 545
Other income			6 320	4 929
Total operating income			**9 535 848**	**8 482 985**
Operating expenses				
Purchase of goods				
Changes in inventory				
Purchase of raw materials and other supplies				
Changes in inventory				
Other purchases and external charges			6 343 802	6 088 041
Taxes and similar charges			32 171	30 435
Wages and salaries			1 680 754	1 295 112
Social charges			743 759	552 588
Depreciation expense and allowance for impairement:				
- On non- current assets: depreciation expense			17 667	7 843
- On non- current assets: allowance for impairment				
- On circulating assets: allowance for impairement			201	
- Contingent liabilities: provisions				
Other charges			11 746	89 632
Total operating expenses			**8 830 099**	**8 063 650**
OPERATING PROFIT/ (LOSS) (I-II)			**705 748**	**419 336**
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			39 348	
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)			**39 348**	
Financial expense				
Amortisation expense, allowance for impairement and provisions				
Interest and similar expenses (4)				11 581
Negative foreign exchange differences				
Net loss on disposals of securities				
Total financial expenses (VI)				**11 581**
FINANCIAL PROFIT/(LOSS) (V-VI)			**39 348**	**-11 581**
PRE- TAX EARNINGS (I-II+III-IV+V-VI)			**745 096**	**407 755**

Income statement - II

	31/12/2023	31/12/2022
Extraordinary income		
From management transactions		
From capital transactions		
Reversals of provisions and allowance for impairment and transfers of charges		
Total extraordinary income (VII)		
Extraordinary expenses		
On management transactions		
On capital transactions		
Amortisation expense, allowance for impairment and provisions		
Total extraordinary expenses (VIII)		
EXTRAORDINARY PROFIT/(LOSS) (VII-VIII)		
Employee profit- sharing (IX)		
Income tax (X)		-1
Total income (I+III+V+VII)	**9 575 196**	**8 482 985**
Total expenses (II+IV+VI+VIII+IX+X)	**8 830 099**	**8 075 229**
PROFIT OR (LOSS)	**745 096**	**407 756**

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	(summarised)		
- 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 31/12/2023, for a total of 5 086 795 €
and notes to the income statement for the financial year presented in list form, showing a profit of 745 096 €.

The financial year runs for 12 months, from 01/01/2023 to 31/12/2023.

The notes or tables presented below form an integral part of the annual financial statements.

These annual financial statements were approved on 13/03/2024 by the company's directors.

General accounting rules

The annual financial statements of financial year ended on 31/12/2023 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.

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	96 696		26 147	70 550
- Recoverable packaging and miscellaneous				
- Property, plant and equipment under construction				
- Advances and down- payments				
Property, plant and equipment	**96 696**		**26 147**	**70 550**
- 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	**96 696**		**26 147**	**70 550**

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	48 125	17 667	26 147	39 645
- Recoverable packaging and miscellaneous				
Property, plant and equipment	**48 125**	**17 667**	**26 147**	**39 645**
CAPITAL ASSETS	**48 125**	**17 667**	**26 147**	**39 645**

Notes to the balance sheet

Current assets

Schedule of receivables

On the closing date, receivables totalled 1 523 321 €. 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	1 500 515	1 500 515	
Other receivables	21 697	21 697	
Prepaid expenses	1 110	1 110	
Total	**1 523 321**	**1 523 321**	
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	41 709
Other receivables	
Cash	
Total	**41 709**

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		
DIV INFOSYS CONSULTING HOLDING AG CH-8058 ZÜRICH	100	8 000
II. INDIVIDUALS		

Appropriation of profit/ (loss)

Decision of the annual general meeting held on 15/03/2023.

	Amount
Retained earnings from the prior period	
Profit/ (loss) from the prior period	407 756
Withdrawals from the reserves	1 200 000
Total at period start	**1 607 756**
Allocation to the reserves	407 756
Distributions	1 200 000
Other allocations	
Retained earnings	
Total allocations	**1 607 756**

Notes to the balance sheet

Statement of changes in shareholders' equity

	Balance on 01/01/2023	Allocation of profit/ (loss)	Increases	Decreases	Balance on 31/12/2023
Share capital	80 000				80 000
Legal reserve	8 000				8 000
General reserves	1 327 612	-792 244	407 756	1 200 000	535 368
Retained earnings					
Net income for the period	407 756	-407 756	745 096	407 756	745 096
Dividends		1 200 000			
Regulated provisions					
Total equity	**1 823 368**		**1 152 852**	**1 607 756**	**1 368 464**

Debts

Statement of liabilities

On the closing date, liabilities totalled 3 672 814 €. 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	3 132 752	3 132 752		
Tax and social security related payables	522 253	522 253		
Debts on capital assets and related payables				
Other payables	5 563	5 563		
Deferred income	12 247	12 247		
Total	**3 672 814**	**3 672 814**		
(*) Loans taken out during the period				
(*) Loans repaid during the period, of which:				

Notes to the balance sheet

Accrued expenses

Accrued expenses are included in the following liability positions:

	Amount
Convertible bonds	
Other bonds	
Bank borrowings and other liabilities to banks	
Other borrowings and financial liabilities	
Trade and related payables	3 025 369
Tax and social security payables	382 111
Debts on capital assets and related payables	
Other payables	
Total	**3 407 480**

Prepaid expenses, deferred income

Prepaid expenses

	Amount
Operating expenses	1 110
Financial expenses	
Exceptional expenses	
Total	**1 110**

Deferred Income

	Amount
Operating Income	12 247
Financial Income	
Extraordinary Income	
Total amount	**12 247**

Other Information

Total employees

Average workforce : 16 employees.

	On payroll personnel	Temporary personnel
Executives	16	
Lower management and technicians		
Office workers		
Workers		
Total	**16**	

Safe Harbor

This Annual Report contains ‘forward-looking statements’ within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements generally relate to future events or our future financial or operating performance and are based on our current expectations, assumptions, estimates and projections about the Company, our industry, economic conditions in the markets in which we operate, and certain other matters. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as ‘anticipate’, ‘believe’, ‘estimate’, ‘expect’, ‘intend’, ‘will’, ‘project’, ‘seek’, ‘should’ and similar expressions. These statements are subject to substantial known and unknown risks, uncertainties and other factors, which may cause actual results or outcomes to differ materially from those implied by the forward-looking statements. Important factors that may cause actual results or outcomes to differ from those implied by the forward-looking statements include, but are not limited to, risks and uncertainties relating to the execution of our business strategy, increased competition for talent, our ability to attract and retain personnel, increase in wages, investments to reskill our employees, our ability to effectively implement a hybrid work model, economic uncertainties and geo-political situations, technological disruption and innovations such as Generative AI, complex and evolving regulatory landscape, including immigration regulation changes, ESG vision, our Capital Allocation Policy and expectations concerning our market position, future operations, margins, profitability, liquidity, capital resources and corporate actions including acquisitions, the findings of the review of the extent and nature of data subject to unauthorized access and exfiltration in relation to the McCamish cybersecurity incident and reaction to such findings, the timing of the notification process, and the amount of any additional costs, including indemnities or damages / claims, resulting directly or indirectly from the incident. These and additional factors are discussed in the “Outlook, risks and concerns” and risk management report sections in this Annual Report, and are discussed in detail in our Form 20-F filed with the U.S. Securities and Exchange Commission. In the light of these and other uncertainties, you should not conclude that the results or outcomes referred to in any of the forward-looking statements will be achieved. All forward-looking statements included in this Annual Report are based on information and estimates available to us on the date hereof, and we do not undertake any obligation to update these forward-looking statements unless required to do so by law.

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