

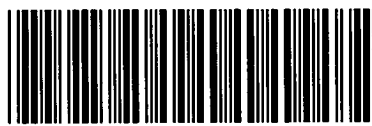


Genpact (UK) Limited

Report and financial statements

YEAR ENDED
December 31, 2022

MONDAY



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Company: 04217635

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Company's information

Directors

Lester
D'Souza

Santosh Pushpangadan
Kallattu

Govindan Shibu
Nambiar

Company secretary

Entity Central Corporate Services (UK) Limited

C/o Cogency Global (UK) Limited, 6 Lloyds Avenue,
Unit 4CL, London, EC3N 3AX

Company number

04217635

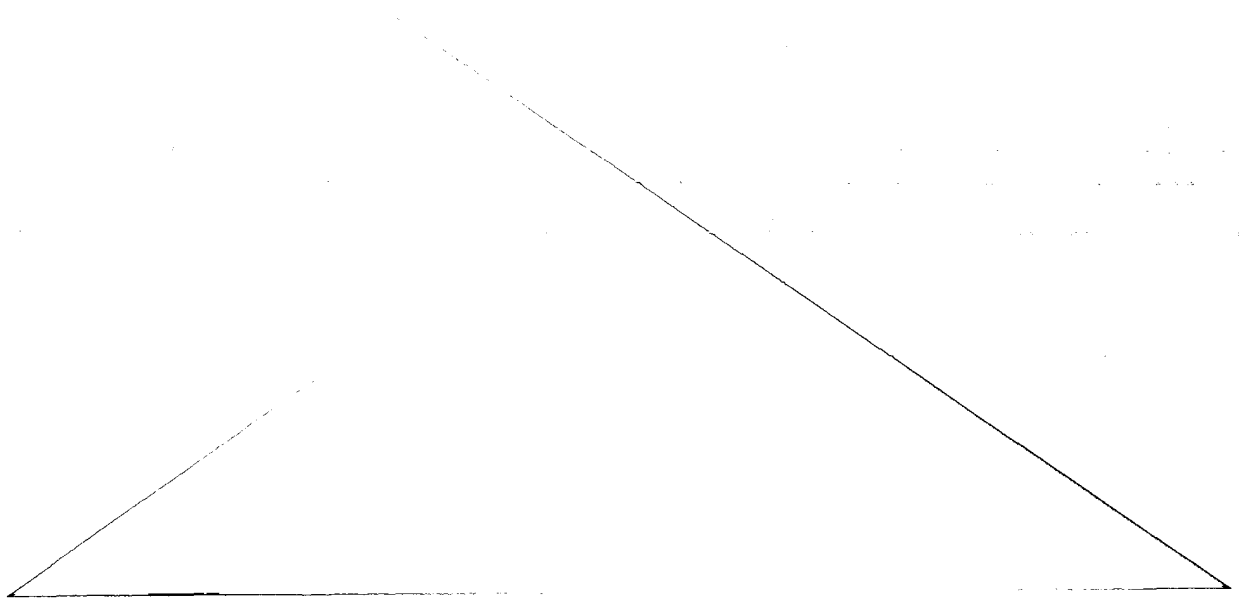
Banker

Bank of America NA
2 King Edward Street, London, EC1A 1HQ
No. FC 2984

Auditor

BDO LLP
Arcadia House, Maritime Walk - Ocean Village,
Southampton, SO14 3TL

Strategic report

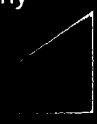


Introduction

Genpact (UK) Limited (the "Company") is a professional services firm delivering the outcomes that transform our clients' businesses and shape their futures. We do that through two core approaches: our Data-Tech-AI services and Digital Operations services.

We are an indirect, wholly owned subsidiary of Genpact Limited, a publicly traded company (together with its direct and indirect subsidiaries, "Genpact").

This is our strategic report for the year ended December 31, 2022.



Business review

The directors are pleased to report that 2022 was another successful year for the Company.

We continued to provide business process services to large global enterprises. Our work includes digital, analytics, and consulting services, finance and accounting transformation, technology and supply chain services, and industry-specific solutions.

We are the primary client contracting and billing entity for Genpact. Our affiliates operate in multiple geographic regions, delivering services for a global network located in various countries, including Australia, Argentina, Brazil, Canada, China, Costa Rica, Egypt, Germany, Guatemala, Hungary, India, Ireland, Israel, Italy, Japan, Malaysia, Mexico, the Netherlands, the Philippines, Poland, Portugal, Singapore, Spain, South Africa, Thailand, Romania, Turkey, the UK, and the US.

We primarily use our affiliates' global delivery network to honor the services agreements we have in place with our clients. We monitor and manage our business with a range of financial and nonfinancial key performance indicators.

Total revenues for 2022 rose by \$391 million, or 12%, over the year - \$3,620.6 million in 2022 compared to \$3,229.2 million in 2021 - driven by both Data-Tech-AI and Digital Operations services.

This increase was largely driven by continued growth in our cloud-based data solutions and analytics solutions across our focus areas of supply chain management, sales and commercial, and risk management in our Data-Tech-AI services. Additionally, we experienced an increase in deal ramp-ups from existing contracts and new deal wins in our Digital Operations services. Our net assets rose by \$4.9 million, or 11%, over 12 months - \$47.8 million in 2022 compared to \$42.9 million in 2021.

Expanding our operational headcount to support revenue growth and wage inflation has increased our cost of sales. In 2022, cost of sales was \$3,434.9 million, up \$333.6 million, or 10.8%, from \$3,101.3 million in 2021.

We are cautiously optimistic about the future. Genpact's end clients are under continued pressure to reduce costs, affording us the opportunity to intervene and sell various solutions to reduce their operating costs. Our clients are also often interested in vendor consolidation to help them reduce costs. But their processes for onboarding new vendors are becoming more complex and time-consuming. We are focused on:

- Expanding our relationships with existing clients to generate higher revenues and become preferred client partners
- Targeting a smaller list of high-priority prospective clients in industries where we have expertise

Strategy, objectives, and business model

Genpact Limited is a US-listed public company that files periodic reports with the US Securities and Exchange Commission under the Securities Exchange Act of 1934. It has ultimate ownership of Genpact (UK) Limited – its principal UK operating company. We, the directors, have not presented a separate description of the Company's strategy, objectives, or business model because this information has been disclosed as part of Genpact Limited's Annual Report on Form 10-K for the year ended December 31, 2022.

Principal risks and uncertainties

We face numerous operating risks, including general inflationary pressures (including wage inflation), employee retention, market competition, and currency fluctuations. We implement policies for managing each of these risks at the parent company level and apply them to the Company and its affiliates. We summarize some of these risks below:

Competitive pressures

We operate in a highly competitive and fragmented industry that is subject to rapid change. The principal competitive factors in our markets are numerous and include:

- Process and industry breadth and depth
- Technology skills and expertise in clients' sectors and functions
- Service quality
- The ability to attract, train, and retain qualified people

- Compliance rigor
- Global delivery capabilities
- Price and marketing
- Sales capabilities

We compete for business with a variety of companies, from large multinational firms that provide consulting, technology, and/or business process services to offshore business process service providers in low-cost locations like India. We also compete against the in-house captives of potential clients, software services companies that provide business process services, and accounting firms that offer consulting or outsourcing services.

Some competitors have greater financial, marketing, technological, or other resources and larger client bases than we do, and they may expand their service offerings and compete more effectively for clients and employees. Other competitors have more established reputations and client relationships in our markets. New competitors may also offer a compelling alternative to our services because they are created through strategic consolidation of smaller competitors or companies that provide different services or cater to different industries.

Increased competition could result in lower prices and volumes, higher costs for resources – especially people – and lower profitability. We may not be able to offer clients services that they deem superior and at competitive prices, and we may lose business to our competitors. If we can't compete effectively, our business, operations, and financial condition will be adversely affected.

In response to these risks, we continue to focus on our chosen industry and functional areas, building frameworks, data models, benchmarking tools, and digital solutions that accelerate companies' journeys toward change and expand our business into new areas of growth. And through our strategic partnerships, hiring and training programs, and deep client relationships, we deliver outcomes that are reshaping business and the future.

Impact of COVID-19

The pandemic did not affect our results significantly for the year ended December 31, 2022. We used a COVID-19 relief measure and deferred payment for VAT due between February and March 2020. We settled this payment in eight equal monthly installments between June 2021 and January 2022.

Our past results may not indicate future performance. Our financial results in future periods - including net revenues, income from operations, income from operations margin, net income, earnings per share, and cash flow from operations - may differ materially from historical trends.

Foreign currency risk

We are exposed to foreign currency risk when sales or purchases of services are made in currencies other than the US dollar, our functional currency. We maintain and operate separate bank accounts denominated in various currencies in which we transact to manage this risk. And we have arrangements in place to hedge a substantial portion of our foreign currency exposures from the Indian rupee to US dollar, euro to US dollar, pound sterling to US dollar, and Australian dollar to US dollar.

Interest rate risk

We manage interest rate risk by financing operations through a mixture of retained profits, cash balances, and balances with group undertakings.

Liquidity risk

We manage financial risk to ensure financial liquidity is available to meet foreseeable needs and invest cash assets safely and profitably. Trade finance arrangements, overdrafts, and

intragroup borrowing facilities help us to achieve short-term flexibility.

Credit risk

Our credit risk exposure is limited because our clients are highly regarded, stable, and financially robust organizations and present a 'low' risk of default.

Global risk

Russia's ongoing military action in Ukraine and the sanctions and other actions in response by the US and other countries have contributed to supply chain disruption and inflation, regional instability, and geopolitical tensions. We do not have operations in Russia or Ukraine, but it is difficult to anticipate any future impact on our business or our clients' businesses. To date, we do not believe this conflict has had a material impact on our business, financial position, or operations, but we continue to monitor the situation closely.

Employee retention risk

We rely on large numbers of skilled people in our industry. And historically, employee attrition in our industry has been high.

We continued to face increased competition in 2022 for talent with scarce skills and capabilities in new technologies. Our competitors continue to directly target our employees who have highly sought-after skills. We expect competition for qualified employees to remain high. We compete for employees within the industry but also with other industries such as software services, engineering services, and financial services companies.

Our success depends on our ability to attract, train, and retain enough qualified employees with the right mix of skills and diverse experiences to meet our clients' needs. This is imperative to serve clients across the globe, quickly respond to rapid

Principal risks and uncertainties (continued)

and ongoing changes in demand for our services and new technologies, and continuously innovate to grow our business.

If our attrition rate increases beyond the 2022 level, our operating efficiency and productivity may drop. We cannot make assurances that we will reduce our level of attrition in the future or even maintain our attrition rate at recent levels.

If we cannot hire or retrain employees to keep pace with changes in technology and the industries we serve, we will not be able to innovate quickly enough and fulfill client demand. If we continue to grow, the number of people we need to hire will increase. And if we do not maintain our attrition rate through innovative recruitment and retention, we will need to hire more people.

Ongoing direct targeting of our highly skilled workforce could mean we are unable to cost-effectively hire and retain employees, which may cause us to incur increased costs or be unable to fulfill client demand for our services and solutions or expand our business.

To mitigate these risks, we continuously evaluate and improve our job roles and staffing model to ensure we utilize employees effectively, offer competitive pay, and have employee-friendly HR policies.

Statement by the directors in accordance with their statutory duties under section 172(1) of the Companies Act 2006

As a board, we consider – individually and together – that we have acted in good faith to promote the success of the Company for its stakeholders' benefit as a whole (having regard to the stakeholders and matters set out in section 172(1) of the Companies Act 2006).

Principal decisions are the board's responsibility and include those with a significant financial impact, fundamental changes to the Company's operating locations, or fundamental changes to staffing levels.

The board reviews the Company's strategy periodically in light of our stakeholders' interests, giving proper regard to the wider strategy and policies of Genpact. We also consider in relevant cases whether such policies and strategies are equally appropriate for the Company and its relevant stakeholders. As a board, we fulfill our duties under section 172(1) in relation to specific transactions or other significant or strategic decisions affecting the Company at the time they arise.

The board also regularly considers the interests of relevant stakeholders by reviewing the practices and policies of the larger Genpact group. The following section summarizes how the directors fulfill their duties in select areas on an ongoing basis.

Our people

The Company is committed to being a great place to work and providing employees with the opportunity to grow. We benefit from access to a large, diverse organization with robust global employee development and wellbeing practices and policies.

Each quarter, the Company's UK-based human resources department reports to the board on attrition levels, employee health and wellbeing, compensation policy, and gender pay equality practices, among other areas. As part of this

Statement by the directors in accordance with their statutory duties under section 172(1) of the Companies Act 2006 (continued)

engagement, the board ensures that the Company addresses employee considerations, treats employees fairly, and offers sufficient and competitive benefits for the markets they work in.

In 2022, the board's specific focus was on the impact on employees of COVID-19 and changes in the Company's gender pay gap analysis. The board was pleased to note the small positive movement in this year's gap analysis.

The board also periodically reviews group practices and programs concerning employee interests. For example, it reviews matters raised through the group's global ombuds network, which provides both a local and global framework for reporting suspected integrity policy violations and other employee concerns not addressable with an employee's direct manager. The board also examines upskilling and employee education programs such as the Company's Genome learning platform.

Business relationships and reputation for high standards of business conduct

We seek to uphold the highest standards of integrity. Our client and supplier relationships are invaluable. We seek to ensure that we sell our services ethically and source our suppliers responsibly at all times.

Periodically, the board engages with our sales personnel/client relationship managers and others responsible for overseeing supplier relationships. As it approved the Company's annual statement on our efforts against modern slavery in our operations and supply chains in 2022, the board received updates on the Company and group's policy on slavery and human trafficking.

The Company's group policies and practices, designed to promote our goals of selling services ethically and sourcing suppliers responsibly, can be found in the group's Code of Conduct, Integrity@Genpact, and our most recently published sustainability report, both available at genpact.com.

Community and environment

We strive to be positive members of the communities we work in. A key part of this is encouraging employees to spend some of their working time on charity projects.

The board regularly receives updates from those in the Company's group who are responsible for oversight of corporate social responsibility initiatives and sustainability and environmental targets.

We are also part of a larger group of companies seeking to limit the adverse impact we have on the environment. And we periodically publish a sustainability report summarizing these efforts, which is available at genpact.com.

This report was approved by the board and signed on its behalf:



Lester D'Souza
Director

September 27, 2023

Directors' report



We present our report together with the audited financial statements for the year ended December 31, 2022.

We have not reproduced a review of the business, including employee information, principal risks and uncertainties, and key performance indicators, in this report. That information is included in the strategic report in accordance with S414C (11) of the Companies Act 2006.

Directors' responsibilities in respect to the financial statements

As directors, we are responsible for preparing the strategic report, the directors' report, and the financial statements in accordance with applicable laws and regulations.

Company law requires us to prepare financial statements for each financial year. We have overseen the preparation of the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under relevant law, we must not approve the financial statements unless we are satisfied that the statements give a true and fair view of the state of affairs and the profit or loss of the Company for the applicable period.

In preparing these financial statements, we are required to ensure that:

- Suitable accounting policies for the Company's financial statements are applied consistently

- Judgments and accounting estimates made are reasonable and prudent
- The financial statements are prepared on a going concern basis unless it is inappropriate to presume that the Company will continue in business
- Applicable United Kingdom Accounting Standards, comprising the Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101), have been followed, subject to any material departures disclosed and explained in the financial statements

As directors, we are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the Company's financial position. Financial statements must comply with the Companies Act 2006. We are also responsible for safeguarding the assets of the Company and taking (or ensuring the taking of) reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities

The Company markets, sells, and provides Digital Operations and Data-Tech-AI services to third-party clients worldwide. These services include finance and accounting, supply chain, sourcing and procurement, CFO advisory, and other business process services.

Results and dividends

The Company's profit for the year, after taxation, was \$40.4 million (2021: \$19.3 million).

Directors' report for the year ended December 31, 2022 (continued)

Directors

The directors who held office during the fiscal year 2022 and up to the date of the directors' report were:

- Lester D'Souza
- Santosh Pushpangadan Kallattu
- Ishila Bhattacharya (appointed April 20, 2021, resigned April 30, 2022)
- Govindan Shibu Nambiar (appointed June 8, 2022)

Future developments

We do not anticipate any future changes in the Company's business at this time other than as disclosed by Genpact in its filings with the US Securities and Exchange Commission in its periodic reports.

Directors' indemnity insurance

There are no directors' indemnification arrangements other than as provided under the insurance maintained at the Genpact group level.

Political and charitable contributions

The Company made no political contributions in 2022 (2021: \$Nil).

Looking after the interests of employees

Genpact strives to ensure that we fully support and reward employees in a number of ways.

We measure and assess employee engagement and wellness through a proprietary AI-based chatbot tool that regularly contacts employees and requests their feedback about various aspects of their employee experience. The feedback we gather helps us identify how we can improve the employee experience.

We continue to promote continuous learning and development opportunities for employees via our proprietary learning platform, Genome. Additionally, our employee share purchase plan allows UK-based employees to become Genpact shareholders through payroll-based share purchases.

We have always given specific attention to our communications with employees. But the COVID-19 pandemic changed our main way of communicating and necessitated a shift to remote working. Through 2022, we maintained regular virtual town halls from Genpact's senior leadership team and business unit meetings. We also adopted other digital tools to improve communications, including a proprietary application, Watercooler, that aims to replicate informal office-based employee interactions. And we gave the whole workforce access to a leading meditation and wellness platform.

Fostering relationships with suppliers, clients, and partners

We continue to focus on a small number of relationships with suppliers that have expertise in our services and have been designated preferred vendors based on their good business practices.

We also continue to invest in and expand our alliances and partnerships with companies offering services and solutions that complement ours. Together, we work to enhance our existing solutions or create new offerings to meet market needs.

Fostering relationships with suppliers, clients, and partners (continued)

We've organized our client delivery model by industries, allowing us to use our deep business knowledge specific to our chosen verticals and create, replicate, and standardize innovative solutions for clients. This model enables us to build and nurture close relationships in all of the sectors in which we operate.

Going concern

We are satisfied the Company will continue in business. We have received confirmation that the amounts due to group undertakings will only be settled when sufficient surplus funds exist. We believe the funding available to the Company is adequate to continue its operations for at least 12 months following the date of approval of these financial statements. We continue to adopt the going concern basis in preparing the accounts.

Genpact has produced a group-level business forecast for the next 12 months, and both the Company and Genpact group are considered profitable.

Our ultimate parent company intends to continue to support Genpact (UK) Limited, among other reasons, because of our strategic location in the UK and important role within the affiliated group. On the basis of forecasts and a legally binding letter of support from Genpact, the directors have determined that the Company has adequate resources to continue to operate for a period of at least 12 months from the date of approval of these financial statements.

Streamlined energy and carbon reporting

We are committed to our environmental, social, and governance (ESG) agenda and to making progress on our emissions, diversity, and sustainable supply chain goals, among others. Our environmental strategy includes:



Reducing emissions



Minimizing waste



Driving efficiency through resource optimization



Improving water consumption

Genpact committed to the Science Based Targets initiative (SBTi) in 2021 and has submitted near-term and net-zero targets to SBTi in line with its requirement and framework to contribute to the 1.5°C target set out in the Paris Agreement. We expect this validation exercise to be completed in the last quarter of 2023.

Our parent company, Genpact Limited, publishes its environmental impact data in its annual sustainability report, available at [genpact.com](https://www.genpact.com). Our sustainability disclosures are based on the Global Reporting Initiative (GRI) and are further aligned with the Sustainable Accounting Standards Board and Task Force for Climate-related Financial Disclosures frameworks. Genpact also discloses its carbon emissions under the Carbon Disclosure Report annually and, in 2022, was rated platinum by EcoVadis, a provider of business sustainability ratings.

Our total net greenhouse gas emissions in 2022 were 19.3 metric tons of carbon dioxide equivalent (tCO₂e). Our energy footprint primarily comes from the power consumed to run our offices and data centers. Emissions at Genpact are mostly the result of the gas and electricity purchased and consumed in its operations (Scope 2), followed by employee commuting and business travel activities (Scope 3). Details of the Company's 2022 emissions are provided below:

Streamlined energy and carbon reporting (continued)

Greenhouse gas emissions (in tCO₂e)

- Scope 1 emissions: N/A (no fuel is being directly used by the organization as the Company operates from leased facilities where fuel burnt is by the landlord)
- Scope 2 emissions: 96.9 tCO₂e
- Scope 3 emissions: 251.9 tCO₂e (we used the SBTi-aligned framework for spend based on the Scope 3 calculation for emission intensity prorated for our employee count in Manchester and London. Additionally, considering that we do not provide employees with transport facilities, we have used only air travel and purchased goods and services to calculate our Scope 3 emission intensity)
- Energy intensity ratios
 - ▶ Emissions per employee: 0.76 tCO₂e
 - ▶ Emissions per square foot.: 0.01 tCO₂e
- Genpact (UK) Limited – total energy used (total kilowatt-hours used to calculate above emissions): 511,166 kWh

Methodology

We used GRI best practices to prepare this data, which is in accordance with the GRI standard. We also used accepted methodologies and cautious assumptions to compute carbon emissions and adopted conversion factors from standard guidelines from the Department for Environment, Food, and Rural Affairs, the Environmental Protection Agency, and the Intergovernmental Panel on Climate Change to calculate the amount of energy consumed (gigajoules, or GJ) and emissions (tCO₂e).

Energy efficiency

Genpact's energy efficiency initiatives include designing and operating its offices and operating centers to be more energy efficient and optimizing workspaces to reduce employee resource intensity. They also include green IT solutions, such as server virtualization, data center consolidation, and cloud-based solutions to reduce energy consumption.

Assurance

A third party has assured our emissions data. The certificate is available in Genpact's annual sustainability report: genpact.com/insight/genpact-sustainability-report-2022.

Post-balance-sheet event

There are no significant events to report after the reporting date.

The strategic report

In accordance with section 414C (11) of the Companies Act 2006, the Company has chosen to set out in the Company's strategic report the information required by section 416 (4) of the Companies Act 2006. The directors refer to the section entitled "Statement by the Directors in accordance with their statutory duties under section 172 (1) of the Companies Act 2006" in this regard.

Disclosure of information to the auditor

Each person who is a director at the time of approval of this directors' report has confirmed that:


Disclosure of information to the auditor (continued)

- To the best of their knowledge, there is no relevant audit information that the Company's auditor is not aware of
- They have taken (or overseen) reasonable steps to be aware of any material information the Company's auditor should have when preparing its report and establish that the auditor is aware of that information

Auditor

BDO LLP was reappointed as auditor in 2022 and will be proposed for reappointment as auditor in 2023 in accordance with section 487 of the Company Act 2006.

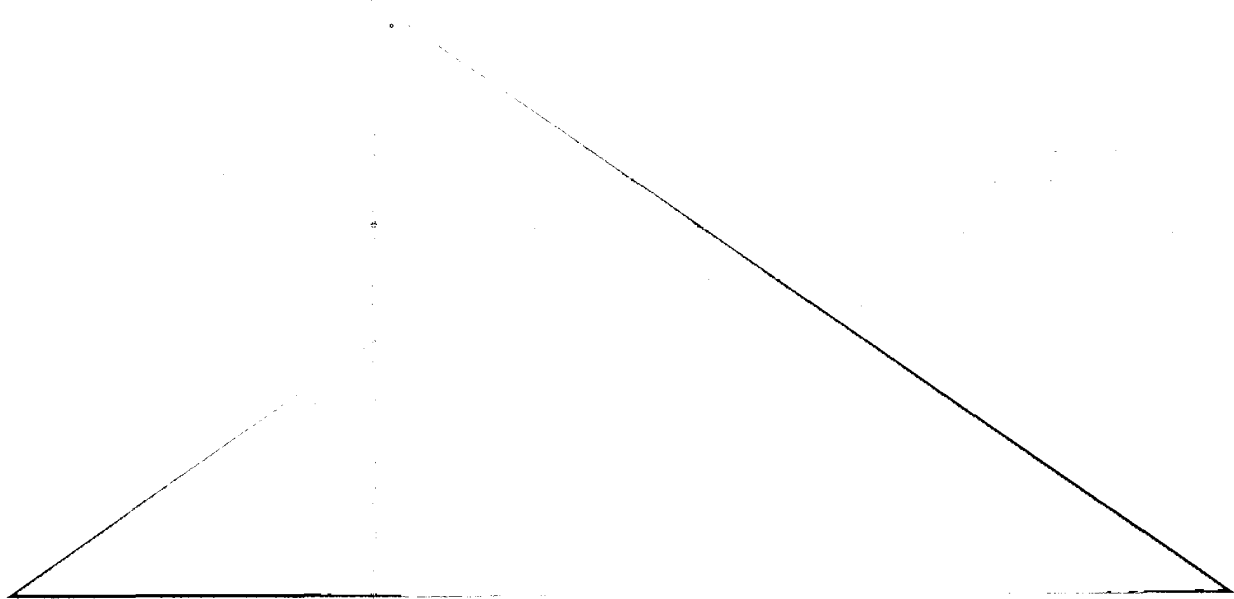
This report was approved by the board and signed on its behalf:



Lester D'Souza
Director

September 27, 2023

Independent auditor's
report to the members of
Genpact (UK) Limited



Opinion on the financial statements

In our opinion, the financial statements:

- Give a true and fair view of the state of the Company's affairs as at December 31, 2022, and of its profit for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

We have audited the financial statements of Genpact (UK) Limited (the "Company") for the year ended December 31, 2022, which comprise the statement of profit and loss and other comprehensive income, statement of financial position, statement of changes in equity, notes forming a part of the financial statements, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is in compliance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorized for issue.

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

Other information

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

Other information (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies Act 2006 reporting

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

- The information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The strategic report and the directors' report have been prepared in accordance with applicable legal requirements

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us

- The financial statements are not in agreement with the accounting records and returns
- Certain disclosures of directors' remuneration specified by law are not made
- We have not received all the information and explanations we require for our audit

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due

Auditor's responsibilities for the audit of the financial statements (continued)

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the group and the industry in which it operates
- Discussion with management and those charged with governance and legal counsel
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations

We considered the significant laws and regulations to be the applicable accounting framework, UK tax legislation, and Companies Act 2006.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations
- Review of financial statement disclosures and agreeing to supporting documentation
- Involvement of tax and transfer pricing specialists in the audit

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud
- Obtaining an understanding of the Company's policies and procedures relating to:
 - ▶ Detecting and responding to the risks of fraud
 - ▶ Internal controls established to mitigate risks related to fraud
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud

Extent to which the audit was capable of detecting irregularities, including fraud (continued)

Based on our risk assessment, we considered the areas most susceptible to fraud as being through the management override of controls to adjust the amount of revenue and transfer pricing entries recorded in the financial year.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation, particularly focusing on journals relating to revenue
- Assessing whether the judgments made in making accounting estimates are indicative of potential bias
- Verifying transfer pricing calculations in accordance with transfer pricing policies

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognizing that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations, or through collusion. There are inherent limitations in the audit procedures performed, and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

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

DocuSigned by:

Arbinder Chatwal

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Arbinder Chatwal

(Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor
Southampton, UK

September 27, 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of profit
or loss and other
comprehensive income

Statement for profit and loss and other comprehensive income for the year ended December 31, 2022

	Note	2022 \$ '000	2021 \$ '000
Revenue	4	3,620,559	3,229,157
Cost of sales		(3,434,932)	(3,101,282)
Gross profit		185,627	127,875
Administrative expenses		(129,283)	(112,660)
Other operating (expenses)/income		(13,189)	14,370
Profit before interest and taxation		43,156	29,585
Finance income	9	9,361	3,430
Finance cost	9	(5,783)	(9,350)
Profit before income tax		46,733	23,665
Tax expense	10	(6,341)	(4,365)
Profit for the year		40,392	19,300
Other comprehensive (expenses)/income:			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges		(42,700)	21,141
Movement on deferred tax relating to cash flow hedges		8,755	(2,490)
Total other comprehensive (expenses)/income for the year, net of tax		(33,945)	18,651
Total comprehensive income for the year		6,447	37,951

The notes on pages 28 to 60 form part of these financial statements.

Statement of financial position

Statement of financial position as at December 31, 2022

	Note	2022 \$ '000	2021 \$ '000
Assets			
Non-current assets			
Intangible assets	11	5,875	14,196
Property, plant, and equipment	12	2,048	2,321
CWIP	12(a)	8,071	429
Right of use assets	13	13,206	17,173
Investments in subsidiary	14	135,725	135,725
Trade and other receivables	15	144,300	152,586
Derivative financial assets	18	1,435	14,425
Deferred tax asset	16	26,663	5,303
Total non-current assets		337,323	342,158
Current assets			
Trade and other receivables	15	1,411,074	1,171,813
Derivative financial assets	18	6,213	14,651
Cash at bank and in hand		146,518	202,342
Total current assets		1,563,805	1,388,806
Total assets		1,901,128	1,730,964
Current liabilities			
Trade and other payables	17	(1,726,026)	(1,553,150)
Lease liabilities	23	(8,501)	(10,235)
Derivative financial liabilities	18	(23,450)	(2,370)
Provisions	17	(36,032)	(40,922)
Total current liabilities		(1,794,009)	(1,606,677)
Non-current liabilities			
Trade and other payables	17	(49,757)	(71,939)
Lease liabilities	23	(6,028)	(9,239)
Derivative financial liabilities	18	(3,509)	(246)
Total non-current liabilities		(59,294)	(81,424)
Total liabilities		(1,853,303)	(1,688,101)
Net assets		47,825	42,863

Statement of financial position (balance sheet) for the year ended December 31, 2022 (continued)

	Note	2022 \$ '000	2021 \$ '000
Capital and reserves			
Share capital	19	-	-
Cash flow hedge reserve	20	(12,480)	21,465
Profit and loss account	20	60,305	21,398
Total shareholders' funds		47,825	42,863

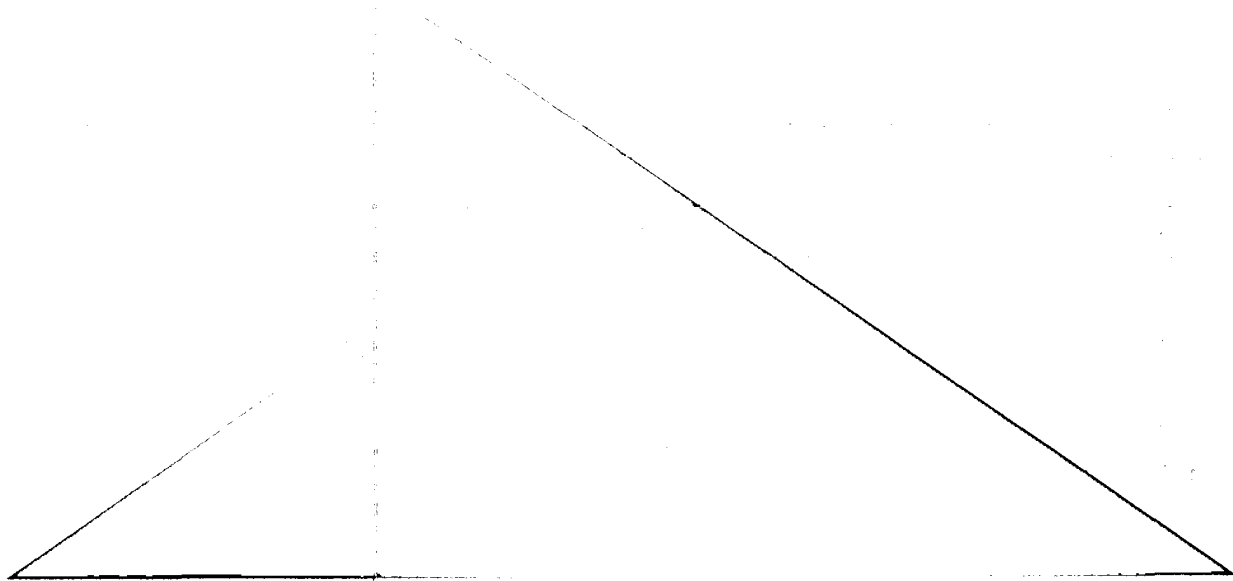
The notes on pages 28 to 60 form part of these financial statements.



Lester D'Souza
Director
Genpact (UK) Limited

Registered No.: 04217635
Registered Office: 6 Lloyds Avenue, Suite 4CL,
London, EC3N 3AX

Statement of changes in equity



Statement of changes in equity for the year ended December 31, 2022

	Called up share capital (refer to note 19) \$ '000	Profit and loss account \$ '000	Cash flow hedge reserve \$ '000	Total \$ '000
At January 1, 2022	-	21,398	21,465	42,863
Profit for the year	-	40,392	-	40,392
Tax adjustment	-	(1,485)	-	(1,485)
Other comprehensive (expenses)/income for the year	-	-	(33,945)	(33,945)
Total comprehensive (expenses)/income for the year	-	38,907	(33,945)	4,962
At December 31, 2022	-	60,305	(12,480)	47,825

Statement of changes in equity for the year ended December 31, 2021

At January 1, 2021	-	25,012	2,814	27,826
Profit for the year	-	19,300	-	19,300
Tax adjustment	-	2,086	-	2,086
Dividends paid	-	(25,000)	-	(25,000)
Other comprehensive income for the year	-	-	18,651	18,651
Total comprehensive income for the year	-	(3,614)	18,651	15,037
At December 31, 2021	-	21,398	21,465	42,863

The notes on pages 28 to 60 from part of these financial statements.

Notes forming part of the financial statements

1. General information

Genpact (UK) Limited (the "Company") is a private company limited by shares incorporated, domiciled, and registered in England and Wales. The Company's registration number is 04217635, and its registered address is 6 Lloyds Avenue, Suite 4CL, London, EC3N 3AX.

2. Accounting policies

Basis of preparation of the financial statements

The financial statements have been prepared in accordance with the Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). These financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with FRS 101 issued by the Financial Reporting Council.

The Company has taken advantage of the exemption under Section 400 of the Companies Act 2006 to not prepare group accounts, being a wholly owned subsidiary of Genpact Global Holdings (Bermuda) Limited, which is a subsidiary of Genpact Limited. The Company's results are included in the consolidated financial statements of Genpact Limited (the ultimate parent company).

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree

of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

These financial statements are Separate Financial Statements of the Company. In preparing these financial statements, the Company has taken advantage of certain disclosure exemptions conferred by FRS 101 and has not provided:

- The requirements of IFRS 7 *Financial Instruments: Disclosures*
- Paragraphs 91 to 99 of IFRS 13 *Fair Value Measurement* (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1 *Presentation of Financial Statements* - comparative information requirements in respect of:
 1. Paragraph 79(a)(iv) of IAS 1
 2. Paragraph 73(e) of IAS 16 *Property, Plant, and Equipment*
 3. Paragraph 118(e) of IAS 38 *Intangible Assets* (reconciliations between the carrying amount at the beginning and end of the period)
- The following paragraphs of IAS 1 *Presentation of Financial Statements*:
 1. 10(d) (statement of cash flows)
 2. 16 (statement of compliance with all IFRS)
 3. 38A (requirement for a minimum of two primary statements, including cash flow statements)
 4. 38B-D (additional comparative information)
 5. 111 (cash flow statement information)
 6. 134-136 (capital management disclosures)
 7. IAS 7 *Statement of Cash Flows*

2. Accounting policies (continued)

8. Paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
9. Additional comparative information for narrative disclosures and information beyond IFRS requirements
10. Paragraphs 17 and 18A of IAS 24 *Related Party Disclosures* (key management compensation)
11. The requirements in IAS 24 *Related Party Disclosures*, to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary that is a party to the transaction is wholly owned by such a member
12. The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91, and 93 of IFRS 16 *Leases*
13. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after five years required by company law is presented separately for lease liabilities and other liabilities, and in total

A. New standards, interpretations, and amendments effective from January 1, 2022

The following amendments are effective for the period beginning January 1, 2022:

- *Onerous contracts - Costs of Fulfilling a Contract* (Amendments to IAS 37)

- *Property, Plant and Equipment: Proceeds before Intended Use* (Amendments to IAS 16)
- *Annual improvements to IFRS Standards 2018-2020* (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41)
- *References to Conceptual Framework* (Amendments to IFRS 3)

None of these amendments had any impact on the company.

B. New standards, interpretations, and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations that have been issued by the International Accounting Standards Board (IASB) that are effective in future accounting periods that the management has decided not to adopt early.

The following amendments are effective for the period beginning January 1, 2023:

- *Disclosure of Accounting Policies* (Amendments to IAS 1 and IFRS Practice Statement 2)
- *Definition of Accounting Estimates* (Amendments to IAS 8)
- *Deferred Tax Related to Assets and Liabilities arising from a Single Transaction* (Amendments to IAS 12)

The following amendments are effective for the period beginning January 1, 2024:

- *Lease Liability in a Sale and Leaseback* (Amendments to IFRS 16 *Leases*)
- *Classification of Liabilities as Current or Non-current* (Amendments to IAS 1 *Presentation of Financial Statements*)

2. Accounting policies (continued)

- *Non-current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements)*

The Company is currently assessing the impact of these new accounting standards and amendments. The Company does not believe that the amendments to IAS 1 will have a significant impact on the classification of its liabilities.

The Company does not expect any other standards issued by the IASB but not yet effective to have a material impact on the financial statements of the Company.

Going concern

The directors have considered the status of the Genpact group and the Company as a going concern and are satisfied it will continue in business. The directors have received confirmation that the amounts due to group undertakings will only be settled when sufficient surplus funds exist and believe that the funding available to the Company is adequate to continue its operations for at least 12 months following the date of approval of these financial statements. Accordingly, the directors continue to adopt the going concern basis in preparing the accounts.

Based on its transfer pricing arrangement with the Genpact group companies and a business forecast prepared at the Genpact group level for the next 12 months, the company is considered profitable.

In the year ended December 31, 2022, the pandemic did not have a significant impact on our results. Our past results may not be indicative of our future performance, and our financial results in future periods, including but not limited to net revenues, income from operations, income from operations margin, net income, earnings per share, and cash flow from operations may differ

materially from historical trends. In the financial year 2020, as a COVID-19 relief measure available to the Company, the payment of VAT for the period February 2020 to March 2020 was deferred and settled in eight equal monthly installments between June 2021 and January 2022.

The Company has factoring facilities and has also taken loans from affiliates. The directors also understand that it is the parent's intention to continue to support the Company due to its strategic location in the UK. On the basis of the forecast prepared and a letter of support from Genpact Limited, the Company's ultimate parent, the directors consider that the Company will have adequate resources to continue for a period of at least 12 months from the date of approval of these financial statements and is reliant on the support of its parent in respect of existing intragroup loans.

Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is the US dollar.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period's end, foreign currency monetary items are translated using the closing rate. Nonmonetary items measured at historical cost are translated using the exchange rate at the date of the transaction, and nonmonetary items measured at fair value are measured using the exchange rate when fair value was determined.

2. Accounting policies (continued)

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss (except when deferred in the statement of comprehensive income) as qualifying cash flow hedges.

Property, plant, and equipment

Property, plant, and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any.

Historical costs include any expenditure that is directly attributable to bringing an asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Depreciation is charged so as to amortize the cost of assets less any expected residual value, over their estimated useful lives, using the straight-line method.

Estimated useful lives are as follows:

Computer equipment and servers	4 years
Furniture and fixtures	4 years
Plant, machinery and equipment	4 years
Leasehold improvements	10 years or the lease period, whichever is less

The residual values, useful lives, and the method of depreciation are reviewed at each financial year-end and adjusted prospectively, if appropriate.

An item of property, plant, and equipment, and any significant part thereof initially recognized, is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss.

Intangible assets

Intangible assets are initially recognized at their cost of acquisition. After initial recognition, intangible assets are subsequently measured at cost less accumulated amortization and accumulated impairment losses, if any.

All intangible assets are considered to have a finite useful life of four to five years and are amortized over the expected useful life using a method of amortization that reflects the pattern in which the economic benefits of the intangible assets are consumed or otherwise realized.

Valuation of investments

Investments in subsidiaries are held at historical cost less impairment, if any.

Impairment of non-financial assets

At each reporting date, the Company assesses indicators of impairment for nonfinancial assets. Where any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. An asset's recoverable amount is higher than an asset's or cash-generating unit's fair value, less costs to sell and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses on continuing operations are recognized in the statement of profit and loss under the expense categories consistent with the function of the impaired asset.

For assets where an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, not

2. Accounting policies (continued)

to exceed the carrying amount that would have been determined, net of depreciation, had no impairment losses been recognized for the asset or cash-generating unit in prior years. A reversal of impairment loss is recognized immediately in the statement of profit and loss.

Provisions for liabilities

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Financial instruments

Initial recognition

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

Subsequent measurement

1. *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.

2. *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.

3. *Financial assets at fair value through profit or loss*

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

4. *Financial liabilities*

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

Amounts owed from and owed to group companies are presented on a net basis if there is a legally enforceable right to set off the recognized amounts and intention to settle on a net basis.

Derivative financial instruments

The Company uses derivative financial instruments to hedge its exposure to foreign exchange risks arising from operating activities. The Company does not hold or issue derivative financial instruments for trading purposes. However, if derivatives do not qualify for hedge accounting, they are accounted for as such.

The Company recognizes derivative instruments and hedging activities as either assets or liabilities in its balance sheets and measures them at fair

2. Accounting policies (continued)

value. Gains and losses resulting from changes in fair value are accounted for depending on the use of the derivative and whether it is designated and qualifies for hedge accounting. Changes in the fair values of derivatives designated as cash flow hedges are deferred and recorded as a component of other comprehensive income (loss) reported under accumulated other comprehensive income (loss) until the hedged transactions occur and are then recognized in the statements of profit and loss along with the underlying hedged item and disclosed as part of "turnover," "cost of sales," "administrative expenses," and "interest receivable/payable and similar income/expense," as applicable. Changes in the fair value of derivatives not designated as hedging instruments and the ineffective portion of derivatives designated as cash flow hedges are recognized in the statements of profit and loss and are included in other operating (expense) income.

1. **Financial assets or financial liabilities, at fair value through profit or loss**

Derivative financial assets or liabilities not designated as hedges are classified under this category. Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under IFRS 9 *Financial Instruments*. Any derivative that is either not designated as hedge or is so designated but is ineffective as per IFRS 9 is categorized as a financial asset or financial liability at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value, and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss, and the resulting exchange gains or losses are included in the statement of profit and loss. 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 reporting date.

2. **Cash flow hedges**

The Company designates certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. When a derivative is designated as a cash flow hedge instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedge reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated, or exercised, the cumulative gain or loss on the hedging instrument recognized in the cash flow hedge reserve till the period the hedge was effective remains in the cash flow hedge reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedge reserve is transferred to the net profit in the statement of profit and loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in the cash flow hedge reserve is reclassified to net profit in the statement of profit and loss.

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

2. Accounting policies (continued)

asset and the transfer qualifies for derecognition under IFRS 9. 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 canceled or expires.

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Fair value of financial instruments

The Company measures financial instruments, such as derivatives, at fair value at each balance sheet date. Fair value is the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or liability

Impairment

The Company recognizes an allowance for expected credit losses (ECLs) for all financial assets not held at fair value through profit or loss.

For trade receivables and unbilled receivables, the Company applies a simplified approach in calculating ECLs. The Company has determined unbilled work in progress to have substantially the same risk characteristics as trade receivables. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for unbilled receivables. The Company has established a provision matrix that is based on its historical

credit loss experience, adjusted for forward-looking factors specific to the trade receivables and the economic environment. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses.

For all other financial assets, ECLs are recognized using a general approach in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

A financial asset is written off when it is deemed uncollectible and there is no reasonable expectation of recovering the contractual cash flows. Expected recoveries of amounts previously written off, not to exceed the aggregate amounts previously written off, are included in determining the allowance at each reporting period.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. In the current year, the Company is exposed to credit risk from its operating activities (primarily debtors and unbilled receivables), including deposits with banks and other financial instruments. Customer credit risk is managed subject to the Company's established policy, procedures, and control relating to customer credit risk management.

Factoring

The Company uses revolving accounts receivable-based facilities in the normal course of business as part of managing its cash flows. The Company accounts for receivables sold under these facilities as a sale of financial assets pursuant to IFRS 9

2. Accounting policies (continued)

and derecognizes these receivables, as well as the related allowances, from its balance sheets wherein there is no subsequent involvement of the Company and no recourse is available to the factoring agent. Generally, the fair value of accounts receivable sold approximates their book value due to their short-term nature, and any gains or losses on the sale of these receivables are recorded at the time of transfer and included under "interest income (expense), net" in the Company's statements of income. In other cases where there is a recourse available with the factoring agent, the amount collected on the sale of receivables is presented as short-term borrowing in the statement of financial position.

Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable on demand. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and are readily convertible to known amounts of cash with insignificant risk of change in value.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability. The Company's ordinary shares are classified as equity instruments.

Dividends payable

Dividends are recognized when they become legally payable. In the case of interim dividends to equity shareholders, this is when they are paid. In the case of final dividends, this is when approved by the shareholders at the AGM.

Leases

The Company as a lessee

The Company accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange

for consideration. Leases are those contracts that satisfy the following criteria:

- There is an identified asset
- The Company obtains substantially all the economic benefits from use of the asset
- The Company has the right to direct use of the asset

The Company considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether the Company obtains substantially all the economic benefits from use of the asset, the Company considers only the economic benefits that arise from use of the asset, not those that are incidental to legal ownership or other potential benefits.

In determining whether the Company has the right to direct use of the asset, the Company considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are predetermined due to the nature of the asset, the Company considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Company applies other applicable IFRSs rather than IFRS 16.

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for:

- Leases of low-value assets
- Leases with a duration of 12 months or less

Lease measurement

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the

2. Accounting policies (continued)

Company's incremental borrowing rate (IBR) on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee
- The exercise price of any purchase option granted in favor of the Company if it is reasonably certain to assess that option
- Any penalties payable for terminating the lease if the term of the lease has been estimated on the basis of the termination option being exercised

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before the commencement of the lease
- Initial direct costs incurred
- The amount of any provision recognized where the Company is contractually required to dismantle, remove, or restore the leased asset

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortized on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease (because, for example, it reassesses the probability of a lessee extension or termination option being exercised), it adjusts the

carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate.

The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases, an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortized over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognized in profit or loss.

When the Company renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- If the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights of use obtained, the modification is accounted for as a separate lease in accordance with the above policy
- In all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount
- If the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognized in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount

2. Accounting policies (continued)

Current tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except that a charge attributable to an item of income or expense recognized as other comprehensive income, or to an item recognized directly in equity, is also recognized in other comprehensive income or directly in equity, respectively. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income. Tax provisions are recognized for uncertain tax positions where risk of an additional tax liability has been identified, and the Company may be required to settle that tax. Measurement is dependent on judgments for the outcome of decisions by tax authorities in various tax jurisdictions in which the Company operates, of which assessment is performed on a case-by-case basis by in-house tax experts, professional firms, and previous experience.

Group relief on taxation

The Company may receive or transfer certain corporation tax losses to other members of the group, which are subsequently settled as intercompany transactions.

Deferred tax

Deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their tax bases, and any operating losses are carried forward. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in

subsidiaries and associates and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent it is probable that there will be sufficient taxable profits to utilize the benefits and are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized, based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited to the statement of profit and loss and other comprehensive income, except when it relates to items charged or credited in other comprehensive income, in which case deferred tax is also dealt with in other comprehensive income.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2. Accounting policies (continued)

Current tax and deferred tax

Current and deferred tax are recognized in the statement of profit and loss and other comprehensive income, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

Tax benefits on the difference between the fair value and grant price of the stock options, restricted share units, and performance units exercised/vested are treated through retained earnings.

Revenue

IFRS 15 – Revenue accounting policy

The Company derives its revenue primarily from its Digital Operations services and Data-Tech-AI services, which are provided primarily on a time-and-material, transaction, or fixed-price basis.

- **Digital Operations services:** Through our Digital Operations services, we embed digital, advanced analytics, and cloud-based offerings into our business process outsourcing solutions that transform and run our clients' operations to maximize performance. Working together with our Data-Tech-AI services, Digital Operations services give enterprises greater flexibility, the ability to focus on higher-value work, and a sharper competitive edge. Our Digital Operations solutions also include certain IT services functions, including end-user computing support and infrastructure production support.
- **Data-Tech-AI services:** Our Data-Tech-AI services focus on designing and building solutions that drive transformation for clients. They harness the power of digital technologies, data, advanced analytics, AI, and cloud-based software-as-a-service offerings. Using human-centric design, we

help clients build new products and services, create digital workspaces, and improve customer, client, employee, and partner engagement.

The Company recognizes revenue when the promised services are delivered to customers for an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. Revenues from services rendered under time and materials and transaction-based contracts are recognized as the services are provided. The Company's fixed-price contracts include contracts for the customization of applications and maintenance and support services. Revenues from these contracts are recognized over the term of the agreement. The Company accrues revenue and unbilled receivables for services rendered between the last billing date and the reporting date. Customer contracts sometimes also include incentive payments received for discrete benefits delivered or promised to be delivered to customers or service level agreements that could result in credits or refunds to the customer. Revenues relating to such arrangements are accounted for as variable consideration when the amount of revenue to be recognized can be estimated to the extent that it is probable that a significant reversal of any incremental revenue will not occur.

The Company records deferred revenue attributable to certain process transition activities where such activities do not represent separate performance obligations. Revenues relating to such transition activities are classified under contract liabilities and subsequently recognized over the period in which the related services are performed. Costs relating to such transition activities are fulfillment costs, which are directly related to the contract and result in the generation or enhancement of resources. Such costs are expected to be recoverable under the contract and are therefore classified as contract cost assets and recognized over the estimated expected period of benefit under the cost of revenue.

2. Accounting policies (continued)

Revenues are reported net of indirect taxes and applicable discounts and allowances. Reimbursements of out-of-pocket expenses received from customers have been included as part of revenues.

Revenue for performance obligations that are satisfied over time is recognized in accordance with the methods prescribed for measuring progress. The input (cost expended) method has been used to measure progress toward completion, as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current contract estimates.

The Company enters into multiple-element revenue arrangements in which customers may purchase a combination of products or services. The Company determines whether each product or service promised to a customer is capable of being distinct and is distinct in the context of the contract. If not, the promised products or services are combined and accounted for as a single performance obligation. In the event of a multiple-element revenue arrangement, the Company allocates the arrangement consideration to separately identifiable performance obligations based on their relative standalone selling prices.

Certain contracts may include offerings such as the sale of licenses, which may be perpetual or subscription-based. Revenue from distinct perpetual licenses is recognized upfront at the point in time when the software is made available to the client. Revenue from distinct subscription-based licenses is recognized at the point in time it is transferred to the client. Revenue from any associated maintenance or ongoing support services is recognized over the term of the contract. For a combined software license/services performance obligation, revenue is recognized over the period that the services are performed.

All incremental and direct costs incurred for acquiring contracts, such as certain sales commissions, are classified as contract cost assets. Such costs are amortized over the expected period of benefit and recorded under administrative expenses.

Other upfront fees paid to customers are classified as contract assets. Such fees are amortized over the expected period of benefit, recorded as an adjustment to the transaction price, and deducted from revenue. The timing of revenue recognition may differ from the timing of invoicing. If a payment is received in respect of services prior to the delivery of services, the payment is recognized as an advance from the customer and classified as a contract liability. Contract assets and contract liabilities relating to the same customer contract are offset against each other and presented on a net basis in the financial statements.

Principal vs. agent

Generally, a principal provides goods or services directly to the end customer, while an agent arranges for another party to provide its goods or services to the end customer. Said another way, a principal will have control of the goods or services before they are transferred to the customer, while an agent will not. Paragraph IFRS 15:B37 provides below guidance in assessing whether a reporting entity controls a good or service before it is transferred to the customer:

- Primary responsibility for fulfilling the promise to provide the specific good or service
- Inventory risk
- Discretion in establishing the price for the specified good or service

The indicators noted above are to support an assessment of control. The conclusion of control should not be based on the presence of one or more of these indicators. Additionally, the revenue recognition rules note that an entity does not

2. Accounting policies (continued)

necessarily control a specified good if the entity obtains legal title to the good only momentarily before legal title is transferred to a customer.

A principal may satisfy its performance obligation to provide the specified good or service itself, or it may engage another party to satisfy some or all of the performance obligation on its behalf.

Where a company is acting as a principal, revenue is reported based on the gross amount billed to a customer. If a company is acting as an agent, revenue is reported based on the net amount retained, for example, the amount billed to a customer less the amount paid to the supplier or subcontractor.

Share-based payments

Certain employees of the Company have been granted stock options, restricted share units, and performance units by Genpact Limited, the ultimate holding company (parent company). Employees are also eligible to participate in the Genpact Limited International Stock Purchase Plan.

The Company recognizes and measures compensation expense for all stock-based awards based on the grant date fair value. For option awards, the grant date fair value is determined under the option-pricing model (Black-Scholes-Merton). For awards other than option awards, the grant date fair value is determined based on the fair market value of the Company's share on the date of grant of such awards. The Company recognizes compensation expense for stock-based awards net of estimated forfeitures. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

Genpact Limited (the ultimate parent company) had granted stock-based awards under the 2007 Omnibus Incentive Compensation Plan ("2007 Omnibus Plan") and 2017 Omnibus Incentive Compensation Plan ("2017 Omnibus Plan") to

employees of the Company. Shares covered by the forfeited, expired, terminated, or canceled awards under these plans are added to the number of shares otherwise available for grant. The Company has entered into an agreement with Genpact Limited, whereby the Company will reimburse Genpact Limited for share-based compensation costs computed based on the grant date fair value method in respect of awards granted to employees of the Company. Accordingly, the Company has a liability in respect of employee stock-based awards payable to Genpact Limited, computed based on the grant date fair value method in respect of all vested but unexercised option awards and all other unvested awards outstanding as on December 31, 2022.

Restricted share units

The ultimate parent company has granted restricted share units, or RSUs, under the 2007 and 2017 Omnibus Plans. Each RSU represents the right to receive one common share of the ultimate parent company. The fair value of each RSU is the market price of one common share of the ultimate parent company on the date of grant. The RSUs granted to date have graded vesting schedules of three months to four years. The compensation expense is recognized on a straight-line basis over the vesting term.

Performance units

The ultimate parent company also granted stock awards in the form of performance units, or PUs, and has granted PUs under both the 2007 and 2017 Omnibus Plans.

Each PU represents the right to receive one common share of the ultimate parent company at a future date based on the parent company's performance against specified targets. PUs granted to date have vesting schedules of six months to three years. The fair value of each PU is the market price of one common share of the ultimate parent company on the date of grant and assumes that performance targets will be

2. Accounting policies (continued)

achieved. PUs granted under the plan are subject to cliff vesting. The compensation expense for such awards is recognized on a straight-line basis over the vesting term. During the performance period, the ultimate parent company's estimate of the number of shares to be issued is adjusted upward or downward based upon the probability of achievement of the performance targets. The ultimate number of shares issued, and the related compensation cost recognized, is based on a comparison of the final performance metrics to the specified targets.

Stock options

All options granted under the 2007 and 2017 Omnibus Plans are exercisable into common shares of the ultimate parent company, have a contractual period of ten years, and vest over four to five years unless specified otherwise in the applicable award agreement. The Company recognizes compensation cost over the vesting period of the option.

Employee stock purchase plan (ESPP)

Company employees are eligible to participate in the Genpact Limited International Employee Stock Purchase Plan (ESPP).

The ESPP allows eligible employees to purchase the ultimate parent company's common shares through payroll deductions at 90% of the closing price of the parent company's common shares on the last business day of each purchase interval. The dollar amount of common shares purchased under the ESPP must not exceed 15% of the participating employee's base salary, subject to a cap of \$25,000 per employee per calendar year. The offering periods commence on the first business day in March, June, September, and December of each year and end on the last business day of the subsequent May, August, November, and February.

Pension and other post-employment benefits

The Company participates in a defined contribution scheme open to all employees. Payments to this scheme are recognized as an expense as they fall due.

Interest expense

Interest expenses as "finance costs" are charged to the statement of profit and loss over the term of the debt using the effective interest method. Issue costs are initially recognized as a reduction from the proceeds.

Interest received

Finance income is recognized using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to its net carrying amount.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The Company makes certain estimates and assumptions regarding the future. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates and assumptions are based upon

3. Judgments in applying accounting policies and key sources of estimation uncertainty (continued)

management's best knowledge of current events and actions, actual results could differ from these estimates. Any changes in estimates are adjusted prospectively in the Company's financial statements. Management believes that the estimates used in the preparation of the financial statements are reasonable.

Management considers the following to be significant judgments:

Revenue recognition

The Company often enters into contracts with its customers that include promises to transfer multiple products and services to the customer. Determining whether products and services are considered distinct performance obligations that should be accounted for separately rather than together may require significant judgment.

Judgment is also required to determine the standalone selling price for each distinct performance obligation. In instances where the standalone selling price is not directly observable, it is determined using information that may include market conditions and other observable inputs.

Customer contracts sometimes include incentive payments received for discrete benefits delivered to the customer or service-level agreements that could result in credits or refunds to the customer. Such amounts are estimated at contract inception and are adjusted at the end of each reporting period as additional information becomes available, only to the extent that it is probable that a significant reversal of any incremental revenue will not occur.

Leases

The Company determines the lease term as the noncancelable term of the lease, together with any periods covered by an option to extend the lease, if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Under certainty of its leases, the Company has a renewal and termination option to lease assets for additional terms between one and ten years. The Company applies judgment in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. The Company considers all relevant factors that create an economic incentive for it to exercise the renewal or termination option. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within the Company's control and affects its ability to exercise (or not to exercise) the option to renew or terminate.

Significant estimates and assumptions

Revenue

Determine the amount of revenue to recognize in respect of project work ongoing at the year-end. Factors taken into account in assessing the percentage completion of a project include hours worked and third-party costs incurred versus budget, project phases, milestones completed, or deliverables issued to the client.

Useful life of intangible assets

Intangible assets are amortized over their useful lives. Useful lives are based on the management's estimates of the period that the assets will generate revenue. These estimates are reviewed at least annually, and changes to these estimates can result in significant variations in the carrying value and amounts charged to profit or loss. The carrying amount of intangible assets by each class is included in note 11, and details of the useful lives are included within the accounting policy.

Evaluation of indicators for impairment of assets

Determine whether there are indicators of impairment of the Company's tangible and intangible assets, including investments. Factors

3. Judgments in applying accounting policies and key sources of estimation uncertainty (continued)

taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and, where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Incremental borrowing rate used to measure lease liabilities

The Company has applied an incremental borrowing rate for the purpose of computing lease liabilities. This is the rate of interest that the lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. This involves assumptions and estimates, which would affect the carrying value of the lease liabilities (note 23) and the corresponding right-of-use assets (note 13).

Allowance for expected credit losses

The Company uses a provision matrix to calculate allowance for expected credit losses (ECL) on trade receivables and unbilled receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is based on historical observed default rates. The Company calibrates the provision matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are adjusted to reflect current and

forward-looking information on macroeconomic factors. The Company believes the most relevant forward-looking macroeconomic factors are gross domestic product, inflation rates, and unemployment rates for each of the countries in which the Company or its customers operate, and it accordingly adjusts the historical loss rates based on expected changes in these factors.

The assessment of the correlation between historical observed default rates, forecast economic conditions, and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Company's trade receivables and unbilled receivables is disclosed in note 15.

Credit losses for long-term receivables are based on the discounted cash flow ("DCF") method. Under the DCF method, the allowance for credit losses reflects the difference between the contractual cash flows due in accordance with the contract and the present value of the cash flows expected to be collected. The expected cash flows are discounted at the effective interest rate of the financial asset. Such allowances are based on the credit losses expected to arise over the life of the asset, which includes consideration of prepayments based on the Company's expectation as of the balance sheet date.

4. Revenue from operations

	2022 \$ '000	2021 \$ '000
Analysis of revenue by customer group		
Revenue from external customers	3,556,744	3,192,649
Revenue from group companies	63,815	36,508
	3,620,559	3,229,157
Analysis of revenue by service type		
Data-Tech-AI	1,561,724	1,241,213
Digital Operations	2,058,835	1,987,944
	3,620,559	3,229,157
Analysis of revenue by geography based on the location of the customer		
United States of America	2,568,430	2,226,438
United Kingdom	325,881	272,553
Rest of the world	726,248	730,166
	3,620,559	3,229,157

5. Customer contracts

	Contract assets 2022 \$ '000	Contract assets 2021 \$ '000	Contract liabilities 2022 \$ '000	Contract liabilities 2021 \$ '000
Balance as at January 1, 2022	13,602	15,852	201,333	191,341
Balance as at December 31, 2022	16,023	13,602	190,124	201,333
			Contract liabilities 2022 \$ '000	Contract liabilities 2021 \$ '000
Amounts included in contract liabilities that were recognized as revenue during the period			145,504	147,703

During the period, there was no impairment of contract assets and contract liabilities.

Revenue recognized during the period does not include any amount from performance obligations satisfied in previous periods. Contract assets and

contract liabilities are included within "Trade and other receivables" and "Trade and other payables," respectively, on the face of the balance sheet. Upfront fees paid to a client are classified as contract assets, which are amortized over the expected period of benefit and recorded as an

5. Customer contracts (continued)

adjustment to the transaction price. Consequent to the signing of the contract, revenue from the transition of services to our delivery centers, as well as the related cost of revenue, are deferred where such activities do not represent separate performance obligations. Revenue related to transition activities is classified under contract liabilities and subsequently recognized over the period in which related services are performed.

The amount of incremental costs to obtain a contract which has been recognized as an asset during the year 2022 is \$48,423,386 (2021: \$35,673,499), and the amount of costs recognized as an expense during the year 2022 is \$47,455,790 (2021: \$50,387,250). Impairment during the year 2022 is \$2,168,004 (2021: \$Nil).

6. Items charged/(credited) to the statement of profit and loss

	2022	2021
	\$ '000	\$ '000
Staff costs (see note 8(a))	130,314	116,339
Depreciation of property, plant, and equipment (see note 12)	800	289
Depreciation of right-of-use assets (see note 13)	7,733	9,099
Impairment of right-of-use assets (see note 13)	389	-
Amortization of software (see note 11)	5,876	6,868
Amortization of customer relationships (see note 11)	2,445	2,932
Foreign exchange (loss)/gain	(13,318)	14,181

7. Auditors' remuneration

	2022	2021
	\$ '000	\$ '000
Audit fees	260	275
Non-audit fee	16	6

8. Employees

(a) Staff costs

Staff costs (including directors) comprises:

	2022	2021
	\$ '000	\$ '000
Wages and salaries	102,534	91,222
Social security costs	14,956	11,593
Costs of defined contribution scheme	4,472	4,173
Share-based payment	8,352	9,351
	130,314	116,339

Average monthly number of employees, including directors, during the year:

	2022	2021
	\$ '000	\$ '000
Directors	4	4
IT and accounting	470	374
Administrative	189	171
	663	549

(b) Directors' emoluments

	2022	2021
	\$ '000	\$ '000
Wages and salaries	1,283	1,741
Social security costs	183	242
Costs of defined contribution scheme	80	58
Shared-base payment	639	282
	2,185	2,323

There were four directors in the Company's defined contribution plan during the year (2021: 4)

Highest paid director

The total emoluments paid to the highest-paid director in respect of emoluments was \$863,382 (2021: \$1,056,456). Company pension contributions of \$27,289 (2021: \$16,927) were paid to a defined contribution scheme on their behalf.

9. Finance income and cost

	2022	2021
	\$ '000	\$ '000
Finance income		
Interest receivable from group undertakings	9,027	3,430
Interest income from bank	334	-
	<u>9,361</u>	<u>3,430</u>
Finance cost		
Interest expense on deep discount bonds	-	(5,326)
Unwinding of interest on lease liability	(354)	(538)
Interest expense for third-party discount factoring	(4,592)	(1,850)
Interest payable to group undertakings	(837)	(1,588)
Others	-	(48)
	<u>(5,783)</u>	<u>(9,350)</u>

10. Taxation on profit

(a) Tax charged in the income statement

	2022	2021
	\$ '000	\$ '000
Current tax		
UK corporation tax	14,825	6,140
Tax reserve on MTM gain	1,117	1,334
Adjustment in respect of prior years	4,957	(492)
	<u>20,899</u>	<u>6,982</u>
Deferred tax		
Origination and reversal of temporary differences	(7,716)	(1,840)
Adjustment in respect of prior years	(6,170)	-
Adjustment in respect of rates	(672)	(777)
	<u>(14,558)</u>	<u>(2,617)</u>
Taxation on profit from ordinary activities	<u>6,341</u>	<u>4,365</u>

10. Taxation on profit (continued)

(b) Tax (credited)/charged in other comprehensive (expense)/income

	2022 \$ '000	2021 \$ '000
Deferred tax		
Fair value movement on derivatives	(8,755)	2,490
Total Deferred tax	(8,755)	2,490
Tax (credit)/charge to other comprehensive (expense)/income	(8,755)	2,490

(c) Tax charged/(credited) in retained earnings

	2022 \$ '000	2021 \$ '000
Current tax		
UK corporation tax	(469)	(221)
Deferred tax		
Origination and reversal of timing differences	1,954	(1,865)
Tax charge/(credit) in retained earnings	1,485	(2,086)

(d) Reconciliation of the total tax charge in the income statement

	2022 \$ '000	2021 \$ '000
Profit on ordinary activities before tax	46,733	23,665
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	8,879	4,496
Effects of:		
Expenses not deductible for tax purposes	(1,770)	(196)
Adjustment in respect of previous periods	(1,213)	(492)
Tax reserve on MTM gain	1,117	1,334
Tax rate adjustments	(672)	(777)
Total tax charge for the year	6,341	4,365

Factors that may affect future tax charge

The UK corporation tax rate was 19% in the year 2022 and this rate has been used for the purposes of preparing the tax disclosures. Increases in the UK Corporation tax rate from 19%

to 25% (effective from 1 April 2023) have been substantively enacted. The value of the deferred tax liability at the balance sheet date has been calculated using the applicable rate when the liabilities are expected to be settled.

11. Intangible assets

	Customer relationships \$ '000	Software \$ '000	Total \$ '000
Cost			
As at January 1, 2022	28,564	36,713	65,277
Additions	-	-	-
As at December 31, 2022	28,564	36,713	65,277
Accumulated amortization			
As at January 1, 2022	(9,286)	(24,962)	(34,248)
Charge for the year	(2,445)	(5,876)	(8,321)
As at December 31, 2022	(11,731)	(30,838)	(42,569)
Impairment loss			
As at January 1, 2022	(16,833)	-	(16,833)
Charge for the year	-	-	-
As at December 31, 2022	(16,833)	-	(16,833)
Net book value			
As at December 31, 2022	-	5,875	5,875
As at December 31, 2021	2,445	11,751	14,196

The intangible assets include the fair value of customer contracts acquired as a part of an internal restructuring from Genpact International LLC and trademarks acquired from GE as a part of an asset purchase. The asset is carried at \$5,875,930 (2021: \$14,195,606) and will be amortized over a period of four to five years on a straight-line basis. There are no other individually material intangible assets.

Intangible assets are amortized over their estimated useful lives using a method of amortization that reflects the pattern in which the economic benefits of the intangible assets are consumed or otherwise realized. The amortization of intangible assets is recorded in administrative expenses in the statement of profit and loss.

12. Property, plant, and equipment

	Computer and equipment \$ '000	Furniture and fixtures \$ '000	Leasehold improvements \$ '000	Plant, machinery, and equipment \$ '000	Total \$ '000
Cost					
As at January 1, 2022	3,489	221	252	555	4,517
Additions	509	-	-	27	536
Deletion	-	-	-	(12)	(12)
As at December 31, 2022	3,998	221	252	570	5,041
Accumulated depreciation					
As at January 1, 2022	(1,206)	(221)	(252)	(517)	(2,196)
Depreciation for the year	(780)	-	-	(20)	(800)
Deletion	-	-	-	3	3
As at December 31, 2022	(1,986)	(221)	(252)	(534)	(2,993)
Net book value					
As at December 31, 2022	2,012	-	-	36	2,048
As at December 31, 2021	2,283	-	-	38	2,321

12(a) Capital WIP

	2022 \$ '000	2021 \$ '000
CWIP-IT*	8,071	429
	8,071	429

* The Capital Work in Progress (CWIP) encompasses ongoing development efforts for a cloud-based software platform focused on IT Service Management (ITSM). Additionally, it includes development activities associated with the transition to a new ERP module designed to support various operations.

13. Right-of-use assets

	Leased lines \$ '000	Office buildings \$ '000	Total \$ '000
Cost			
As at January 1, 2022	17,378	18,009	35,387
Additions	584	-	584
Less: impairment	-	(389)	(389)
Effect of modification to lease terms	4251	(362)	3,889
Exchanges difference	(10)	(308)	(318)
As at December 31, 2022	22,203	16,950	39,153
Accumulated depreciation			
As at January 1, 2022	10,378	7,836	18,214
Depreciation for the year	4,581	3,152	7,733
As at December 31, 2022	14,959	10,988	25,947
Net book value			
As at December 31, 2022	7,244	5,962	13,206
As at December 31, 2021	7,000	10,173	17,173

14. Investments in subsidiary

	Investments in subsidiary \$ '000
Cost and net book value	
As at January 1, 2022	135,725
Additions/(deletion)	-
As at December 31, 2022	135,725

The principal undertaking in which the Company's interest at the year-end was 20% or more is as follows:

Name of company	Country of incorporation	Proportion of voting rights and ordinary shares held	Nature of business
Subsidiary undertaking			
Genpact International LLC	United States of America	100%	Digital operations

As of the balance sheet date, the management tested the carrying value of investment in Genpact International LLC for impairment. The result of the evaluation showed that the fair value of the

investment is higher than the carrying value. Accordingly, the Company did not record any impairment charge on investment.

15. Trade and other receivables

	2022	2021
	\$ '000	\$ '000
Current portion		
Trade debtors [^] [net of allowances for credit losses +\$13,302,236 (2021: \$7,799,458)] [^]	550,936	468,802
Loan receivable from group undertakings	344,750	183,478
Amounts owed by group undertakings! [^]	71,391	113,524
Prepayments and accrued income	338,265	302,695
Corporation tax	-	338
Deferred costs	89,109	88,402
Contract assets	11,539	8,931
Advances [^]	5,084	5,643
	1,411,074	1,171,813
Non-current portion		
Long term accounts receivables [net of allowances for credit losses] \$3,169,763 (2021: \$3,077,003)	51,958	38,314
Deferred costs	87,858	109,601
Contract assets	4,484	4,671
	144,300	152,586

Loans receivable from group undertakings carry interest at a rate of three-months secured overnight financing rate (SOFR) plus a margin of 1.6339.

! Amounts owed by group undertakings are unsecured, interest-free, have no fixed date of repayment, and are recoverable on demand

+ Absolute numbers

[^] Receivables have been tested for the expected credit loss to measure the expected loss on the receivables over their lifetime. The amounts here are net of provision (if any) required on that category of receivable

The Company uses a simplified approach to recognize credit losses on trade and unbilled receivables. Unbilled receivables have similar characteristics to the trade receivables for similar types of contracts and are grouped together to compute credit losses. The provision is based on historical rate adjusted for forward-looking information. Trade receivables are assumed to be credit-impaired if it is unlikely that the customer will fulfill its obligation. To measure the expected credit losses on these receivables, historical defaults are considered while taking into account predicted future economic conditions.

16. Deferred tax asset

	Net asset	Credited to	Charged in	Credited to other
	2022	(profit) or loss	retained earnings	comprehensive
	\$'000	2022	2022	(expense)/income
		\$'000	\$'000	2022
				\$'000
Accelerated capital allowances	(459)	11	-	-
Intangibles asset	3,850	(611)	-	-
Employee stock option	6,415	(1,052)	1,954	-
Fair value movement on derivatives	3,826	-	-	(8,755)
Pension provision	148	(23)	-	-
ECL provision	3,380	(3,380)	-	-
Royalties' accrual	9,503	(9,503)	-	-
	26,663	(14,558)	1,954	(8,755)

	Net asset/	Credited to	(credited)	Charged to other
	(liability)	(profit) or loss	in retained earnings	comprehensive
	2021	2021	2021	(expense)/income
	\$'000	\$'000	\$'000	2021
				\$'000
Accelerated capital allowances	(448)	349	-	-
Intangibles asset	3,239	(1,335)	-	-
Employee stock option	7,317	(1,665)	(1,865)	-
Fair value movement on derivatives	(4,930)	-	-	2,490
Pension provision	125	34	-	-
	5,303	(2,617)	(1,865)	2,490

17. Trade and other payables

	2022	2021
	\$ '000	\$ '000
Current portion		
Borrowing under invoice financing facility*	33,012	-
Amounts owed to group undertakings	1,394,318	1,285,971
Borrowings from group undertaking	35,716	44,696
Other taxes and social security payable	16,513	15,657
Corporation tax payable	8,311	-
Accruals	85,857	71,298
Deferred income	140,367	129,394
Other creditors	11,932	6,134
	1,726,026	1,553,150

* Short-term borrowings from bank comprise factoring facilities obtained from bank.

Borrowings include loans from group undertakings, and interest payable on intercompany loans is charged at a rate of three-month SOFR plus a margin of 1.6339.

The Company has a revolving accounts receivable-based facility of \$100 million, permitting it to sell accounts receivable to banks on a recourse basis in the ordinary course of business. The principal amount outstanding against this facility as of

December 31, 2022, was \$33 million. The proceeds from transferring the debts are included in trade and other payables as "Borrowing under invoice financing facility" until the debts are collected from the customer or the Company makes good any losses incurred by the service provider.

Amounts owed to group undertakings are unsecured, interest-free, have no fixed date of repayment, and are repayable on demand.

	2022	2021
	\$ '000	\$ '000
Noncurrent portion		
Deferred income	49,757	71,939
	49,757	71,939

17. Trade and other payables (continued)

Provisions made during 2022 and closing balances

Particulars	Employee-related provisions	Client-related provisions*	Total
As at January 1, 2022	2,089	38,833	40,922
Charged to statement of comprehensive income	1,876	32,787	34,663
Utilized during the year	(2,089)	(24,403)	(26,492)
Released during the year	-	(12,703)	(12,703)
Foreign exchange difference	-	(358)	(358)
As at December 31, 2022	1,876	34,156	36,032

* Client-related provisions include provisions for warranty, productivity, and volume discounts.

18. Derivative financial instruments

The Company is exposed to the risk of rate fluctuations on foreign currency assets and liabilities and on foreign currency-denominated forecasted cash flows. The Company has established risk management policies, including the use of derivative financial instruments to hedge foreign currency assets and liabilities, and foreign currency denominated forecasted cash flows. These derivative financial instruments are deliverable and non-deliverable forward foreign exchange contracts. The Company enters into these contracts with counterparties that are banks

or other financial institutions, and the Company considers the risk of non-performance by such counterparties not to be material.

The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies. The forward foreign exchange contracts mature over periods of up to 48 months, and the forecasted transactions are expected to occur during the same periods.

18. Derivative financial instruments (continued)

	2022 \$ '000	2021 \$ '000
Derivative financial assets		
Forward foreign exchange contracts		
Designated as cash flow hedges	7,479	29,011
Others	169	65
Total derivative financial assets	7,648	29,076
Current and noncurrent:		
Current	6,213	14,651
Noncurrent	1,435	14,425
Derivative financial liabilities		
Forward foreign exchange contracts		
Designated as cash flow hedges	23,783	2,616
Others	3,176	-
Total derivative financial liabilities	26,959	2,616
Less non-current portion	3,509	246
Current portion	23,450	2,370

Cash flow hedges

For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the gain (loss) on the derivative instrument is reported as a component of other comprehensive (expense)/income and reclassified into earnings in the same period or periods during which the hedged transaction is

recognized in the statements of income. Gains (losses) on the derivatives, representing either hedge ineffectiveness or hedge components excluded from the assessment of effectiveness, are recognized in earnings as incurred.

In connection with cash flow hedges, the gains (losses) recorded as a component of other comprehensive income (loss), or OCI, and the related tax effects are summarized below:

	Before-tax amount	Tax (expense) or benefit	Net of tax amount
Opening balance	(26,394)	4,929	(21,465)
Net (gains) reclassified into statement of income on completion of hedged transactions	(1,572)	(273)	(1,845)
Changes in fair value of effective portion of outstanding derivatives, net	44,272	(8,482)	35,790
Unrealized loss on cash flow hedging derivatives, net	42,700	(8,755)	33,945
Closing balance	16,306	(3,826)	12,480

As a part of the original novation of contracts, the deferred tax on derivatives liability/assets is calculated on the net outstanding value of the contracts transferred.

19. Share capital

	Allotted, called up, and fully paid			
	2022 Number	2022 \$	2021 Number	2021 \$
Ordinary shares of £1 each	1	1.35	1	1.35

On November 1, 2018, the Company changed its functional currency from British pounds to US dollars. In accordance with IAS21, share capital and reserves were remeasured on this date.

The shares have attached to them full voting, dividend, and capital distribution rights.

20. Reserves

The composition of the Company's reserves are:

Reserve	Description and purpose
Share capital	Nominal value of share capital subscribed
Profit and loss account	Cumulative undistributed profits earned to date
Cash flow hedge reserve	The cumulative recognized effective portion of the fair value movement on derivative instruments

21. Pension commitments

The Company contributes to a defined contribution pension scheme. The pension cost charges represent contributions payable by the Company to HMRC (His Majesty's Revenue and Customs) and amounted to \$7,447,427 (2021: \$6,831,518). Contributions totaling \$ 629,624 (2021: \$658,203) were payable to the HMRC at the balance sheet date.

22. Share-based payment

Stock options

No option was exercised during the year (2021: \$Nil).

The weighted average remaining contractual lives of the options was 1.12 years (2021: 1.35 years).

At the end of the year, five options were outstanding, with the ranges of exercise price of \$30.29-\$44.90 (2021: \$30.29-\$44.90).

22. Share-based payment (continued)

During the year ended December 2022, the company has recognized expenses for share-based payment amounting to \$8,351,706 (2021: \$9,351,291).

As of December 2022, the company has a liability of \$18,524,632 (2021: \$25,742,470) pertaining to share-based payment expenses.

The Black-Scholes option pricing model was used to value the equity-settled, share-based payment awards as it was considered that this approach would result in materially accurate estimate of the fair value of options granted.

23. Commitments under leases

The Company has lease contracts for various items of bandwidth lines, office buildings, and other equipment used in its operations. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. The Company leases out the investment properties under noncancelable operating leases for the following future minimum lease payments. There are no contingent rents.

Lease liabilities are due as follows:

	2022	2021
	\$ '000	\$ '000
0-1 year	8,501	10,235
1-2 years	6,028	5,089
2-5 years		4,150
	14,529	19,474
		\$ '000
Lease liabilities recognized at January 1, 2022		19,474
Add: Additions during the year		584
Less: Effect of modification to lease terms		3,889
Add: Interest		354
Less: Payments during the year		(8,713)
Add: Exchange difference		(1,059)
Lease liability as at December 31, 2022		14,529

The total cash outflow for leases in 2022 was split as follows:

- Cash payments of \$8,358,336 for the principal portion of the lease liabilities
- Cash payments \$534,446 for the interest portion of the lease liabilities

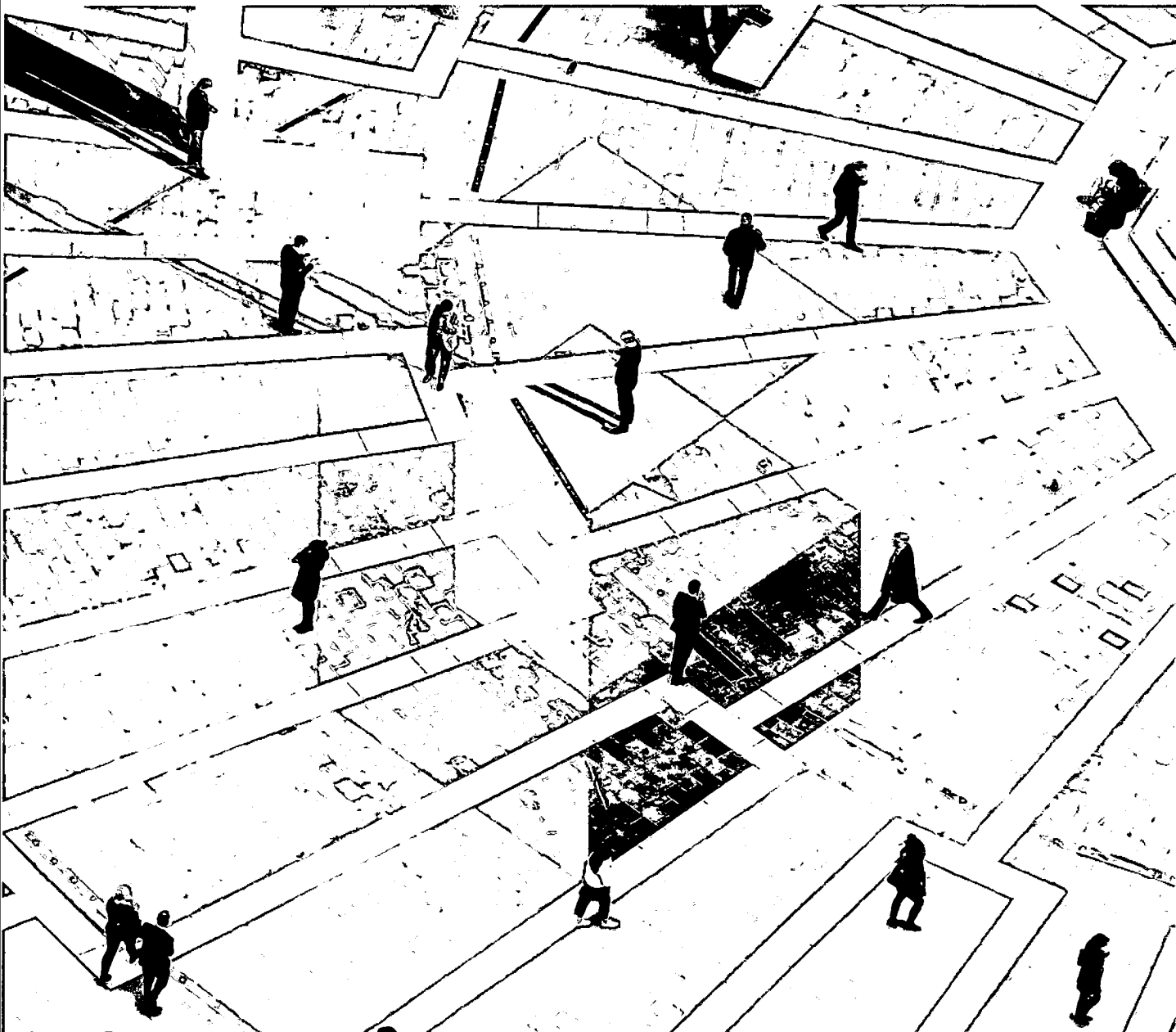
24. Related-party transactions

In accordance with the exemption under Financial Reporting Standard 101, the Company has not disclosed transactions with other wholly owned subsidiaries within the Genpact group.

25. Ultimate parent company and control

The Company's immediate parent company is Genpact Global Holdings (Bermuda) Limited, a company incorporated and registered in Bermuda.

The smallest and largest group of undertakings for which group accounts are drawn up and of which the Company is a member is headed by its ultimate parent undertaking, Genpact Limited, a company incorporated in Bermuda. The consolidated financial statements of the ultimate parent company are available to the public at www.sec.gov/cgi-bin/browse-edgar?CIK=1398659&owner=exclude.



About Genpact

Genpact (NYSE: G) is a global professional services firm delivering the outcomes that transform our clients' businesses and shape their future. We're guided by our real-world experience redesigning and running thousands of processes for hundreds of global companies. Our clients – including many in the Global Fortune 500 – partner with us for our unique ability to combine deep industry and functional expertise, leading talent, and proven methodologies to drive collaborative innovation that turns insights into action and delivers outcomes at scale. We create lasting competitive advantages for our clients and their customers, running digitally enabled operations and applying our Data-Tech-AI services to design, build, and transform their businesses. And we do it all with purpose. From New York to New Delhi and more than 30 countries in between, our 115,000+ team is passionate in its relentless pursuit of a world that works better for people. Get to know us at [Genpact.com](https://www.genpact.com) and on [LinkedIn](#), [Twitter](#), [YouTube](#), and [Facebook](#).

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