



EdgeVerve Systems Limited

Annual Report 2022-23

The EdgeVerve Board of Directors*



Sanat Rao
Whole-time Director



Sateesh Seetharamiah
Whole-time Director



Inderpreet Sawhney
Director



Martha King
Director



Dennis Gada
Director

* As on March 31, 2023

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Board's report

Dear members,

The Board of Directors ("the Board") hereby submits the report of the business and operations of the Company ("the Company" or "EdgeVerve"), along with the audited financial statements, for the financial year ended March 31, 2023.

1. Results of our operations and state of affairs

(In ₹ lakh, except per share data)

Particulars	2023	2022
Income from software products, platforms and services	3,44,628	3,00,538
Cost of sales	1,80,813	1,67,795
Gross profit	1,63,815	1,32,742
Operating expenses		
Selling and marketing expenses	21,927	16,800
General and administration expenses	22,275	17,857
Total operating expenses	44,202	34,657
Operating profit	1,19,612	98,086
Other income, net	7,142	4,706
Profit before interest and tax	1,26,754	1,02,792
Finance cost	–	206
Profit before tax	1,26,754	1,02,586
Tax expense	33,765	27,555
Net profit after tax	92,989	75,032
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of the net defined benefit liability/asset	612	539
Items that will be reclassified subsequently to profit or loss	–	–
Total other comprehensive income, net of taxes	612	539
Total other comprehensive income	93,601	75,571
Earnings per share (at par value of ₹10 each)		
Basic	7.09	5.72
Diluted	7.09	5.72

Revenue

Our revenue from operations on a standalone basis increased to ₹3,44,628 lakh from ₹3,00,538 lakh in the previous year, at an increase of 14.67%.

Profits

Our gross profit amounted to ₹1,63,815 lakh (47.5% of revenue) as against ₹1,32,742 lakh (44.2% of revenue) in the previous year. Sales and marketing costs were 6.4% of our revenue for the year ended March 31, 2023 as compared to 5.6% for the year ended March 31, 2022. General and administration expenses were 6.5 % of our revenues for the year ended March 31, 2023 as compared to 5.9% for the year ended March 31, 2022. The operating profit amounted to ₹1,19,612 lakh, as against ₹98,086 lakh (34.7% of revenue), in the previous year. The profit before tax was ₹1,26,754 lakh, as against ₹1,02,586 lakh (36.8% of revenue) in the previous year. Net profit was ₹92,989 lakh as against ₹75,032 lakh (27% of revenue) in the previous year.

Capital expenditure

This year, we incurred capital expenditure of ₹4,606 lakh. This comprises ₹4,393 lakh for investment in computer equipment, ₹85 lakh in furniture and fixtures, ₹117 lakh in intangible assets and the balance of ₹10 lakh in infrastructure. In the previous year, we incurred capital expenditure of ₹2,810 lakh. This comprises ₹2,799 lakh for investment in computer equipment ₹2 lakh in furniture and fixtures and the balance of ₹9 lakh in infrastructure.

Liquidity

Our principal sources of liquidity are cash and cash equivalents and the cash flow that we generate from our operations. We maintain sufficient cash to meet our strategic and operational requirements. We understand that liquidity in the Balance Sheet has to balance between earning adequate returns and the need to cover financial and business requirements. Liquidity enables us to be agile and ready for meeting unforeseen business needs. We believe that our working capital is sufficient to meet our current requirements. As on March 31, 2023, we have liquid assets (includes cash and cash equivalents and investments) of ₹1,00,854 lakh, as against ₹60,843 lakh at the previous year-end. These funds comprise of balances with banks in current and deposits accounts and investment in liquid mutual funds. The details of these investments are disclosed under the 'non-current and current investments' section in the financial statements in this Annual Report.

Deposits from public

The Company has not accepted any deposits including from the public and as such, no amount of principal or interest was outstanding as of the Balance Sheet date.

Transfer to reserves

The Company does not propose to transfer any amount to general reserve.

Dividend

The Company recommended / declared dividend as under :

Particulars	Fiscal 2023	
	Dividend per share (in ₹)	Dividend payout (in ₹ lakh)
Interim dividend	2.10	27,548
Final dividend	3.05 ⁽¹⁾	40,011
Total dividend	5.15	67,559
Dividend payout ratio	73%	

⁽¹⁾ Recommended by the Board, at its meeting held on April 12, 2023. The payment is subject to the approval of the shareholders at the ensuing Annual General meeting ("AGM") to be held on May 15, 2023.

Particulars of loans, guarantees or investments

The Company has not made any loan directly or indirectly to any person or other body corporate nor guaranteed nor provided security in connection with the loan to any other body corporate during the year and the Company has not acquired by way of subscription, purchase or otherwise securities of any other body corporate, exceeding the limits prescribed in Section 186 of the Companies Act, 2013 (the Act).

Particulars of contracts or arrangements with related parties

Particulars of contracts or arrangements entered into with related parties pursuant to Section 188(1) of the Act, in the prescribed Form AOC-2, is attached as *Annexure 1* to the Board's report.

Material changes and commitments affecting financial position between the end of the financial year and date of report

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of the report.

Share capital and debentures

In 2015, the Company had purchased the Finacle and Edge Services business from its holding company Infosys Limited for the total consideration of ₹3,39,900 lakh. The Company settled the payment towards purchase consideration by way of issue of fully-paid-up equity shares of the Company and debentures. The Company issued 8,500 lakh equity shares of ₹10 each amounting to ₹85,000 lakh and 2,549 lakh unsecured debentures of ₹100 each amounting to ₹2,54,900 lakh in full and final settlement to Infosys Limited. Necessary approval of the shareholders was obtained.

With the issue of the above shares, the authorized share capital of the Company as on March 31, 2023 stood at ₹4,10,000 lakh and paid-up capital of the Company stood at ₹1,31,184 lakh. There has been no fresh issue of capital during the year.

The Company has not issued any shares with differential rights, sweat equity shares or shares under employee stock option scheme. The Company has also not bought back any shares.

The Company has repaid outstanding debentures fully and has become debt-free company since June 2021.

2. Products

EdgeVerve Systems is a wholly-owned product subsidiary of Infosys. Through our industry-leading products and platforms, we assist clients to unlock unlimited possibilities in their digital transformation journeys. EdgeVerve Systems has two business units: Finacle for digital banking solutions and EdgeVerve for AI and Automation platforms.

Finacle is an industry leader in digital banking solutions, partnering with emerging and established financial institutions to inspire better banking. Our cloud-native solution suite and SaaS services help banks engage, innovate, operate, and transform better to scale digital transformation with confidence. Finacle solutions address the core banking, lending, digital engagement, payments, cash management, wealth management, treasury, analytics, AI, and blockchain requirements of financial institutions globally. Finacle's componentized structure allows banks to deploy and upgrade solutions flexibly as per their business priorities (on a private, public, or hybrid cloud). We are differentiated by our functionally rich solution suite, composable architecture, culture and entrepreneurial spirit of a start-up. We are also known for an impeccable track record of helping financial institutions of all sizes drive digital transformation at speed and scale. This has enabled Finacle to be consistently rated as a leader across core banking, digital engagement, corporate banking, and payments spaces by major industry analysts. Today, banks in more than 100 countries rely on Finacle to help more than a billion people and millions of businesses to save, pay, borrow, and invest better.

EdgeVerve AI and Automation platforms assist organizations accelerate their digital transformation journey. With a mission to help its customers create Connected Enterprise where humanity, AI and Automation work together for a better future, EdgeVerve offers three innovative platforms, AssistEdge, XtractEdge, and TradeEdge that streamline operations, enhance productivity, and drive exponential growth.

AssistEdge, the Connected Automation platform, automates and optimizes business processes using a combination of RPA, process discovery, document processing and process orchestration.

XtractEdge, the AI-powered Intelligent Document Processing platform, extracts, normalizes and contextualizes data from all kinds of structured and unstructured documents. The platform can process millions of documents, with speed, accuracy, and scale that is unmatched.

TradeEdge, the Autonomous Supply Chain platform, enables enterprises to sense and respond to demand and supply signals in near-real time by connecting partners and data across the value network.

EdgeVerve is committed to providing its customers with world-class platforms and exceptional service. Its team of experts collaborates closely with customers to develop tailored solutions that help them achieve their digital transformation goals. With a global presence and a customer-focused approach, EdgeVerve is the partner of choice for enterprises looking to stay ahead in the digital age. Visit www.edgeverve.com to know more.

3. Corporate Governance

Our corporate governance practices reflect our value system encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times.

Corporate governance is about maximizing shareholder value legally, ethically and sustainably. At EdgeVerve, the goal of corporate governance is to ensure fairness for every stakeholder. Sound corporate governance is critical to enhance and retain stakeholder trust. The Company always seeks to ensure that its performance is driven by integrity and values. The Board exercises its fiduciary responsibilities in the widest sense of the term.

At EdgeVerve, the Board of Directors ensure accountability, fairness and transparency, in the Company's relationship with the stakeholders such as clients, shareholders, employees, management, government and the community as a whole. The Company has complied with all norms of corporate governance applicable to unlisted public limited companies as envisaged under the Act and the Rules made thereunder.

Our Corporate Governance report for the fiscal 2023 forms part of this Annual Report

Number of meetings of the Board

The Board met six times during the financial year. The meeting details are given in the *Corporate Governance report* that forms part of this Annual Report.

The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Act.

Policy on directors' nomination, appointment and remuneration

The current policy is to have an appropriate mix of executive and non-executive directors on the Board and separate its functions of governance and management. As on March 31, 2023, the Board comprised five members, two members were executive directors, three members were non-executive directors of whom two were women directors. There are no independent directors appointed by the Company, as it is a wholly-owned subsidiary. The Act read with relevant rules, exempts wholly-owned subsidiaries from appointing an independent director. The composition of the Board is in conformity with applicable provisions of the Act.

The Board periodically evaluates composition and size in order to ensure proper balance of executive and non-executive directors and ensures Board diversity.

The Company has adopted the Nomination and Remuneration policy framed by the holding company – Infosys Limited. The Board affirms that the remuneration paid to the directors is in conformity with the Nomination and Remuneration Policy.

The policy of the Company on directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes of a director and other matters, as required under sub-section (3) of Section 178 of the Act, is available on our website, at <https://www.edgeverve.com/about/corporate-governance/>.

Risk management

The Company follows the risk management framework adopted by holding company Infosys Limited. The same is available at <https://www.infosys.com/investors/corporate-governance/documents/enterprise-risk-management-policy.pdf>

Board evaluation

As required under Section 134(3) of the Act and the Rules made thereunder, the evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The process of evaluation has been explained in the *Corporate Governance report* section of this Annual Report.

Board of Directors and Key managerial personnel (KMP)

Appointment

During the year –

Director – There were no appointments on the Board.

KMP – Prakash Bharadwaj was appointed as Company Secretary and KMP effective September 29, 2022.

Resignation

During the year, the following directors and KMP resigned –

Director

1. Deepak Padaki (DIN: 07873499) resigned effective June 30, 2022
2. Mohit Joshi (DIN: 08339247) resigned effective March 11, 2023

KMP – Sudhir Gaonkar resigned as Company Secretary and KMP effective September 28, 2022.

Reappointment

1. Sanat Rao (DIN: 07657698), the Whole-time director whose first term was ended on April 10, 2023, was reappointed by the Board on recommendation of Nomination and Remuneration Committee (NRC) for a period commencing from April 11, 2023 and ending on April 11, 2024.

The reappointment is subject to the approval of the members, the detailed resolution together with explanatory statement is placed before the members at the ensuing AGM. Further the reappointment is subject to approval of Central government in accordance with Schedule V and other applicable provisions of the Act.

2. Martha King (DIN: 09166670) - Pursuant to Section 152 (6) of the Act, Martha King, who has served the longest on the Board, retires by rotation at the ensuing AGM. Martha King, being eligible, offers herself for reappointment.

Her reappointment as director requires the approval of the members at the AGM. The necessary resolution for obtaining the approval of members with regard to reappointment of Martha King as a Director liable to retire by rotation is being placed before the members.

Committees of the Board

Pursuant to provisions of Section 135 of the Act, the Company has constituted the Corporate Social Responsibility Committee (CSR committee).

Further the Company has constituted NRC committee, voluntarily, in order have clear demarcation for the Board functions of governance and management.

The composition of the committee and related compliances and disclosures, as required under applicable provisions of the Act and Rules, are furnished in the *Corporate Governance report*.

Subsidiaries, associate companies, joint ventures etc

The Company does not have any subsidiaries, associate companies, or joint ventures.

Significant and material orders

There was no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Annual return

The annual return as required under Section 134(3) of the Act, will be made available for the members at <https://www.edgeverve.com/about/corporate-governance/>.

Secretarial standards

The Company complies with all applicable secretarial standards issued by the Institute of Company Secretaries of India.

Directors' Responsibility statement

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial instruments, which are measured at fair values and the provisions of 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, and relevant amendment rules issued there after.

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

The directors confirm that :

- a. In the preparation of the annual accounts for the financial year ended March 31, 2023, the applicable accounting standards have been followed and there are no material departures.
- b. They had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

- c. They had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. They had prepared the annual accounts on a going concern basis; and
- e. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Particulars of employees

Following disclosures as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are forming part of *Annexure 2* to the *Board's report*;

- i. Statement containing the names of top 10 employees in terms of remuneration drawn.
- ii. Details of employees posted in India throughout the fiscal and in receipt of a remuneration of ₹1.02 crore or more per annum.
- iii. Details of employees posted in India for part of the year and in receipt of ₹8.5 lakh or more a month.

The details of employees posted outside India and in receipt of a remuneration of ₹60 lakh or more per annum or ₹5 lakh or more a month will be made available on request.

4. Audit report and auditors

Audit reports

The auditors have issued an unmodified opinion on the financial statements of the Company for the year ended March 31, 2023. Their report for fiscal 2023 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report.

Parameshwar G. Hegde of Hegde & Hegde, Practicing Company Secretaries (FCS: 1325, CP No. 640), was appointed to conduct the secretarial audit of the Company for the fiscal 2023, as required under Section 204 of the Act and Rules thereunder. The secretarial audit report for fiscal 2023 forms part of the Annual Report as *Annexure 3* to the Board's report. The report does not contain any qualification, reservation or adverse remark.

Statutory auditors

M/s Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration Number 117366W/ W-100018) were reappointed as Statutory Auditors of the Company at the 8th AGM held on August 16, 2022, to hold office for a second term of five consecutive years from the conclusion of the 8th AGM till the conclusion of the 13th AGM to be held in the year 2027.

During the year, the statutory auditors have confirmed that they satisfy the independence criteria required under the Act, the Code of Ethics issued by the Institute of Chartered Accountants of India and the Public Company Accounting Oversight Board.

Secretarial auditor

As required under Section 204 of the Act and Rules thereunder, the Board appointed Parameshwar G. Hegde of Hegde & Hegde, Practicing Company Secretaries, as secretarial auditor of the Company for fiscal 2024.

Reporting of frauds by auditors

During the year, neither the statutory auditors nor the secretarial auditor has reported under Section 143(12) of the Act, any instances of fraud committed against the Company by its officers or employees.

Cost records and cost audit

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act are not applicable for the business activities carried out by the Company.

5. Others

Corporate Social Responsibility (CSR)

The Company has constituted the CSR committee as per the requirements of the Act. The CSR amount is allocated for projects undertaken at group level through Infosys Foundation.

The Board hence adopted the group CSR policy which is available at <https://www.edgeverve.com/about/corporate-governance/>.

The annual report on CSR activities is appended as *Annexure 4* to the Board's report. The details about the CSR committee forms part of *Corporate Governance report*.

Internal complaints committee

Infosys' goal has always been to create an open and safe workplace for every employee to feel empowered, irrespective of gender, sexual preferences, and other factors, and contribute to the best of their abilities. Towards this, we established Anti-Sexual Harassment Initiative (ASHI), which enables a positive and safe work environment for our employees.

Our ASHI practices are managed at group level within Infosys. Infosys has constituted an Internal Committee (IC) to consider and resolve all sexual harassment complaints reported by women. The IC has been constituted as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and the committee includes external members from NGOs or with relevant experience. Investigations are conducted and decisions made by the IC and a senior woman employee is the presiding officer over every case. Half of the total members of the IC are women. The role of the IC is not restricted to mere redressal of complaints but also encompasses prevention and prohibition of sexual harassment.

For the year ended March 31, 2023, there were no complaints raised under ASHI.

Conservation of energy, technology absorption, foreign exchange earnings and outgo

The operations of our Company are not energy intensive. However, adequate measures have been taken to reduce energy consumption by using energy efficient computers and by the purchase of energy efficient equipment. The Company

constantly evaluates new technologies and invests in them to make its infrastructure more energy efficient.

During the year, there was no capital investment on energy conservation equipments.

Foreign exchange earned and used for the year ended March 31, 2023 is as follows :

Particulars	(In ₹ lakh)	
	As at March 31,	
	2023	2022
Foreign exchange earnings	2,63,536	2,15,700
Foreign exchange outgo (including capital goods and imported software packages)	79,164	59,467

Acknowledgment

We thank our customers, vendors, investors and bankers for their continued support during the year. We place on record our sincere appreciation of the contribution made by employees at all levels. Our growth was made possible by their hard work, solidarity, cooperation and support.

We thank the governments of various countries where we have our operations. We also thank the Government of India, particularly the Ministry of Labour and employment, the Ministry of Communication and Information Technology, the Ministry of Commerce and Industry, the Ministry of Corporate Affairs, the Central Board of Direct Taxes, the Central Board of Indirect Taxes and Customs, GST authorities, the Reserve Bank of India, various departments under the state governments and union territories, the Software Technology Parks (STPs) / Special Economic Zones (SEZs) and other government agencies for their support and look forward to their continued support in the future.

for and on behalf of the Board of Directors

Date: April 12, 2023
Place: Bengaluru

Dennis Gada
Non-executive director

Sanat Rao
Whole-time director

Annexure to the Board's Report

Annexure 1 – Particulars of contracts / arrangements made with related parties

[Pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014 – AOC-2]

This form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered during the year ended March 31, 2023, which were not at arm's length basis.

Details of material contracts or arrangement or transactions at arm's length basis

The details of material contracts or arrangement or transactions at arm's length basis from April 1, 2022 to March 31, 2023 are as follows :

Name of the related party relationship	Nature of relationship	Duration of contract	Salient terms	Amount (In ₹ lakh)
Infosys Limited	Holding Company	Valid from July 1, 2014	Purchase of shared services including facilities and personnel	2,760
Infosys Limited	Holding Company	Valid from July 1, 2014	Purchase of services	82,256
Infosys Limited	Holding Company	Valid from July 1, 2014	Sale of services	2,009
Infosys Limited	Holding Company	Valid from July 1, 2014	Sale of services including facilities and personnel	Nil
			Total	87,025

for and on behalf of the Board of Directors

Date: April 12, 2023
Place: Bengaluru

Dennis Gada
Non-executive director

Sanat Rao
Whole-time director

Annexure 2 – Particulars of employees

Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Employees⁽¹⁾ drawing a remuneration of INR 1.02 crore or above per annum and posted in India

Sl No	Employee Name ⁽²⁾	Designation	Educational Qualification	Age	Experience (in years)	Date of Joining	Gross Remuneration paid (₹)	Previous employment and designation
1	N. Shashidhar	Global Product Head – Assist Edge	BE, PGD	47	24	01-Jul-14	1,28,08,735	Infosys Limited – Unit Planning and Assurance Manager
2	Sateesh Seetharamiah	Global Head – Edge Products	BE, MSC	54	28	01-Jul-14	1,95,44,403	Infosys Limited – Senior Principal – Business Consulting
3	Sunila Jaikumar	Head HR – Finacle	BSC, MDPMI	48	25	31-Dec-14	1,02,00,535	Infosys Limited – Senior Principal – Organization Development
4	Sudir Babu N. P.	Delivery Head	BSC, PGD	56	35	01-Aug-15	1,18,62,026	Infosys Limited – Senior Delivery Manager
5	Prasad C.	Product Business Manager	BE	50	28	01-Aug-15	1,24,26,244	Infosys Limited – Lead Product Manager
6	Rajashekara V. Maiya	Head – Solution Consulting, Finacle	B.Com, M.Com, CA	50	27	01-Aug-15	1,61,38,579	Infosys Limited – Principal – Product Strategy
7	Venkatramana Gosavi	Global Head Sales – Finacle	BE, MBA	58	33	01-Aug-15	2,16,30,824	Infosys Limited – Regional Head
8	Arun Kumar Krishnan	Head – Product Development	BE, MS (Engg)	59	33	01-Aug-15	2,10,76,505	Infosys Limited – Product Delivery Head
9	Hemant Govind Kalgaonkar	Senior Delivery Manager	BE	49	27	01-Aug-15	1,09,44,853	Infosys Limited – Delivery Manager
10	Ajit Aravind Sawant	Associate Regional Manager – Finacle Sales	BSC, MMS	51	27	08-Sep-15	1,02,11,258	Infosys Limited – Senior Business Development Manager
11	Venkatraman Ramachandran Kalambur	Head – Product Architecture	BE	52	28	24-Feb-16	1,34,15,755	I-Exceed Technology Solutions Pvt Ltd – VP
12	Sagar Sarma	Senior Director and Head – Product Development	BE, PGDM	54	22	27-Mar-17	1,28,52,621	McAfee Software Solutions Pvt Ltd – Director Of Engineering
13	Rajesh Kini M.	Chief Financial Officer	B.Com, CA	49	25	17-Jan-19	1,08,14,181	Infosys Limited, AVP Finance
14	Bhushan Gunwant Deshmukh	Senior Director and Head – Product Service Delivery	BE	48	26	03-Apr-19	1,07,73,828	Infosys Limited – AVP Delivery Head
15	Sajit Vijayakumar	Chief Operating Officer – Finacle	B.Com, AICWA, ACA	51	27	14-Nov-19	2,27,99,686	ICICI Securities/ICICI Infotech – Assistant VP – Financial Control
16	Krishnaswamy Subbarao	Senior Industry Principal	BE	53	28	23-Apr-20	1,23,08,084	Pantic Works Private Limited, Co-Founder & Partner

⁽¹⁾ The employees mentioned in the aforesaid exhibit have / had permanent employment contracts with the Company. The employees are neither relatives of any directors of the Company, nor hold 2% or more of the paid-up equity share capital of the Company as per Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

⁽²⁾ Based on date of joining

Employed for part of the year with an average salary above ₹8.5 lac per month and posted in India

SI No	Employee name	Designation	Educational qualification	Age	Experience (in years)	Date of joining	Date of leaving	Gross remuneration paid (₹)	Previous employment and designation
1	Kartik Murugan	Senior Director and Head – Marketing	BE, MBA	47	23	03-Oct-18	02-Nov-22	99,55,518	Suntech Business Solutions – Vice President Marketing
2	Rahul Goyal	Senior Director and Head – Product Service Delivery	BE	48	22	01-Apr-20	04-Apr-22	22,91,181	Infosys Limited – AVP & Delivery Head
3	Arvind Rao	Chief Technology Officer – Edge Products	BE, MS (Engg)	54	29	30-Nov-22	–	34,95,558	ZYME E2 open – AVP – Product Management

Top 10 employees in terms of remuneration drawn during the year

SI No	Employee name ⁽⁴⁾	Full or part year	Designation	Educational qualification	Age	Experience (in years)	Date of joining	Gross remuneration paid (₹)	Previous employment and designation
1	Sanat Rao	Full year	Head – Finacle	B.Com, PGDBA	58	32	03-Oct-16	82,332,250	IBM – Application Innovation Consulting Leader
2	Sajit Vijayakumar	Full year	Chief Operating Officer – Finacle	B.Com, AICWA, ACA	51	27	14-Nov-19	2,27,99,686	ICICI Securities/ICICI Infotech – Assistant VP – Financial Control
3	Venkatramana Gosavi	Full year	Global Head Sales – Finacle	BE, MBA	58	33	01-Aug-15	2,16,30,824	Infosys Limited – Regional Head
4	Arun Kumar Krishnan	Full year	Head – Product Development	BE, MS (Engg)	59	33	01-Aug-15	2,10,76,505	Infosys Limited – Product Delivery Head
5	Sateesh Seetharamiah	Full year	Global Head – Edge Products	BE, MSC	54	28	01-Jul-14	1,95,44,403	Infosys Limited – Senior Principal – Business Consulting
6	Rajashekara V. Maiya	Full year	Head – Solution Consulting, Finacle	B.Com, M.Com, CA	50	27	01-Aug-15	1,61,38,579	Infosys Limited – Principal – Product Strategy
7	Venkatraman Ramachandran Kalambar	Full year	Head – Product Architecture	BE	52	28	24-Feb-16	1,34,15,755	I-Exceed Technology Solutions Pvt Ltd – VP
8	Sagar Sarma	Full year	Senior Director and Head – Product Development	BE, PGDM	54	22	27-Mar-17	1,28,52,621	McAfee Software Solutions Pvt Ltd – Director of Engineering
9	N. Shashidhar	Full year	Global Product Head – Assist Edge	BE, PGD	47	24	01-Jul-14	1,28,08,735	Infosys Limited – Unit Planning and Assurance Manager
10	Prasad C.	Full year	Product Business Manager	BE	50	28	01-Aug-15	1,24,26,244	Infosys Limited – Lead Product Manager

⁽⁴⁾ Based on gross remuneration paid

Annexure 3 – Secretarial audit report for the financial year ended March 31, 2023

(Pursuant to section 204 (1) of the Companies Act 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To
The Members,
EdgeVerve Systems Limited,
Plot No. 44, Electronics City, Hosur Main Road Bengaluru-560100
Karnataka, India

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **EDGEVERVE SYSTEMS LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2023** and made available to me, according to the provisions of :

- I. The Companies Act, 2013 ("the Act") and the rules made thereunder;
- II. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment, if any, (there was no event/action during the year pursuant to this Act,);
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (there was no event/action during the year pursuant to this Act,) and
- IV. Other laws applicable specifically to the Company, namely :
 - a The Information Technology Act, 2000 and the rules made thereunder;
 - b The Special Economic Zones Act, 2005 and the rules made thereunder;
 - c Software Technology Parks of India rules and regulations;
 - d The Patents Act, 1970;
 - e The Trade Marks Act, 1999.

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

I report that, during the period under review the Company has complied with the provisions of the Acts, Rules, Regulations and Standards mentioned above.

I further report that, being an unlisted Company, during the audit period, the following Acts and the rules and regulations made thereunder were not applicable to the Company :

- i. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- ii. The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations and Guidelines made/issued thereunder.

I further report that, the compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by the statutory financial auditors, tax auditors, and other designated professionals.

I further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board meetings, and except in case of meetings called with shorter notice to transact urgent business, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that, based on the information provided and the representation made by the Company and also on the review of the compliance certificates/reports taken on record by the Board of Directors of the Company, in my opinion, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I report further that, during the audit period, there were no specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. having a major bearing on the Company's affairs.

Place: Bengaluru
Date: April 10, 2023

P.G. Hegde
Hegde & Hegde Company Secretaries
FCS: 1325 / C.P. No: 640
UDIN: F001325E000015405

This report is to be read with Annexure A which forms an integral part of this report.

Annexure A

To,
The Members
EdgeVerve Systems Limited
Bengaluru

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place: Bengaluru
Date: April 10, 2023

P.G. Hegde
Hegde & Hegde Company Secretaries
FCS: 1325 / C.P. No: 640
UDIN: F001325E000015405

Annexure 4 - Annual report on CSR activities

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended.]

1. Brief outline on CSR Policy of the Company

Over the years, we have been focusing on sustainable business practices encompassing economic, environmental and social imperatives that not only cover business, but also the communities around us. We focus on our social and environmental responsibilities to fulfill the needs and expectations of the communities around us. Our Corporate Social Responsibility (CSR) is not limited to philanthropy, but encompasses holistic community development, institution-building and sustainability-related initiatives. Our CSR Policy aims to provide a dedicated approach to community development in the areas of improving healthcare, supporting education, rehabilitating the destitute, women and children, preserving Indian art and culture, removing malnutrition, rural development, and contribute to the sustainable development of society and environment, and to make our planet a better place for future generations.

Objectives

Our broad objectives, as stated in our CSR Policy, include:

- Making a positive impact on society through economic development and reduction of our resource footprint
- Taking responsibility for the actions of the Company while also encouraging a positive impact through supporting causes concerning the environment, communities and our stakeholders

Focus areas

- Promoting education, enhancing vocational skills and digital literacy
- Promoting gender equality by empowering women
- Healthcare including preventive healthcare
- Destitute care and rehabilitation
- Environmental sustainability and ecological balance
- Protection of national heritage, restoration of historical sites, promotion of art and culture

2. Composition of CSR committee

Sl. no.	Name of the director	Designation / Nature of directorship	Number of meetings of CSR committee held during the year	Number of meetings of CSR committee attended during the year
1	Inderpreet Sawhney ⁽¹⁾	Chairperson	1	1
2	Dennis Gada ⁽²⁾	Member	–	–
3	Sateesh Seetharamiah ⁽³⁾	Member	–	–
4	Mohit Joshi ⁽⁴⁾	Member	1	1
5	Deepak Padaki ⁽⁵⁾	Chairperson	1	1

⁽¹⁾ designated as Chairperson effective July 22, 2022

⁽²⁾ appointed as Member effective July 22, 2022

⁽³⁾ appointed as Member effective April 12, 2023

⁽⁴⁾ resigned effective March 11, 2023

⁽⁵⁾ resigned effective June 30, 2022

3. Web link(s) for composition of CSR committee, CSR policy and CSR projects approved by the Board.

- The composition of the CSR committee is available on our website, at <https://www.edgeverve.com/wp-content/uploads/2022/11/Composition-Committees.pdf>
- The Committee, with the approval of the Board, has adopted the group CSR Policy as required under Section 135 of the Companies Act, at <https://www.edgeverve.com/about/corporate-%20governance/>
- The Board, based on the recommendation of the CSR committee, at its meeting held on April 12, 2023, has approved the annual action plan / projects for fiscal 2023, the details of which are available on our website, at <https://www.edgeverve.com/about/corporate-governance/>

4. Executive summary and web link(s) of Impact Assessment reports

Background

EdgeVerve actively works with Infosys Foundation for its CSR programs. Infosys foundation has been doing exemplary CSR work for over 25 years towards supporting various projects in the areas of:

- Promoting education, enhancing vocational skills and digital literacy
- Promoting gender equality by empowering women
- Healthcare including preventive healthcare
- Environmental sustainability and ecological balance.
- Destitute care and rehabilitation
- Protection of national heritage, art and culture

Objective of the Assessment

It is extremely important to assess the effectiveness of the projects undertaken with respect to the stated objectives. The key objectives of the assessment are :

- Get insights into the projects to establish the overall effectiveness and impact
- Use measurable indicators to gauge the progress of the grantee organization towards meeting the intended milestones and long-term goals.
- Provide frameworks, metrics and tools for ongoing evaluations, monitoring, program and design
- Give recommendations for grant decision-making and as a guidepost for future projects.

Methodology

Measurement of actual results on the ground is done through a process-outcome evaluation, in which the focus is on generating appropriate evidence through 4 key channels :

1. Key informant interviews: These are in-depth interviews with people who have first-hand knowledge about the project, the need, the community and the evolution of the grant. These interviews are usually done in two rounds - before the actual site visit and then as a summative exercise to triangulate the nature of the findings.
2. Site visits: These are in-person visits to the project or program sites and the communities nearby to elicit information on a checklist or program milestones. These visits and discussions with stakeholders on site facilitate the research team to come up with observations and/or conclusions.
3. Secondary data analysis: This is a desk-based analysis of data from grantee organizations on usage of services, timelines of program and monitoring data through management information systems (MIS), photographs, press releases, among others.
4. End user surveys: These are in-person, web-based or phone-based data collection from end users or beneficiaries of the projects and covers a variety of quantitative information including their type of usage, length of association, and satisfaction with services.

The data thus gathered from primary and secondary sources is analyzed and triangulated to present a comprehensive assessment of the project outcomes and execution processes.

Executive Summary of Assessed Grants

Project undertaken for impact assessment in the current year covers sustainability as described below , conducted by LEAD @ Krea University .

(Detailed project assessment report can be accessed at <https://www.edgeverve.com/about/corporate-governance/>)

A. Sustainability

The Foundation undertook a project of rejuvenating a water body of historical importance.

Beneficiary Name	Project Description
General Public; Department of Archeology, Government of Karnataka	Rejuvenation of two water bodies, renovation of surrounding heritage structures, construction of compound walls around the premises, and implementation of a rainwater harvesting system in Melukote. This will benefit approximately ninety lakh visitors in ten years.

5. Average net profit of the Company

- (a) Average net profit of the Company as per sub-section (5) of Section 135: ₹79,800.32 lakhs
 (b) Two percent of average net profit of the Company as per sub-section (5) of Section 135: ₹1,596.01 lakhs
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
 (d) Amount required to be set-off for the financial year, if any: Nil
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹1,596.01 lakhs

6. Amount spent on CSR projects

- (a) Amount spent on CSR projects (both ongoing project and other than ongoing project): ₹1,606.00 lakhs
 (b) Amount spent in administrative overheads: Nil
 (c) Amount spent on impact assessment, if applicable: Nil
 (d) Total amount spent for the financial year [(a)+(b)+(c)]: ₹1,606.00 lakhs
 (e) CSR amount spent or unspent for the financial year

Total amount spent for the financial year. (In ₹ lakhs)	Amount unspent (In ₹)				
	Total amount transferred to unspent CSR account as per sub-section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135		
	Amount. (In ₹ lakhs)	Date of transfer	Name of the Fund	Amount	Date of transfer
1,606.00	Nil	NA	NA	Nil	NA

(f) Excess amount for set-off, if any :

Sl. No.	Particular	Amount (In ₹ lakhs)
(i)	Two percent of average net profit of the Company as per sub-section (5) of Section 135	1,596.01
(ii)	Total amount spent for the financial year	1,606.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	9.99
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

7. Details of Unspent CSR amount for the preceding three financial years :

Sl. no	Preceding financial year(s)	Amount transferred to unspent CSR account under sub-section (6) of Section 135	Balance amount in unspent CSR account under sub-section (6) of Section 135 (In ₹ lakhs)	Amount spent in the financial year (in ₹ lakhs)	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any	Amount remaining to be spent in succeeding financial years (in ₹ lakhs)	Deficiency, if any
					Amount (In ₹ lakhs)	Date of transfer	
							N.A

8. Details of capital assets created or acquired during the financial year :

None

9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per sub-section (5) of Section 135.

Not applicable

Place: Bengaluru
 Date: April 12, 2023

Inderpreet Sawhney
 Chairperson, CSR Committee.

Sanat Rao
 Whole-time Director

Corporate Governance report

The Board of Directors ('the Board') is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of all our stakeholders. We believe that an active, well informed Board is necessary to ensure the highest standards of corporate governance. It is well recognized that an effective Board is a prerequisite for strong and effective corporate governance. Our Board exercises its fiduciary responsibilities in the widest sense of the term.

Our corporate governance framework is guided by our core values – Client Value, Leadership by Example, Integrity and Transparency, Fairness and Excellence (C-LIFE).

A. Board Composition

Size and Composition of the Board

The current policy is to have an appropriate mix of executive and non-executive directors and separate its functions of governance and management. As on March 31, 2023, the Board consists of five members, two members were executive directors and three directors were non-executive directors of whom two were women. The Board periodically evaluates the need for change in its composition and size.

We have adopted the good corporate governance guidelines in line with governance policies of the holding company to the extent applicable and to help fulfil our corporate responsibility towards stakeholders. These guidelines ensure that the Board will have the necessary authority and processes to review and evaluate our operations when required. Further, these guidelines allow the Board to make decisions that are independent of the Management.

The Company has complied with all norms of corporate governance applicable to the unlisted public company as envisaged under the Act and the Rules made thereunder including Secretarial Standards on Board and general meetings issued by the Institute of Company Secretaries of India.

The composition of the Board as on March 31, 2023 is as follows :

Name of director, designation, age and DIN	Date of appointment	Area of expertise	Highest qualification held	Directorship in Indian listed companies	Directorship held in all companies around the world
Sanat Rao <i>Whole-time Director,</i> Age: 58 years, DIN: 07657698	Appointed as Board member on November 16, 2016 and became a Whole-time director effective April 11, 2018. Proposed reappointment as Whole-time director at the ensuing AGM.	Banking and Technology	MBA (IIM – Bangalore)	Nil	Nil
Sateesh Seetharamiah <i>Whole-time Director,</i> Age: 54 years, DIN: 09328904	Appointed effective September 27, 2021	Supply Chain, Management Consulting, Artificial Intelligence, IoT and Automation	Master's degree in Biomedicine from New Jersey Institute of Technology, research credentials from Robert Wood Johnson Medical School (New Jersey) and a bachelor in Instrumentation Technology from University of Mysore.	Nil	Nil
Inderpreet Sawhney <i>Non-executive Director,</i> Age: 58 years, DIN: 07925783	Appointed effective September 1, 2017	Legal, regulatory and compliance	LL.B from Delhi University and LL.M from Queen's, University, Kingston, Canada	Nil	<ul style="list-style-type: none"> • Infosys BPM Limited • Infosys Americas Inc • Infosys Consulting Holding AG • Infosys Nova Holdings LLC • Hillenbrand Inc

Name of director, designation, age and DIN	Date of appointment	Area of expertise	Highest qualification held	Directorship in Indian listed companies	Directorship held in all companies around the world
Martha King Non-executive Director, Age: 59 years DIN: 09166670	Appointed effective May 10, 2021	Financial Services, Investment Management and Retirement	B.S. from Bloomsburg University of Pennsylvania and Advanced Management Program at the Wharton School of the University of Pennsylvania	Nil	Infosys BPM Limited
Dennis Gada Non-executive Director, Age: 43 years DIN: 09310292	Appointed effective September 13, 2021	Financial Services, Business Consulting and Technology	Chartered Accountant, Bachelor of Commerce	Nil	Nil

Board meetings

During the year, six Board meetings were held in accordance with Section 173 of Companies Act, 2013. The Board met on, April 12, 2022, July 22, 2022, September 28, 2022, October 11, 2022, October 13, 2022, and January 11, 2023. The gap between the Board meetings did not exceed 120 days.

Attendance of directors during fiscal 2023

Board attendance

Board attendance										
Name of directors	AGM on Aug 16, 2022	Board meetings						Held during tenure	✓	% of attendance
		1	2	3	4	5	6			
		Apr 12, 2022	Jul 22, 2022	Sept 28, 2022	Oct 11, 2022	Oct 13, 2022	Jan 11, 2023			
Sanat Rao					L	L		6	4	66
Sateesh Seetharamiah					L	L		6	4	66
Inderpreet Sawhney					L			6	5	83
Martha King	L	L						6	5	83
Dennis Gada		L						6	5	83
Mohit Joshi ⁽¹⁾								6	6	100
Deepak Padaki ⁽²⁾	NA		NA	NA	NA	NA	NA	1	1	100
% Attendance	83%	71%	100%	100%	50%	66%	100%			

Present
 Attended
 L Leave of absence
 Attended through video call

⁽¹⁾ resigned effective March 11, 2023

⁽²⁾ resigned effective June 30, 2022

Board committees

The Board has constituted following two committees –

1. Corporate Social Responsibility (CSR) Committee

As per the requirements of the Act, the Board has constituted CSR Committee, the committee comprised –

Composition and attendance details

CSR Committee		
Name	Designation	Meeting
		Apr 12, 2022
Inderpreet Sawhney ⁽¹⁾	Chairperson	
Deepak Padaki ⁽²⁾	Chairperson	
Mohit Joshi ⁽³⁾	Member	
Dennis Gada ⁽⁴⁾	Member	NA
Sateesh Seetharamiah ⁽⁵⁾	Member	NA

Present

⁽¹⁾ designated as Chairperson effective July 22, 2022

⁽²⁾ resigned effective June 30, 2022

⁽³⁾ resigned effective March 11, 2023

⁽⁴⁾ appointed as Member effective July 22, 2022

⁽⁵⁾ appointed as Member effective April 12, 2023

CSR policy and annual report on CSR activities

The Company has adopted the group CSR Policy in compliance with the Companies Act, 2013 read with relevant rules made thereunder. The annual report on CSR activities, as required under the Companies Act, 2013, for the year ended March 31, 2023, is attached as *Annexure 4* to the Board's report.

2. Nomination and Remuneration Committee (NRC)

On July 22, 2022, the Board constituted NRC voluntarily in order to have clear demarcation for the Board functions of governance and management. The Committee comprises only non-executive directors. As on March 31, 2023, the Committee comprised :

Composition and attendance details

NRC			
Name	Designation	Meeting	
		Sept 28, 2022	Jan 11, 2023
Dennis Gada	Chairperson		
Inderpreet Sawhney	Member		
Martha King	Member		
Mohit Joshi ⁽¹⁾	Member		

Present Attended through video call

⁽¹⁾ resigned effective March 11, 2023

Director retiring by rotation for reappointment

In accordance with the Act read with relevant rules, two-third of directors of a public company are liable to retire by rotation and one-third are liable to retire at every general meeting. In this regard, Martha King, who has served the longest on the Board, retires by rotation at the ensuing AGM. Martha King, being eligible, offers herself for reappointment. Her reappointment is subject to the approval of the members at the ensuing AGM. The necessary resolution for obtaining the approval of members with regard to reappointment of Martha King as a Director liable to retire by rotation is being placed before the members. The above director satisfies the requirement of Directors' Appointment / Reappointment criteria.

Board evaluation

During the year, the NRC conducted the Board evaluation. The evaluation of all the directors and the Board as a whole, was conducted through a peer evaluation method excluding the director being evaluated, based on the predefined criteria and framework adopted by the Board.

A questionnaire was circulated based on Board defined criteria and the assessments were received from each director, and the evaluation outcome was placed before the Board.

The Board evaluation process was completed during fiscal 2023.

Scheduling and selection of agenda items for the Board meetings

The dates of the subsequent Board Meetings are decided month in advance and published to the directors to enable them to block their calendar. The non-executive Chairperson of the Board and the Company Secretary draft the agenda for each meeting, along with explanatory notes, in consultation with CFO, and distribute these in advance to the directors. Every Board member can suggest the inclusion of additional items in the agenda.

The Board meets at least once a quarter to review the quarterly financial statements and other items on the agenda. Additional meetings are held when necessary. Directors are expected to attend all Board meetings in a year. However, with the Board being represented by directors from various parts of the world, it may not be possible for each one of them to be physically present at all the meetings. Hence, we provide video / teleconferencing facilities to enable their participation. Committees of the Board usually meet before the formal Board meeting, or whenever the need arises for transacting business.

The Board members are expected to rigorously prepare for, attend and participate in all Board and applicable committee meetings. Each member is expected to ensure that their commitments do not materially interfere with their responsibilities at EdgeVerve.

The quarterly Board and committee meetings of the company will be held in line with its holding company, Infosys Limited for consolidation purpose.

Remuneration to the directors

During fiscal 2023, the remuneration was paid to the whole-time directors. Non-executive directors are not paid any remuneration, fees or commission.

The remuneration paid to the directors is in accordance with the policy and within the limits prescribed under the Companies Act, 2013, as approved by the shareholders.

General body meetings

The details of last three Annual and / or Extraordinary General Meetings are as follows:

Type of general meeting	Date and time	Venue	Special resolutions passed
Annual General Meeting	August 16, 2022 at 5.00 p.m.	Through video conference	Nil
Annual General Meeting	September 30, 2021 at 3.30 p.m.	Through video conference	Nil
Annual General Meeting	October 12, 2020 at 4.00 p.m.	EdgeVerve Systems Limited, Plot No 44, Electronics City, Hosur Road, Bengaluru – 560100	Approval of payment of remuneration to non-executive independent directors

Secretarial Audit

The Board of Directors of the Company appointed Parameshwar G. Hegde of Hegde & Hegde, Practicing Company Secretary to conduct secretarial audit of procedures, records and documents of the Company with regard to governance related compliances. The Secretarial Audit Report confirms that the Company has complied with all the applicable provisions of the Companies Act, 2013. The report of the Secretarial Auditor forms part of Board's report as *Annexure 3*. The report does not contain any qualification, reservation or adverse remark.

The Board of directors has appointed Parameshwar G. Hegde as Secretarial auditor of the company for fiscal 2024.

Whistleblower Policy

The Company has adopted the group Whistleblower Policy to ensure and promote ethics, transparency and accountability. The whistleblower offers a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of our Company's Code of Conduct or Ethics policy. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the chairperson of the audit committee in exceptional cases. The policy has been posted on the website of the Company at <https://www.infosys.com/investors/corporate-governance/documents/whistleblower-policy.pdf>.

Independent Auditor's Report

To the members of edgeverve systems limited

Report on the Audit of the Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SA's") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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

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

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143⁽³⁾ of the Act, based on our audit we report that :
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164⁽²⁾ of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197⁽¹⁶⁾ of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us :

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 2.20 to the financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards for material foreseeable losses. Refer Note 2.14 to the financial statements. The Company does not have any long-term derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. As stated in Note 2.10.1 to the financial statements
(a) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.
(b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
 - vi. Proviso to Rule 3⁽¹⁾ of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143⁽¹¹⁾ of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

Place: Bengaluru
Date: April 12, 2023

Annexure “A” To The Independent Auditor’s Report

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

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

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

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

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

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

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

Place: Bengaluru
Date: April 12, 2023

Annexure 'B' To The Independent Auditor's Report

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

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

- i. In respect of the Company's property, plant and equipment and intangible assets :
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
(B) The company has maintained proper records showing full particulars of intangible assets.
 - (b) The Company has a program of physical verification of property, plant and equipment so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The Company does not have any immovable properties and hence reporting under clause (i)(c) of the Order is not applicable.
 - (d) The Company has not revalued any of its property, plant and equipment and intangible assests during the year.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
 - (a) The Company does not have any inventory and hence reporting under Clause (ii)(a) of the Order is not applicable.
 - (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.
- iii. The Company has made investments in, and granted unsecured loans to other parties, during the year, in respect of which :
 - (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under paragraph (iii)(a) of the Order is not applicable.
 - (b) In our opinion, the investments made and the terms and conditions of the grant of loans during the year are, prima facie, not prejudicial to the Company's interest.
 - (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.
 - (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
 - (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
 - (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.
The Company has not made investments in Firms and Limited Liability Partnerships during the year. Further the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any other parties.
- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees, and securities provided, as applicable.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under sub section ⁽¹⁾ of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence reporting under clause (vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues :
 - (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
 - (b) Details of Statutory dues referred to in sub-clause (a) which have not been deposited as on March 31, 2023 on account of dispute are given below :

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

* Less than ₹1 lakh

AY=Assessment Year; FY= Financial Year.

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of the Order is not applicable.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company did not have any subsidiary or associate or Joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- (f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable.
- xi. (a) To the best of our knowledge, no fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section ⁽¹²⁾ of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report) while determining the nature, timing and extent of our audit procedures.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under Clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined under Core Investment Companies (Reserve Bank) Directions) and accordingly reporting under Clause (xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.

- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The company has fully spent the required amount toward Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer of a Fund specified in Schedule VII of the Companies Act or special account in compliance with the provision of sub section ⁽⁶⁾ of section 135 of the said Act. Accordingly reporting under clause (xx) of the Order 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: 23110128BGRDED8922

Place: Bengaluru
Date: April 12, 2023

Balance Sheet

(In ₹ lakh)

Particulars	Note	As at March 31,	
		2023	2022
Assets			
Non-current assets			
Property, plant and equipment	2.1	6,446	5,062
Capital work-in-progress	2.1a	180	161
Other intangible assets	2.2	107	–
Financial assets			
Loans	2.4	1	8
Other financial assets	2.5	3,939	1
Deferred tax assets (net)	2.15	872	588
Income tax assets	2.15	22,773	19,239
Other non-current assets	2.8	7,773	4,136
Total non-current assets		42,091	29,195
Current assets			
Financial assets			
Investments	2.3	40,533	38,131
Trade receivables	2.6	19,479	13,199
Cash and cash equivalents	2.7	60,322	22,712
Loans	2.4	255	278
Other financial assets	2.5	38,726	39,114
Other current assets	2.8	23,344	12,859
Total current assets		1,82,659	1,26,293
Total assets		2,24,750	1,55,488

Particulars	Note	As at March 31,	
		2023	2022
Equity and liabilities			
Equity			
Equity share capital	2.10	1,31,184	1,31,184
Other equity		15,493	(50,558)
Total equity		1,46,677	80,626
Liabilities			
Current liabilities			
Financial liabilities			
Trade payables	2.12		
Total outstanding dues of micro enterprises and small enterprises		582	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,730	4,148
Other financial liabilities	2.11	38,826	37,068
Other current liabilities	2.13	25,344	23,431
Provisions	2.14	116	142
Income tax liabilities	2.15	10,475	10,073
Total current liabilities		78,073	74,862
Total equity and liabilities		2,24,750	1,55,488

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

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

Gurvinder Singh
Partner
Membership No. 110128
Bengaluru
April 12, 2023

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

Sanat Rao
Whole-time Director

Rajesh Kini
Chief Financial Officer

Sateesh Seetharamiah
Whole-time Director

Prakash Bharadwaj
Company Secretary

Statement of Profit and Loss

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

Particulars	Note	Year ended March 31,	
		2023	2022
Revenue from operations	2.16	3,44,628	3,00,538
Other income, net	2.17	7,142	4,706
Total income		3,51,770	3,05,244
Expenses			
Employee benefit expenses	2.18	70,775	72,770
Cost of technical sub-contractors		92,111	70,964
Travel expenses	2.18	6,525	2,257
Cost of software packages and others	2.18	21,749	29,378
Consultancy and professional charges		10,710	9,976
Depreciation and amortization expense	2.1	3,109	2,551
Finance cost		–	206
Other expenses	2.18	20,037	14,557
Total expenses		2,25,016	2,02,658
Profit before tax		1,26,754	1,02,586
Tax expense			
Current tax	2.15	34,049	27,394
Deferred tax	2.15	(284)	161
Profit for the year		92,989	75,032
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability/asset, net of tax		612	539
Items that will be reclassified subsequently to profit or loss		–	–
Total other comprehensive income/ (loss), net of tax		612	539
Total comprehensive income for the year		93,601	75,571
Earnings per equity share			
Equity shares of par value of ₹10 each			
Basic and diluted (₹)		7.09	5.72
Weighted average equity shares used in computing earnings per equity share			
Basic and diluted		1,31,18,40,000	1,31,18,40,000

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

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

Gurvinder Singh
Partner
Membership No. 110128
Bengaluru
April 12, 2023

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

Sanat Rao
Whole-time Director

Rajesh Kini
Chief Financial Officer

Sateesh Seetharamiah
Whole-time Director

Prakash Bharadwaj
Company Secretary

Statement of Change in Equity

(In ₹ lakh)

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

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

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

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

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

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

Gurvinder Singh
Partner
Membership No. 110128

Bengaluru
April 12, 2023

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

Sanat Rao
Whole-time Director

Rajesh Kini
Chief Financial Officer

Sateesh Seetharamiah
Whole-time Director

Prakash Bharadwaj
Company Secretary

Statement of Cash Flows

Accounting policy

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

(In ₹ lakh)

Particulars	Note	Year ended March 31,	
		2023	2022
Cash flows from operating activities			
Profit for the year		92,989	75,032
Adjustments to reconcile net profit to net cash generated by operating activities			
Depreciation and amortization	2.1	3,109	2,551
Income tax expense	2.15	33,765	27,555
Impairment loss recognized on financial assets	2.18	1,765	272
Reversal for post-sales client support and others	2.18	(28)	(40)
Profit on sale of property, plant and equipment	2.17	(13)	(14)
Finance cost		–	206
Interest income	2.17	(3,564)	(3,592)
Gain on sale of investments carried at fair value	2.17	(1,876)	(767)
Exchange difference on translation of assets and liabilities		1,697	21
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(18,682)	(8,035)
Other financial assets and other assets		(5,269)	(2,706)
Trade payables	2.12	(836)	2,247
Other financial liabilities, other liabilities and provisions		3,799	15,669
Cash generated from operations		1,06,856	1,08,398
Income taxes paid, net of refunds		(37,181)	(33,539)
Net cash generated from operating activities		69,674	74,859
Cash flows from investing activities:			
Expenditure on property, plant and equipment		(4,120)	(2,922)
Loans to employees	2.4	30	(31)
Payments to acquire financial assets			
Liquid mutual fund units		(2,70,823)	(1,68,400)
Proceeds on sale of financial assets			
Liquid mutual fund units		2,70,297	1,33,543
Interest received on bank deposits and others		1,797	3,343
Net cash (used in)/ from investing activities		(2,818)	(34,468)
Cash flows from financing activities			
Debentures repaid to holding company		–	(53,600)
Payment of interest on debentures		–	(206)
Payment of dividend to holding company		(27,549)	–
Net cash used in financing activities		(27,549)	(53,806)
Effect of exchange differences on translation of foreign currency cash and cash equivalents		(1,697)	(21)
Net increase/(decrease) in cash and cash equivalents		37,610	(13,436)

Particulars	Note	Year ended March 31,	
		2023	2022
Cash and cash equivalents at the beginning of the year	2.7	22,712	36,148
Cash and cash equivalents at the end of the year	2.7	60,322	22,712
Supplementary information			
Restricted cash balance	2.7	-	-

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

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants

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

Gurvinder Singh

Partner

Membership No. 110128

Bengaluru

April 12, 2023

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

Sanat Rao

Whole-time Director

Sateesh Seetharamiah

Whole-time Director

Rajesh Kini

Chief Financial Officer

Prakash Bharadwaj

Company Secretary

Notes to the Financial Statements

1. Company overview and significant accounting policies

1.1 Company overview

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

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

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

1.2 Basis of preparation of financial statements

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

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

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

1.3 Use of estimates and judgments

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

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

1.4 Critical accounting estimates and judgments

a. Revenue recognition

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

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

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

b. Income Tax

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

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

c. Property, plant and equipment

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

d. Allowance for credit losses on receivables and unbilled revenue

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

1.5 Earnings per equity share

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

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

1.6 Recent accounting pronouncements

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

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

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

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

2.1 Property, plant and equipment

Accounting policy

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

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

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

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

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

Impairment

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

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

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

(In ₹ lakh)

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

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

(In ₹ lakh)

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

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

2.1a Capital work-in-progress

(In ₹ lakh)

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

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

(In ₹ lakh)

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

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

(In ₹ lakh)

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

2.2 Other intangible assets

Accounting policy

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

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

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

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

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

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

2.3 Investments

(In ₹ lakh)

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

Method of fair valuation

(In ₹ lakh)

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

2.4 Loans

(In ₹ lakh)

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

2.5 Other financial assets

(In ₹ lakh)

Particulars	As at March 31,	
	2023	2022
Non-current		
Security deposits	1	1
Unbilled revenues	3,938	–
Total non-current other financial assets	3,939	1
Current		
Restricted deposits*	6,043	5,608
Unbilled revenues ^{(1)#}	30,023	32,770
Interest accrued but not due	2,350	584
Others ⁽²⁾	310	152

Particulars	As at March 31,	
	2023	2022
Total current other financial assets	38,726	39,114
Total other financial assets	42,665	39,115
Financial assets carried at amortized cost	42,665	39,115
⁽¹⁾ Includes dues from fellow subsidiaries (Refer to Note 2.21)	210	22
⁽²⁾ Includes dues from fellow subsidiaries (Refer to Note 2.21)	3	–

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

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

2.6 Trade receivables

(In ₹ lakh)

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

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

(In ₹ lakh)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		< 6 months	6 months - 1 year	1-2 years	2-3 years	>3 years	
Undisputed trade receivables – considered good	13,094	6,203	961	688	252	422	21,620
	6,030	5,724	1,479	253	195	367	14,048
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Less: Allowance for credit loss							2,141
							850
Total trade receivables	13,094	6,203	961	688	252	422	19,479
	6,030	5,724	1,479	253	195	367	13,199

2.7 Cash and cash equivalents

(In ₹ lakh)

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

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

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

2.8 Other assets

(In ₹ lakh)

Particulars	As at March 31,	
	2023	2022
Noncurrent		
Advances other than capital advances		
Others		
Prepaid expenses	116	198
Cost of fulfilment	4,087	3,278
Prepaid gratuity (Refer to Note 2.19)	812	661
Unbilled revenues ⁽¹⁾	2,757	-

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

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

* Withholding taxes and others primarily consist of input tax credits

2.9 Financial instruments

Accounting policy

2.9.1 Initial recognition

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

2.9.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

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

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

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

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

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

(iv) Financial liabilities

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

b. Derivative financial instruments

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

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

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

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

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

2.9.3 Derecognition of financial instruments

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

2.9.4 Fair value of financial instruments

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

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

2.9.5 Impairment

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

Financial instruments by category

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

(In ₹ lakh)

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

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

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

(In ₹ lakh)

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

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

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

Fair value hierarchy

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

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

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

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

(In ₹ lakh)

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

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

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

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

(In ₹ lakh)

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

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

(In ₹ lakh)

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

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹19,749 lakh and ₹13,199 lakh as of March 31, 2023 and March 31, 2022 respectively and unbilled revenue amounting to ₹48,169 lakh and ₹37,532 lakh as of March 31, 2023 and March 31, 2022, respectively. Credit risk has always been managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company uses a provision matrix to compute the expected credit losses on the customer balances based on internal and external factors.

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

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

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time. The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

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

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

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

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

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

Particulars	(In ₹ lakh)				
	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	4,148	–	–	–	4,148
Other liabilities excluding	35,302	–	–	–	35,302
	39,450	–	–	–	39,450

2.10 Equity

Share capital

Accounting policy

Ordinary shares

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

Description of reserves

Retained earnings

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

Other components of equity

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

Share capital

(In ₹ lakh, except as otherwise stated)

Particulars	As at March 31,	
	2023	2022
Authorized		
Equity shares, ₹10 par value		
4,100,000,000 (4,100,000,000) equity shares	4,10,000	4,10,000
Issued, subscribed and paid-up		
Equity shares, ₹10 par value	1,31,184	1,31,184
1,311,840,000 (1,311,840,000) equity shares fully paid-up and held by the holding company, Infosys Limited	1,31,184	1,31,184

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

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company in proportion to the number of equity shares held by the shareholders after the distribution of all preferential amount. However, no such preferential amount exists currently.

The details of shareholder holding more than 5% shares as at March 31, 2023 and March 31, 2022 are as follows :

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% held	Number of shares	% held
Infosys Limited, holding company	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, 2023 and March 31, 2022 are as follows :

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Number of shares at the beginning and end of the year	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, 2023 and March 31, 2022 are as follows :

Promoter name	As at March 31, 2023			As at March 31, 2022		
	Number of shares	% held	% change	Number of shares	% held	% Change
Infosys Limited, holding company	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,	
	2023	2022
Interim dividend for fiscal 2023	2.10	-

During the year ended March 31, 2023, on account of the interim dividend for fiscal 2023, the Company has incurred a net cash outflow of ₹27,549 lakh.

The Board of Directors, at its meeting on April 12, 2023, recommended a final dividend of ₹3.05 per equity share for the financial year ended March 31, 2023. This payment is subject to the approval of shareholders in the Annual General Meeting (AGM) of the Company to be held on May 15, 2023 and if approved, would result in a net cash outflow of approximately ₹40,011 lakh.

2.11 Other financial liabilities

(In ₹ lakh)

Particulars	As at March 31,	
	2023	2022
Current		
Accrued compensation to employees	4,179	5,125
Capital creditors	604	118
Foreign currency forward contracts	-	-
Compensated absences	1,529	1,766
Accrued expenses ⁽¹⁾	32,120	29,679
Other payables ⁽²⁾	394	380
Total current other financial liabilities	38,826	37,068
Total other financial liabilities	38,826	37,068
Financial liability carried at amortized cost	38,826	37,068

There is no interest due or outstanding on the dues to Micro, Small and Medium Enterprises (MSME). During the years ended March 31, 2023 and March 31, 2022, an amount of ₹174 lakh and nil was paid beyond the appointed day as defined in the Micro, Small and Medium Enterprises Development Act 2006.

The trade payables ageing schedule for the year ended March 31, 2023 is as follows :

(In ₹ lakh)

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		<1 year	1-2 years	2-3 years	>3 years	
MSME	582	-	-	-	-	582
Others	2,802	(72)	-	-	-	2,730
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total trade payables	3,384	(72)	-	-	-	3,312

The trade payables ageing schedule for the year ended March 31, 2022 was as follows :

(In ₹ lakh)

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		<1 year	1-2 years	2-3 years	>3 years	
MSME	-	-	-	-	-	-
Others	1,836	2,312	-	-	-	4,148
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total trade payables	1,836	2,312	-	-	-	4,148

2.13 Other liabilities

(In ₹ lakh)

Particulars	As at March 31,	
	2023	2022
Current		
Unearned revenue	15,896	15,179
Withholding taxes and other taxes	9,448	8,252
Total current other liabilities	25,344	23,431
Total other liabilities	25,344	23,431

2.14 Provisions

Accounting policy

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

a. Post-sales client support and others

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

b. Onerous contracts

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

Provision for post-sales client support and others

(In ₹ lakh)

Particulars	As at March 31	
	2023	2022
Current		
Others		
Post-sales client support and others	116	142
Total provisions	116	142

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

(In ₹ lakh)

Particulars	As at March 31,	
	2023	2022
Balance at the beginning	142	181
Provisions recognized / (reversal)	8	(39)
Provision utilized	(31)	-
Translation differences	(3)	-
Balance at the end	116	142

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

2.15 Income taxes

Accounting policy

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

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. Tax benefits of deductions earned on exercise of employee share options in excess of compensation charged to income are credited to securities premium

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

(In ₹ lakh)

Particulars	As at March 31,	
	2023	2022
Current taxes	34,049	27,394
Deferred taxes	(284)	161
Income tax expense	33,765	27,555

The applicable Indian corporate statutory tax rate for the year ended on March 31, 2023 is 25.17%. New Income tax regime as per The Taxation Laws (Amendment) Act, 2019 is opted by the Company from financial year 2019-20 onwards.

Income tax expense for the year ended March 31, 2023 and March 31, 2022 includes provision of ₹ 1,540 lakh and provision of ₹ 1,126 lakh (Net of reversal) respectively pertaining to prior periods on adjudication of certain matters in favor of the Company and upon filing of returns.

Deferred income tax income amounting to ₹ 284 Lakh and Deferred income tax expense of ₹ 161 lakh for the year ended March 31, 2023 and March 31, 2022, respectively have been recorded in the Statement of Profit and Loss.

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

Particulars	As at March 31,	
	2023	2022
Profit before income taxes	1,26,754	1,02,586
Enacted tax rates in India	25.17%	25.17%
Computed expected tax expense	31,901	25,819
Overseas taxes, net of foreign tax credit	(69)	173
Prior year taxes	1,540	1,126
Effect of non-deductible expenses	394	332
Others	(1)	105
Income tax expense	33,765	27,555

The applicable Indian statutory tax rates for fiscal 2023 is 25.17% and fiscal 2022 was 25.17%.

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

Particulars	As at March 31,	
	2023	2022
Income tax assets	22,773	19,239
Current income tax liabilities	10,475	10,073
Net current income tax assets at the end	12,298	9,166

The gross movement in the current income tax asset for the years ended March 31, 2023 and March 31, 2022 are as follows :

Particulars	As at March 31,	
	2023	2022
Net current income tax assets at the beginning	9,166	3,020
Income tax paid	37,181	33,539
Current income tax expense (Refer to Note 2.15)	(34,049)	(27,394)
Net current income tax assets at the end	12,298	9,166

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

Particulars	As at March 31,	
	2023	2022
Deferred income tax assets		
Trade receivables	641	222
Compensated absences	385	444
Others	(42)	(1)
Total deferred income tax assets	984	665
Deferred income tax liabilities		
Property, plant and equipment	112	77
Total deferred income tax liabilities	112	77
Deferred income tax assets after set off	872	588
Deferred income tax liabilities after set off	-	-

The gross movement in the deferred income tax account for the years ended March 31, 2023 and March 31, 2022 is as follows :

Particulars	As at March 31,	
	2023	2022
Net deferred income tax asset at the beginning	588	749
Credits relating to temporary differences (Refer to Note 2.15)	284	(161)
Temporary differences on other comprehensive income	-	-
Net deferred income tax asset at the end	872	588

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

2.16 Revenue from operations

Accounting policy

The Company derives revenues primarily from business IT services comprising of software development and related services, consulting and package implementation and from the licensing of software products and platforms across our core and digital offerings ("together called as software-related services").

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Arrangements with customers for software-related services are either on a fixed-price, fixed-timeframe or on a time-and-material basis.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as contract asset (unbilled revenue). Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Revenues in excess of invoicing are classified as contract asset while invoicing in excess of revenues are classified as contract liability (unearned revenues). Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement.

In arrangements for software development and related services and maintenance services, the Company has applied the guidance in Ind AS 115, *Revenue from contract with customer*, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company uses the expected cost plus margin approach in estimating the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Revenue from licenses where the customer obtains a “right to use” the licenses is recognized at the time the license is made available to the customer. Revenue from licenses whether the customer obtains a “right to access” is recognized over the access period. Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS). The Company has applied the principles under Ind AS 115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the same have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost plus margin approach. Where the license is required to be substantially customized as part of the implementation service the entire arrangement

fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized ratably over the period in which the services are rendered.

Advances received for services and products are reported as contract liabilities until all conditions for revenue recognition are met.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

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

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

Revenue from operations for the years ended March 31, 2023 and March 31, 2022 are as follows :

Particulars	Year ended March 31,	
	2023	2022
Revenue from operations	3,44,628	3,00,538
Total revenue from operations	3,44,628	3,00,538

(In ₹ lakh)

Trade receivables and contract balances

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognised as related service are performed. Revenue for fixed-price maintenance contracts is recognized on a straight-line basis over the period of the contract. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

Revenue recognition for fixed-price development contracts is based on percentage-of-completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different

from the timing of billing the customers. Unbilled revenue for fixed-price development contracts is classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

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

During the years ended March 31, 2023 and March 31, 2022, the Company recognized revenue of ₹13,387 lakh and ₹8,400 lakh arising from opening unearned revenue as of April 1, 2022 and April 1, 2021, respectively.

During the years ended March 31, 2023 and March 31, 2022, ₹3,727 lakh and ₹3,100 lakh of unbilled revenue pertaining to other fixed-price and fixed-timeframe contracts as of April 1, 2022 and April 1, 2021, respectively, has been reclassified to trade receivables upon billing to customers on completion of milestones.

Performance obligations and remaining performance obligations

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

The aggregate value of performance obligations that are completely or partially unsatisfied as of March, 2023, other than those meeting the exclusion criteria mentioned above is ₹ 82,410 lakh. Out of this, the Group expects to recognize revenue of around 37.8% within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

2.17 Other income, net

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

Foreign currency – Accounting policy

Functional currency

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees (rounded off to lakh).

Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss and reported within exchange gains/(losses) on translation of assets and liabilities, net. Non-monetary assets and liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. The related revenue and expense are recognized using the same exchange rate.

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

Other income for the years ended March 31, 2023 and March 31, 2022 are as follows :

Particulars	Year ended March 31,	
	2023	2022
Interest income received on financial assets – carried at amortized cost		
Deposits with banks and others	3,564	3,592
Profit on sale of fixed assets	13	14
Exchange gain / (loss) on translation of assets and liabilities	1,697	21
Gain / (loss) on investment carried at fair value through profit or loss	1,876	767
Exchange gains/ (losses) on foreign currency forward and options contracts	(17)	310
Miscellaneous income	9	2
Total other income	7,142	4,706

2.18 Expenses

Particulars	Year ended March 31,	
	2023	2022
Employee benefit expenses		
Salaries including bonus	66,266	68,206
Contribution to provident and other funds	3,660	3,628
Staff welfare	849	937
	70,775	72,770
Travel expenses		
Overseas travel expenses	5,699	1,971

Particulars	Year ended March 31,	
	2023	2022
Travelling and conveyance	826	286
	6,525	2,257
Cost of software packages and others		
For own use	10,632	8,450
Third party items bought for service delivery to clients	11,117	20,928
	21,749	29,378
Other expenses		
Repairs and maintenance	1,592	1,576
Brand and marketing	6,321	4,362
Communication expenses	816	604
Operating lease payments	2,942	2,887
Rates and taxes	103	125
Commission charge	3,249	2,651
Fuel and power	417	405
Consumables	(7)	33
Provision/(Reversal) for post-sales client support and others	(28)	(40)
Impairment loss recognized on financial assets	1,765	272
Contributions towards Corporate Social Responsibility	1,606	1,300
Auditor's remuneration		
Statutory audit fees	36	35
Others	1,225	346
	20,037	14,557

2.19 Employee benefits

Accounting policy

2.19.1 Gratuity

The Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees.

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

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Company fully contributes all ascertained liabilities to the EdgeVerve Systems Limited Employees Gratuity Fund Trust

(the Trust). Trustees administer contributions made to the Trust and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by Indian Law.

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income, net of taxes and are not reclassified to Statement of Profit and Loss in subsequent period. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in Other Comprehensive Income. The effect of any plan amendments are recognized in net profits in the Statement of Profit and Loss.

2.19.2 Superannuation

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

2.19.3 Provident fund

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. Amounts collected under the provident fund plan are deposited in a government-administered provident fund. The Company has no further obligations under the provident fund plan beyond its monthly contributions.

2.19.4 Compensated absences

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

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

a. Gratuity

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

Particulars	As at March 31,	
	2023	2022
(In ₹ lakh)		
Change in benefit obligations		
Benefit obligations at the beginning	7,370	7,952
Service cost	660	784
Interest expense	455	448
Transfer of obligation	214	37
Remeasurements - Actuarial (gains)/ losses	(700)	(596)
Benefits paid	(950)	(1,254)
Benefit obligations at the end	7,049	7,370
Change in plan assets		
Fair value of plan assets at the beginning	8,031	8,550
Interest income	496	489
Transfer of assets	167	22
Remeasurements- Return on plan assets excluding amounts included in interest income	-	-
Contributions	-	100
Return on plan assets greater/ (lesser) than discount rate	117	124
Benefits paid	(950)	(1,254)
Fair value of plan assets at the end	7,861	8,031
Funded status	812	661
Prepaid gratuity benefit	812	661

The amounts for the years ended March 31, 2023 and March 31, 2022 recognized in the Statement of Profit and Loss under employee benefit expense are as follows :

Particulars	Year ended March 31,	
	2023	2022
(In ₹ lakh)		
Service cost	660	784
Net interest on the net defined benefit liability/asset	(40)	(41)
Net gratuity cost	620	743

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

Particulars	Year ended March 31,	
	2023	2022
(In ₹ lakh)		
Remeasurements of the net defined benefit liability/ (asset)		
Actuarial (gains) / losses	(700)	(596)
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	(117)	(124)
	(817)	(720)

Particulars	Year ended March 31,	
	2023	2022
(In ₹ lakh)		
(Gain)/loss from change in financial assumptions	(227)	(1,211)
(Gain)/loss from change in experience	(473)	615
	(700)	(596)

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

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

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

Particulars	As at March 31,	
	2023	2022
Discount rate	6.5%	6.1%
Weighted average rate of increase in compensation levels	7.5%	10.0%
Weighted average duration of defined benefit obligation	5.9 years	5.9 years

The sensitivity of significant assumptions used for valuation of defined benefit obligation is as follows :

Impact from percentage point increase / decrease in	As at March 31, 2023	
(In ₹ lakh)		
Discount rate	369	
Weighted average rate of increase in compensation level	328	

Sensitivity to significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant. The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is not probable, and changes in some of the assumptions may be correlated.

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

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

Actual return on assets for the years ended March 31, 2023 and March 31, 2022 were ₹496 lakh and ₹489 lakh, respectively.

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

The maturity profile of defined benefit obligation is as follows :

	(In ₹ lakh)
Within 1 year	1,056
1-2 years	1,115
2-3 years	1,056
3-4 years	1,083
4-5 years	1,065
5-10 years	5,239

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

b. Provident fund

The Company contributed ₹3,027 lakh during the year ended March 31, 2023 (₹2,225 lakh for the year ended March 31, 2022).

c. Superannuation

The Company contributed ₹808 lakh during the year ended March 31, 2023 (₹779 lakh for the year ended March 31, 2022).

2.20Contingent liabilities and commitments (to the extent not provided for)

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

(In ₹ lakh)

Particulars	As at March 31,	
	2023	2022
Contingent liabilities		
Claims against the Company, not acknowledged as debts ⁽¹⁾	13,721	13,134
Commitments		
Estimated amount of unexecuted capital contracts and not provided for (net of advances and deposits) ⁽²⁾	1,130	3,102

⁽¹⁾ As at March 31, 2023, claims against the Company not acknowledged as debts in respect of income tax matters amounted to ₹5,753 lakh and in respect of Central Excise and VAT/CST matters amounted to ₹7,969 lakh. The claims against the Company in respect of income tax majorly represent demands arising on completion of assessment proceedings under the Income Tax Act, 1961. These claims are on account of multiple issues of disallowances such as disallowance of expenditure towards software being held as capital in nature, disallowance of depreciation claimed on intangible assets amongst others. The claims against the Company in respect of Central Excise and VAT/CST matters represent demands arising on account of treating Finacle Software as excisable goods under Central Excise Act, 1944 and demand of CST under Rule 53 (6)(b) of CST law.

These matters are pending before various Appellate Authorities and the management including its tax advisors expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Company's financial position and results of operations.

Amount paid to statutory authorities against the above tax claims amounted to ₹30,922 lakh

⁽²⁾ Capital contracts primarily comprises of commitments for facilities and computer equipments.

Legal proceedings

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

2.21 Related party transactions

List of related parties :

Name of the holding company	Country	Holding as at March 31,	
		2023	2022
Infosys Limited	India	100%	100%
Name of fellow subsidiaries		Country	
Infosys Technologies (China) Co. Limited (Infosys China) ⁽¹⁾	China		
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico) ⁽¹⁾	Mexico		
Infosys Technologies (Sweden) AB (Infosys Sweden) ⁽¹⁾	Sweden		
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai) ⁽¹⁾	China		
Infosys Nova Holdings LLC. (Infosys Nova) ⁽¹⁾	US		
EdgeVerve Systems Limited (EdgeVerve) ⁽¹⁾	India		
Infosys Austria GmbH ⁽¹⁾	Austria		
Skava Systems Private Limited (Skava Systems) ⁽¹⁾⁽²⁶⁾	India		
Infosys Chile SpA ⁽¹⁾	Chile		
Infosys Arabia Limited ⁽²⁾⁽²⁶⁾	Saudi Arabia		
Infosys Consulting Ltda. ⁽¹⁾	Brazil		
Infosys Luxembourg S.a.r.l. ⁽¹⁾	Luxembourg		
Infosys Americas Inc. (Infosys Americas) ⁽¹⁾⁽²⁶⁾	US		
Infosys Public Services, Inc. USA (Infosys Public Services) ⁽¹⁾	US		
Infosys Canada Public Services Inc. ⁽¹⁹⁾⁽³⁵⁾	Canada		
Infosys BPM Limited ⁽¹⁾⁽⁴³⁾	India		
Infosys (Czech Republic) Limited s.r.o. ⁽³⁾	Czech Republic		
Infosys Poland Sp z.o.o. ⁽³⁾	Poland		
Infosys McCamish Systems LLC ⁽³⁾	US		
Portland Group Pty Ltd ⁽³⁾	Australia		
Infosys BPO Americas LLC. ⁽³⁾	US		
Infosys Consulting Holding AG (Infosys Lodestone) ⁽¹⁾	Switzerland		
Infosys Management Consulting Pty Limited ⁽⁴⁾	Australia		
Infosys Consulting AG ⁽⁴⁾	Switzerland		
Infosys Consulting GmbH ⁽⁴⁾	Germany		
Infosys Consulting S.R.L. ⁽¹⁾	Romania		
Infosys Consulting SAS ⁽⁴⁾	France		
Infosys Consulting s.r.o. v likvidaci (<i>formerly Infosys Consulting s.r.o.</i>) ⁽⁴⁾⁽³⁴⁾	Czech Republic		
Infosys Consulting (Shanghai) Co., Ltd. ⁽⁴⁾⁽³⁰⁾	China		
Infy Consulting Company Ltd ⁽⁴⁾	UK		
Infy Consulting B.V. ⁽⁴⁾	The Netherlands		
Infosys Consulting S.R.L. ⁽⁴⁵⁾	Argentina		
Infosys Consulting (Belgium) NV ⁽⁴⁾	Belgium		
Panaya Inc. (Panaya) ⁽¹⁾	US		
Panaya Ltd. ⁽⁶⁾	Israel		
Infosys Financial Services GmbH. (<i>formerly Panaya GmbH</i>) ⁽⁵⁴⁾	Germany		
Brilliant Basics Holdings Limited (Brilliant Basics) ⁽¹⁾⁽²⁶⁾	UK		
Brilliant Basics Limited ⁽⁷⁾⁽²⁶⁾	UK		
Infosys Singapore Pte. Ltd. (<i>formerly Infosys Consulting Pte. Ltd.</i>) ⁽¹⁾	Singapore		
Infosys Middle East FZ LLC ⁽⁸⁾	Dubai		
Fluido Oy ⁽⁸⁾	Finland		

Name of fellow subsidiaries	Country
Fluido Sweden AB (Extero) ⁽¹¹⁾	Sweden
Fluido Norway A/S ⁽¹¹⁾	Norway
Fluido Denmark A/S ⁽¹¹⁾	Denmark
Fluido Slovakia s.r.o. ⁽¹¹⁾	Slovakia
Infosys Compaz Pte. Ltd ⁽⁹⁾	Singapore
Infosys South Africa (Pty) Ltd ⁽⁸⁾	South Africa
WongDoody Holding Company Inc. (WongDoody) ⁽¹⁾⁽³⁶⁾	US
WDW Communications, Inc ⁽¹⁰⁾⁽³⁷⁾	US
WongDoody, Inc. ⁽¹⁰⁾⁽³⁸⁾	US
HIPUS Co., Ltd ⁽⁹⁾	Japan
Stater N.V. ⁽⁹⁾	The Netherlands
Stater Nederland B.V. ⁽¹²⁾	The Netherlands
Stater XXL B.V. ⁽¹²⁾	The Netherlands
HypoCasso B.V. ⁽¹²⁾	The Netherlands
Stater Participations B.V. ⁽¹²⁾	The Netherlands
Stater Belgium N.V./S.A. ⁽¹³⁾	Belgium
Stater GmbH ⁽¹²⁾⁽²⁸⁾	Germany
Outbox systems Inc. dba Simplus (US) ⁽¹⁵⁾	US
Simplus North America Inc. ⁽¹⁶⁾⁽²⁷⁾	Canada
Simplus ANZ Pty Ltd. ⁽¹⁶⁾	Australia
Simplus Australia Pty Ltd ⁽¹⁷⁾	Australia
Square Peg Digital Pty Ltd ⁽¹⁸⁾⁽³¹⁾	Australia
Simplus Philippines, Inc. ⁽¹⁶⁾	Philippines
Simplus Europe, Ltd. ⁽¹⁶⁾⁽²⁹⁾	UK
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd) ⁽¹¹⁾	UK
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd) ⁽²⁰⁾	Ireland
Infosys Limited Bulgaria EOOD ⁽¹⁾	Bulgaria
Kaleidoscope Animations, Inc. ⁽¹⁵⁾	US
Kaleidoscope Prototyping LLC ⁽²²⁾	US
GuideVision s.r.o. ⁽¹⁴⁾	Czech Republic
GuideVision Deutschland GmbH ⁽²¹⁾	Germany
GuideVision Suomi Oy ⁽²¹⁾	Finland
GuideVision Magyarország Kft ⁽²¹⁾	Hungary
GuideVision Polska Sp. z.o.o. ⁽²¹⁾	Poland
GuideVision UK Ltd ⁽²¹⁾⁽²⁶⁾	UK
Blue Acorn iCi Inc (formerly Beringer Commerce Inc) ⁽¹⁵⁾	US
Beringer Capital Digital Group Inc ⁽¹⁵⁾⁽⁴¹⁾	US
Mediotype LLC ⁽²³⁾⁽⁴¹⁾	US
Beringer Commerce Holdings LLC ⁽²³⁾⁽⁴¹⁾	US
SureSource LLC ⁽²⁴⁾⁽³⁹⁾	US
Blue Acorn LLC ⁽²⁴⁾⁽³⁹⁾	US
Simply Commerce LLC ⁽²⁴⁾⁽³⁹⁾	US
iCiDIGITAL LLC ⁽²⁵⁾⁽⁴⁰⁾	US
Infosys BPM UK Limited ⁽³⁾	UK
Infosys Turkey Bilgi Teknolojikeri Limited Sirketi ⁽¹⁾	Turkey
Infosys Germany Holding GmbH ⁽¹⁾	Germany
Infosys Automotive and Mobility GmbH & Co. KG ⁽¹⁾	Germany

Name of fellow subsidiaries	Country
Infosys Green Forum ⁽¹⁾⁽³²⁾	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.) ⁽³³⁾	Malaysia
Infosys Business Solutions LLC ⁽¹⁾⁽⁴²⁾	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) ⁽⁴⁴⁾	Germany
oddiy GmbH ⁽⁴⁶⁾	Germany
oddiy (Shanghai) Co., Ltd. ⁽⁴⁷⁾	China
oddiy Limited (Taipei) ⁽⁴⁷⁾	Taiwan
oddiy space GmbH ⁽⁴⁶⁾	Germany
oddiy jungle GmbH ⁽⁴⁶⁾	Germany
oddiy code GmbH ⁽⁴⁶⁾	Germany
oddiy code d.o.o. ⁽⁴⁸⁾	Serbia
oddiy waves GmbH ⁽⁴⁶⁾	Germany
oddiy group services GmbH ⁽⁴⁶⁾	Germany
Infosys Public Services Canada Inc. ⁽¹⁹⁾⁽⁵⁾	Canada
BASE life science AG ⁽⁵⁰⁾	Switzerland
BASE life science GmbH ⁽⁵⁰⁾	Germany
BASE life science A/S ⁽⁴⁹⁾	Denmark
BASE life science S.A.S. ⁽⁵⁰⁾	France
BASE life science Ltd. ⁽⁵⁰⁾	UK
BASE life science S.r.l. ⁽⁵⁰⁾	Italy
Innovisor Inc. ⁽⁵⁰⁾	US
BASE life science Inc. ⁽⁵⁰⁾	US
BASE life science S.L. ⁽⁵⁰⁾⁽⁵¹⁾	Spain
Panaya Germany GmbH ⁽⁶⁾⁽⁵²⁾	Germany
Infosys Norway ⁽⁸⁾⁽⁵³⁾	Norway

⁽¹⁾ Wholly-owned subsidiary of Infosys Limited

⁽²⁾ Majority-owned and controlled subsidiary of Infosys Limited

⁽³⁾ Wholly-owned subsidiary of Infosys BPM Limited

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

⁽⁵⁾ Incorporated on July 8, 2022

⁽⁶⁾ Wholly-owned subsidiary of Panaya Inc.

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

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

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

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

⁽¹¹⁾ Wholly-owned subsidiary of Fluido Oy

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

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

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

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

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

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

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

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

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

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

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

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

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

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

⁽²⁶⁾ Under liquidation

- ⁽²⁷⁾ Liquidated effective April 27, 2021
- ⁽²⁸⁾ Incorporated on August 4, 2021
- ⁽²⁹⁾ Liquidated effective July 20, 2021
- ⁽³⁰⁾ Liquidated effective September 1, 2021
- ⁽³¹⁾ Liquidated effective September 2, 2021
- ⁽³²⁾ Incorporated on August 31, 2021
- ⁽³³⁾ On December 14, 2021, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.), a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)
- ⁽³⁴⁾ Liquidated effective December 16, 2021
- ⁽³⁵⁾ Liquidated effective November 23, 2021
- ⁽³⁶⁾ Wholly-owned subsidiary of Infosys Limited, merged with WongDoody Inc, effective December 31, 2021
- ⁽³⁷⁾ Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody), merged with WongDoody Inc, effective December 31, 2021
- ⁽³⁸⁾ Wholly-owned subsidiary of Infosys Limited, effective December 31, 2021
- ⁽³⁹⁾ Merged with Beringer Commerce Holdings LLC, effective January 1, 2022
- ⁽⁴⁰⁾ Merged with Beringer Capital Digital Group Inc, effective January 1, 2022
- ⁽⁴¹⁾ Merged with Blue Acorn iCi Inc, effective January 1, 2022
- ⁽⁴²⁾ Incorporated on February 20, 2022
- ⁽⁴³⁾ On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.
- ⁽⁴⁴⁾ On March 22, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.), a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))
- ⁽⁴⁵⁾ Infosys Consulting S.R.L. (Argentina) (formerly a wholly-owned subsidiary of Infosys Consulting Holding AG) became the majority-owned and controlled subsidiary of Infosys Limited with effect from April 1, 2022
- ⁽⁴⁶⁾ On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly-owned subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and oddity GmbH.
- ⁽⁴⁷⁾ Wholly-owned subsidiary of oddity GmbH.
- ⁽⁴⁸⁾ Wholly-owned subsidiary of oddity code GmbH.
- ⁽⁴⁹⁾ On September 1, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.) (a wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.
- ⁽⁵⁰⁾ Wholly-owned subsidiary of BASE life science A/S
- ⁽⁵¹⁾ Incorporated on September 6, 2022
- ⁽⁵²⁾ Incorporated effective December 15, 2022
- ⁽⁵³⁾ Incorporated effective February 7, 2023.
- ⁽⁵⁴⁾ Infosys Financial Services GmbH. (formerly Panaya GmbH) became a wholly-owned subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.) with effect from February 23, 2023.

List of other related party

Particulars	Country	Nature of relationship
EdgeVerve Systems Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of EdgeVerve
EdgeVerve Systems Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of EdgeVerve
Infosys Foundation	India	Trust jointly controlled by KMPs of holding company

List of key management personnel

Directors

Mohit Joshi, Director (resigned as on March 11, 2023)

Sanat Rao, Whole-time Director

Inderpreet Sawhney, Director

Martha Geiger King, Director

Dennis Kantilal Gada, Director

Sateesh Seetharamiah, Whole-time Director

Deepak Padaki, Director (resigned as on June 30, 2022)

Executive officers

Rajesh Kini, Chief Financial Officer

Prakash Bharadwaj, Company Secretary

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

Particulars	As at March 31,	
	2023	2022
(In ₹ lakh)		
Trade receivables		
Infosys BPM Limited	7	14
Infosys Mexico	57	11
Infosys Ltd	112	595
Infosys Sweden	352	289
	528	909
Other financial assets		
Infosys BPM Limited	3	-
	3	-
Unbilled revenue		
Infosys BPM Limited	-	22
HIPUS Co., Ltd	210	-
	210	22
Trade payables		
Infosys Limited	216	-
Infy Consulting Company Limited	37	32
Infosys BPM Limited	43	43
	296	75
Other current financial liabilities		
Infosys BPM Limited	4	10
	4	10
Accrued expenses		
Infosys Public Services	20	18
Infosys BPM Limited	175	-
Infosys Sweden	449	602
Infosys Limited	10,675	6,435
	11,319	7,056

Note: Excludes certain balances due to/from Infosys, which are pertaining to contracts pending novation upon business transfer and held in trust by Infosys.

Particulars	As at March 31,	
	2023	2022
(In ₹ lakh)		
Revenue transactions		
Sale of services		
Infosys Limited	2,009	1,548
Infosys Public Services	12	21
Infosys Sweden	1,378	2,936
Infosys Mexico	626	1,048
Infosys BPM Limited	(55)	323
HIPUS Co., Ltd	210	-
	4,180	5,877
Purchase of services		

Particulars	As at March 31,	
	2023	2022
Infosys Limited	82,256	66,766
Infy Consulting Company Limited	203	199
Infosys BPM Limited	633	536
	83,092	67,501
Purchase of shared services including facilities and personnel		
Infosys Limited	2,760	2,820
	2,760	2,820
Dividend paid		
Infosys Limited	27,549	-
	27,549	-
Finance cost		
Infosys Limited	-	206
	-	206
Any other transactions		
Infosys Foundation	1,606	1,300
	1,606	1,300

Note: Excludes certain transactions with Infosys, which are pertaining to contracts pending novation upon business transfer and held in trust by Infosys.

Transaction with key managerial personnel

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

Particulars	As at March 31,	
	2023	2022
(In ₹ lakh)		
Salaries and other employee benefits to whole-time directors and executive officers ⁽¹⁾	1,545	1,927
Commission and other benefits to non-executive/independent directors	-	-
Total	1,545	1,927

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

2.22 Corporate social responsibility

As per Section 135 of the Companies Act 2013, a Corporate Social Responsibility (CSR) committee was formed by the Company. The proposed areas for CSR activities are eradication of hunger, poverty and malnutrition, promoting education and healthcare and rural development projects. The funds will be allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

Sl. No.	Particulars	As at March 31,	
		2023	2022
i)	Amount required to be spent by the Company during the year,	1,596	1300
ii)	Amount of expenditure incurred	1,606	1300
iii)	Shortfall at the end of the year	-	-
iv)	Total of previous years shortfall	-	-
v)	Reason for shortfall	NA	NA
vi)	Nature of CSR activities	Refer note below	Refer note below
vii)	Details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard ⁽¹⁾	1,606	100
viii)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	-	-

Note: Eradication of hunger and malnutrition, promoting education, women empowerment, art and culture, healthcare, destitute care and rehabilitation, disaster relief, COVID-19 relief and rural development projects

⁽¹⁾ Represents contribution to Infosys foundation, a related party, towards CSR expenditure

2.23 Segment reporting

The Company's business activity, falls within a single primary business segment, i.e. providing Products and platforms and related services. Accordingly, disclosures as required under IND AS 108, 'Segment Reporting', has not been separately presented in the financial statements since the information is available directly from the Statement of Profit and Loss.

2.24 Analytical ratios

Particulars	Numerator	Denominator	As at March 31,		Movement (in %)
			2023	2022	
Current ratio*	Current assets	Current liability	2.3	1.7	38.7
Debt – Equity ratio	Total debt ⁽¹⁾	Shareholder's equity	-	-	NA
Debt service coverage ratio ⁽²⁾	Earnings available for debt service ⁽²⁾	Debt service	-	1.4	(100.0)
Return on Equity (ROE) ⁽³⁾	Net profits after taxes	Average shareholder's equity	81.8%	175.1%	(53.3)
Trade receivables turnover ratio	Net credit revenue	Average accounts receivable	21.1	22.4	(5.9)
Trade payables turnover ratio	Net credit purchases	Average trade payables	40.5	42.1	(3.8)
Net capital turnover ratio ⁽⁴⁾	Net sales	Working capital	3.3	5.8	(43.6)
Net profit ratio	Net profit	Net sales	27.0%	25.0%	8.1
Return on capital employed (ROCE) ⁽⁵⁾	Earning before interest and taxes	Capital employed ⁽⁶⁾	86.4%	127.5%	(32.2)
Return on investment	Gain from investments	Weighted average investment	5.2%	3.8%	37.4

⁽¹⁾ Debt represents non-convertible debenture

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

⁽⁶⁾ Tangible net worth + Deferred tax liabilities + Lease liabilities

Explanation for change in the ratio by more than 25% as compared to the preceding year.

⁽¹⁾ Increase in current assets has led to increase in the ratio

⁽²⁾ Non-convertible debentures repaid fully during previous financial year

⁽³⁾ Increase in average shareholders equity due to profit for the year

⁽⁴⁾ Increase in working capital due to full repayment of non-convertible debenture to Infosys Limited in fiscal 2022

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

2.25 Function-wise classification of Statement of Profit and Loss

(In ₹ lakh)

Particulars	Year ended March 31,	
	2023	2022
Revenue from operations	3,44,628	3,00,538
Cost of sales	1,80,813	1,67,795
Gross profit	1,63,815	1,32,742
Operating expenses		
Selling and marketing expenses	21,927	16,800
General and administration expenses	22,275	17,857
Total operating expenses	44,202	34,657
Operating profit	1,19,612	98,086
Other Income, net	7,142	4,706
Profit before interest and tax	1,26,754	1,02,792
Finance cost	–	206
Profit before tax	1,26,754	1,02,586
Tax expense:		
Current tax	34,049	27,394
Deferred tax	(284)	161
Profit for the year	92,989	75,032
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of the net defined benefit liability/asset	612	539
Total other comprehensive income, net of tax	612	539
Total comprehensive income for the year	93,601	75,571

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

Sanat Rao
Whole-time Director

Sateesh Seetharamiah
Whole-time Director

Bengaluru
April 12, 2023

Rajesh Kini
Chief Financial Officer

Prakash Bharadwaj
Company Secretary

May 10, 2023

Dear member,

You are cordially invited to attend the ninth Annual General Meeting ('AGM') of the members of EdgeVerve Systems Limited ('the Company') on Tuesday, May 15, 2023 at 4.00 p.m. IST through video conference and other audio-visual means (VC).

The Notice of the meeting containing the proposed resolutions is enclosed herewith.

By order of the Board of Directors,

Prakash Bharadwaj
Company Secretary

Enclosures:

1. Notice of the ninth AGM
2. Instructions to participate through VC

EdgeVerve Systems Limited
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Plot No. 44,
Electronics City Hosur Road Bengaluru 560 100, India
Tel: 91 80 3952 2222
Fax: 91 80 2852 1300
secretarial@edgeverve.com
www.edgeverve.com

Notice of the 9th Annual General Meeting

Notice is hereby given that the ninth Annual General Meeting ("AGM") of the members of EdgeVerve Systems Limited ("the Company") will be held on Tuesday, May 15, 2023 at 4.00 p.m. IST through video conference and other audio visual means ("VC"), to transact the following business :

Ordinary Business

Item no. 1 – Adoption of financial statements

To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors ("the Board") and auditors thereon.

Item no. 2 – Declaration of dividend

To declare a final dividend of ₹3.05 per equity share for the year ended March 31, 2023.

Item no. 3 – Appointment of Martha King as a director, liable to retire by rotation

To appoint a director in place of Martha King (DIN: 09166670), who retires by rotation and being eligible, seeks reappointment.

Explanation: Based on the terms of appointment, the non-executive director is subject to retirement by rotation. Martha King, who was initially appointed on May 10, 2021, and whose office is liable to retire at the ensuing AGM, will retire and being eligible, seeks reappointment. Based on performance evaluation, the Nomination and Remuneration Committee ("NRC") and Board recommends her reappointment.

Therefore, members are requested to consider and if thought fit, pass the following resolution as an ordinary resolution :

RESOLVED THAT, pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of members of the Company, be and is hereby accorded to reappoint Martha King (DIN: 09166670), as a director, who is liable to retire by rotation.

Special Business

Item no. 4 – Reappointment of Sanat Rao as Whole-time Director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution :

RESOLVED THAT, pursuant to the provisions of Sections 149, 196, 197, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force) and subject to the approval of the Central Government, as may be applicable, approval of the members of the Company be and is hereby accorded for the re-appointment of Sanat Rao (DIN: 07657698) as Whole-time Director and Key Managerial Personnel ("KMP") for a period commencing from April 11, 2023 and ending on April 11, 2024 on the following remuneration and other terms and conditions as stated in the Employment Agreement with Infosys Limited and in the Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 annexed to this Notice.

1. Fixed pay: An annual fixed salary of ₹3,11,30,595 (Rupees Three crore Eleven lakh Thirty thousand Five hundred Ninety-Five only) as compensation for his services (the "Fixed Pay"). The Fixed Pay will be paid monthly in accordance with the Company's normal payroll practices and be subject to the usual, required withholdings.

2. Variable pay: Annual variable pay at a target level of ₹1,59,12,259 (Rupees One crore Fifty-Nine lakh Twelve thousand Two hundred Fifty-Nine only) (or such other sum that may be decided by the Board) each fiscal year, reduced by applicable withholdings and subject to the terms and conditions contained in the applicable Bonus Plan.

3. Stock compensation: Sanat Rao may, from time to time, be granted stock compensation awards as may be decided by the Nomination and Remuneration Committee/Board of Directors in respect of the common stock of parent company, Infosys Limited pursuant to the parent company's stock incentive compensation plans. Such stock awards will be subject to the terms and conditions of the Plan in force from time to time and the applicable award agreement.

4. Employee benefits: During the term of his employment, Sanat Rao will be entitled to all the employee benefit plans as may be applicable in the jurisdiction and to other senior executives of the Company and as per the rules of the Company.

5. Minimum remuneration: Notwithstanding anything herein above contained, should the Company incur a loss or its profits are inadequate in any financial year closing on and after March 31, 2024, during the tenure of Sanat Rao as Whole-time Director, the Company may pay him the above remuneration by way of fixed pay, variable pay, bonus and other allowances as a minimum remuneration subject to the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013, or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

6. Compensation review: Sanat Rao's compensation, including fixed pay, variable pay, stock compensation and any other components, will be subject to review and adjustments by the Board or any committee thereof, from time to time in its sole and exclusive discretion, and subject to any limits and necessary approvals under applicable laws including the Companies Act, 2013.

RESOLVED FURTHER THAT, the Board or any Committee thereof be and is hereby authorized to alter and vary the terms and conditions of re-appointment and / or components of remuneration, subject to the same not exceeding the limits specified under Section 197, read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) there-of, for the time being in force).

By order of the Board of Directors
for EdgeVerve Systems Limited

April 12, 2023
Bengaluru

Prakash Bharadwaj
Company Secretary

Notes

1. Pursuant to the General Circular numbers 10/2022 dated December 28, 2022 , other circulars issued by the Ministry of Corporate Affairs (MCA) (hereinafter collectively referred to as “the Circulars”), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the circulars, the AGM of the Company is being held through VC.
2. The explanatory statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, relating to special business to be transacted at the Meeting is annexed.
3. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since this AGM is being held in accordance with the Circulars through VC, the facility for appointment of proxies by the members will not be available.
4. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified true copy of the Board resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
5. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013 (“the Act”).
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 and the Register of members and the Register of debenture holders maintained under Section 88 of the Companies Act, 2013 will be available for inspection by the members at the AGM. Members seeking to inspect such documents can send an email to: secretarial@edgeverve.com
7. In compliance with Section 107 of the Act, the Company will provide the voting through show of hands at the meeting for each of the resolutions.
8. Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
9. Details of the VC are provided below :

[Click here to join the meeting through Webex](#)

Explanatory Statement

Item No. 4 – Reappointment of Sanat Rao as a Whole-time Director

Sanat Rao is currently the Whole-time Director (“WTD”) of the Company. He was appointed as the WTD of the Company for a period of 5 (five) years effective April 11, 2018, till April 10, 2023. Based on the credentials and performance of Sanat Rao, NRC considered it appropriate to recommend the reappointment of Sanat Rao as WTD to the Board of Directors for a period commencing from April 11, 2023, and ending on April 11, 2024, on the terms and conditions, including the remuneration payable as contained in the resolution, Employment agreement with the Infosys Limited and also in this explanatory statement. Sanat Rao is based in UK, all the remuneration/ emoluments shall be payable in GBP (£).

Accordingly, the Board of the Directors, at their meeting held on January 11, 2023, reappointed Sanat Rao as a WTD with effect from April 11, 2023. The Company has received from Sanat Rao (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR 8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

Details of Sanat Rao

1. Nature of expertise in specific functional areas	International banking and technology
2. Age	58 years
3. Nationality	British
4. Qualifications	MBA (IIM Bangalore) Master's in Digital Anthropology (University College London) Master's in AI Ethics & Society (University of Cambridge)
5. Experience	31 years
6. Terms and conditions with details of remuneration sought to be paid	As provided in the resolution set out in this Notice
7. Remuneration last drawn	₹82,332,250
8. Date of first appointment	Sanat Rao was initially appointed as non-executive director from November 16, 2016.
9. Shareholding in the Company	Nil
10. Relationship with other Directors and KMP of the Company	Nil
11. Number of Board meetings attended during the year	4/6 Board meetings
12. Other Directorship	Nil
13. Membership/ Chairmanship of Committees of other Boards	Nil

The resolution seeks approval of the members in terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) for the reappointment of Sanat Rao as WTD with effect April 11, 2023. The reappointment is subject to the approval of the Central Government as may be applicable.

No director, key managerial personnel or their relatives, except Sanat Rao to whom the resolution relates, is interested in or concerned with the resolution.

The Board recommends the resolution set forth in the Notice for the approval of the Members.

The copies of relevant resolutions of the Board and agreement with respect to the reappointment is available for inspection by the members of the company, virtually during working hours on any working day till the date of this AGM. Members seeking to inspect such documents can send an email to secretarial@edgeverve.com.

Additional information on director recommended for appointment / re-appointments required under the applicable Secretarial Standards



Martha King

Martha King is the Chief Client Officer at Infosys, as well as the Executive Vice President and head of Infosys' Retirement Services Center of Excellence. She is responsible for navigating the next client-centric technology frontier in the financial services industry in order to enable better outcomes for millions of retirement savers. At the Retirement Services Center of Excellence, the current focus is on revolutionizing the retirement plan experience by developing the industry's first cloud-native recordkeeping system, delivering greater insights and unprecedented personalization to plan sponsors and retirement savers, and maintaining an unwavering commitment to world-class client service.

Core to the Retirement Services Center of Excellence is a strategic relationship between Infosys and Vanguard, where Ms. King most recently served as Managing Director of the firm's Institutional Investor Group, which serves nearly five million participants and 1,500 sponsors – all of whom will benefit from this relationship. Prior to that, she served as Managing Director and founder of Vanguard's Financial Advisor Services division, which now oversees more than \$2 trillion in assets.

Ms. King joined Vanguard in 1985 and earned a B.S. from Bloomsburg University of Pennsylvania. She has completed the Advanced Management Program at the Wharton School of the University of Pennsylvania.

Age: 59 years

Nature of expertise in specific functional areas: Information Technology Services

Disclosure of inter-se relationships between directors and key managerial personnel: Nil

Companies (other than Infosys Group) in which Martha King holds directorship and committee membership: Nil

Shareholding in the Company: Nil

Remuneration proposed to be paid: Nil

Key terms and conditions of appointment: As per the resolution at Item no. 3 of this Notice, read with the explanatory statement thereto.



Sanat Rao

Sanat Rao is a Whole-time Director at EdgeVerve. He is the Chief Business Officer and Global Head of Finacle. Sanat has over 30 years of experience in international banking and technology led business transformations. His experience spans strategic partnerships with clients through their digital journey across multiple markets globally. In his present role, Sanat is responsible for growing the Finacle business and driving industry leadership with innovations in the banking space.

Having started his career at ANZ Bank, a global financial institution headquartered in Australia, Sanat has had stints with marquee global financial technology organizations. In his previous role as Vice President and Senior Partner at IBM, he was responsible for a portfolio of offerings including cloud consulting services, CIO Advisory, core banking, digital foundation and payments in the BFSI space. He was also deeply engaged with FinTech companies in identifying and nurturing new partnerships that could prove disruptive in the market.

Prior to that, for nearly 14 years till 2013, Sanat played a variety of global roles as part of the Infosys Finacle organization, helping build and scale the brand, with the last position as the Global Head of Client Services and Alliances. In this role, he was responsible driving global sales, client engagement, and strategic alliances for Finacle globally. Sanat's expertise of the banking and financial technology industry is exemplary, having previously been responsible for Infosys' global banking product strategy for the entire Finacle suite. Sanat is based in London but spends much of his time travelling globally to engage with clients.

Safe Harbor

This Annual Report contains ‘forward-looking statements’ within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance and are based on our current expectations, assumptions, estimates and projections about the Company, our industry, economic conditions in the markets in which we operate,

and certain other matters. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as ‘anticipate’, ‘believe’, ‘estimate’, ‘expect’, ‘intend’, ‘will’, ‘project’, ‘seek’, ‘should’ and similar expressions. Those statements include, among other things, risks and uncertainties regarding COVID-19 and the effects of government and other measures seeking to contain its spread, the discussions of our business strategy, including the localization of our workforce and investments to reskill our

employees and expectations concerning our market position, future operations, margins, profitability, liquidity, capital resources, global increase in wages including India and the US, change in the Indian regulations governing wages, restrictions on immigration in the US, and corporate actions.

These statements are subject to known and unknown risks, uncertainties and other factors, which may cause actual results or outcomes to differ materially from those implied by the forward-looking statements. Important factors that may cause actual results or outcomes to differ from those implied by the forward-looking statements include, but are not limited to, those discussed in the “Outlook, risks and concerns” section in this Annual Report. 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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