TO ALL STOCK EXCHANGES

BSE LIMITED
NATIONAL STOCK EXCHANGE OF INDIA LIMITED
NEW YORK STOCK EXCHANGE

January 12, 2023

Dear Sir/ Madam,

Sub: Outcome of Board meeting

This has reference to our letter dated December 15, 2022, regarding the captioned subject. The Board, at their meeting held on January 11-12, 2023, transacted the following items of business:

I. Appointment of an independent director

Based on the recommendation of the Nomination and Remuneration Committee, considered and approved the appointment of Govind Vaidiram Iyer (DIN - 00169343), as an additional & independent director effective January 12, 2023 for a period of 5 (Five) years, subject to the approval shareholders.

In this regard, a press release including his brief profile is enclosed herewith.

It may be noted that Govind Vaidiram Iyer has no relationship with any member of the Board of directors and meets all the criteria for being appointed as an independent director under all statutes applicable to the Company.

II. Financial Results

1. Approved the audited consolidated financial results of the Company and its subsidiaries as per Indian Accounting Standards (“INDAS”) for the quarter and nine months ended December 31, 2022;
2. Approved the audited standalone financial results of the Company as per INDAS for the quarter and nine months ended December 31, 2022; and
3. Approved the audited financial statements of the Company and its subsidiaries as per INDAS and International Financial Reporting Standard (“IFRS”) for the quarter and nine months ended December 31, 2022;

III. Other Matters

4. **Stock grants**

Based on the recommendations of the Nomination and Remuneration Committee,approved:

i. The annual time-based stock incentives in the form of Restricted Stock Units (RSUs) to Salil Parekh, CEO & MD having a market value of ₹3 crore as on the date of grant under the 2015 Stock Incentive Compensation Plan (2015 Plan) in accordance with the terms of his employment agreement. The RSUs will vest in line with the employment agreement. The RSUs will be granted w.e.f February 1, 2023 and the number of RSUs will be calculated based on the market price at the close of trading on February 1, 2023. The exercise price of RSUs will be

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equal to the par value of the share.

ii. The annual time-based RSUs to a KMP having a market value of ₹1.75 crore as on date of grant under 2015 plan, in accordance with the terms of his employment agreement. The RSUs will vest in line with the employment agreement. The RSUs will be granted w.e.f February 1, 2023 and the number of RSUs will be calculated based on the market price at the close of trading on February 1, 2023. The exercise price of RSUs will be equal to the par value of the share.

iii. The annual performance-based grant of RSUs to a KMP having a market value of ₹0.92 crore as on the date of grant under the 2015 plan. These RSUs will vest 12 months from the date of the grant based on the achievement of certain performance targets. The RSUs will be granted w.e.f February 1, 2023 and the number of RSU's will be calculated based on the market price at the close of trading on February 1, 2023. The exercise price of RSUs will be equal to the par value of the share.

iv. The grant of 11,39,550 RSUs under the 2015 Plan and grant of 21,40,000 PSUs under the Expanded Stock Ownership Program 2019 (2019 Plan) to eligible employees. The grants made under the 2015 Plan would vest over a period of four years and the grants made under the 2019 Plan would vest over a period of three years subject to Company's achievement of performance parameters as defined in the 2019 Plan. The RSUs and PSUs will be granted w.e.f February 1, 2023 and the exercise price will be equal to the par value of the share.

The Board Meeting commenced at 12.15 PM IST and concluded at 3.20 PM IST on January 12, 2023.

The above information will be made available on the Company's website at www.infosys.com.

This is for your information and records.

Sincerely,

For **Infosys Limited**
SURYANARAYANA ANUR GURUGOPALA RAJU MANIKANTHA

Digitally signed by SURYANARAYANA ANUR GURUGOPALA RAJU MANIKANTHA
Date: 2023.01.12 15:30:35 +05'30'

Manikantha A.G.S.
Company Secretary

PRESS RELEASE

Infosys Appoints Govind Iyer as an Independent Director

Appointment to be effective January 12, 2023

Bengaluru, India – January 12, 2023: Infosys (NSE, BSE, NYSE: INFY), a global leader in next-generation digital services and consulting, today announced the appointment of Govind Iyer as an Independent Director of the Company, effective January 12, 2023. This appointment is based on recommendation of the Nomination and Remuneration Committee of the Infosys Board, and is for a period of five years, subject to the approval of shareholders.

Govind Iyer retired as a Partner at Egon Zehnder (a Global leadership advisory Firm). Prior to joining Egon Zehnder, Govind worked at Procter & Gamble, Coca-Cola, and Heinz. Govind has served on the Wharton Executive Education Advisory Board and is an active University of Pennsylvania alumnus. He has served on the Advisory Board of Asian Venture Philanthropy Network (AVPN). He is a founding board member and Chairperson of Social Venture Partners in India, is a board member at GIVE India, and is a #LivingmyPromise signatory. Govind has a Bachelor of Engineering degree from Regional Engineering College, Trichy, and an MBA from The Wharton School, University of Pennsylvania.'

Welcoming Govind to the Board, **Kiran Mazumdar-Shaw, Lead Independent Director and Chairperson of the Nomination and Remuneration Committee, Infosys,** said, "We are delighted to welcome Govind to the Board of Infosys. He is a globally respected corporate leader and his deep and diverse experience in the areas of advisory services and philanthropy will be of great value to us."

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About Infosys

Infosys is a global leader in next-generation digital services and consulting. Over 300,000 of our people work to amplify human potential and create the next opportunity for people, businesses and communities. With over four decades of experience in managing the systems and workings of global enterprises, we expertly steer clients, in more than 50 countries, as they navigate their digital transformation powered by the cloud. We enable them with an AI-powered core, empower the business with agile digital at scale and drive continuous improvement with always-on learning through the transfer of digital skills, expertise, and ideas from our innovation ecosystem. We are deeply committed to being a well-governed, environmentally sustainable organization where diverse talent thrives in an inclusive workplace.

Visit www.infosys.com to see how Infosys (NSE, BSE, NYSE: INFY) can help your enterprise navigate your next.

Safe Harbor

This Release contains 'forward-looking statements' within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance and that are based on our current expectations, assumptions, estimates and projections about the Company, our industry, economic conditions in the markets in which we operate, and certain other matters. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as 'may', 'anticipate', 'believe', 'estimate', 'expect', 'continue', 'intend', 'will', 'project', 'seek', 'could', 'would', 'should' and similar expressions. Those statements include, among other things, statements regarding our business strategy, our expectations concerning our market position, future operations, growth, margins, profitability, attrition, liquidity, and capital resources, our ESG vision, our capital allocation policy, the effects of COVID-19 on global economic conditions and our business and operations, wage increases, change in the regulations including immigration regulation and policies in the United States, and corporate actions including timely completion of the proposed buy-back of our equity shares. These statements are subject to known and unknown risks, uncertainties and other factors which may cause actual results or outcomes to differ materially from those implied by the forward-looking statements. Additional risks that could affect our future operating results are more fully described in our United States Securities and Exchange Commission filings including our Annual Report on Form 20-F for the fiscal year ended March 31, 2022. These filings are available at www.sec.gov. Infosys may, from time to time, make additional written and oral forward-looking statements, including statements contained in the Company's filings with the Securities and Exchange Commission and our reports to shareholders. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company unless it is required by law.

For further information, please contact: **PR_Global@infosys.com**

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Fact Sheet
Consolidated Financial Data - Third Quarter, Fiscal 2023

21.7 % YoY	13.7 % YoY 2.4 % QoQ	21.5%	13.4% YoY	$3.3 bn
CC Digital growth	CC Revenue growth	Operating margin	Increase in EPS (₹ terms)	Large deal TCV

Revenue Growth- Q3 23

	Reported	CC
QoQ growth (%)	2.3%	2.4%
YoY growth (%)	9.6%	13.7%

Revenues by Offering

	Quarter ended ($ mn)			YoY Growth (%)	
	Dec 31, 2022	Sep 30, 2022	Dec 31, 2021	Reported	CC
Digital	2,930	2,817	2,487	17.8	21.7
Core	1,729	1,738	1,763	(1.9)	2.4
Total	**4,659**	**4,555**	**4,250**	**9.6**	**13.7**
Digital Revenues as % of Total Revenues	*62.9*	*61.8*	*58.5*		

Revenues by Business Segments

(in %)

	Quarter ended			YoY Growth	
	Dec 31, 2022	Sep 30, 2022	Dec 31, 2021	Reported	CC
Financial services	29.3	30.5	31.5	2.2	5.5
Retail	14.3	14.2	14.5	8.3	12.7
Communication	12.3	12.3	12.5	7.9	12.7
Energy, Utilities, Resources & Services	13.0	12.3	11.7	20.8	25.9
Manufacturing	13.3	12.8	11.3	29.1	36.8
Hi-Tech	8.1	8.2	8.1	9.9	10.4
Life Sciences	7.0	6.7	7.5	3.1	5.0
Others	2.7	3.0	2.9	(1.1)	8.1
Total	**100.0**	**100.0**	**100.0**	**9.6**	**13.7**

Revenues by Client Geography

(in %)

	Quarter ended			YoY Growth	
	Dec 31, 2022	Sep 30, 2022	Dec 31, 2021	Reported	CC
North America	62.0	62.5	61.8	10.0	10.5
Europe	25.8	24.7	24.9	13.6	25.3
Rest of the world	9.8	9.9	10.3	3.9	11.9
India	2.4	2.9	3.0	(11.5)	(5.4)
Total	**100.0**	**100.0**	**100.0**	**9.6**	**13.7**

Client Data

	Quarter ended		
	Dec 31, 2022	Sep 30, 2022	Dec 31, 2021
Number of Clients			
Active	1,850	1,779	1,738
Added during the period (gross)	134	103	111
Number of million dollar clients*			
1 Million dollar +	912	895	854
10 Million dollar +	294	281	274
50 Million dollar +	79	77	64
100 Million dollar +	38	39	37
Client contribution to revenues			
Top 5 clients	13.1%	12.6%	12.0%
Top 10 clients	20.5%	20.2%	20.2%
Top 25 clients	35.3%	35.3%	35.9%
Days Sales Outstanding*	68	65	71

**LTM (Last twelve months) Revenues*

Effort and Utilization - Consolidated IT Services

(in %)

	Quarter ended		
	Dec 31, 2022	Sep 30, 2022	Dec 31, 2021
Effort			
Onsite	24.5	24.4	23.8
Offshore	75.5	75.6	76.2
Utilization			
Including trainees	77.1	76.6	82.7
Excluding trainees	81.7	83.6	88.5

Employee Metrics

(Nos.)

	Quarter ended		
	Dec 31, 2022	Sep 30, 2022	Dec 31, 2021
Total employees	3,46,845	3,45,218	2,92,067
S/W professionals	3,29,296	3,28,146	2,76,942
Sales & Support	17,549	17,072	15,125
Voluntary Attrition % (LTM - IT Services)	24.3%	27.1%	25.5%
% of Women Employees	39.4%	39.3%	39.6%
Revenue per Employee - Consolidated (In US $ K)	54.2	55.5	57.9

Cash Flow

In US $ million

	Quarter ended		
	Dec 31, 2022	Sep 30, 2022	Dec 31, 2021
Free cash flow (1)	576	589	719
Consolidated cash and investments (2)	3,908	4,785	4,280

In ₹ *crore*

	Quarter ended		
	Dec 31, 2022	Sep 30, 2022	Dec 31, 2021
Free cash flow (1)	4,741	4,752	5,399
Consolidated cash and investments (2)	32,330	38,921	31,813

(1) Free cash flow is defined as net cash provided by operating activities less capital expenditure as per the consolidated statement of cash flows prepared under IFRS (Non-IFRS measure)

(2) Consolidated cash and investments comprise of cash and cash equivalents, current and non-current investments excluding investments in unquoted equity and preference shares, unquoted compulsorily convertible debentures and others (Non-IFRS measure)

Consolidated statement of Comprehensive Income for three months ended,

(Extracted from IFRS Financial Statement)

In US $ million, except per equity share data

Particulars	Dec 31, 2022	Dec 31, 2021	Growth % Q3 23 over Q3 22	Sep 30, 2022	Growth % Q3 23 over Q2 23
Revenues	**4,659**	**4,250**	**9.6**	**4,555**	**2.3**
Cost of sales	3,230	2,856	13.1	3,170	1.9
Gross Profit	**1,429**	**1,394**	**2.5**	**1,385**	**3.2**
Operating Expenses:					
Selling and marketing expenses	196	177	10.7	185	5.9
Administrative expenses	232	219	5.9	221	5.0
Total Operating Expenses	**428**	**396**	**8.1**	**406**	**5.4**
Operating Profit	**1,001**	**998**	**0.3**	**979**	**2.2**
Operating Margin %	***21.5***	***23.5***	***(2.0)***	***21.5***	-
Other Income, net(1)	84	61	37.7	65	29.2
Profit before income taxes	**1,085**	**1,059**	**2.5**	**1,044**	**3.9**
Income tax expense	285	283	0.7	295	(3.4)
Net Profit (before minority interest)	**800**	**776**	**3.1**	**749**	**6.8**
Net Profit (after minority interest)	**800**	**774**	**3.3**	**748**	**6.9**
Basic EPS ($)	**0.19**	**0.18**	**3.3**	**0.18**	**7.0**
Diluted EPS ($)	**0.19**	**0.18**	**3.4**	**0.18**	**7.0**
Dividend Per Share ($)(2)	-	-	-	**0.20**	-

Consolidated statement of Comprehensive Income for nine months ended,

(Extracted from IFRS Financial Statement)

In US $ million, except per equity share data

Particulars	Dec 31, 2022	Dec 31, 2021	Growth %
Revenues	**13,657**	**12,031**	**13.5**
Cost of sales	9,544	8,041	18.7
Gross Profit	**4,113**	**3,990**	**3.1**
Operating Expenses:			
Selling and marketing expenses	574	513	11.9
Administrative expenses	671	642	4.5
Total Operating Expenses	**1,245**	**1,155**	**7.8**
Operating Profit	**2,868**	**2,835**	**1.2**
Operating Margin %	***21.0***	***23.6***	***(2.6)***
Other Income, net(1)	229	203	12.8
Profit before income taxes	**3,097**	**3,038**	**1.9**
Income tax expense	859	823	4.4
Net Profit (before minority interest)	**2,238**	**2,215**	**1.0**
Net Profit (after minority interest)	**2,237**	**2,211**	**1.2**
Basic EPS ($)	**0.53**	**0.52**	**1.7**
Diluted EPS ($)	**0.53**	**0.52**	**1.7**
Dividend Per Share ($)(2)	**0.20**	**0.20**	**0.6**

(1) *Other income is net of Finance Cost*
(2) *USD/INR exchange rate of 82.00 considered for Q2'23*

Consolidated statement of Comprehensive Income for three months ended,

(Extracted from IFRS Financial Statement)

In ₹crore, except per equity share data

Particulars	Dec 31, 2022	Dec 31, 2021	Growth % Q3 23 over Q3 22	Sep 30, 2022	Growth % Q3 23 over Q2 23
Revenues	**38,318**	**31,867**	**20.2**	**36,538**	**4.9**
Cost of sales	26,561	21,415	24.0	25,412	4.5
Gross Profit	**11,757**	**10,452**	**12.5**	**11,126**	**5.7**
Operating Expenses:					
Selling and marketing expenses	1,611	1,325	21.6	1,486	8.4
Administrative expenses	1,904	1,643	15.9	1,767	7.8
Total Operating Expenses	**3,515**	**2,968**	**18.4**	**3,253**	**8.1**
Operating Profit	**8,242**	**7,484**	**10.1**	**7,873**	**4.7**
Operating Margin %	***21.5***	***23.5***	***(2.0)***	***21.5***	-
Other Income, net(1)	689	459	50.1	518	33.0
Profit before income taxes	**8,931**	**7,943**	**12.4**	**8,391**	**6.4**
Income tax expense	2,345	2,121	10.6	2,365	(0.8)
Net Profit (before minority interest)	**6,586**	**5,822**	**13.1**	**6,026**	**9.3**
Net Profit (after minority interest)	**6,586**	**5,809**	**13.4**	**6,021**	**9.4**
Basic EPS (₹)	**15.72**	**13.86**	**13.4**	**14.35**	**9.5**
Diluted EPS (₹)	**15.70**	**13.83**	**13.5**	**14.34**	**9.5**
Dividend Per Share (₹)	-	-	-	**16.50**	-

Consolidated statement of Comprehensive Income for nine months ended,

(Extracted from IFRS Financial Statement)

In ₹crore, except per equity share data

Particulars	Dec 31, 2022	Dec 31, 2021	Growth %
Revenues	**109,326**	**89,365**	**22.3**
Cost of sales	76,342	59,726	27.8
Gross Profit	**32,984**	**29,639**	**11.3**
Operating Expenses:			
Selling and marketing expenses	4,591	3,809	20.5
Administrative expenses	5,365	4,771	12.5
Total Operating Expenses	**9,956**	**8,580**	**16.0**
Operating Profit	**23,028**	**21,059**	**9.4**
Operating Margin %	***21.1***	***23.6***	***(2.5)***
Other Income, net(1)	1,828	1,508	21.2
Profit before income taxes	**24,856**	**22,567**	**10.1**
Income tax expense	6,882	6,116	12.5
Net Profit (before minority interest)	**17,974**	**16,451**	**9.3**
Net Profit (after minority interest)	**17,967**	**16,425**	**9.4**
Basic EPS (₹)	**42.85**	**38.96**	**10.0**
Diluted EPS (₹)	**42.79**	**38.88**	**10.0**
Dividend Per Share (₹)	**16.50**	**15.00**	**10.0**

(1) *Other income is net of Finance Cost*

The quarter figures added up to the figures reported in previous quarters might not always add up to the nine months ended figures reported in this statement as all figures are taken from the source and rounded off to the nearest digits.

Deloitte Haskins & Sells LLP

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INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF INFOSYS LIMITED

Opinion

We have audited the accompanying Statement of Consolidated Financial Results of **INFOSYS LIMITED** (the "Company") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group") for the quarter and nine months ended December 31, 2022, (the "Statement") being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

i. includes the results of the entities as given in the Annexure to this report;

ii. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations; and

iii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under section 133 of the Companies Act, 2013 (the "Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India of the consolidated net profit and consolidated total comprehensive income and other financial information of the Group for the quarter and nine months ended December 31, 2022.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SA"s) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in Auditor's Responsibilities for audit of the consolidated financial results section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial results for the quarter and nine months ended December 31, 2022 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the Consolidated Financial Results

This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been compiled from the related audited interim condensed consolidated financial statements for the quarter and nine months ended December 31, 2022. This responsibility includes the preparation and presentation of these consolidated financial results that give a true and fair view of the consolidated net profit and consolidated other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in the Ind AS 34, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

The respective Boards of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Company, as aforesaid.

In preparing the consolidated financial results, the respective Boards of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intends to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for Audit of the Consolidated Financial Results

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.

- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors.

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

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

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

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

Sanjiv V. Pilgaonkar
Partner
(Membership No.039826)
UDIN:

Place: Bengaluru
Date: January 12, 2023

Annexure to Auditor's Report

List of Entities:

1. Infosys Technologies (China) Co. Limited
2. Infosys Technologies S. de R. L. de C. V.
3. Infosys Technologies (Sweden) AB
4. Infosys Technologies (Shanghai) Company Limited
5. Infosys Nova Holdings LLC.
6. EdgeVerve Systems Limited
7. Infosys Austria GmbH
8. Skava Systems Private Limited (under liquidation)
9. Infosys Chile SpA
10. Infosys Arabia Limited (under liquidation)
11. Infosys Consulting Ltda.
12. Infosys Luxembourg S.a.r.l
13. Infosys Americas Inc.
14. Infosys Public Services, Inc.
15. Infosys Canada Public Services Inc. (liquidated effective November 23, 2021)
16. Infosys BPM Limited
17. Infosys (Czech Republic) Limited s.r.o.
18. Infosys Poland Sp z.o.o
19. Infosys McCamish Systems LLC
20. Portland Group Pty Ltd
21. Infosys BPO Americas LLC.
22. Infosys Consulting Holding AG
23. Infosys Management Consulting Pty Limited
24. Infosys Consulting AG
25. Infosys Consulting GmbH
26. Infosys Consulting S.R.L (Romania)
27. Infosys Consulting SAS
28. Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.) (liquidated effective December 16, 2021)
29. Infosys Consulting (Shanghai) Co., Ltd. (liquidated effective September 01, 2021)
30. Infy Consulting Company Ltd.
31. Infy Consulting B.V.

32. Infosys Consulting S.R.L (Argentina) (formerly a wholly-owned subsidiary of Infosys Consulting Holding AG) became the majority owned and controlled subsidiary of Infosys Limited with effect from April 1, 2022
33. Infosys Consulting (Belgium) NV
34. Panaya Inc.
35. Panaya GmbH (renamed as Infosys Financial Services GmbH)
36. Panaya Ltd.
37. Brilliant Basics Holdings Limited (under liquidation)
38. Brilliant Basics Limited (under liquidation)
39. Infosys Consulting Pte. Ltd.
40. Infosys Middle East FZ LLC
41. Fluido Oy
42. Fluido Sweden AB (Extero)
43. Fluido Norway A/S
44. Fluido Denmark A/S
45. Fluido Slovakia s.r.o
46. Infosys Compaz Pte. Ltd.
47. Infosys South Africa (Pty) Ltd
48. WongDoody Holding Company Inc. (merged with WongDoody, Inc effective December 31, 2021)
49. WDW Communications, Inc. (merged with WongDoody, Inc effective December 31, 2021)
50. WongDoody, Inc (became wholly-owned subsidiary of Infosys Limited effective December 31, 2021)
51. HIPUS Co., Ltd.
52. Stater N.V.
53. Stater Nederland B.V.
54. Stater XXL B.V.
55. HypoCasso B.V.
56. Stater Participations B.V.
57. Stater Belgium N.V./S.A.
58. Outbox systems Inc. dba Simplus (US)
59. Simplus North America Inc. (liquidated effective April 27, 2021)
60. Simplus ANZ Pty Ltd.
61. Simplus Australia Pty Ltd
62. Sqware Peg Digital Pty Ltd (liquidated effective September 02, 2021)
63. Simplus Philippines, Inc.

64. Simplus Europe, Ltd. (liquidated effective July 20, 2021)
65. Infosys Fluido UK, Ltd. (formerly Simplus U.K, Ltd)
66. Infosys Fluido Ireland, Ltd. (formerly Simplus Ireland, Ltd)
67. Infosys Limited Bulgaria EOOD
68. Infosys BPM UK Limited
69. Blue Acorn LLC (merged with Beringer Commerce Holdings LLC effective January 1, 2022)
70. Beringer Commerce Inc renamed as Blue Acorn iCi Inc.
71. Beringer Capital Digital Group Inc (merged with Blue Acorn iCi Inc effective January 1, 2022)
72. Mediotype LLC (merged with Blue Acorn iCi Inc effective January 1, 2022)
73. Beringer Commerce Holdings LLC (merged with Blue Acorn iCi Inc effective January 1, 2022)
74. SureSource LLC (merged with Beringer Commerce Holdings LLC effective January 1, 2022)
75. Simply Commerce LLC (merged with Beringer Commerce Holdings LLC effective January 1, 2022)
76. iCiDIGITAL LLC (merged with Beringer Capital Digital Group Inc effective January 1, 2022)
77. Kaleidoscope Animations, Inc.
78. Kaleidoscope Prototyping LLC
79. GuideVision s.r.o
80. GuideVision Deutschland GmbH
81. GuideVision Suomi Oy
82. GuideVision Magyarorszag Kft
83. GuideVision Polska SP Z.O.O
84. Infosys Business Solutions LLC, a wholly-owned subsidiary of Infosys Limited (incorporated on February 20, 2022)
85. Infosys Germany GmbH (formerly Kristall 247. GmbH) (acquired on March 22, 2022)
86. GuideVision UK Ltd
87. Infosys Turkey Bilgi Teknolojikeri Limited Sirketi
88. Infosys Germany Holding Gmbh
89. Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm
90. Stater GmbH (incorporated on August 4, 2021)
91. Infosys Green Forum (incorporated on August 31, 2021)
92. Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd. (acquired on December 14, 2021)
93. oddity space GmbH acquired by Infosys Germany GmbH on April 20, 2022

94. oddity jungle GmbH acquired by Infosys Germany GmbH on April 20, 2022
95. oddity waves GmbH acquired by Infosys Germany GmbH on April 20, 2022
96. oddity group services GmbH acquired by Infosys Germany GmbH on April 20, 2022
97. oddity code GmbH acquired by Infosys Germany GmbH on April 20, 2022
98. oddity code d.o.o (subsidiary of oddity Code GmbH) acquired by Infosys Germany GmbH on April 20, 2022
99. oddity GmbH acquired by Infosys Germany GmbH on April 20, 2022
100. oddity (Shanghai) Co. Ltd. (subsidiary of oddity GmbH) acquired by Infosys Germany GmbH on April 20, 2022
101. oddity Limited (Taipei) (subsidiary of oddity GmbH) acquired by Infosys Germany GmbH on April 20, 2022
102. Infosys Public Services Canada Inc. (a wholly owned subsidiary of Infosys Public Services Inc.) incorporated on July 8, 2022
103. BASE life science A/S acquired by Infosys Consulting Pte. Ltd. on September 1, 2022
104. BASE life science AG (a wholly owned subsidiary of BASE life science A/S) acquired by Infosys Consulting Pte. Ltd. on September 1, 2022
105. BASE life science GmbH (a wholly owned subsidiary of BASE life science A/S) acquired by Infosys Consulting Pte. Ltd. on September 1, 2022
106. BASE life science Ltd. (a wholly owned subsidiary of BASE life science A/S) acquired by Infosys Consulting Pte. Ltd. on September 1, 2022
107. BASE life science S.A.S. (a wholly owned subsidiary of BASE life science A/S) acquired by Infosys Consulting Pte. Ltd. on September 1, 2022
108. BASE life science S.r.l. (a wholly owned subsidiary of BASE life science A/S) acquired by Infosys Consulting Pte. Ltd. on September 1, 2022
109. Innovisor Inc. (a wholly owned subsidiary of BASE life science A/S) acquired by Infosys Consulting Pte. Ltd. on September 1, 2022
110. BASE life science Inc. (a wholly owned subsidiary of BASE life science A/S) acquired by Infosys Consulting Pte. Ltd. on September 1, 2022
111. BASE life science SL. (a wholly owned subsidiary of BASE life science A/S) incorporated on September 6, 2022
112. Panaya Germany GmbH (a wholly owned subsidiary of Panaya Inc.) incorporated on December 15, 2022
113. Infosys Employees Welfare Trust
114. Infosys Employee Benefits Trust
115. Infosys Science Foundation
116. Infosys Expanded Stock Ownership Trust

Deloitte Haskins & Sells LLP

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Karnataka, India

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INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF INFOSYS LIMITED

Opinion

We have audited the accompanying Statement of Standalone Financial Results of **INFOSYS LIMITED** (the "Company"), for the quarter and nine months ended December 31, 2022, (the "Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

a. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations; and

b. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under section 133 of the Companies Act, 2013 (the "Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India of the net profit and total comprehensive income, and other financial information of the Company for the quarter and nine months ended December 31, 2022.

Basis for Opinion

We conducted our audit of the Statement in accordance with the Standards on Auditing ("SA"s) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the quarter and nine months ended December 31, 2022 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the Standalone Financial Results

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related audited interim condensed standalone financial statements for the quarter and nine months ended December 31, 2022. This responsibility includes the preparation and presentation of the standalone financial results for the quarter and nine months ended December 31, 2022 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the interim condensed standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the standalone financial results of the Company to express an opinion on the standalone financial results.

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

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

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

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

Sanjiv V. Pilgaonkar
Partner
(Membership No.039826)
UDIN:

Place: Bengaluru
Date: January 12, 2023

Infosys Limited
CIN : L85110KA1981PLC013115
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Statement of Consolidated Audited Results of Infosys Limited and its subsidiaries for the quarter and nine months ended December 31, 2022 prepared in compliance with the Indian Accounting Standards (Ind-AS)

(in ₹ crore, except per equity share data)

Particulars	Quarter ended December 31,	Quarter ended September 30,	Quarter ended December 31,	Nine months ended December 31,		Year ended March 31,
	2022	2022	2021	2022	2021	2022
	Audited	Audited	Audited	Audited	Audited	Audited
Revenue from operations	38,318	36,538	31,867	109,326	89,365	121,641
Other income, net	769	584	512	2,030	1,658	2,295
Total Income	**39,087**	**37,122**	**32,379**	**111,356**	**91,023**	**123,936**
Expenses						
Employee benefit expenses	20,272	19,438	16,355	58,048	47,328	63,986
Cost of technical sub-contractors	3,343	3,694	3,511	10,946	9,019	12,606
Travel expenses	360	363	221	1,099	518	827
Cost of software packages and others	3,085	2,512	1,861	8,017	4,543	6,811
Communication expenses	183	189	147	542	441	611
Consultancy and professional charges	401	439	520	1,296	1,364	1,885
Depreciation and amortisation expenses	1,125	1,029	899	3,104	2,586	3,476
Finance cost	80	66	53	202	150	200
Other expenses	1,307	1,001	869	3,246	2,507	3,424
Total expenses	**30,156**	**28,731**	**24,436**	**86,500**	**68,456**	**93,826**
Profit before tax	**8,931**	**8,391**	**7,943**	**24,856**	**22,567**	**30,110**
Tax expense:						
Current tax	2,195	2,482	2,063	7,027	5,986	7,811
Deferred tax	150	(117)	58	(145)	130	153
Profit for the period	**6,586**	**6,026**	**5,822**	**17,974**	**16,451**	**22,146**
Other comprehensive income						
Items that will not be reclassified subsequently to profit or loss						
Remeasurement of the net defined benefit liability/asset, net	29	40	(53)	(17)	(72)	(85)
Equity instruments through other comprehensive income, net	1	4	-	8	41	96
Items that will be reclassified subsequently to profit or loss						
Fair value changes on derivatives designated as cash flow hedges, net	(57)	(12)	(7)	(43)	4	(8)
Exchange differences on translation of foreign operations	676	(14)	(33)	715	91	228
Fair value changes on investments, net	48	26	(77)	(298)	16	(49)
Total other comprehensive income/(loss), net of tax	**697**	**44**	**(170)**	**365**	**80**	**182**
Total comprehensive income for the period	**7,283**	**6,070**	**5,652**	**18,339**	**16,531**	**22,328**
Profit attributable to:						
Owners of the company	6,586	6,021	5,809	17,967	16,425	22,110
Non-controlling interest	-	5	13	7	26	36
	6,586	**6,026**	**5,822**	**17,974**	**16,451**	**22,146**
Total comprehensive income attributable to:						
Owners of the company	7,268	6,068	5,640	18,322	16,506	22,293
Non-controlling interest	15	2	12	17	25	35
	7,283	**6,070**	**5,652**	**18,339**	**16,531**	**22,328**
Paid up share capital (par value ₹5/- each, fully paid)	2,086	2,099	2,097	2,086	2,097	2,098
Other equity *#	73,252	73,252	74,227	73,252	74,227	73,252
Earnings per equity share (par value ₹5/- each)**						
Basic (₹)	15.72	14.35	13.86	42.85	38.96	52.52
Diluted (₹)	15.70	14.34	13.83	42.79	38.88	52.41

** Balances for the quarter and nine months ended December 31, 2022 and quarter ended September 30, 2022 represents balances as per the audited Balance Sheet for the year ended March 31, 2022 and balances for the quarter and nine months ended December 31, 2021 represents balances as per the audited Balance Sheet for the year ended March 31, 2021 as required by SEBI (Listing and Other Disclosure Requirements) Regulations, 2015*

*** EPS is not annualized for the quarter and nine months ended December 31, 2022, quarter ended September 30, 2022 and quarter and nine months ended December 31, 2021.*

 # Excludes non-controlling interest

1. Notes pertaining to the current quarter

a) The audited interim condensed consolidated financial statements for the quarter and nine months ended December 31, 2022 have been taken on record by the Board of Directors at its meeting held on January 12, 2023. **The statutory auditors, Deloitte Haskins & Sells LLP have expressed an unmodified audit opinion**. The information presented above is extracted from the audited interim condensed consolidated financial statements. These interim condensed consolidated financial statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.

b) Appointment of Independent Director

Based on the recommendation of the Nomination and Remuneration Committee, the Board considered and approved the appointment of Govind Vaidiram Iyer (DIN - 00169343), as an Additional & Independent Director effective January 12, 2023 for a period of 5 (five) years, subject to the approval of shareholders.

c) Buyback of equity shares

The shareholders approved the proposal of buyback of Equity Shares recommended by its Board of Directors by way of e-voting on the postal ballot, the results of which were declared on December 3, 2022. At the Maximum buyback price of ₹1,850/- per equity share and the Maximum buyback size of ₹9,300 crore the indicative maximum number of equity shares bought back would be 50,270,270 Equity Shares (Maximum buyback shares) comprising approximately 1.19% of the paid-up equity share capital of the Company as of September 30, 2022 and as on December 5, 2022, the date of the Public Announcement for the buyback (on a standalone basis). The buyback was offered to all eligible equity shareholders of the Company (other than the Promoters, the Promoter Group and Persons in Control of the Company) under the open market route through the stock exchange. The Company will fund the buyback from its free reserves including Securities Premium as explained in Section 68 of the Companies Act, 2013. The buyback of equity shares through the stock exchange commenced on December 7, 2022 and is expected to be completed on or before June 6, 2023.

During the quarter ended December 31, 2022, 25,164,000 equity shares were purchased from the stock exchange which includes 3,170,000 shares which have been purchased but have not been settled and therefore not extinguished as of December 31, 2022. In accordance with section 69 of the Companies Act, 2013, during the quarter ended December 31, 2022, the Company has created 'Capital Redemption Reserve' of ₹11 crore equal to the nominal value of the shares bought back as an appropriation from general reserve and retained earnings. Subsequent to the quarter ended December 31, 2022, the Company additionally purchased 6,128,000 number of shares; total number of shares purchased till date is 31,292,000 amounting to ₹4,790 crore excluding transactions costs and buyback tax.

d) Update on employee stock grants

The Board, on January 12, 2023, based on the recommendations of the Nomination and Remuneration Committee, approved :

i) The annual time-based stock incentives in the form of Restricted Stock Units (RSUs) to Salil Parekh, CEO & MD having a market value of ₹3 crore as on the date of grant under the 2015 Stock Incentive Compensation Plan (2015 Plan) in accordance with the terms of his employment agreement. The RSUs will vest in line with the employment agreement. The RSUs will be granted w.e.f February 1, 2023 and the number of RSUs will be calculated based on the market price at the close of trading on February 1, 2023. The exercise price of RSUs will be equal to the par value of the share.

ii) The annual time-based RSUs to a KMP having a market value of ₹1.75 crore as on date of grant under 2015 plan, in accordance with the terms of his employment agreement. The RSUs will vest in line with the employment agreement. The RSUs will be granted w.e.f February 1, 2023 and the number of RSUs will be calculated based on the market price at the close of trading on February 1, 2023. The exercise price of RSUs will be equal to the par value of the share.

iii) The annual performance-based grant of RSUs to a KMP having a market value of ₹0.92 crore as on the date of grant under the 2015 plan. These RSUs will vest 12 months from the date of the grant based on the achievement of certain performance targets. The RSUs will be granted w.e.f February 1, 2023 and the number of RSU's will be calculated based on the market price at the close of trading on February 1, 2023. The exercise price of RSUs will be equal to the par value of the share.

iv) The grant of 11,39,550 RSUs under the 2015 Plan and grant of 21,40,000 PSUs under the Expanded Stock Ownership Program 2019 (2019 Plan) to eligible employees. The grants made under the 2015 Plan would vest over a period of four years and the grants made under the 2019 Plan would vest over a period of three years subject to Company's achievement of performance parameters as defined in the 2019 Plan. The RSUs and PSUs will be granted w.e.f February 1, 2023 and the exercise price will be equal to the par value of the share.

e) We have initiated the closure of our branch in Moscow and this will be completed as per local regulations.

2. Information on dividends for the quarter and nine months ended December 31, 2022

The Board of Directors (in the meeting held on October 13, 2022) declared an interim dividend of ₹ 16.50/- per equity share. The record date for the payment was October 28, 2022 and the same was paid on November 10, 2022. The interim dividend declared in the previous year was ₹15/- per equity share

(in ₹)

Particulars	Quarter ended December 31,	Quarter ended September 30,	Quarter ended December 31,	Nine months ended December 31,		Year ended March 31,
	2022	2022	2021	2022	2021	2022
Dividend per share (par value ₹5/- each)						
Interim dividend	-	16.50	-	16.50	15.00	15.00
Final dividend	-	-	-	-	-	16.00

3. Segment reporting (Consolidated - Audited)

(in ₹ crore)

Particulars	Quarter ended December 31,	Quarter ended September 30,	Quarter ended December 31,	Nine months ended December 31,		Year ended March 31,
	2022	2022	2021	2022	2021	2022
Revenue by business segment						
Financial Services (1)	11,235	11,148	10,023	32,945	28,805	38,902
Retail (2)	5,480	5,183	4,612	15,667	13,118	17,734
Communication (3)	4,710	4,501	3,979	13,675	11,050	15,182
Energy, Utilities, Resources and Services	4,957	4,498	3,740	13,714	10,611	14,484
Manufacturing	5,099	4,686	3,598	13,957	9,520	13,336
Hi-Tech	3,095	2,971	2,567	8,878	7,388	10,036
Life Sciences (4)	2,695	2,452	2,383	7,404	6,377	8,517
All other segments (5)	1,047	1,099	965	3,086	2,496	3,450
Total	**38,318**	**36,538**	**31,867**	**109,326**	**89,365**	**121,641**
Less: Inter-segment revenue	-	-	-	-	-	-
Net revenue from operations	**38,318**	**36,538**	**31,867**	**109,326**	**89,365**	**121,641**
Segment profit before tax, depreciation and non-controlling interests:						
Financial Services (1)	2,678	2,811	2,734	8,243	7,736	10,314
Retail (2)	1,646	1,578	1,630	4,761	4,615	6,130
Communication (3)	1,042	965	963	2,801	2,486	3,372
Energy, Utilities , Resources and Services	1,457	1,251	1,075	3,853	3,113	4,225
Manufacturing	1,035	792	633	2,212	1,982	2,408
Hi-Tech	813	724	636	2,209	1,823	2,495
Life Sciences (4)	684	642	640	1,861	1,799	2,380
All other segments (5)	12	139	72	192	91	167
Total	**9,367**	**8,902**	**8,383**	**26,132**	**23,645**	**31,491**
Less: Other Unallocable expenditure	1,125	1,029	899	3,104	2,586	3,476
Add: Unallocable other income	769	584	512	2,030	1,658	2,295
Less: Finance cost	80	66	53	202	150	200
Profit before tax and non-controlling interests	**8,931**	**8,391**	**7,943**	**24,856**	**22,567**	**30,110**

(1) Financial Services include enterprises in Financial Services and Insurance

(2) Retail includes enterprises in Retail, Consumer Packaged Goods and Logistics

(3) Communication includes enterprises in Communication, Telecom OEM and Media

(4) Life Sciences includes enterprises in Life sciences and Health care

(5) All other segments include operating segments of businesses in India, Japan, China, Infosys Public Services & other enterprises in Public Services

Notes on segment information

Business segments

Based on the "management approach" as defined in Ind-AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments.

Segmental capital employed

Assets and liabilities used in the Group's business are not identified to any of the reportable segments, as these are used interchangeably between segments. The Management believes that it is not practicable to provide segment disclosures relating to total assets and liabilities since a meaningful segregation of the available data is onerous.

4. Audited financial results of Infosys Limited (Standalone Information)

(in ₹ crore)

Particulars	Quarter ended December 31,	Quarter ended September 30,	Quarter ended December 31,	Nine months ended December 31,		Year ended March 31,
	2022	2022	2021	2022	2021	2022
Revenue from operations	32,389	31,567	27,337	93,483	76,514	103,940
Profit before tax	8,295	8,488	7,789	23,686	21,585	28,495
Profit for the period	6,210	6,253	5,870	17,364	16,056	21,235

The audited results of Infosys Limited for the above mentioned periods are available on our website, www.infosys.com and on the Stock Exchange website www.nseindia.com and www.bseindia.com. The information above has been extracted from the audited interim standalone condensed financial statements as stated.

By order of the Board
for Infosys Limited

Salil Parekh
Chief Executive Officer and Managing Director

Bengaluru, India
January 12, 2023

The Board has also taken on record the condensed consolidated results of Infosys Limited and its subsidiaries for the quarter and nine months ended December 31, 2022, prepared as per International Financial Reporting Standards (IFRS) and reported in US dollars. A summary of the financial statements is as follows:

(in US$ million, except per equity share data)

Particulars	Quarter ended December 31,	Quarter ended September 30,	Quarter ended December 31,	Nine months ended December 31,		Year ended March 31,
	2022	2022	2021	2022	2021	2022
	Audited	Audited	Audited	Audited	Audited	Audited
Revenues	4,659	4,555	4,250	13,657	12,031	16,311
Cost of sales	3,230	3,170	2,856	9,544	8,041	10,996
Gross profit	**1,429**	**1,385**	**1,394**	**4,113**	**3,990**	**5,315**
Operating expenses	428	406	396	1,245	1,155	1,560
Operating profit	**1,001**	**979**	**998**	**2,868**	**2,835**	**3,755**
Other income, net	94	73	68	254	223	308
Finance cost	10	8	7	25	20	27
Profit before income taxes	**1,085**	**1,044**	**1,059**	**3,097**	**3,038**	**4,036**
Income tax expense	285	295	283	859	823	1,068
Net profit	**800**	**749**	**776**	**2,238**	**2,215**	**2,968**
Earnings per equity share *						
Basic	0.19	0.18	0.18	0.53	0.52	0.70
Diluted	0.19	0.18	0.18	0.53	0.52	0.70
Total assets	15,226	15,640	14,673	15,226	14,673	15,555
Cash and cash equivalents and current investments	2,456	3,276	2,703	2,456	2,703	3,185

* *EPS is not annualized for the quarter and nine months ended December 31, 2022, quarter ended September 30, 2022 and quarter and nine months ended December 31, 2021.*

This Release contains 'forward-looking statements' within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance and that are based on our current expectations, assumptions, estimates and projections about the Company, our industry, economic conditions in the markets in which we operate, and certain other matters. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as 'may', 'anticipate', 'believe', 'estimate', 'expect', 'continue', 'intend', 'will', 'project', 'seek', 'could', 'would', 'should' and similar expressions. Those statements include, among other things, statements regarding our business strategy, our expectations concerning our market position, future operations, growth, margins, profitability, attrition, liquidity, and capital resources, our ESG vision, our capital allocation policy, the effects of COVID-19 on global economic conditions and our business and operations, wage increases, change in the regulations including immigration regulation and policies in the United States, and corporate actions including timely completion of the proposed buy-back of our equity shares. These statements are subject to known and unknown risks, uncertainties and other factors which may cause actual results or outcomes to differ materially from those implied by the forward-looking statements. Additional risks that could affect our future operating results are more fully described in our United States Securities and Exchange Commission filings including our Annual Report on Form 20-F for the fiscal year ended March 31, 2022. These filings are available at www.sec.gov. Infosys may, from time to time, make additional written and oral forward-looking statements, including statements contained in the Company's filings with the Securities and Exchange Commission and our reports to shareholders. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company unless it is required by law.

Infosys
Navigate your next

Q3 FY 23 Financial Results

Infosys Limited

CIN: L85110KA1981PLC013115

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Statement of Audited Results of Infosys Limited for the quarter and nine months ended December 31, 2022 prepared in compliance with the Indian Accounting Standards (Ind-AS)

(in ₹ crore, except per equity share data)

Particulars	Quarter ended December 31,	Quarter ended September 30,	Quarter ended December 31,	Nine months ended December 31,		Year ended March 31,
	2022	2022	2021	2022	2021	2022
	Audited	Audited	Audited	Audited	Audited	Audited
Revenue from operations	32,389	31,567	27,337	93,483	76,514	103,940
Other income, net	1,177	1,267	1,013	3,093	2,634	3,224
Total income	**33,566**	**32,834**	**28,350**	**96,576**	**79,148**	**107,164**
Expenses						
Employee benefit expenses	16,395	15,873	13,275	47,182	38,199	51,664
Cost of technical sub-contractors	4,720	4,815	4,406	14,545	11,658	16,298
Travel expenses	284	293	195	892	453	731
Cost of software packages and others	1,728	1,428	856	4,339	2,120	2,985
Communication expenses	132	135	102	386	312	433
Consultancy and professional charges	280	333	412	975	1,087	1,511
Depreciation and amortisation expense	713	682	631	2,039	1,809	2,429
Finance cost	41	40	33	115	97	128
Other expenses	978	747	651	2,417	1,828	2,490
Total expenses	**25,271**	**24,346**	**20,561**	**72,890**	**57,563**	**78,669**
Profit before tax	**8,295**	**8,488**	**7,789**	**23,686**	**21,585**	**28,495**
Tax expense:						
Current tax	1,916	2,312	1,852	6,261	5,354	6,960
Deferred tax	169	(77)	67	61	175	300
Profit for the period	**6,210**	**6,253**	**5,870**	**17,364**	**16,056**	**21,235**
Other comprehensive income						
Items that will not be reclassified subsequently to profit or loss						
Remeasurement of the net defined benefit liability / asset, net	28	40	(52)	(28)	(74)	(98)
Equity instruments through other comprehensive income, net	2	4	-	9	41	97
Items that will be reclassified subsequently to profit or loss						
Fair value changes on derivatives designated as cash flow hedges, net	(57)	(12)	(7)	(43)	4	(8)
Fair value changes on investments, net	42	27	(67)	(275)	23	(39)
Total other comprehensive income/ (loss), net of tax	**15**	**59**	**(126)**	**(337)**	**(6)**	**(48)**
Total comprehensive income for the period	**6,225**	**6,312**	**5,744**	**17,027**	**16,050**	**21,187**
Paid-up share capital (par value ₹5/- each fully paid)	2,091	2,104	2,102	2,091	2,102	2,103
Other Equity*	67,203	67,203	69,401	67,203	69,401	67,203
Earnings per equity share (par value ₹5 /- each)**						
Basic (₹)	14.77	14.86	13.96	41.28	37.96	50.27
Diluted (₹)	14.76	14.85	13.94	41.24	37.91	50.21

** Balances for the quarter and nine months ended December 31, 2022 and quarter ended September 30, 2022 represents balances as per the audited Balance Sheet for the year ended March 31, 2022 and balances for the quarter and nine months ended December 31, 2021 represents balances as per the audited Balance Sheet for the year ended March 31, 2021 as required by SEBI (Listing and Other Disclosure Requirements) Regulations, 2015.*

*** EPS is not annualized for the quarter and nine months ended December 31, 2022, quarter ended September 30, 2022 and quarter and nine months ended December 31, 2021.*

1. Notes pertaining to the current quarter

a) The audited interim condensed standalone financial statements for the quarter and nine months ended December 31, 2022 have been taken on record by the Board of Directors at its meeting held on January 12, 2023. **The statutory auditors, Deloitte Haskins & Sells LLP have expressed an unmodified audit opinion.** The information presented above is extracted from the audited interim condensed standalone financial statements. These interim condensed standalone financial statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.

b) Appointment of Independent Director
Based on the recommendation of the Nomination and Remuneration Committee, the Board considered and approved the appointment of Govind Vaidiram Iyer (DIN - 00169343), as an Additional & Independent Director effective January 12, 2023 for a period of 5 (five) years, subject to the approval of shareholders.

c) Buyback of equity shares

The shareholders approved the proposal of buyback of Equity Shares recommended by its Board of Directors by way of e-voting on the postal ballot, the results of which were declared on December 3, 2022. At the Maximum buyback price of ₹1,850/- per equity share and the Maximum buyback size of ₹9,300 crore the indicative maximum number of equity shares bought back would be 50,270,270 Equity Shares (Maximum buyback shares) comprising approximately 1.19% of the paid-up equity share capital of the Company as of September 30, 2022 and as on December 5, 2022, the date of the Public Announcement for the buyback (on a standalone basis). The buyback was offered to all eligible equity shareholders of the Company (other than the Promoters, the Promoter Group and Persons in Control of the Company) under the open market route through the stock exchange. The Company will fund the buyback from its free reserves including Securities Premium as explained in Section 68 of the Companies Act, 2013. The buyback of equity shares through the stock exchange commenced on December 7, 2022 and is expected to be completed on or before June 6, 2023.

During the quarter ended December 31, 2022, 25,164,000 equity shares were purchased from the stock exchange which includes 3,170,000 shares which have been purchased but have not been settled and therefore not extinguished as of December 31, 2022. In accordance with section 69 of the Companies Act, 2013, during the quarter ended December 31, 2022, the Company has created 'Capital Redemption Reserve' of ₹11 crore equal to the nominal value of the shares bought back as an appropriation from general reserve and retained earnings. Subsequent to the quarter ended December 31, 2022, the Company additionally purchased 6,128,000 number of shares; total number of shares purchased till date is 31,292,000 amounting to ₹4,790 crore excluding transactions costs and buyback tax.

d) Update on employee stock grants

The Board, on January 12, 2023, based on the recommendations of the Nomination and Remuneration Committee, approved :

i) The annual time-based stock incentives in the form of Restricted Stock Units (RSUs) to Salil Parekh, CEO & MD having a market value of ₹3 crore as on the date of grant under the 2015 Stock Incentive Compensation Plan (2015 Plan) in accordance with the terms of his employment agreement. The RSUs will vest in line with the employment agreement. The RSUs will be granted w.e.f February 1, 2023 and the number of RSUs will be calculated based on the market price at the close of trading on February 1, 2023. The exercise price of RSUs will be equal to the par value of the share.

ii) The annual time-based RSUs to a KMP having a market value of ₹1.75 crore as on date of grant under 2015 plan, in accordance with the terms of his employment agreement. The RSUs will vest in line with the employment agreement. The RSUs will be granted w.e.f February 1, 2023 and the number of RSUs will be calculated based on the market price at the close of trading on February 1, 2023. The exercise price of RSUs will be equal to the par value of the share.

iii) The annual performance-based grant of RSUs to a KMP having a market value of ₹0.92 crore as on the date of grant under the 2015 plan. These RSUs will vest 12 months from the date of the grant based on the achievement of certain performance targets. The RSUs will be granted w.e.f February 1, 2023 and the number of RSU's will be calculated based on the market price at the close of trading on February 1, 2023. The exercise price of RSUs will be equal to the par value of the share.

iv) The grant of 11,39,550 RSUs under the 2015 Plan and grant of 21,40,000 PSUs under the Expanded Stock Ownership Program 2019 (2019 Plan) to eligible employees. The grants made under the 2015 Plan would vest over a period of four years and the grants made under the 2019 Plan would vest over a period of three years subject to Company's achievement of performance parameters as defined in the 2019 Plan. The RSUs and PSUs will be granted w.e.f February 1, 2023 and the exercise price will be equal to the par value of the share.

e) We have initiated the closure of our branch in Moscow and this will be completed as per local regulations.

2. Information on dividends for the quarter and nine months ended December 31, 2022

The Board of Directors (in the meeting held on October 13, 2022) declared an interim dividend of ₹ 16.50/- per equity share. The record date for the payment was October 28, 2022 and the same was paid on November 10, 2022. The interim dividend declared in the previous year was ₹15/- per equity share

(in ₹)

Particulars	Quarter ended December 31,	Quarter ended September 30,	Quarter ended December 31,	Nine months ended December 31,		Year ended March 31,
	2022	2022	2021	2022	2021	2022
Dividend per share (par value ₹5/- each)						
Interim dividend	-	16.50	-	16.50	15.00	15.00
Final dividend	-	-	-	-	-	16.00

3. Segment Reporting

The Company publishes standalone financial statements along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the audited interim condensed consolidated financial statements. Accordingly, the segment information is given in the audited consolidated financial results of Infosys Limited and its subsidiaries for the quarter and nine months ended December 31, 2022.

By order of the Board
for Infosys Limited

Bengaluru, India
January 12, 2023

Salil Parekh
Chief Executive Officer and Managing Director

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IFRS – INR

Press Release

Strong growth of 13.7% in constant currency in a seasonally weak quarter

Strongest large deal wins in the last 8 quarters at $3.3 billion

Revenue guidance for FY23 revised to 16.0%-16.5%

Bengaluru, India – January 12, 2023: Infosys (NSE, BSE, NYSE: INFY), a global leader in next-generation digital services and consulting, reported strong Q3 performance with year-on-year growth at 13.7% and sequential growth at 2.4% in constant currency. Year on year growth was in double digits for most business segments and geographical regions in constant currency terms. Large deal TCV for the quarter was the strongest in the last 8 quarters at $3.3 billion. Digital comprised 62.9% of overall revenues and grew at 21.7% in constant currency. Operating margin for the quarter remained resilient at 21.5%. FY23 revenue guidance revised to 16.0%-16.5%. FY23 operating margin guidance retained at 21%-22%.

"Our revenue growth was strong in the quarter, with both digital business and core services growing. This is a clear reflection of our deep client relevance, industry-leading digital, cloud, and automation capabilities, and the unrelenting dedication of our employees", said **Salil Parekh, CEO and MD**. "As reflected in the large deals momentum, we continue to gain market share as a trusted transformation and operational partner for our clients. Our end-to-end capabilities and global scale make us a preferred choice as clients look at consolidating vendors. We remain focused on helping businesses accelerate their digital agenda to uncover new value and growth, as well as improve operational and cost effectiveness", he added.

21.7% YoY CC Digital growth	**13.7% YoY** **2.4% QoQ** CC Revenue growth	**21.5%** Operating margin	**13.4% YoY** Increase in EPS (₹ terms)	**$3.3 bn** Large deal TCV

1. Key highlights:

For the quarter ended December 31, 2022	**For nine months ended December 31, 2022**
• Revenues in CC terms grew by 13.7% YoY and 2.4% QoQ	• Revenues in CC terms grew by 17.8% YoY
• Reported revenues at ₹38,318 crore, growth of 20.2% YoY	• Reported revenues at ₹109,326 crore, growth of 22.3% YoY
• Digital revenues at 62.9% of total revenues, YoY CC growth of 21.7%	• Digital revenues at 61.9% of total revenues, YoY CC growth of 29.5%
• Operating margin at 21.5%, decline of 2.0% YoY and stable QoQ	• Operating margin at 21.1%, decline of 2.5% YoY
• Basic EPS at ₹15.72, growth of 13.4% YoY	• Basic EPS at ₹42.85, growth of 10.0% YoY
• FCF at ₹4,741 crore, decline of 12.2% YoY; FCF conversion at 72.0% of net profit	• FCF at ₹14,599 crore, decline of 14.3% YoY; FCF conversion at 81.2% of net profit

"Operating margins in Q3 remained resilient due to cost optimization benefits which offset the impact of seasonal weakness in operating parameters", said **Nilanjan Roy, Chief Financial Officer.** "Attrition reduced meaningfully during the quarter and is expected to decline further in the near-term", he added.

2. Capital Allocation

Pursuant to the Board recommendation and subsequent to shareholders' approval through postal ballot, the company has started share buyback program through open market route from December 7, 2022 and till date, has bought back 31.3 million shares worth ₹4,790 crore or 51.5% of total authorization of ₹9,300 crore at an average price of approx. ₹1,531 per share (compared to maximum Buyback Price of ₹1,850 per share).

3. Client wins & Testimonials

- Centric Brands has selected Infosys to be a strategic technology partner to provide a range of digital, IT, business operations and transformation services. Infosys will leverage its cognitive first IT framework along with its industry leading digital, cognitive AI, cloud and retail industry solution accelerators to improve and transform the technology landscape**. Anurup Pruthi, Global CFO, Centric Brands**, said, "By partnering with Infosys, we will be able to standardize our internal processes, bring in the best practices and tools, and strengthen the skills needed for continued success in the Retail B2B marketplace."
- Infosys helped develop a cloud-based platform to digitize and automate manual processes at Envision AESC, a world-leading battery technology company's Electric Vehicle (EV) battery manufacturing plants. "At Envision AESC, we believe that advancements in battery technology will propel the EV revolution to newer heights. The manufacturing processes of our breakthrough batteries need a robust digital foundation to accelerate the speed and scale of innovation. We are confident that Infosys, with their trusted cloud technologies and deep expertise in the automotive industry, will help us continue on our journey towards achieving our transformation goals," said, **Brian Sullivan, Executive Vice President of Global Manufacturing and Supply Chain at Envision AESC**.
- Infosys and Microsoft modernized Spark New Zealand's corporate functions to enhance business resilience, operational simplicity, workplace agility, and customer experience. **Mark Beder, Chief Operating Officer, Spark**, said, "As we embarked on a journey to revamp our business operations and step out of our legacy systems, we were looking for partners that understand and provide strength to our vision for an ERP-driven business transformation. It has been great working with Infosys and Microsoft as our transformation partners. The level of ERP implementation expertise and scale they bring to the table in this endeavor underpinned by best-fit digital solutions and resources is helping us to unshackle legacy system constraints and will help us improve operational simplicity, workplace agility and customer experience."
- Infosys collaborated with CIRCOR, one of the world's leading providers of mission critical flow control products and services for the Industrial, Aerospace & Defense markets, to help transform its IT landscape and modernize its IT infrastructure. **Pete Sattler, Chief Information Officer, CIRCOR**, said, "The goal of our alliance with Infosys is to offer all our customers – both internal and external – faster and more reliable service, enhance our cybersecurity, and provide 24x7 monitoring for our global IT environment."
- Avon, part of Natura Group, entered a five-year strategic collaboration with Infosys to advance its digital transformation journey, implement cognitive operations, drive continuous innovation, and help in better serving its customers. **Karen McElhatton, CIO, Avon**, said, "Through this collaboration, Infosys will accelerate the realization of our Digital vision, through a well-planned transformation roadmap to reduce opex spends, increase resilience and reliability of our application landscape, and prepare us better for new digital capabilities. We are confident that Infosys, with its sound expertise in Infrastructure Management Services, Cybersecurity, and

Application Services, will enable us to continue to provide cutting-edge services to our members and customers."

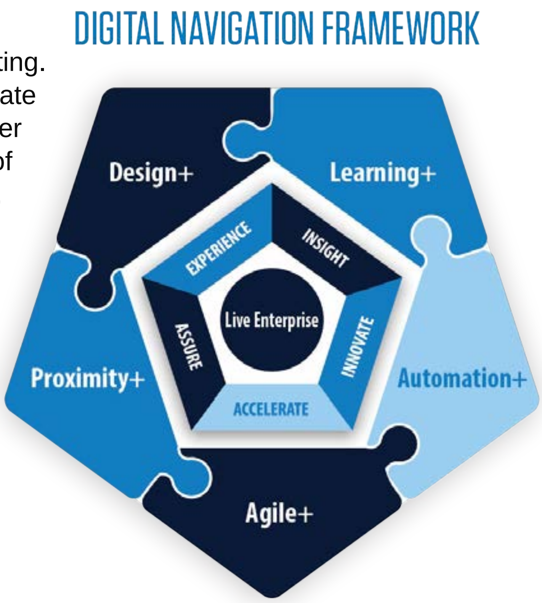
- Conagra has entered into a five-year strategic partnership with Infosys to innovate its IT operations. Conagra and Infosys will be implementing product based cognitive-first delivery model, with focus on improving operational excellence, drive continuous innovation, and most importantly improve the quality of service for Conagra's customers. **Andy Xydakis, CTO, Conagra**, said, "We wanted to change the way we run our IT operations. Delivering in true agile fashion where teams focus on value delivery. Our partnership with Infosys will help achieve the vision, given their deep Industry knowledge and ability to align this new way of working to support our overarching business strategy. Through this collaboration, Infosys will help accelerate the adoption of our product based continuous delivery operating model, by creating capacity to deliver features, increase resiliency and reliability of our infrastructure and application landscape, thereby helping Conagra advance new digital capabilities."

4. Recognitions

- Infosys received the Great Place to Work® Certification across five regions including India, Australia, United Kingdom, Germany, and Mexico. Infosys BPM received the Great Place to Work® Certification in Philippines
- Infosys recognized as the Champion of Inclusion in the Most Inclusive Companies Index (MICI) and featured in the "100 Best – Hall of Fame" by Avtar & Seramount, 2022
- Infosys secured a place in CDP's annual 'A List' for its leadership in corporate transparency and performance on climate change
- Infosys rated as "Most Noteworthy" Company by DiversityInc, USA
- Infosys recognized as a constituent of the Dow Jones Sustainability World Index for 2022
- Infosys InStep Ranked as the 'Best Internship Program' in the 2023 Vault Internship Rankings
- Infosys won the 2022 Marketing Excellence Gold Award from Information Technology Services Marketing Association (ITSMA) for Infosys Cobalt
- Infosys, along with client Lanxess recognized as a winner in the "Workplace of the Future" category in 2022 ISG Paragon Awards™ EMEA
- Infosys positioned as a leader in Gartner Magic Quadrant for IT Services for Communications Service Providers, Worldwide
- Infosys recognized as a leader in Forrester Wave™: Cloud Migration and Managed Service Partners in Asia Pacific, Q4 2022
- Infosys positioned as a leader in IDC MarketScape: Asia/Pacific Salesforce Implementation Services 2022 Vendor Assessment
- Infosys recognized as a leader in Software Product Engineering Services PEAK Matrix® Assessment 2023 by Everest
- Infosys recognized as a leader in System Integration (SI) Capabilities on Google Cloud Platform (GCP) PEAK Matrix® Assessment 2022 by Everest
- Infosys recognized as a leader in HFS Horizons: Cloud Native Transformation, 2022
- Infosys ranked as a leader in Next-Gen ADM Services 2022 ISG Provider lens™ study in US

- Infosys positioned as a leader in IDC Worldwide Manufacturing Service Life-Cycle Management Strategic Consulting 2022
- Infosys recognized as a leader in Workplace Communication and Collaboration (WCC) Services PEAK Matrix® Assessment 2023 by Everest
- Infosys positioned as a leader in IDC MarketScape: EMEA Industrial Internet of Things Service Providers for Oil and Gas Companies 2022 Vendor Assessment
- Infosys recognized as a leader in Application and Digital Services (ADS) in Property & Casualty (P&C) Insurance PEAK Matrix® Assessment 2023 by Everest
- Infosys recognized as a leader in Risk & Compliance in BFS IT Services PEAK Matrix® Assessment 2023 by Everest
- Infosys positioned as a leader in Avasant's Utilities Digital Services 2022–2023 RadarView™
- Infosys positioned as a leader in Avasant's Manufacturing Digital Services 2022–2023 RadarView™
- Infosys Finacle positioned as a Leader in The Everest Group PEAK Matrix® for Wealth Management Products Provider 2023 report
- Infosys BPM ranked as Leader and Star Performer in Everest Group's Finance and Accounting Outsourcing (FAO) PEAK Matrix® Assessment 2022

About Infosys



Infosys is a global leader in next-generation digital services and consulting. Over 300,000 of our people work to amplify human potential and create the next opportunity for people, businesses and communities. With over four decades of experience in managing the systems and workings of global enterprises, we expertly steer clients, in more than 50 countries, as they navigate their digital transformation powered by the cloud. We enable them with an AI-powered core, empower the business with agile digital at scale and drive continuous improvement with always-on learning through the transfer of digital skills, expertise, and ideas from our innovation ecosystem. We are deeply committed to being a well-governed, environmentally sustainable organization where diverse talent thrives in an inclusive workplace.

Visit www.infosys.com to see how Infosys (NSE, BSE, NYSE: INFY) can help your enterprise navigate your next.

Safe Harbor

This Release contains 'forward-looking statements' within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance and that are based on our current expectations, assumptions, estimates and projections about the Company, our industry, economic conditions in the markets in which we operate, and certain other matters. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as 'may', 'anticipate', 'believe', 'estimate', 'expect', 'continue', 'intend', 'will', 'project', 'seek', 'could', 'would', 'should' and similar expressions. Those statements include, among other things, statements regarding our business strategy, our expectations concerning our market position, future operations, growth, margins, profitability, attrition, liquidity, and capital resources, our ESG vision, our capital allocation policy, the effects of COVID-19 on global economic conditions and our business and operations, wage increases, change in the regulations including immigration regulation and policies in the United States, and corporate actions including timely completion of the proposed buy-back of our equity shares. These statements are subject to known and unknown risks, uncertainties and other factors which may cause actual results or outcomes to differ materially from those implied by the forward-looking statements. Additional risks that could affect our future operating results are more fully described in our United States Securities and Exchange Commission filings including our Annual Report on Form 20-F for the fiscal year ended March 31, 2022. These filings are available at www.sec.gov. Infosys may, from time to time, make additional written and oral forward-looking statements, including statements contained in the Company's filings with the Securities and Exchange Commission and our reports to shareholders. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company unless it is required by law.

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Infosys Limited and subsidiaries

Extracted from the Condensed Consolidated Balance Sheet under IFRS as at: *(In ₹crore)*

	December 31, 2022	March 31, 2022
ASSETS		
Current assets		
Cash and cash equivalents	11,587	17,472
Current investments	8,730	6,673
Trade receivables	27,660	22,698
Unbilled revenue	13,139	11,568
Other Current assets	11,300	8,774
Total current assets	**72,416**	**67,185**
Non-current assets		
Property, plant and equipment and Right-of-use assets	19,897	18,402
Goodwill and other Intangible assets	9,083	7,902
Non-current investments	12,386	13,651
Unbilled revenue	1,708	941
Other non-current assets	10,476	9,804
Total non-current assets	**53,550**	**50,700**
Total assets	**125,966**	**117,885**
LIABILITIES AND EQUITY		
Current liabilities		
Trade payables	4,788	4,134
Unearned revenue	7,117	6,324
Employee benefit obligations	2,400	2,182
Other current liabilities and provisions	26,900	20,963
Total current liabilities	**41,205**	**33,603**
Non-current liabilities		
Lease liabilities	6,577	4,602
Other non-current liabilities	3,511	3,944
Total non-current liabilities	**10,088**	**8,546**
Total liabilities	**51,293**	**42,149**
Total equity attributable to equity holders of the company	**74,292**	**75,350**
Non-controlling interests	381	386
Total equity	**74,673**	**75,736**
Total liabilities and equity	**125,966**	**117,885**

Extracted from the Condensed Consolidated statement of Comprehensive Income under IFRS for:

(In ₹crore except per equity share data)

	3 months ended December 31, 2022	3 months ended December 31, 2021	9 months ended December 31, 2022	9 months ended December 31, 2021
Revenues	**38,318**	**31,867**	**109,326**	**89,365**
Cost of sales	26,561	21,415	76,342	59,726
Gross profit	**11,757**	**10,452**	**32,984**	**29,639**
Operating expenses:				
Selling and marketing expenses	1,611	1,325	4,591	3,809
Administrative expenses	1,904	1,643	5,365	4,771
Total operating expenses	3,515	2,968	9,956	8,580
Operating profit	**8,242**	**7,484**	**23,028**	**21,059**
Other income, net (3)	689	459	1,828	1,508
Profit before income taxes	**8,931**	**7,943**	**24,856**	**22,567**
Income tax expense	2,345	2,121	6,882	6,116
Net profit (before minority interest)	**6,586**	**5,822**	**17,974**	**16,451**
Net profit (after minority interest)	6,586	5,809	17,967	16,425
Basic EPS (₹)	15.72	13.86	42.85	38.96
Diluted EPS (₹)	15.70	13.83	42.79	38.88

***NOTES*:**

1. *The above information is extracted from the audited condensed consolidated Balance sheet and Statement of Comprehensive Income for the quarter and nine months ended December 31, 2022, which have been taken on record at the Board meeting held on January 12, 2023.*

2. *A Fact Sheet providing the operating metrics of the Company can be downloaded from www.infosys.com.*

3. *Other income is net of Finance Cost.*

4. *The quarter figures added up to the figures reported in previous quarters might not always add up to the nine months ended figures reported in this statement as all figures are taken from the source and rounded off to the nearest digits.*

IFRS – USD

Press Release

Strong growth of 13.7% in constant currency in a seasonally weak quarter

Strongest large deal wins in the last 8 quarters at $3.3 billion

Revenue guidance for FY23 revised to 16.0%-16.5%

Bengaluru, India – January 12, 2023: Infosys (NSE, BSE, NYSE: INFY), a global leader in next-generation digital services and consulting, reported strong Q3 performance with year-on-year growth at 13.7% and sequential growth at 2.4% in constant currency. Year on year growth was in double digits for most business segments and geographical regions in constant currency terms. Large deal TCV for the quarter was the strongest in the last 8 quarters at $3.3 billion. Digital comprised 62.9% of overall revenues and grew at 21.7% in constant currency. Operating margin for the quarter remained resilient at 21.5%. FY23 revenue guidance revised to 16.0%-16.5%. FY23 operating margin guidance retained at 21%-22%.

"Our revenue growth was strong in the quarter, with both digital business and core services growing. This is a clear reflection of our deep client relevance, industry-leading digital, cloud, and automation capabilities, and the unrelenting dedication of our employees", said **Salil Parekh, CEO and MD**. "As reflected in the large deals momentum, we continue to gain market share as a trusted transformation and operational partner for our clients. Our end-to-end capabilities and global scale make us a preferred choice as clients look at consolidating vendors. We remain focused on helping businesses accelerate their digital agenda to uncover new value and growth, as well as improve operational and cost effectiveness", he added.

21.7% YoY CC Digital growth	**13.7% YoY** **2.4% QoQ** CC Revenue growth	**21.5%** Operating margin	**13.4% YoY** Increase in EPS (₹ terms)	**$3.3 bn** Large deal TCV

1. Key highlights:

For the quarter ended December 31, 2022	**For nine months ended December 31, 2022**
• Revenues in CC terms grew by 13.7% YoY and 2.4% QoQ	• Revenues in CC terms grew by 17.8% YoY
• Reported revenues at $4,659 million, growth of 9.6% YoY	• Reported revenues at $13,657 million, growth of 13.5% YoY
• Digital revenues at 62.9% of total revenues, YoY CC growth of 21.7%	• Digital revenues at 61.9% of total revenues, YoY CC growth of 29.5%
• Operating margin at 21.5%, decline of 2.0% YoY and stable QoQ	• Operating margin at 21.0%, decline of 2.6% YoY
• Basic EPS at $0.19, growth of 3.3% YoY	• Basic EPS at $0.53, growth of 1.7% YoY
• FCF at $576 million, decline of 19.9% YoY; FCF conversion at 72.0% of net profit	• FCF at $1,821 million, decline of 20.6% YoY; FCF conversion at 81.4% of net profit

"Operating margins in Q3 remained resilient due to cost optimization benefits which offset the impact of seasonal weakness in operating parameters", said **Nilanjan Roy, Chief Financial Officer.** "Attrition reduced meaningfully during the quarter and is expected to decline further in the near-term", he added.

2. Capital Allocation

Pursuant to the Board recommendation and subsequent to shareholders' approval through postal ballot, the company has started share buyback program through open market route from December 7, 2022 and till date, has bought back 31.3 million shares worth ₹4,790 crore (app. $0.6 billion*) or 51.5% of total authorization of ₹9,300 crore at an average price of approx. ₹1,531 per share (compared to maximum Buyback Price of ₹1,850 per share).

USD-INR rate of 82.00

3. Client wins & Testimonials

- Centric Brands has selected Infosys to be a strategic technology partner to provide a range of digital, IT, business operations and transformation services. Infosys will leverage its cognitive first IT framework along with its industry leading digital, cognitive AI, cloud and retail industry solution accelerators to improve and transform the technology landscape**. Anurup Pruthi, Global CFO, Centric Brands**, said, "By partnering with Infosys, we will be able to standardize our internal processes, bring in the best practices and tools, and strengthen the skills needed for continued success in the Retail B2B marketplace."
- Infosys helped develop a cloud-based platform to digitize and automate manual processes at Envision AESC, a world-leading battery technology company's Electric Vehicle (EV) battery manufacturing plants. "At Envision AESC, we believe that advancements in battery technology will propel the EV revolution to newer heights. The manufacturing processes of our breakthrough batteries need a robust digital foundation to accelerate the speed and scale of innovation. We are confident that Infosys, with their trusted cloud technologies and deep expertise in the automotive industry, will help us continue on our journey towards achieving our transformation goals," said, **Brian Sullivan, Executive Vice President of Global Manufacturing and Supply Chain at Envision AESC**.
- Infosys and Microsoft modernized Spark New Zealand's corporate functions to enhance business resilience, operational simplicity, workplace agility, and customer experience. **Mark Beder, Chief Operating Officer, Spark**, said, "As we embarked on a journey to revamp our business operations and step out of our legacy systems, we were looking for partners that understand and provide strength to our vision for an ERP-driven business transformation. It has been great working with Infosys and Microsoft as our transformation partners. The level of ERP implementation expertise and scale they bring to the table in this endeavor underpinned by best-fit digital solutions and resources is helping us to unshackle legacy system constraints and will help us improve operational simplicity, workplace agility and customer experience."
- Infosys collaborated with CIRCOR, one of the world's leading providers of mission critical flow control products and services for the Industrial, Aerospace & Defense markets, to help transform its IT landscape and modernize its IT infrastructure. **Pete Sattler, Chief Information Officer, CIRCOR**, said, "The goal of our alliance with Infosys is to offer all our customers – both internal and external – faster and more reliable service, enhance our cybersecurity, and provide 24x7 monitoring for our global IT environment."
- Avon, part of Natura Group, entered a five-year strategic collaboration with Infosys to advance its digital transformation journey, implement cognitive operations, drive continuous innovation, and help in better serving its customers. **Karen McElhatton, CIO, Avon**, said, "Through this collaboration, Infosys will accelerate the realization of our Digital vision, through a well-planned transformation roadmap to reduce opex spends, increase resilience and reliability of our application landscape, and prepare us better for new digital capabilities. We are confident that

Infosys, with its sound expertise in Infrastructure Management Services, Cybersecurity, and Application Services, will enable us to continue to provide cutting-edge services to our members and customers.”

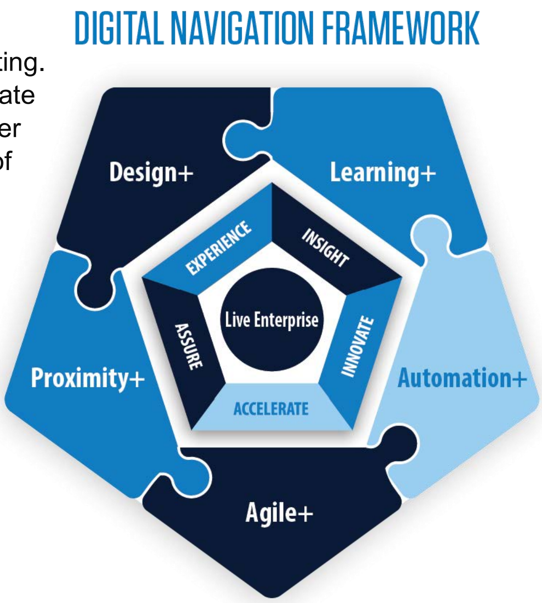
- Conagra has entered into a five-year strategic partnership with Infosys to innovate its IT operations. Conagra and Infosys will be implementing product based cognitive-first delivery model, with focus on improving operational excellence, drive continuous innovation, and most importantly improve the quality of service for Conagra's customers. **Andy Xydakis, CTO, Conagra**, said, “We wanted to change the way we run our IT operations. Delivering in true agile fashion where teams focus on value delivery. Our partnership with Infosys will help achieve the vision, given their deep Industry knowledge and ability to align this new way of working to support our overarching business strategy. Through this collaboration, Infosys will help accelerate the adoption of our product based continuous delivery operating model, by creating capacity to deliver features, increase resiliency and reliability of our infrastructure and application landscape, thereby helping Conagra advance new digital capabilities.”

4. Recognitions

- Infosys received the Great Place to Work® Certification across five regions including India, Australia, United Kingdom, Germany, and Mexico. Infosys BPM received the Great Place to Work® Certification in Philippines
- Infosys recognized as the Champion of Inclusion in the Most Inclusive Companies Index (MICI) and featured in the “100 Best – Hall of Fame” by Avtar & Seramount, 2022
- Infosys secured a place in CDP's annual ‘A List’ for its leadership in corporate transparency and performance on climate change
- Infosys rated as “Most Noteworthy” Company by DiversityInc, USA
- Infosys recognized as a constituent of the Dow Jones Sustainability World Index for 2022
- Infosys InStep Ranked as the ‘Best Internship Program’ in the 2023 Vault Internship Rankings
- Infosys won the 2022 Marketing Excellence Gold Award from Information Technology Services Marketing Association (ITSMA) for Infosys Cobalt
- Infosys, along with client Lanxess recognized as a winner in the “Workplace of the Future” category in 2022 ISG Paragon Awards™ EMEA
- Infosys positioned as a leader in Gartner Magic Quadrant for IT Services for Communications Service Providers, Worldwide
- Infosys recognized as a leader in Forrester Wave™: Cloud Migration and Managed Service Partners in Asia Pacific, Q4 2022
- Infosys positioned as a leader in IDC MarketScape: Asia/Pacific Salesforce Implementation Services 2022 Vendor Assessment
- Infosys recognized as a leader in Software Product Engineering Services PEAK Matrix® Assessment 2023 by Everest
- Infosys recognized as a leader in System Integration (SI) Capabilities on Google Cloud Platform (GCP) PEAK Matrix® Assessment 2022 by Everest
- Infosys recognized as a leader in HFS Horizons: Cloud Native Transformation, 2022

- Infosys ranked as a leader in Next-Gen ADM Services 2022 ISG Provider lens™ study in US
- Infosys positioned as a leader in IDC Worldwide Manufacturing Service Life-Cycle Management Strategic Consulting 2022
- Infosys recognized as a leader in Workplace Communication and Collaboration (WCC) Services PEAK Matrix® Assessment 2023 by Everest
- Infosys positioned as a leader in IDC MarketScape: EMEA Industrial Internet of Things Service Providers for Oil and Gas Companies 2022 Vendor Assessment
- Infosys recognized as a leader in Application and Digital Services (ADS) in Property & Casualty (P&C) Insurance PEAK Matrix® Assessment 2023 by Everest
- Infosys recognized as a leader in Risk & Compliance in BFS IT Services PEAK Matrix® Assessment 2023 by Everest
- Infosys positioned as a leader in Avasant's Utilities Digital Services 2022–2023 RadarView™
- Infosys positioned as a leader in Avasant's Manufacturing Digital Services 2022–2023 RadarView™
- Infosys Finacle positioned as a Leader in The Everest Group PEAK Matrix® for Wealth Management Products Provider 2023 report
- Infosys BPM ranked as Leader and Star Performer in Everest Group's Finance and Accounting Outsourcing (FAO) PEAK Matrix® Assessment 2022

About Infosys



Infosys is a global leader in next-generation digital services and consulting. Over 300,000 of our people work to amplify human potential and create the next opportunity for people, businesses and communities. With over four decades of experience in managing the systems and workings of global enterprises, we expertly steer clients, in more than 50 countries, as they navigate their digital transformation powered by the cloud. We enable them with an AI-powered core, empower the business with agile digital at scale and drive continuous improvement with always-on learning through the transfer of digital skills, expertise, and ideas from our innovation ecosystem. We are deeply committed to being a well-governed, environmentally sustainable organization where diverse talent thrives in an inclusive workplace.

Visit www.infosys.com to see how Infosys (NSE, BSE, NYSE: INFY) can help your enterprise navigate your next.

Safe Harbor

This Release contains 'forward-looking statements' within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance and that are based on our current expectations, assumptions, estimates and projections about the Company, our industry, economic conditions in the markets in which we operate, and certain other matters. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as 'may', 'anticipate', 'believe', 'estimate', 'expect', 'continue', 'intend', 'will', 'project', 'seek', 'could', 'would', 'should' and similar expressions. Those statements include, among other things, statements regarding our business strategy, our expectations concerning our market position, future operations, growth, margins, profitability, attrition, liquidity, and capital resources, our ESG vision, our capital allocation policy, the effects of COVID-19 on global economic conditions and our business and operations, wage increases, change in the regulations including immigration regulation and policies in the United States, and corporate actions including timely completion of the proposed buy-back of our equity shares. These statements are subject to known and unknown risks, uncertainties and other factors which may cause actual results or outcomes to differ materially from those implied by the forward-looking statements. Additional risks that could affect our future operating results are more fully described in our United States Securities and Exchange Commission filings including our Annual Report on Form 20-F for the fiscal year ended March 31, 2022. These filings are available at www.sec.gov. Infosys may, from time to time, make additional written and oral forward-looking statements, including statements contained in the Company's filings with the Securities and Exchange Commission and our reports to shareholders. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company unless it is required by law.

Contact

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Infosys Limited and subsidiaries

Extracted from the Condensed Consolidated Balance Sheet under IFRS as at: *(Dollars in millions)*

	December 31, 2022	March 31, 2022
ASSETS		
Current assets		
Cash and cash equivalents	1,401	2,305
Current investments	1,055	880
Trade receivables	3,343	2,995
Unbilled revenue	1,588	1,526
Other Current assets	1,366	1,159
Total current assets	**8,753**	**8,865**
Non-current assets		
Property, plant and equipment and Right-of-use assets	2,405	2,429
Goodwill and other Intangible assets	1,098	1,042
Non-current investments	1,497	1,801
Unbilled revenue	206	124
Other non-current assets	1,267	1,294
Total non-current assets	**6,473**	**6,690**
Total assets	**15,226**	**15,555**
LIABILITIES AND EQUITY		
Current liabilities		
Trade payables	579	545
Unearned revenue	861	834
Employee benefit obligations	290	288
Other current liabilities and provisions	3,251	2,766
Total current liabilities	**4,981**	**4,433**
Non-current liabilities		
Lease liabilities	795	607
Other non-current liabilities	424	521
Total non-current liabilities	**1,219**	**1,128**
Total liabilities	**6,200**	**5,561**
Total equity attributable to equity holders of the company	**8,975**	**9,941**
Non-controlling interests	51	53
Total equity	**9,026**	**9,994**
Total liabilities and equity	**15,226**	**15,555**

Extracted from the Condensed Consolidated statement of Comprehensive Income under IFRS for:

(Dollars in millions except per equity share data)

	3 months ended December 31, 2022	3 months ended December 31, 2021	9 months ended December 31, 2022	9 months ended December 31, 2021
Revenues	**4,659**	**4,250**	**13,657**	**12,031**
Cost of sales	3,230	2,856	9,544	8,041
Gross profit	**1,429**	**1,394**	**4,113**	**3,990**
Operating expenses:				
Selling and marketing expenses	196	177	574	513
Administrative expenses	232	219	671	642
Total operating expenses	428	396	1,245	1,155
Operating profit	**1,001**	**998**	**2,868**	**2,835**
Other income, net (3)	84	61	229	203
Profit before income taxes	**1,085**	**1,059**	**3,097**	**3,038**
Income tax expense	285	283	859	823
Net profit (before minority interest)	**800**	**776**	**2,238**	**2,215**
Net profit (after minority interest)	800	774	2,237	2,211
Basic EPS ($)	0.19	0.18	0.53	0.52
Diluted EPS ($)	0.19	0.18	0.53	0.52

NOTES:

1. *The above information is extracted from the audited condensed consolidated Balance sheet and Statement of Comprehensive Income for the quarter and nine months ended December 31, 2022, which have been taken on record at the Board meeting held on January 12, 2023.*

2. *A Fact Sheet providing the operating metrics of the Company can be downloaded from www.infosys.com.*

3. *Other income is net of Finance Cost.*

4. *The quarter figures added up to the figures reported in previous quarters might not always add up to the nine months ended figures reported in this statement as all figures are taken from the source and rounded off to the nearest digits.*

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF INFOSYS LIMITED

Report on the Audit of the Interim Condensed Consolidated Financial Statements

Opinion

We have audited the accompanying Interim condensed consolidated financial statements of **INFOSYS LIMITED** (the "Company") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group"), which comprise the Condensed Consolidated Balance Sheet as at December 31, 2022, the Condensed Consolidated Statement of Comprehensive Income for the three months and nine months ended on that date, the Condensed Consolidated Statement of Changes in Equity and the Condensed Consolidated Statement of Cash Flows for the nine months ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "interim condensed consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid interim condensed consolidated financial statements give a true and fair view in conformity with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") as issued by the International Accounting Standards Board ("IASB"), of the consolidated state of affairs of the Group as at December 31, 2022, the consolidated profit and consolidated total comprehensive income for the three months and nine months ended on that date, consolidated changes in equity and its consolidated cash flows for the nine months ended on that date.

Basis for Opinion

We conducted our audit of the interim condensed consolidated financial statements in accordance with the Standards on Auditing ("SA"s) issued by the Institute of Chartered Accountants of India ("ICAI"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the interim condensed consolidated financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the ICAI and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the interim condensed consolidated financial statements.

Management's Responsibilities for the Interim Condensed Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with IAS 34 as issued by the IASB. The respective Boards of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records for safeguarding assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective interim financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the interim condensed consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the interim condensed consolidated financial statements, the respective Boards of Directors of the companies included in the Group are responsible for assessing ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Interim Condensed Consolidated Financial Statements

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

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

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

- Evaluate the overall presentation, structure and content of the interim condensed consolidated financial statements, including the disclosures, and whether the interim condensed consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the interim condensed consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the interim condensed consolidated financial statements of which we are the independent auditors.

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

We communicate with those charged with governance of the Company and such other entities included in the interim condensed consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

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

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

Sanjiv V. Pilgaonkar
Partner
(Membership No.039826)
UDIN:

Place: Bengaluru
Date: January 12, 2023

INFOSYS LIMITED AND SUBSIDIARIES

Condensed Consolidated Financial Statements under International Financial Reporting Standards (IFRS) in US Dollars for the three months and nine months ended December 31, 2022

Index

Infosys Limited and Subsidiaries

(Dollars in millions except equity share data)

Condensed Consolidated Balance Sheet as at	Note	December 31, 2022	March 31, 2022
ASSETS			
Current assets			
Cash and cash equivalents	2.1	1,401	2,305
Current investments	2.2	1,055	880
Trade receivables		3,343	2,995
Unbilled revenue	2.17	1,588	1,526
Prepayments and other current assets	2.4	1,355	1,133
Income tax assets		-	7
Derivative financial instruments	2.3	11	19
Total current assets		**8,753**	**8,865**
Non-current assets			
Property, plant and equipment	2.7	1,622	1,793
Right-of-use assets	2.8	783	636
Goodwill	2.9	876	817
Intangible assets		222	225
Non-current investments	2.2	1,497	1,801
Unbilled revenue	2.17	206	124
Deferred income tax assets		140	160
Income tax assets		764	805
Other non-current assets	2.4	363	329
Total Non-current assets		**6,473**	**6,690**
Total assets		**15,226**	**15,555**
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables		579	545
Lease Liabilities	2.8	138	115
Derivative financial instruments	2.3	27	8
Current income tax liabilities		383	344
Unearned revenue		861	834
Employee benefit obligations		290	288
Provisions	2.6	171	129
Other current liabilities	2.5	2,532	2,170
Total current liabilities		**4,981**	**4,433**
Non-current liabilities			
Lease liabilities	2.8	795	607
Deferred income tax liabilities		128	153
Employee benefit obligations		10	12
Other non-current liabilities	2.5	286	356
Total Non-current liabilities		**1,219**	**1,128**
Total liabilities		**6,200**	**5,561**
Equity			
Share capital - ₹5 ($0.16) par value 4,800,000,000 (4,800,000,000) equity shares authorized, issued and outstanding 4,170,348,621 (4,193,012,929) equity shares fully paid up, net of 12,568,222 (13,725,712) treasury shares as at December 31, 2022 and March 31, 2022	2.18	327	328
Share premium		350	337
Retained earnings		11,301	11,672
Cash flow hedge reserve		(4)	1
Other reserves		1,374	1,170
Capital redemption reserve		22	21
Other components of equity		(4,395)	(3,588)
Total equity attributable to equity holders of the company		**8,975**	**9,941**
Non-controlling interests		51	53
Total equity		**9,026**	**9,994**
Total liabilities and equity		**15,226**	**15,555**

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

As per our report of even date attached.

for Deloitte Haskins & Sells LLP

Chartered Accountants

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

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Bengaluru
January 12, 2023

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Infosys Limited and Subsidiaries

(Dollars in millions except equity share and per equity share data)

Condensed Consolidated Statement of Comprehensive Income	Note	Three months ended		Nine months ended	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Revenues	2.16	**4,659**	**4,250**	**13,657**	**12,031**
Cost of sales	2.19	3,230	2,856	9,544	8,041
Gross profit		**1,429**	**1,394**	**4,113**	**3,990**
Operating expenses:					
Selling and marketing expenses	2.19	196	177	574	513
Administrative expenses	2.19	232	219	671	642
Total operating expenses		**428**	**396**	**1,245**	**1,155**
Operating profit		**1,001**	**998**	**2,868**	**2,835**
Other income, net	2.19	94	68	254	223
Finance cost		10	7	25	20
Profit before income taxes		**1,085**	**1,059**	**3,097**	**3,038**
Income tax expense	2.12	285	283	859	823
Net profit		**800**	**776**	**2,238**	**2,215**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss:					
Re-measurements of the net defined benefit liability/asset, net		4	(7)	-	(9)
Equity instrument through other comprehensive income, net		(1)	-	(2)	5
		3	(7)	(2)	(4)
Items that will be reclassified subsequently to profit or loss:					
Fair value changes on investments, net		6	(10)	(34)	2
Fair value changes on derivatives designated as cash flow hedge, net		(7)	(1)	(5)	-
Exchange differences on translation of foreign operations		(84)	(18)	(771)	(157)
		(85)	(29)	(810)	(155)
Total other comprehensive income/(loss), net of tax		**(82)**	**(36)**	**(812)**	**(159)**
Total comprehensive income		**718**	**740**	**1,426**	**2,056**
Profit attributable to:					
Owners of the company		800	774	2,237	2,211
Non-controlling interests		-	2	1	4
		800	**776**	**2,238**	**2,215**
Total comprehensive income attributable to:					
Owners of the company		718	738	1,425	2,052
Non-controlling interests		-	2	1	4
		718	**740**	**1,426**	**2,056**
Earnings per equity share					
Basic ($)		0.19	0.18	0.53	0.52
Diluted ($)		0.19	0.18	0.53	0.52
Weighted average equity shares used in computing earnings per equity share	2.13				
Basic (in shares)		4,190,550,470	4,190,865,711	4,192,969,201	4,215,373,286
Diluted (in shares)		4,195,924,920	4,198,923,902	4,199,312,062	4,224,009,404

The accompanying notes form an integral part of the interim condensed consolidated financial statements.
As per our report of even date attached.

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

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Bengaluru
January 12, 2023

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Infosys Limited and Subsidiaries

Condensed Consolidated Statement of Changes in Equity

(Dollars in millions except equity share data)

	Number of Shares[(1)]	Share capital	Share premium	Retained earnings	Other reserves [(2)]	Capital redemption reserve	Cash flow hedge reserve	Other components of equity	Total equity attributable to equity holders of the company	Non-controlling interest	Total equity
Balance as at April 1, 2021	**4,245,146,114**	**332**	**359**	**12,087**	**908**	**17**	**2**	**(3,263)**	**10,442**	**60**	**10,502**
Changes in equity for nine months ended December 31, 2021											
Net profit	-	-	-	2,211	-	-	-	-	2,211	4	2,215
Remeasurement of the net defined benefit liability/asset, net*	-	-	-	-	-	-	-	(9)	(9)	-	(9)
Equity instruments through other comprehensive income, net*	-	-	-	-	-	-	-	5	5	-	5
Fair value changes on investments, net*	-	-	-	-	-	-	-	2	2	-	2
Fair value changes on derivatives designated as cash flow hedge, net*	-	-	-	-	-	-	-	-	-	-	-
Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	(157)	(157)	-	(157)
Total comprehensive income for the period	**-**	**-**	**-**	**2,211**	**-**	**-**	**-**	**(159)**	**2,052**	**4**	**2,056**
Shares issued on exercise of employee stock options (Refer note 2.11)	1,824,461	-	2	-	-	-	-	-	2	-	2
Buyback of equity shares**	(55,807,337)	(4)	(86)	(1,409)	-	-	-	-	(1,499)	-	(1,499)
Transaction cost relating to buyback *	-	-	-	(4)	-	-	-	-	(4)	-	(4)
Amount transferred to capital redemption reserve upon buyback	-	-	-	(4)	-	4	-	-	-	-	-
Transfer from other reserves on utilization	-	-	-	85	(85)	-	-	-	-	-	-
Transfer to other reserves	-	-	-	(302)	302	-	-	-	-	-	-
Employee stock compensation expense (Refer note 2.11)	-	-	38	-	-	-	-	-	38	-	38
Income tax benefit arising on exercise of stock options	-	-	3	-	-	-	-	-	3	-	3
Dividends paid to non-controlling interest of subsidiary	-	-	-	-	-	-	-	-	-	(12)	(12)
Dividends[#]	-	-	-	(1,699)	-	-	-	-	(1,699)	-	(1,699)
Balance as at December 31, 2021	**4,191,163,238**	**328**	**316**	**10,965**	**1,125**	**21**	**2**	**(3,422)**	**9,335**	**52**	**9,387**

Infosys Limited and Subsidiaries

(Dollars in millions except equity share data)

	Number of Shares(1)	Share capital	Share premium	Retained earnings	Other reserves (2)	Capital redemption reserve	Cash flow hedge reserve	Other components of equity	Total equity attributable to equity holders of the company	Non-controlling interest	Total equity
Balance as at April 1, 2022	**4,193,012,929**	**328**	**337**	**11,672**	**1,170**	**21**	**1**	**(3,588)**	**9,941**	**53**	**9,994**
Impact on account of adoption of IAS 37##	**-**	**-**	**-**	**(2)**	**-**	**-**	**-**	**-**	**(2)**	**-**	**(2)**
	4,193,012,929	**328**	**337**	**11,670**	**1,170**	**21**	**1**	**(3,588)**	**9,939**	**53**	**9,992**
Changes in equity for nine months ended December 31, 2022											
Net profit		-	-	2,237	-	-	-	-	2,237	1	2,238
Remeasurement of the net defined benefit liability/asset, net*		-	-	-	-	-	-	-	-	-	-
Equity instruments through other comprehensive income, net*		-	-	-	-	-	-	(2)	(2)	-	(2)
Fair value changes on investments, net*		-	-	-	-	-	-	(34)	(34)	-	(34)
Fair value changes on derivatives designated as cash flow hedge, net*		-	-	-	-	-	(5)	-	(5)	-	(5)
Exchange differences on translation of foreign operations		-	-	-	-	-	-	(771)	(771)	-	(771)
Total comprehensive income for the period		**-**	**-**	**2,237**	**-**	**-**	**(5)**	**(807)**	**1,425**	**1**	**1,426**
Shares issued on exercise of employee stock options (Refer to note 2.11)	2,499,692	-	3	-	-	-	-	-	3	-	3
Buyback of equity shares (Refer to note 2.18)**	(25,164,000)	(1)	(40)	(704)	-	-	-	-	(745)	-	(745)
Transaction cost relating to buyback *		-	(3)		-	-	-	-	(3)	-	(3)
Amount transferred to capital redemption reserve upon buyback		-	-	(1)	-	1	-	-	-	-	-
Transfer from other reserves on utilization		-	-	108	(108)	-	-	-	-	-	-
Transfer to other reserves		-	-	(312)	312	-	-	-	-	-	-
Employee stock compensation expense (Refer to note 2.11)		-	48	-	-	-	-	-	48	-	48
Income tax benefit arising on exercise of stock options		-	5	-	-	-	-	-	5	-	5
Dividends paid to non-controlling interest of subsidiary		-	-	-	-	-	-	-	-	(3)	(3)
Dividends#		-	-	(1,697)	-	-	-	-	(1,697)	-	(1,697)
Balance as at December 31, 2022	**4,170,348,621**	**327**	**350**	**11,301**	**1,374**	**22**	**(4)**	**(4,395)**	**8,975**	**51**	**9,026**

** net of tax*
*** including tax on buyback $141 million and $256 million for the nine months ended December 31, 2022 and December 31, 2021 respectively.*
 # net of treasury shares
Impact on account of adoption of amendment to IAS 37 Provisions, Contingent Liabilities and Contingents Assets
(1) excludes treasury shares of 12,568,222 as at December 31, 2022, 13,725,712 as at April 1, 2022, 14,454,720 as at December 31, 2021 and 15,514,732 as at April 1, 2021, held by consolidated trust.
(2) Represents the Special Economic Zone Re-investment reserve created out of the profit of the eligible SEZ unit in terms of the provisions of Sec 10AA(1)(ii) of Income Tax Act,1961. The reserve should be utilized by the Group for acquiring new plant and machinery for the purpose of its business in terms of the provisions of the Sec 10AA(2) of the Income Tax Act, 1961.

The accompanying notes form an integral part of the interim condensed consolidated financial statements.
As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants

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

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Bengaluru
January 12, 2023

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Infosys Limited and Subsidiaries

Condensed Consolidated Statement of Cash Flows

Accounting Policy

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

(Dollars in millions)

Particulars	Note	Nine months ended	
		December 31, 2022	December 31, 2021
Operating activities:			
Net Profit		2,238	2,215
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation and amortization	2.19	388	348
Interest and dividend income		(105)	(77)
Finance Cost		25	20
Income tax expense	2.12	859	823
Exchange differences on translation of assets and liabilities, net		47	5
Impairment loss under expected credit loss model		25	19
Stock compensation expense	2.11	48	41
Other adjustments		84	19
Changes in working capital			
Trade receivables and unbilled revenue		(915)	(817)
Prepayments and other assets		(311)	(159)
Trade payables		80	150
Unearned revenue		98	282
Other liabilities and provisions		308	408
Cash generated from operations		**2,869**	**3,277**
Income taxes paid		(824)	(777)
Net cash generated by operating activities		**2,045**	**2,500**
Investing activities:			
Expenditure on property, plant and equipment and intangibles		(224)	(206)
Deposits placed with corporation		(113)	(106)
Redemption of deposits placed with corporations		84	85
Interest and dividend received		97	84
Payment towards acquisition of business, net of cash acquired		(113)	-
Payment of contingent consideration pertaining to acquisition of business		(8)	(7)
Escrow and other deposits pertaining to Buyback		(72)	(57)
Redemption of escrow and other deposits pertaining to Buyback		-	57
Payments to acquire Investments			
Liquid mutual funds and fixed maturity plan securities		(6,793)	(5,356)
Certificate of deposits		(846)	(198)
Quoted debt securities		(228)	(473)
Commercial papers		(291)	-
Other Investments		(2)	(3)
Proceeds on sale of Investments			
Quoted debt securities		273	474
Equity and preference securities		12	-
Certificate of deposits		947	67
Commercial papers		162	-
Liquid mutual funds		6,666	5,236
Other Investments		-	1
Other payments		-	(3)
Other receipts		7	7
Net cash (used)/generated in investing activities		**(442)**	**(398)**

Financing activities:			
Payment of Lease Liabilities		(107)	(86)
Payment of dividends		(1,697)	(1,703)
Payment of dividend to non-controlling interests of subsidiary		(3)	(11)
Shares issued on exercise of employee stock options		3	2
Other payments		(45)	(3)
Other receipts		15	28
Buy back of equity shares including transaction costs and tax on buyback		(475)	(1,503)
Net cash used in financing activities		**(2,309)**	**(3,276)**
Net increase / (decrease) in cash and cash equivalents		(706)	(1,174)
Effect of exchange rate changes on cash and cash equivalents		(198)	(61)
Cash and cash equivalents at the beginning of the period	2.1	2,305	3,380
Cash and cash equivalents at the end of the period	2.1	**1,401**	**2,145**
Supplementary information:			
Restricted cash balance	2.1	46	66

The accompanying notes form an integral part of the interim condensed consolidated financial statements.
As per our report of even date attached

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

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

Sanjiv V. Pilgaonkar
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Bengaluru
January 12, 2023

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Chief Financial Officer

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Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Infosys Limited and Subsidiaries

Overview and Notes to the Interim Condensed Consolidated Financial Statements

1. Overview

1.1 Company overview

Infosys Limited ('the Company' or Infosys) provides consulting, technology, outsourcing and next-generation digital services, to enable clients to execute strategies for their digital transformation. Infosys strategic objective is to build a sustainable organization that remains relevant to the agenda of clients, while creating growth opportunities for employees and generating profitable returns for investors. Infosys strategy is to be a navigator for our clients as they ideate, plan and execute on their journey to a digital future.

Infosys together with its subsidiaries and controlled trusts is herein after referred to as the "Group".

The company is a public limited company incorporated and domiciled in India and has its registered office at Electronics city, Hosur Road, Bengaluru 560100, Karnataka, India. The company has its primary listings on the BSE Ltd. and National Stock Exchange of India Limited. The company's American Depositary Shares (ADS) representing equity shares are listed on the New York Stock Exchange (NYSE).

The Group's interim condensed consolidated financial statements are approved for issue by the company's Board of Directors on January 12, 2023.

1.2 Basis of preparation of financial statements

The interim condensed consolidated financial statements have been prepared in compliance with IAS 34, Interim Financial Reporting as issued by International Accounting Standards Board, under the historical cost convention on the accrual basis except for certain financial instruments which have been measured at fair values. Accordingly, these interim condensed consolidated financial statements do not include all the information required for a complete set of financial statements. These interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes included in the company's Annual Report on Form 20-F for the year ended March 31, 2022. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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

1.3 Basis of consolidation

Infosys consolidates entities which it owns or controls. The interim condensed consolidated financial statements comprise the financial statements of the company, its controlled trusts and its subsidiaries. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. The financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the company, are excluded.

1.4 Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the interim condensed consolidated financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note 1.5. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates.

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

1.5 Critical accounting estimates and judgements

a. Revenue recognition

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

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

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

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

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

b. Income taxes

The Group's two major tax jurisdictions are India and the U.S., though the company also files tax returns in other overseas jurisdictions.

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

In assessing the realizability of deferred income tax assets, Management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced (Refer to note 2.12).

c. Business combinations and intangible assets

Business combinations are accounted for using IFRS 3 (Revised), Business Combinations. IFRS 3 requires us to fair value identifiable intangible assets and contingent consideration to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Estimates are required to be made in determining the value of contingent consideration, value of option arrangements and intangible assets. These valuations are conducted by external valuation experts. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by management. (Refer to note 2.10)

d. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology (Refer to note 2.7).

e. Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGUs) is less than it's carrying amount. For the impairment test, goodwill is allocated to the CGU or groups of CGUs which benefit from the synergies of the acquisition and which represent the lowest level at which goodwill is monitored for internal management purposes.

The recoverable amount of CGUs is determined based on higher of value-in-use and fair value less cost to sell. Key assumptions in the cash flow projections are prepared based on current economic conditions and comprises estimated long term growth rates, weighted average cost of capital and estimated operating margins (Refer to note 2.9).

1.6 Recent accounting pronouncements

New and revised IFRS Standards in issue but not yet effective:

Amendments to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors	Definition of Accounting Estimates
Amendments to IAS 1, Presentation of Financial Statements	Disclosure of Accounting Policies
Amendments to IAS12, Income taxes	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IFRS 16, Leases	Lease Liability in a Sale and Leaseback

Amendments to IAS 8

On February 12, 2021 International Accounting Standards Board (IASB) has issued amendments to IAS 8 Accounting Policies, Changes in Accounting estimates and Errors which introduced a definition of 'accounting estimates' and included amendments to IAS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

The effective date for adoption of this amendment is annual periods beginning on or after January 1, 2023, although early adoption is permitted. The Group has evaluated the amendment and there is no impact on its condensed consolidated financial statements.

Amendments to IAS 1

On February 12, 2021 International Accounting Standards Board (IASB) has issued amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements which requires the entities to disclose their material accounting policies rather than their significant accounting policies.

The effective date for adoption of this amendment is annual periods beginning on or after January 1, 2023, although early adoption is permitted. The Group is in the process of evaluating the impact of the amendment.

Amendments to IAS 12

On May 7,2021, International Accounting Standards Board (IASB) has issued amendment to IAS 12 Income Taxes which narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

The effective date for adoption of this amendment is annual periods beginning on or after January 1, 2023, although early adoption is permitted. The Group has evaluated the amendment and there is no impact on its condensed consolidated financial statements.

Amendments to IFRS 16

On September 22, 2022, International Accounting Standards Board (IASB) has issued amendments to IFRS 16 Leases, which added requirements explaining the subsequent measurement for a sale and leaseback transaction. These amendments will not change the accounting for leases other than those arising in a sale and leaseback transaction.

The effective date for the adoption of this amendment is annual reporting periods beginning on or after January 1, 2024, although early adoption is permitted. The Group has evaluated the amendment and there is no impact on its condensed consolidated financial statements.

Infosys Limited and Subsidiaries

2. Notes to the Interim Condensed Consolidated Financial Statements

2.1 Cash and cash equivalents

Cash and cash equivalents consist of the following:

(Dollars in millions)

Particulars	As at	
	December 31, 2022	March 31, 2022
Cash and bank deposits	1,130	1,840
Deposits with financial institutions	271	465
Total Cash and cash equivalents	**1,401**	**2,305**

Cash and cash equivalents as at December 31, 2022 and March 31, 2022 include restricted cash and bank balances of \$46 million and \$62 million, respectively. The restrictions are primarily on account of bank balances held by irrevocable trusts controlled by the company and bank balances held as margin money deposits against guarantees.

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

Infosys Limited and Subsidiaries

2.2 Investments

The carrying value of investments are as follows:

(Dollars in millions)

Particulars	As at December 31, 2022	As at March 31, 2022
(i) Current investments		
Amortized cost		
Quoted debt securities	43	29
Fair value through profit or loss		
Liquid Mutual fund units	382	266
Fair Value through Other comprehensive		
Quoted debt securities	167	133
Certificate of deposits	334	452
Commercial Paper	129	-
Total current investments	**1,055**	**880**
(ii) Non-current investments		
Amortized cost		
Quoted debt securities	212	251
Fair value through Other comprehensive income		
Quoted debt securities	1,240	1,501
Unquoted equity and preference securities	26	26
Fair value through profit or loss		
Unquoted Preference securities	-	3
Unquoted Compulsorily convertible debentures	-	1
Others[1]	19	19
Total Non-current investments	**1,497**	**1,801**
Total investments	**2,552**	**2,681**
Investment carried at amortized cost	255	280
Investments carried at fair value through other comprehensive income	1,896	2,112
Investments carried at fair value through profit or loss	401	289

[1] *Uncalled capital commitments outstanding as on December 31, 2022 and March 31, 2022 was $11 million and $4 million, respectively.*

Refer note 2.3 for accounting policies on financial instruments.

Method of fair valuation: *(Dollars in millions)*

Class of investment	Method	Fair value As at December 31, 2022	Fair value As at March 31, 2022
Liquid mutual fund units	Quoted price	382	266
Quoted debt securities- carried at amortized cost	Quoted price and market observable inputs	280	323
Quoted debt securities- carried at Fair value through other comprehensive income	Quoted price and market observable inputs	1,407	1,634
Commercial Paper	Market observable inputs	129	-
Certificate of deposits	Market observable inputs	334	452
Unquoted equity and preference securities carried at fair value through other comprehensive income	Discounted cash flows method, Market multiples method, Option pricing model	26	26
Unquoted equity and preference securities - carried at fair value through profit or loss	Discounted cash flows method, Market multiples method, Option pricing model	-	3
Unquoted compulsorily convertible debentures - carried at fair value through profit or loss	Discounted cash flows method	-	1
Others	Discounted cash flows method, Market multiples method, Option pricing model	19	19
Total		**2,577**	**2,724**

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

2.3 Financial instruments

Accounting Policy

2.3.1 Initial recognition

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

2.3.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

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

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

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

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

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

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration and financial liability under option arrangements recognized in a business combination which is subsequently measured at fair value through profit or loss.

b. Derivative financial instruments

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

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

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

Although the group 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 carried 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 comprehensive income when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

(ii) Cash flow hedge

The group designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transaction. .

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

2.3.3 Derecognition of financial instruments

The group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under IFRS 9. A financial liability (or a part of a financial liability) is derecognized from the group's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.3.4 Fair value of financial instruments

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

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

2.3.5 Impairment

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

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

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recorded is recognized as an impairment gain or loss in condensed consolidated statement of comprehensive income.

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Financial instruments by category

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

(Dollars in millions)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value	
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory			
Assets:								
Cash and cash equivalents (Refer to note 2.1)	1,401	-	-	-	-	1,401	1,401	
Investments (Refer to Note 2.2)								
Liquid mutual fund units	-	-	382	-	-	382	382	
Quoted debt securities	255	-	-	-	1,407	1,662	1,687	(1)
Certificate of deposits	-	-	-	-	334	334	334	
Commercial Paper	-	-	-	-	129	129	129	
Unquoted equity and preference securities	-	-	-	26	-	26	26	
Unquoted investment others	-	-	19	-	-	19	19	
Trade receivables	3,343	-	-	-	-	3,343	3,343	
Unbilled revenues (Refer to note 2.17)[3]	990	-	-	-	-	990	990	
Prepayments and other assets (Refer to Note 2.4)	650	-	-	-	-	650	642	(2)
Derivative financial instruments	-	-	9	-	2	11	11	
Total	**6,639**	**-**	**410**	**26**	**1,872**	**8,947**	**8,964**	
Liabilities:								
Trade payables	579	-	-	-	-	579	579	
Lease liabilities	933	-	-	-	-	933	933	
Derivative financial instruments	-	-	23	-	4	27	27	
Financial liability under option arrangements (Refer to note 2.5)	-	-	81	-	-	81	81	
Other liabilities including contingent consideration (Refer to note 2.5)	2,170	-	11	-	-	2,181	2,181	
Total	**3,682**	**-**	**115**	**-**	**4**	**3,801**	**3,801**	

(1) *On account of fair value changes including interest accrued*

(2) *Excludes interest accrued on quoted debt securities carried at amortized cost of $8 million.*

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

Infosys Limited and Subsidiaries

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

(Dollars in millions)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value	
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory			
Assets:								
Cash and cash equivalents (Refer to Note 2.1)	2,305	-	-	-	-	2,305	2,305	
Investments (Refer note 2.2)								
Liquid mutual fund units	-	-	266	-	-	266	266	
Quoted debt securities	280	-	-	-	1,634	1,914	1,957	(1)
Certificate of deposits	-	-	-	-	452	452	452	
Unquoted Compulsorily convertible Debentures	-	-	1	-	-	1	1	
Unquoted equity and preference Securities	-	-	3	26	-	29	29	
Unquoted investment others	-	-	19	-	-	19	19	
Trade receivables	2,995	-	-	-	-	2,995	2,995	
Unbilled revenues(Refer to Note 2.17)[3]	838	-	-	-	-	838	838	
Prepayments and other assets (Refer to Note 2.4)	526	-	-	-	-	526	514	(2)
Derivative financial instruments	-	-	16	-	3	19	19	
Total	**6,944**	**-**	**305**	**26**	**2,089**	**9,364**	**9,395**	
Liabilities:								
Trade payables	545	-	-	-	-	545	545	
Lease liabilities	722	-	-	-	-	722	722	
Derivative financial instruments	-	-	8	-	-	8	8	
Financial liability under option arrangements (Refer to note 2.5)	-	-	86	-	-	86	86	
Other liabilities including contingent consideration (Refer to note 2.5)	1,989	-	16	-	-	2,005	2,005	
Total	**3,256**	**-**	**110**	**-**	**-**	**3,366**	**3,366**	

[1] *On account of fair value changes including interest accrued*

[2] *Excludes interest accrued on quoted debt securities carried at amortized cost of $12 million.*

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

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

Infosys Limited and Subsidiaries

Fair value hierarchy

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

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

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

The following table presents fair value hierarchy of assets and liabilities as at December 31, 2022

(Dollars in millions)

Particulars	As at December 31, 2022	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units (Refer to Note 2.2)	382	382	-	-
Investments in quoted debt securities (Refer to Note 2.2)	1,687	1,274	413	-
Investments in certificate of deposit (Refer to Note 2.2)	334	-	334	-
Investments in commercial paper (Refer to Note 2.2)	129	-	129	-
Investments in unquoted equity and preference securities (Refer to Note 2.2)	26	-	-	26
Investments in unquoted investments others (Refer to Note 2.2)	19	-	-	19
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts	11	-	11	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts	27	-	27	-
Financial liability under option arrangements	81	-	-	81
Liability towards contingent consideration (Refer to note 2.5)*	11	-	-	11

*Discount rate pertaining to contingent consideration ranges from 9 % to 14 %

During the nine months ended December 31, 2022, quoted debt securities of $118 million were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on quoted price and quoted debt securities of $325 million were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

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The following table presents fair value hierarchy of assets and liabilities as at March 31, 2022

(Dollars in millions)

Particulars	As at March 31, 2022	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units (Refer to Note 2.2)	266	266	-	-
Investments in quoted debt securities (Refer to Note 2.2)	1,957	1,721	236	-
Investments in unquoted equity and preference securities (Refer to Note 2.2)	29	-	-	29
Investments in certificate of deposit (Refer to Note 2.2)	452	-	452	-
Investments in unquoted investments others (Refer to Note 2.2)	19	-	-	19
Investments in unquoted compulsorily convertible debentures (Refer to Note 2.2)	1	-	-	1
Derivative financial instruments- gain on outstanding foreign exchange forward and option contracts	19	-	19	-
Liabilities				
Derivative financial instruments- loss on outstanding foreign exchange forward and option contracts	8	-	8	-
Financial liability under option arrangements (Refer to Note 2.5)	86	-	-	86
Liability towards contingent consideration (Refer to Note 2.5)*	16	-	-	16

*Discount rate pertaining to contingent consideration ranges from 8% to 14.5%

During the year ended March 31, 2022 quoted debt securities of $76 million were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on quoted price and quoted debt securities of $127 million were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

A one percentage point change in the unobservable inputs used in fair valuation of Level 3 assets and liabilities does not have a significant impact in its value.

Majority of investments of the Group are fair valued based on Level 1 or Level 2 inputs. These investments primarily include investment in liquid mutual fund units, quoted debt securities, certificates of deposit, commercial paper, quoted bonds issued by government and quasi government organizations. The Group invests after considering counterparty risks based on multiple criteria including Tier I Capital, Capital Adequacy Ratio, credit rating, profitability, NPA levels and deposit base of banks and financial institutions. These risks are monitored regularly as per Group’s risk management program.

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2.4 Prepayments and other assets

Prepayments and other assets consist of the following:

(Dollars in millions)

Particulars	As at December 31, 2022	As at March 31, 2022
Current		
Rental deposits	5	8
Security deposits	1	1
Loans to employees	34	33
Prepaid expenses[(1)]	337	263
Interest accrued and not due	46	48
Withholding taxes and others[(1)]	352	256
Advance payments to vendors for supply of goods[(1)]	11	25
Deposit with corporations	284	287
Escrow and other deposits pertaining to buyback (Refer to Note No 2.18.1)**	72	-
Deferred contract cost[(1)(#)]		
Cost of obtaining a contract	115	113
Cost of fulfillment	20	12
Net investment in sublease of right of use asset	6	6
Other non financial assets[(1)]	41	43
Other financial assets	31	38
Total Current prepayment and other assets	**1,355**	**1,133**
Non-current		
Loans to employees	5	5
Security deposits	6	6
Deposit with corporations	12	4
Defined benefit plan assets[(1)]	2	3
Prepaid expenses[(1)]	18	13
Deferred contract cost[(1)(#)]		
Cost of obtaining a contract	23	78
Cost of fulfillment	66	41
Withholding taxes and others[(1)]	83	89
Net investment in sublease of right of use asset	39	43
Rental Deposits	27	24
Other financial assets	82	23
Total Non- current prepayment and other assets	**363**	**329**
Total prepayment and other assets	**1,718**	**1,462**
Financial assets in prepayments and other assets	**650**	**526**

(1) Non financial assets

Withholding taxes and others primarily consist of input tax credits and Cenvat recoverable from Government of India.

Deposit with corporation represents amounts deposited to settle certain employee-related obligations as and when they arise during the normal course of business.

Includes technology assets taken over by the Group from a customer as a part of transformation project which is not considered as distinct goods or services and the control related to the assets is not transferred to the Group in accordance with IFRS 15 - Revenue from contract with customers. Accordingly, the same has been considered as a reduction to the total contract value and accounted as Deferred contract cost. The Group has entered into financing arrangements with a third party for these assets. As at December 31, 2022, the financial liability pertaining to such arrangements amounts to $90 million. During the nine months ended December 31, 2022, $5 million was settled directly by the third party to the customer on behalf of the Group and accordingly considered as non-cash transaction (Refer to note 2.5)

** Includes $29 million towards shares purchased but not settled as of December 31, 2022

2.5 Other liabilities

Other liabilities comprise the following:

(Dollars in millions)

Particulars	As at	
	December 31, 2022	March 31, 2022
Current		
Accrued compensation to employees	427	536
Accrued defined benefit plan liability(1)	1	1
Accrued expenses	948	986
Withholding taxes and others (1)	410	374
Retention money	2	2
Liabilities of controlled trusts	26	28
Deferred income - government grants(1)	1	1
Liability towards contingent consideration	11	9
Capital creditors	47	57
Financial Liability on account of buyback(2) (Refer to note 2.18)	195	-
Tax on buyback(1) (Refer to note 2.18)	78	-
Financial liability under option arrangements	81	-
Other financial liabilities#	305	176
Total Current other liabilities	**2,532**	**2,170**
Non-Current		
Liability towards contingent consideration	-	7
Accrued compensation to employees	1	1
Accrued expenses	181	125
Accrued defined benefit plan liability(1)	57	50
Deferred income - government grants(1)	7	8
Deferred income (1)	1	1
Financial liability under option arrangements	-	86
Other non financial liabilities(1)	1	1
Other financial liabilities#	38	77
Total Non-current other liabilities	**286**	**356**
Total other liabilities	**2,818**	**2,526**
Financial liabilities included in other liabilities	2,262	2,090
Financial liability towards contingent consideration on an undiscounted basis	12	17

(1) *Non financial liabilities*

(2) *In accordance with IAS 32 Financial Instruments: Presentation, the Company has recorded a financial liability as at December 31, 2022 for the obligation to acquire its own equity shares to the extent of standing instructions provided to its registered broker for the buyback (Refer to note 2.18). The financial liability is recognized at the present value of the maximum amount that the Company would be required to pay to the registered broker for buy back, with a corresponding debit in general reserve / retained earnings.*

Accrued expenses primarily relate to cost of technical sub-contractors, telecommunication charges, legal and professional charges, brand building expenses, overseas travel expenses and office maintenance.

\# Deferred contract cost (in note 2.4) includes technology assets taken over by the Company from a customer as a part of transformation project which is not considered as distinct goods or services and the control related to the assets is not transferred to the Company in accordance with IFRS 15 - Revenue from contract with customers. Accordingly, the same has been considered as a reduction to the total contract value and accounted as Deferred contract cost. The Group has entered in to financing arrangements with a third party for these assets. As at December 31, 2022, the financial liability pertaining to such arrangements amounts to $90 million. During the nine months ended December 31, 2022, $5 million was settled directly by the third party to the customer on behalf of the Group and accordingly considered as non-cash transaction

2.6 Provisions and other contingencies

Accounting Policy

Provisions

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

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

Post sales client support

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

Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Group recognizes any impairment loss on the assets associated with that contract.

Provisions comprise the following:

(Dollars in millions)

Particulars	**As at**	
	December 31, 2022	**March 31, 2022**
Provision for post sales client support and other provisions	171	129
	171	**129**

Provision for post sales client support represents costs associated with providing post sales support services which are accrued at the time of recognition of revenues and are expected to be utilized over a period of 1 year.

Provision for post sales client support and other provisions is included in cost of sales in the condensed consolidated statement of comprehensive income.

As at December 31, 2022 and March 31, 2022, claims against the Group, not acknowledged as debts, (excluding demands from income tax authorities- Refer to Note 2.12) amounted to $84 million (₹691 crore) and $84 million (₹640 crore), respectively.

Legal Proceedings

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

2.7 Property, plant and equipment

Accounting Policy

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The charge in respect of periodic depreciation is derived at after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The group depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Building	22-25 years
Plant and machinery(1)	5 years
Computer equipment	3-5 years
Furniture and fixtures	5 years
Vehicles	5 years
Leasehold improvements	Lower of useful life of the asset or lease term

(1) includes solar plant with a useful life of 20 years

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

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of comprehensive income when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in net profit in the consolidated statement of comprehensive income.

Impairment

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

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

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

(Dollars in millions)

Particulars	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at October 1, 2022	**176**	**1,393**	**618**	**1,094**	**409**	**5**	**3,695**
Additions	-	20	16	42	14	-	92
Deletions*	-	-	-	(48)	(2)	-	(50)
Translation difference	(3)	(19)	(11)	(13)	(4)	1	(49)
Gross carrying value as at December 31, 2022	**173**	**1,394**	**623**	**1,075**	**417**	**6**	**3,688**
Accumulated depreciation as at October 1, 2022	**-**	**(530)**	**(472)**	**(782)**	**(318)**	**(5)**	**(2,107)**
Depreciation	-	(13)	(14)	(42)	(11)	-	(80)
Accumulated depreciation on deletions*	-	-	-	48	2	-	50
Translation difference	-	8	8	10	3	-	29
Accumulated depreciation as at December 31, 2022	**-**	**(535)**	**(478)**	**(766)**	**(324)**	**(5)**	**(2,108)**
Capital work-in progress as at December 31, 2022							42
Carrying value as at December 31, 2022	**173**	**859**	**145**	**309**	**93**	**1**	**1,622**
Capital work-in progress as at October 1, 2022							59
Carrying value as at October 1, 2022	**176**	**863**	**146**	**312**	**91**	**-**	**1,647**

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

(Dollars in millions)

Particulars	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at October 1, 2021	**190**	**1,488**	**693**	**1,055**	**425**	**6**	**3,857**
Additions	2	8	11	45	4	-	70
Deletions*	-	-	(8)	(18)	(4)	-	(30)
Translation difference	-	-	(1)	(1)	-	-	(2)
Gross carrying value as at December 31, 2021	**192**	**1,496**	**695**	**1,081**	**425**	**6**	**3,895**
Accumulated depreciation as at October 1, 2021	**-**	**(523)**	**(510)**	**(767)**	**(312)**	**(5)**	**(2,117)**
Depreciation	-	(14)	(15)	(36)	(10)	(1)	**(76)**
Accumulated depreciation on deletions*	-	-	5	18	3	-	**26**
Translation difference	-	-	-	1	(1)	1	**1**
Accumulated depreciation as at December 31, 2021	**-**	**(537)**	**(520)**	**(784)**	**(320)**	**(5)**	**(2,166)**
Capital work-in progress as at December 31, 2021							67
Carrying value as at December 31, 2021	**192**	**959**	**175**	**297**	**105**	**1**	**1,796**
Capital work-in progress as at October 1, 2021							69
Carrying value as at October 1, 2021	**190**	**965**	**183**	**288**	**113**	**1**	**1,809**

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

(Dollars in millions)

Particulars	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at April 1, 2022	**188**	**1,481**	**653**	**1,125**	**423**	**6**	**3,876**
Additions	-	38	33	127	35	-	233
Additions- Business Combination (Refer Note 2.10)	-	-	1	1	-	-	2
Deletions*	-	-	(5)	(84)	(6)	-	(95)
Translation difference	(15)	(125)	(59)	(94)	(35)	-	(328)
Gross carrying value as at December 31, 2022	**173**	**1,394**	**623**	**1,075**	**417**	**6**	**3,688**
Accumulated depreciation as at April 1, 2022	**-**	**(541)**	**(484)**	**(796)**	**(324)**	**(5)**	**(2,150)**
Depreciation	-	(41)	(44)	(121)	(33)	-	(239)
Accumulated depreciation on deletions*	-	-	5	84	6	-	95
Translation difference	-	47	45	67	27	-	186
Accumulated depreciation as at December 31, 2022	**-**	**(535)**	**(478)**	**(766)**	**(324)**	**(5)**	**(2,108)**
Capital work-in progress as at December 31, 2022							42
Carrying value as at December 31, 2022	**173**	**859**	**145**	**309**	**93**	**1**	**1,622**
Capital work-in progress as at April 1, 2022							67
Carrying value as at April 1, 2022	**188**	**940**	**169**	**329**	**99**	**1**	**1,793**

* During the three months ended and nine months ended December 31, 2022, certain assets which were old and not in use having gross book value of $33 million (net book value: Nil) and $62 million (net book value: Nil) respectively, were retired.

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

(Dollars in millions)

Particulars	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at April 1, 2021	**191**	**1,445**	**679**	**1,045**	**416**	**6**	**3,782**
Additions	4	70	36	132	20	-	262
Deletions*	-	-	(9)	(80)	(6)	-	(95)
Translation difference	(3)	(19)	(11)	(16)	(5)	-	(54)
Gross carrying value as at December 31, 2021	**192**	**1,496**	**695**	**1,081**	**425**	**6**	**3,895**
Accumulated depreciation as at April 1, 2021	**-**	**(503)**	**(492)**	**(771)**	**(294)**	**(4)**	**(2,064)**
Depreciation	-	(42)	(42)	(105)	(34)	(1)	(224)
Accumulated depreciation on deletions*	-	-	6	80	5	-	91
Translation difference	-	8	8	12	3	-	31
Accumulated depreciation as at December 31, 2021	**-**	**(537)**	**(520)**	**(784)**	**(320)**	**(5)**	**(2,166)**
Capital work-in progress as at December 31, 2021							67
Carrying value as at December 31, 2021	**192**	**959**	**175**	**297**	**105**	**1**	**1,796**
Capital work-in progress as at April 1, 2021							145
Carrying value as at April 1, 2021	**191**	**942**	**187**	**274**	**122**	**2**	**1,863**

* During the three months ended and nine months ended December 31, 2021, certain assets which were old and not in use having gross book value of $8 million (net book value: Nil) and $43 million (net book value: Nil) respectively, were retired.

The aggregate depreciation expense is included in cost of sales in the condensed consolidated statement of comprehensive income.
The Group had contractual commitments for capital expenditure primarily comprise of commitments for infrastructure facilities and computer equipments aggregating to $89 million and $164 million as at December 31, 2022 and March 31, 2022, respectively.

2.8 Leases

Accounting Policy

The Group as a lessee

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

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

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

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

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

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

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

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Group as a lessor

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

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

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

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

(Dollars in millions)

Particulars	**Category of ROU asset**				
	Land	**Buildings**	**Vehicle**	**Computer**	**Total**
Balance as of October 1, 2022	**77**	**472**	**2**	**141**	**692**
Additions*	-	17	-	122	139
Deletions	-	(1)	-	(11)	(12)
Depreciation	(1)	(20)	-	(20)	(41)
Translation difference	(1)	(3)	-	9	5
Balance as of December 31, 2022	**75**	**465**	**2**	**241**	**783**

* *Net of adjustments on account of modifications and lease incentives*

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

(Dollars in millions)

Particulars	**Category of ROU asset**				
	Land	**Buildings**	**Vehicle**	**Computer**	**Total**
Balance as of October 1, 2021	**85**	**504**	**2**	**29**	**620**
Additions*	-	32	-	25	57
Deletions	-	(9)	-	(2)	(11)
Depreciation	-	(23)	-	(5)	(28)
Translation difference	-	(1)	-	-	(1)
Balance as of December 31, 2021	**85**	**503**	**2**	**47**	**637**

* *Net of adjustments on account of modifications*

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

(Dollars in millions)

Particulars	**Category of ROU asset**				
	Land	**Buildings**	**Vehicle**	**Computer**	**Total**
Balance as of April 1, 2022	**83**	**489**	**2**	**62**	**636**
Additions*	-	79	1	248	328
Deletions	-	(1)	-	(31)	(32)
Depreciation	(1)	(62)	(1)	(39)	(103)
Translation difference	(7)	(40)	-	1	(46)
Balance as of December 31, 2022	**75**	**465**	**2**	**241**	**783**

* *Net of adjustments on account of modifications and lease incentives*

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

(Dollars in millions)

Particulars	Category of ROU asset				
	Land	Buildings	Vehicle	Computer	Total
Balance as of April 1, 2021	**86**	**545**	**3**	**22**	**656**
Additions*	-	40	-	39	79
Deletions	-	(9)	-	(4)	(13)
Depreciation	(1)	(65)	(1)	(9)	(76)
Translation difference	-	(8)	-	(1)	(9)
Balance as of December 31, 2021	**85**	**503**	**2**	**47**	**637**

* *Net of adjustments on account of modifications*

The aggregate depreciation expense on ROU assets is included in cost of sales in the condensed consolidated statement of comprehensive income.

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

(Dollars in millions)

Particulars	**As at**	
	December 31, 2022	**March 31, 2022**
Current lease liabilities	138	115
Non-current lease liabilities	795	607
Total	**933**	**722**

Infosys Limited and Subsidiaries

2.9 Goodwill and intangible assets

2.9.1 Goodwill

Accounting Policy

Goodwill represents purchase consideration in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquired entity. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the purchase consideration, the fair value of net assets acquired is reassessed and the bargain purchase gain is recognized immediately in the net profit in the Statement of Comprehensive Income. Goodwill is measured at cost less accumulated impairment losses.

Impairment

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGU) is less than its carrying amount. For the impairment test, goodwill is allocated to the CGU or groups of CGU's which benefit from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. Key assumptions in the cash flow projections are prepared based on current economic conditions and includes estimated long term growth rates, weighted average cost of capital and estimated operating margins.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognized in net profit in the Statement of Comprehensive Income and is not reversed in the subsequent period.

Following is a summary of changes in the carrying amount of goodwill:

(Dollars in millions)

Particulars	As at	
	December 31, 2022	March 31, 2022
Carrying value at the beginning	817	832
Goodwill on acquisition (Refer to Note 2.10)	79	-
Translation differences	(20)	(15)
Carrying value at the end	**876**	**817**

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the CGU or groups of CGUs, which benefit from the synergies of the acquisition.

2.9.2 Intangibles

Accounting policy

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

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

Impairment

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

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

2.10 Business combinations

Accounting Policy

Business combinations have been accounted for using the acquisition method under the provisions of IFRS 3 (Revised), Business Combinations.

The purchase price in an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The purchase price also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognized in the Consolidated Statement of Comprehensive Income.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Business combinations between entities under common control is outside the scope of IFRS 3 (Revised), Business Combinations and is accounted for at carrying value of assets acquired and liabilities assumed.

The payments related to options issued by the Group over the non-controlling interests in its subsidiaries are accounted as financial liabilities and initially recognized at the estimated present value of gross obligations. Such options are subsequently measured at fair value in order to reflect the amount payable under the option at the date at which it becomes exercisable. In the event that the option expires unexercised, the liability is derecognised.

Transaction costs that the Group incurs in connection with a business combination such as finders' fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

Acquisition

Oddity

On April 20, 2022, Infosys Germany GmbH (a wholly-owned subsidiary of Infosys Consulting Pte. Ltd) acquired 100% voting interests in oddity GmbH, oddity group services GmbH, oddity space GmbH, oddity jungle GmbH, oddity code GmbH and oddity waves GmbH (collectively known as oddity), Germany-based digital marketing, experience, and commerce agency. This acquisition is expected to strengthen the Group's creative, branding and experience design capabilities in Germany and across Europe.

The purchase price is allocated to assets acquired and liabilities assumed based upon determination of fair values at the dates of acquisition as follows:

(Dollars in millions)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net Assets[(1)]	6	-	6
Intangible assets –			
Customer contracts and relationships[(2)]	-	13	13
Deferred tax liabilities on intangible assets	-	(4)	(4)
Total	**6**	**9**	**15**
Goodwill			23
Total purchase price			**38**

[(1)] Includes cash and cash equivalents acquired of $ 3 million.
[(2)] The estimated useful life is around 5 years.

The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill. The primary items that generated this goodwill are the value of the acquired assembled workforce and estimated synergies neither of which qualify as an intangible asset.

Goodwill is not tax-deductible.

The purchase consideration of $ 38 million includes cash of $ 32 million and contingent consideration with an estimated fair value of $ 6 million as on the date of acquisition.

At the acquisition date, the key inputs used in determination of the fair value of contingent consideration are the probabilities assigned towards achievement of financial targets and discount rate of 12.5%. The undiscounted value of contingent consideration as of December 31, 2022 was $7 million. Additionally, this acquisition has retention bonus payable to the employees of the acquiree over three years, subject to their continuous employment with the group along with achievement of financial targets for the respective years. Bonus is recognized in employee benefit expenses in the statement of comprehensive income over the period of service.

Fair value of trade receivables acquired, is $5 million as of acquisition date and as of December 31, 2022 the amounts are fully collected.

The transaction costs of less than a million related to the acquisition have been included under administrative expenses in the Consolidated Statement of comprehensive income for the quarter ended June 30, 2022.

BASE life science A/S

On September 01, 2022, Infosys Consulting Pte. Ltd (a wholly-owned subsidiary of Infosys Limited) acquired 100% voting interests in BASE life science A/S, a consulting and technology firm in the life sciences industry in Europe. This acquisition is expected to augment the Group's life sciences expertise, scale its digital transformation capabilities with cloud based industry solutions and expand its presence in Nordics region and across Europe.

The purchase price allocated to assets acquired and liabilities assumed based upon determination of fair values at the date of acquisition as follows:

(Dollars in millions)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net Assets(1)	6	-	6
Intangible assets –			
Customer contracts and relationships#	-	21	21
Vendor relationships#	-	4	4
Brand#	-	3	3
Deferred tax liabilities on intangible assets	-	(6)	(6)
Total	**6**	**22**	**28**
Goodwill			56
Total purchase price			**84**

(1) Includes cash and cash equivalents acquired of less than a million.
 # Useful lives are estimated to be in the range of 1 to 6 years

The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill. The primary items that generated this goodwill are the value of the acquired assembled workforce and estimated synergies, neither of which qualify as an intangible asset.

Goodwill is not tax-deductible.

Additionally, this acquisition has shareholder and employee retention payouts payable to the employees of the acquiree over three years, subject to their continuous employment with the group. Performance and retention bonus is recognised in employee benefit expenses in the Statement of Comprehensive Income over the period of service.

Fair value of trade receivables acquired, is $9 million as of acquisition date and as of December 31, 2022 the amounts are substantially collected.

The transaction costs of less than a million related to the acquisition have been included under administrative expenses in the Consolidated Statement of comprehensive income for the quarter ended September 30, 2022.

2.11 Employees' Stock Option Plans (ESOP)

Accounting Policy

The Group recognizes compensation expense relating to share-based payments in net profit based on estimated fair-values of the awards on the grant date. The estimated fair value of awards is recognized as an expense in net profit in the consolidated statement of comprehensive income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share premium.

Infosys Expanded Stock Ownership Program 2019 (the 2019 Plan)

On June 22, 2019 pursuant to approval by the shareholders in the Annual General Meeting, the Board has been authorized to introduce, offer, issue and provide share-based incentives to eligible employees of the Company and its subsidiaries under the 2019 Plan. The maximum number of shares under the 2019 plan shall not exceed 50,000,000 equity shares. To implement the 2019 Plan, upto 45,000,000 equity shares may be issued by way of secondary acquisition of shares by Infosys Expanded Stock Ownership Trust. The Restricted Stock Units (RSUs) granted under the 2019 plan shall vest based on the achievement of defined annual performance parameters as determined by the administrator (Nomination and Remuneration Committee). The performance parameters will be based on a combination of relative Total Shareholder Return (TSR) against selected industry peers and certain broader market domestic and global indices and operating performance metrics of the company as decided by administrator. Each of the above performance parameters will be distinct for the purposes of calculation of quantity of shares to vest based on performance. These instruments will generally vest between a minimum of 1 to maximum of 3 years from the grant date.

2015 Stock Incentive Compensation Plan (the 2015 Plan) :

On March 31, 2016, pursuant to the approval by the shareholders through postal ballot, the Board was authorized to introduce, offer, issue and allot share-based incentives to eligible employees of the Company and its subsidiaries under the 2015 Plan. The maximum number of shares under the 2015 plan shall not exceed 24,038,883 equity shares (this includes 11,223,576 equity shares which are held by the trust towards the 2011 Plan as at March 31, 2016). The Company expects to grant the instruments under the 2015 Plan over the period of 4 years. The plan numbers mentioned above would further be adjusted for the September 2018 bonus issue.

The equity settled and cash settled RSUs and stock options would vest generally over a period of 4 years and shall be exercisable within the period as approved by the Nomination and Remuneration Committee (NARC). The exercise price of the RSUs will be equal to the par value of the shares and the exercise price of the stock options would be the market price as on the date of grant.

Controlled trust holds 12,568,222 and 13,725,712 shares as at December 31, 2022 and March 31, 2022, respectively under the 2015 plan. Out of these shares, 2,00,000 equity shares each have been earmarked for welfare activities of the employees as at December 31, 2022 and March 31, 2022.

The following is the summary of grants during three months and nine months ended December 31, 2022 and December 31, 2021

Particulars	2019 Plan		2019 Plan		2015 Plan		2015 Plan	
	Three months ended December 31,		Nine months ended December 31,		Three months ended December 31,		Nine months ended December 31,	
	2022	2021	2022	2021	2022	2021	2022	2021
Equity settled RSU								
KMPs	-	-	176,893	73,962	-	-	287,325	101,697
Employees other than KMP	3,814	-	374,774	-	48,050	25,270	48,050	25,270
	3,814	**-**	**551,667**	**73,962**	**48,050**	**25,270**	**335,375**	**126,967**

Notes on grants to KMP:

CEO & MD

Based on the recommendations of the Board and the approval of the shareholders at the AGM held on June 25, 2022, Salil Parekh has been reappointed as the CEO and MD of the Company for a term commencing on July 1, 2022 and ending on March 31, 2027. The remuneration is approved by the shareholders in the AGM. The revised employment agreement is effective July 1, 2022.

Under the 2015 plan:

The Board, on April 13, 2022, based on the recommendations of the Nomination and Remuneration Committee, in accordance with the terms of his employment agreement effective till June 30,2022, approved the grant of performance-based RSUs of fair value of ₹13 crore for fiscal 2023 under the 2015 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 84,361 performance based RSU's were granted effective May 2, 2022.

Further, in line with the shareholders' approval and revised employment contract which is effective July 1, 2022, the Board, on July 24, 2022, based on the recommendations of the Nomination and Remuneration Committee:

- Approved the grant of performance-based RSUs (Annual performance equity grant) of fair value of ₹21.75 crore for fiscal 2023 under the 2015 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 140,228 performance based RSU's were granted effective August 1, 2022.

- Approved the performance-based grant of RSUs (Annual performance equity ESG grant) of fair value of ₹2 crore for fiscal 2023 under the 2015 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain environment, social and governance milestones as determined by the Board. Accordingly, 12,894 performance based RSU's were granted effective August 1, 2022.

- Approved the performance-based grant of RSUs (Annual performance Equity TSR grant) of fair value of ₹5 crore for fiscal 2023 under the 2015 Plan. These RSUs will vest in line with the employment agreement based on Company's performance on cumulative relative TSR over the years and as determined by the Board. Accordingly, 32,236 performance based RSU's were granted effective August 1, 2022.

Under the 2019 plan:

The Board, on April 13, 2022, based on the recommendations of the Nomination and Remuneration Committee, approved performance-based grant of RSUs amounting to ₹10 crore for fiscal 2023 under the 2019 Plan. These RSUs will vest in line with the employment agreement effective till June 30,2022 based on achievement of certain performance targets. Accordingly, 64,983 performance based RSU's were granted effective May 2, 2022.

Other KMP

Under the 2015 plan:

On April 13, 2022, based on the recommendations of the Nomination and Remuneration Committee, in accordance with employment agreement, the Board, approved performance-based grant of 5,616 RSUs to a KMP under the 2015 Plan. The grants were made effective May 2, 2022. The performance based RSUs will vest over three years based on certain performance targets.

On April 13, 2022, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved time based grant of 11,990 RSUs to a KMP under the 2015 Plan. The grants were made effective May 2, 2022. These RSUs will vest over four years.

Under the 2019 plan:

On April 13, 2022, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved performance based grants of 8,000 RSUs to a KMP under the 2019 plan. The grants were made effective May 2, 2022. These RSUs will vest over three years based on achievement of certain performance targets.

On May 21, 2022, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved performance based grants of 104,000 RSUs to other KMPs under the 2019 plan. The grants were made effective June 1, 2022. These RSUs will vest over three years based on achievement of certain performance targets.

Break-up of employee stock compensation expense: -

(Dollars in millions)

Particulars	Three months ended December 31, 2022	Three months ended December 31, 2021	Nine months ended December 31, 2022	Nine months ended December 31, 2021
Granted to:				
KMP #	-	2	5	7
Employees other than KMP	14	11	43	34
Total (1)	**14**	**13**	**48**	**41**
(1) Cash settled stock compensation expense included in the above	1	1	-	3

Includes reversal of employee stock compensation expense on account of resignation.

The fair value of the awards are estimated using the Black-Scholes Model for time and non-market performance based options and Monte Carlo simulation model is used for TSR based options.

The inputs to the model include the share price at date of grant, exercise price, expected volatility, expected dividends, expected term and the risk free rate of interest. Expected volatility during the expected term of the options is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the options. Expected volatility of the comparative company have been modelled based on historical movements in the market prices of their publicly traded equity shares during a period equivalent to the expected term of the options. Correlation coefficient is calculated between each peer entity and the indices as a whole or between each entity in the peer group.

The fair value of each equity settled award is estimated on the date of grant using the following assumptions:

Particulars	For options granted in			
	Fiscal 2023-Equity Shares-RSU	Fiscal 2023-ADS-RSU	Fiscal 2022-Equity Shares-RSU	Fiscal 2022-ADS-RSU
Weighted average share price (₹) / ($ ADS)	1,525	19.01	1,791	24.45
Exercise price (₹)/ ($ ADS)	5.00	0.07	5.00	0.07
Expected volatility (%)	23-32	28-34	20-35	25-36
Expected life of the option (years)	1-4	1-4	1-4	1-4
Expected dividends (%)	2-3	2-3	2-3	2-3
Risk-free interest rate (%)	5-7	2-5	4-6	1-3
Weighted average fair value as on grant date (₹) / ($ ADS)	1,283	14.40	1,548	20.82

The expected life of the RSU/ESOP is estimated based on the vesting term and contractual term of the RSU/ESOP, as well as expected exercise behavior of the employee who receives the RSU/ESOP.

2.12 Income taxes

Accounting policy

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the consolidated statement of comprehensive income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity or other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year. Tax benefits of deductions earned on exercise of employee share options in excess of compensation charged to income are credited to equity.

Income tax expense in the consolidated statement of comprehensive income comprises:

(Dollars in millions)

Particulars	Three months ended December 31, 2022	Three months ended December 31, 2021	Nine months ended December 31, 2022	Nine months ended December 31, 2021
Current taxes				
Domestic taxes	194	196	642	582
Foreign taxes	73	79	236	224
	267	**275**	**878**	**806**
Deferred taxes				
Domestic taxes	29	16	33	45
Foreign taxes	(11)	(8)	(52)	(28)
	18	**8**	**(19)**	**17**
Income tax expense	**285**	**283**	**859**	**823**

Income tax expense for the three months ended December 31, 2022 and December 31, 2021 includes reversal (net of provisions) of $9 million and provisions (net of reversal) of $1 million, respectively. Income tax expense for the nine months ended December 31, 2022 and December 31, 2021 includes reversal (net of provisions) of $4 million and $3 million, respectively. These provisions and reversals pertaining to prior periods are primarily on account of adjudication of certain disputed matters, upon filing of tax return and completion of assessments, across various jurisdictions.

Deferred income tax for the three months ended and nine months ended December 31, 2022 and December 31, 2021 substantially relates to origination and reversal of temporary differences.

The Company's Advanced Pricing Arrangement (APA) with the Internal Revenue Service (IRS) for US branch income tax expired in March 2021. The Company has applied for renewal of APA and currently the US taxable income is based on the Company's best estimate determined based on the expected value method.

As at December 31, 2022, claims against the Group not acknowledged as debts from the Income tax authorities amounted to $490 million (₹4,051 crore).

As at March 31, 2022, claims against the Group not acknowledged as debts from the Income tax authorities amounted to $528 million (₹4,001 crore).

Amount paid to statutory authorities against the tax claims amounted to $791 million (₹6,546 crore) and $791 million (₹5,996 crore) as at December 31, 2022 and March 31, 2022 respectively.

The claims against the group primarily represent demands arising on completion of assessment proceedings under the Income Tax Act, 1961. These claims are on account of multiple issues of disallowances such as disallowance of profits earned from STP Units and SEZ Units, disallowance of deductions in respect of employment of new employees under section 80JJAA, disallowance of expenditure towards software being held as capital in nature, payments made to Associated Enterprises held as liable for withholding of taxes.

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

2.13 Basic and diluted shares used in computing earnings per equity share

Accounting Policy

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

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

Infosys Limited and Subsidiaries

2.14 Related party transactions

Refer Note 2.20 "Related party transactions" in the Company's 2022 Annual Report on Form 20-F for the full names and other details of the Company's subsidiaries and controlled trusts.

Changes in Subsidiaries

During the nine months ended December 31, 2022, the following are the changes in the subsidiaries:

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

On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly owned subsidiary of Infosys Consulting Pte. Ltd) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH along with its subsidiary oddity code d.o.o, and oddity GmbH along with its two subsidiaries oddity (Shanghai) Co. Ltd., oddity Limited(Taipei).

Panaya GmbH renamed as Infosys Financial Services GmbH.

Infosys Arabia Limited, a majority owned and controlled subsidiary of Infosys Limited is under liquidation.

Infosys Public Services Canada Inc., a wholly owned subsidiary of Infosys Public Services Inc. was incorporated on July 08, 2022.

On September 1, 2022, Infosys Consulting Pte. Ltd. (a Wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S along with its seven subsidiaries BASE life science AG, BASE life science GmbH, BASE life science Ltd., BASE life science S.A.S., BASE life science S.r.l., Innovisor Inc. and BASE life science Inc.

BASE life science SL., a wholly owned subsidiary of BASE life science A/S was incorporated on September 6, 2022

Panaya Germany GmbH, a wholly owned subsidiary of Panaya Inc. was incorporated on December 15,2022.

Change in key management personnel

The following are the changes in the key management personnel:

- Ravi Kumar S resigned effective October 11, 2022

Transactions with key management personnel

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

(Dollars in millions)

Particulars	Three months ended December 31, 2022	Three months ended December 31, 2021	Nine months ended December 31, 2022	Nine months ended December 31, 2021
Salaries and other short term employee benefits to whole-time directors and executive officers(1)(2)	2	4	11	14
Commission and other benefits to non-executive/ independent directors	1	-	2	1
Total	**3**	**4**	**13**	**15**

(1) Total employee stock compensation expense for the three months ended December 31, 2022 and December 31, 2021 includes a charge of less than a million and $2 million respectively, towards key managerial personnel. For the nine months ended December 31, 2022 and December 31, 2021, includes a charge of $5 million and $ 7 million respectively, towards key managerial personnel. (Refer note 2.11). Stock compensation expense for the three months and nine months ended December 31, 2022 include reversal of expense on account of resignation.

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

2.15 Segment Reporting

IFRS 8 Operating Segments establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Group's operations predominantly relate to providing end-to-end business solutions to enable clients to enhance business performance.

The Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the accounting policies.

Business segments of the Group are primarily enterprises in Financial Services and Insurance, enterprises in Manufacturing, enterprises in Retail, Consumer Packaged Goods and Logistics, enterprises in the Energy, Utilities, Resources and Services, enterprises in Communication, Telecom OEM and Media, enterprises in Hi-Tech, enterprises in Life Sciences and Healthcare and all other segments. The Financial services reportable segments has been aggregated to include the Financial Services operating segment and Finacle operating segment because of the similarity of the economic characteristics. All other segments represent the operating segments of businesses in India, Japan, China, Infosys Public Services & other enterprises in Public Services.

Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment. Revenue for 'all other segments' represents revenue generated by Infosys Public Services and revenue generated from customers located in India, Japan and China and other enterprises in public service. Allocated expenses of segments include expenses incurred for rendering services from the Group's offshore software development centres and on-site expenses, which are categorized in relation to the associated efforts of the segment. Certain expenses such as depreciation and amortization, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying assets are used interchangeably. The management believes that it is not practical to provide segment disclosures relating to those costs and expenses, and accordingly these expenses are separately disclosed as "unallocated" and adjusted against the total income of the Group.

Assets and liabilities used in the Group's business are not identified to any of the reportable segments, as these are used interchangeably between segments. Management believes that it is currently not practicable to provide segment disclosures relating to total assets and liabilities since a meaningful segregation of the available data is onerous.

Business segment revenue information is collated based on individual customers invoiced or in relation to which the revenue is otherwise recognized.

Disclosure of revenue by geographic locations is given in note 2.16 Revenue from operations

Infosys Limited and Subsidiaries

2.15.1 Business Segments

Three months ended December 31, 2022 and December 31, 2021

(Dollars in millions)

Particulars	Financial Services(1)	Retail(2)	Communication(3)	Energy, Utilities, resources and Services	Manufacturing	Hi Tech	Life Sciences(4)	All Other Segments (5)	Total
Revenues	**1,366**	**667**	**573**	**603**	**619**	**376**	**328**	**127**	**4,659**
	1,337	*615*	*531*	*499*	*479*	*342*	*318*	*129*	*4,250*
Identifiable operating expenses	796	345	348	315	390	217	192	91	2,694
	755	*298*	*314*	*269*	*312*	*202*	*188*	*88*	*2,426*
Allocated expenses	244	122	98	111	104	60	53	35	827
	217	*100*	*88*	*87*	*83*	*55*	*45*	*31*	*706*
Segment profit	**326**	**200**	**127**	**177**	**125**	**99**	**83**	**1**	**1,138**
	365	*217*	*129*	*143*	*84*	*85*	*85*	*10*	*1,118*
Unallocable expenses									137
									120
Operating profit									**1,001**
									998
Other income, net (Refer to Note 2.19)									94
									68
Finance cost									10
									7
Profit before Income taxes									**1,085**
									1,059
Income tax expense									285
									283
Net profit									**800**
									776
Depreciation and amortization									137
									120
Non-cash expenses other than depreciation and amortization									-
									-

(1) Financial Services include enterprises in Financial Services and Insurance
(2) Retail includes enterprises in Retail, Consumer Packaged Goods and Logistics
(3) Communication includes enterprises in Communication, Telecom OEM and Media
(4) Life Sciences includes enterprises in Life sciences and Health care
(5) All Other segments include operating segments of businesses in India, Japan, China, Infosys Public Services & other enterprises in Public Services

Infosys Limited and Subsidiaries

Nine months ended December 31, 2022 and December 31, 2021

(Dollars in millions)

Particulars	Financial Services (1)	Retail(2)	Communication (3)	Energy, Utilities, resources and Services	Manufacturing	Hi Tech	Life Sciences(4)	All Other Segments (5)	Total
Revenues	**4,118**	**1,958**	**1,710**	**1,713**	**1,739**	**1,109**	**925**	**385**	**13,657**
	3,878	*1,766*	*1,488*	*1,429*	*1,281*	*995*	*858*	*336*	*12,031*
Identifiable operating expenses	2,353	1,002	1,062	913	1,156	653	540	263	7,942
	2,196	*853*	*895*	*759*	*775*	*594*	*487*	*231*	*6,790*
Allocated expenses	735	361	298	320	312	181	153	99	2,459
	640	*292*	*258*	*251*	*239*	*156*	*129*	*93*	*2,058*
Segment profit	**1,030**	**595**	**350**	**480**	**271**	**275**	**232**	**23**	**3,256**
	1,042	*621*	*335*	*419*	*267*	*245*	*242*	*12*	*3,183*
Unallocable expenses									388
									348
Operating profit									**2,868**
									2,835
Other income, net (Refer to Note 2.19)									254
									223
Finance cost									25
									20
Profit before Income taxes									**3,097**
									3,038
Income tax expense									859
									823
Net profit									**2,238**
									2,215
Depreciation and amortization									388
									348
Non-cash expenses other than depreciation and amortization									-
									-

(1) Financial Services include enterprises in Financial Services and Insurance
(2) Retail includes enterprises in Retail, Consumer Packaged Goods and Logistics
(3) Communication includes enterprises in Communication, Telecom OEM and Media
(4) Life Sciences includes enterprises in Life sciences and Health care
(5) All Other segments include operating segments of businesses in India, Japan, China, Infosys Public Services & other enterprises in Public Services

2.15.2 Significant clients

No client individually accounted for more than 10% of the revenues for the three months and nine months ended December 31, 2022 and December 31, 2021, respectively.

2.16 Revenue from Operations

Accounting Policy:

The Group derives revenues primarily from IT services comprising software development and related services, cloud and infrastructure services, maintenance, consulting and package implementation, licensing of software products and platforms across the Group's core and digital offerings (together called as "software related services") and business process management services. Contracts with customers are either on a time-and-material, unit of work, fixed-price or on a fixed-timeframe basis.

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

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

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

Revenue on time-and-material and unit of work based contracts, are recognized as the related services are performed. Fixed price maintenance revenue is recognized ratably either on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or ratably using a percentage of completion method when the pattern of benefits from the services rendered to the customer and Group's costs to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive. Revenue from other fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time is recognized using the percentage-of-completion method. Efforts or costs expended are used to determine progress towards completion as there is a direct relationship between input and productivity. Progress towards completion is measured as the ratio of costs or efforts incurred to date (representing work performed) to the estimated total costs or efforts. Estimates of transaction price and total costs or efforts are continuously monitored over the term of the contracts and are recognized in net profit in the period when these estimates change or when the estimates are revised. Revenues and the estimated total costs or efforts are subject to revision as the contract progresses. Provisions for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

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

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

Certain cloud and infrastructure services contracts include multiple elements which may be subject to other specific accounting guidance, such as leasing guidance. These contracts are accounted in accordance with such specific accounting guidance. In such arrangements where the Group is able to determine that hardware and services are distinct performance obligations, it allocates the consideration to these performance obligations on a relative standalone selling price basis. In the absence of standalone selling price, the Group uses the expected cost-plus margin approach in estimating the standalone selling price. When such arrangements are considered as a single performance obligation, revenue is recognized over the period and measure of progress is determined based on promise in the contract.

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

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

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

The incremental costs of obtaining a contract (i.e., costs that would not have been incurred if the contract had not been obtained) are recognized as an asset if the Group expects to recover them.

Certain eligible, nonrecurring costs (e.g. set-up or transition or transformation costs) that do not represent a separate performance obligation are recognized as an asset when such costs (a) relate directly to the contract; (b) generate or enhance resources of the Group that will be used in satisfying the performance obligation in the future; and (c) are expected to be recovered.

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

The Group presents revenues net of indirect taxes in its condensed consolidated statement of comprehensive income.

Revenues for the three months ended and nine months ended December 31, 2022 and December 31, 2021 is as follows

(Dollars in millions)

Particulars	Three months ended December 31, 2022	Three months ended December 31, 2021	Nine months ended December 31, 2022	Nine months ended December 31, 2021
Revenue from software services	4,362	3,970	12,790	11,231
Revenue from products and platforms	297	280	867	800
Total revenue from operations	**4,659**	**4,250**	**13,657**	**12,031**

Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by geography and offerings for each of our business segments. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

Three months ended December 31, 2022 and December 31, 2021

(Dollars in millions)

Particulars	Financial Services(1)	Retail(2)	Communication(3)	Energy, Utilities, resources and Services	Manufacturing	Hi Tech	Life Sciences(4)	Others(5)	Total
Revenues by Geography*									
North America	878	467	351	330	236	352	240	35	2,889
	841	*418*	*307*	*260*	*220*	*319*	*230*	*32*	*2,627*
Europe	229	163	119	224	363	8	83	13	1,202
	230	*163*	*130*	*197*	*239*	*7*	*84*	*8*	*1,058*
India	55	3	5	8	3	14	1	24	113
	66	*3*	*6*	*5*	*2*	*14*	*1*	*30*	*127*
Rest of the world	204	34	98	41	17	2	4	55	455
	200	*31*	*88*	*37*	*18*	*2*	*3*	*59*	*438*
Total	**1,366**	**667**	**573**	**603**	**619**	**376**	**328**	**127**	**4,659**
	1,337	***615***	***531***	***499***	***479***	***342***	***318***	***129***	***4,250***
Revenue by offerings									
Digital	757	440	383	383	458	241	204	64	2,930
	702	*386*	*325*	*295*	*325*	*201*	*194*	*59*	*2,487*
Core	609	227	190	220	161	135	124	63	1,729
	635	*229*	*206*	*204*	*154*	*141*	*124*	*70*	*1,763*
Total	**1,366**	**667**	**573**	**603**	**619**	**376**	**328**	**127**	**4,659**
	1,337	***615***	***531***	***499***	***479***	***342***	***318***	***129***	***4,250***

(1) Financial Services include enterprises in Financial Services and Insurance
(2) Retail includes enterprises in Retail, Consumer Packaged Goods and Logistics
(3) Communication includes enterprises in Communication, Telecom OEM and Media
(4) Life Sciences includes enterprises in Life sciences and Health care
(5) Others include operating segments of businesses in India, Japan, China, Infosys Public Services & other enterprises in Public Services
** Geographical revenues are based on the domicile of customer*

Infosys Limited and Subsidiaries

Nine months ended December 31, 2022 and December 31, 2021

(Dollars in millions)

Particulars	**Financial Services[(1)]**	**Retail[(2)]**	**Communication[(3)]**	**Energy, Utilities, resources and Services**	**Manufacturing**	**Hi Tech**	**Life Sciences[(4)]**	**Others[(5)]**	**Total**
Revenues by Geography*									
North America	2,643	1,361	1,041	911	709	1,036	680	101	8,482
	2,421	*1,193*	*818*	*738*	*627*	*927*	*619*	*93*	*7,436*
Europe	690	485	353	652	980	26	229	28	3,443
	680	*475*	*359*	*566*	*612*	*22*	*225*	*23*	*2,962*
India	177	7	16	20	7	41	3	89	360
	183	*10*	*36*	*14*	*7*	*40*	*3*	*50*	*343*
Rest of the world	608	105	300	130	43	6	13	167	1,372
	594	*88*	*275*	*111*	*35*	*6*	*11*	*170*	*1,290*
Total	**4,118**	**1,958**	**1,710**	**1,713**	**1,739**	**1,109**	**925**	**385**	**13,657**
	3,878	***1,766***	***1,488***	***1,429***	***1,281***	***995***	***858***	***336***	***12,031***
Revenue by offerings									
Digital	2,267	1,276	1,140	1,066	1,250	699	575	183	8,456
	2,027	*1,068*	*887*	*821*	*770*	*569*	*492*	*136*	*6,770*
Core	1,851	682	570	647	489	410	350	202	5,201
	1,851	*698*	*601*	*608*	*511*	*426*	*366*	*200*	*5,261*
Total	**4,118**	**1,958**	**1,710**	**1,713**	**1,739**	**1,109**	**925**	**385**	**13,657**
	3,878	***1,766***	***1,488***	***1,429***	***1,281***	***995***	***858***	***336***	***12,031***

(1) Financial Services include enterprises in Financial Services and Insurance
(2) Retail includes enterprises in Retail, Consumer Packaged Goods and Logistics
(3) Communication includes enterprises in Communication, Telecom OEM and Media
(4) Life Sciences includes enterprises in Life sciences and Health care
(5) Others include operating segments of businesses in India, Japan, China, Infosys Public Services & other enterprises in Public Services
** Geographical revenue is based on the domicile of customer*

Infosys Limited and Subsidiaries

Digital Services

Digital Services comprise of service and solution offerings of the Group that enable our clients to transform their businesses. These include offerings that enhance customer experience, leverage AI-based analytics and big data, engineer digital products and IoT, modernize legacy technology systems, migrate to cloud applications and implement advanced cyber security systems.

Core Services

Core Services comprise traditional offerings of the Group that have scaled and industrialized over a number of years. These primarily include application management services, proprietary application development services, independent validation solutions, product engineering and management, infrastructure management services, traditional enterprise application implementation, support and integration services.

Products & platforms

The Group derives revenues from the sale of products and platforms including Finacle – core banking solution, Edge Suite of products, Panaya platform, Infosys Equinox, Infosys Applied AI, Stater digital platform and Infosys McCamish – insurance platform.

Trade Receivables and Contract Balances

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

The Group's receivables are rights to consideration that are unconditional. Unbilled revenues comprising revenues in excess of billings from time and material contracts and fixed price maintenance contracts are classified as financial asset when the right to consideration is unconditional and is due only after a passage of time.

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

Invoicing in excess of earnings are classified as unearned revenue.

Trade receivable and unbilled revenues are presented net of impairment in the consolidated statement of financial position.

2.17 Unbilled revenue

(Dollars in millions)

Particulars	As at	
	December 31, 2022	March 31, 2022
Unbilled financial asset [(1)]	990	838
Unbilled non financial asset [(2)]	804	812
Total	**1,794**	**1,650**

(1) Right to consideration is unconditional and is due only after a passage of time.
(2) Right to consideration is dependent on completion of contractual milestones.

Infosys Limited and Subsidiaries

2.18 Equity

Accounting policy

Ordinary Shares

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

Treasury Shares

When any entity within the Group purchases the company's ordinary shares, the consideration paid including any directly attributable incremental cost is presented as a deduction from total equity, until they are cancelled, sold or reissued. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/ from Share premium.

Description of reserves

Retained earnings

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

Share premium

The amount received in excess of the par value has been classified as share premium. Additionally, share-based compensation recognized in net profit in the condensed consolidated statement of comprehensive income is credited to share premium. Amounts have been utilized for bonus issue and share buyback from share premium account.

Special Economic Zone Re-investment reserve

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

Capital Redemption Reserve

In accordance with section 69 of the Indian Companies Act, 2013, the Company creates capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from general reserve.

Other components of equity

Other components of equity include currency translation, re-measurement of net defined benefit liability/asset, fair value changes of equity instruments fair valued through other comprehensive income, changes on fair valuation of investments, net of taxes.

Cash flow hedge reserve

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the consolidated Statement of Comprehensive Income upon the occurrence of the related forecasted transaction.

2.18.1 Capital Allocation Policy

Effective fiscal 2020, the company expects to return approximately 85% of the free cash flow cumulatively over a 5-year period through a combination of semi annual dividends and/or share buyback and/or special dividends, subject to applicable laws and requisite approvals, if any. Free cash flow is defined as net cash provided by operating activities less capital expenditure as per the consolidated statement of cash flows prepared under IFRS. Dividend and buyback include applicable taxes.

Update on buyback announced in October 2022:

In line with the capital allocation policy, the Board, at its meeting held on October 13, 2022, approved the buyback of equity shares, from the open market route through the Indian stock exchanges, amounting to ₹9,300 crore (Maximum Buyback Size, excluding buyback tax) at a price not exceeding ₹1,850 per share (Maximum Buyback Price), subject to shareholders' approval by way of Postal Ballot.

The shareholders approved the proposal of buyback of Equity Shares recommended by its Board of Directors by way of e-voting on the postal ballot, the results of which were declared on December 3, 2022. At the Maximum buyback price of ₹1,850/- per equity share and the Maximum buyback size of ₹9,300 crore the indicative maximum number of equity shares bought back would be 50,270,270 Equity Shares (Maximum buyback shares) comprising approximately 1.19% of the paid-up equity share capital of the Company as of September 30, 2022 and as on December 5, 2022, the date of the Public Announcement for the buyback (on a standalone basis).

The buyback was offered to all eligible equity shareholders of the Company (other than the Promoters, the Promoter Group and Persons in Control of the Company) under the open market route through the stock exchange. The Company will fund the buyback from its free reserves including Securities Premium as explained in Section 68 of the Companies Act, 2013.The buyback of equity shares through the stock exchange commenced on December 7, 2022 and is expected to be completed on or before June 6, 2023. During the quarter ended December 31, 2022, 25,164,000 equity shares were purchased from the stock exchange which includes 3,170,000 shares which have been purchased but have not been settled and therefore not extinguished as of December 31, 2022. In accordance with section 69 of the Companies Act, 2013, during the quarter ended December 31, 2022, the Company has created 'Capital Redemption Reserve' of $1 million equal to the nominal value of the shares bought back as an appropriation from general reserve.

Buyback completed in September 2021

In line with the capital allocation policy, the Board, at its meeting held on April 14, 2021, approved the buyback of equity shares, from the open market route through the Indian stock exchanges, amounting to ₹9,200 crore (Maximum Buyback Size, excluding buyback tax) at a price not exceeding ₹1,750 per share (Maximum Buyback Price), subject to shareholders' approval in the ensuing General Meeting
.
The shareholders approved the proposal of buyback of Equity Shares recommended by its Board of Directors in the Annual General meeting held on June 19 , 2021.

The buyback was offered to all eligible equity shareholders of the Company (other than the Promoters, the Promoter Group and Persons in Control of the Company) under the open market route through the stock exchange. The buyback of equity shares through the stock exchange commenced on June 25, 2021 and was completed on September 8, 2021. During this buyback period the Company had purchased and extinguished a total of 55,807,337 equity shares from the stock exchange at a volume weighted average buyback price of ₹1,648.53/- per equity share comprising 1.31% of the pre buyback paid up equity share capital of the Company. The buyback resulted in a cash outflow of ₹9,200 crore (excluding transaction costs and tax on buyback). The Company funded the buyback from its free reserves including Securities Premium as explained in Section 68 of the Companies Act, 2013. In accordance with section 69 of the Companies Act, 2013, as at March 31, 2022 , the Company has created 'Capital Redemption Reserve' amounting to $4 million equal to the nominal value of the shares bought back as an appropriation from general reserve.

The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares or buy back issued shares. As of December 31, 2022, the Company has only one class of equity shares and has no debt. Consequent to the above capital structure there are no externally imposed capital requirements.

2.18.2 Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. Income tax consequences of dividends on financial instruments classified as equity will be recognized according to where the entity originally recognized those past transactions or events that generated distributable profits.

The Company declares and pays dividends in Indian rupees. Companies are required to pay/distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

Amount of per share dividend recognized as distribution to equity shareholders:

Particulars	Nine months ended December 31, 2022		Nine months ended December 31, 2021	
	in ₹	in US Dollars	in ₹	in US Dollars
Final dividend for fiscal 2021	-	-	15.00	0.20
Interim dividend for fiscal 2022	-	-	15.00	0.20
Final dividend for fiscal 2022	16.00	0.21		
Interim dividend for fiscal 2023	16.50	0.20	-	-

The Board of Directors in their meeting held on April 13, 2022 recommended a final dividend of ₹16/- per equity share for the financial year ended March 31, 2022. The same was approved by the shareholders in the Annual General Meeting (AGM) of the Company held on June 25, 2022 which resulted in a net cash outflow of $856 million (excluding dividend paid on treasury shares).

The Board of Directors in their meeting held on October 13, 2022 declared an interim dividend of ₹16.50/- per equity share which resulted in a net cash outflow of $841 million (excluding dividend paid on treasury shares.)

2.18.3 Share capital and share premium

The Company has only one class of shares referred to as equity shares having a par value of ₹5/- each. 12,568,222 shares and 13,725,712 shares were held by controlled trust, as at December 31, 2022 and March 31, 2022, respectively.

2.19 Break-up of expenses and other income, net

Accounting Policy

2.19.1 Gratuity and Pensions

The Group provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees majorly of Infosys and its Indian subsidiaries. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group. The Company contributes Gratuity liabilities to the Infosys Limited Employees' Gratuity Fund Trust (the Trust). In case of Infosys BPM and EdgeVerve, contributions are made to the Infosys BPM Employees' Gratuity Fund Trust and EdgeVerve Systems Limited Employees' Gratuity Fund Trust, respectively. Trustees administer contributions made to the Trusts and contributions are invested in a scheme with the Life Insurance Corporation of India as permitted by Indian law.

The Group operates defined benefit pension plan in certain overseas jurisdictions, in accordance with the local laws. These plans are managed by third party fund managers. The plans provide for periodic payouts after retirement or for a lumpsum payment as set out in rules of each fund and includes death and disability benefits.

Liabilities with regard to these defined benefit plans are determined by actuarial valuation, performed by an external actuary, at each Balance Sheet date using the projected unit credit method. These defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market risk.

The Group recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments is recognized in net profits in the condensed consolidated statement of comprehensive income.

2.19.2 Superannuation

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

2.19.3 Provident fund

Eligible employees of Infosys receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The company contributes a portion of the contributions to the Infosys Limited Employees' Provident Fund Trust. The trust invests in specific designated instruments as permitted by Indian law. The remaining portion is contributed to the government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the Government of India. The company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

In respect of Indian subsidiaries, eligible employees receive benefits from a provident fund, which is a defined contribution plan. Both the eligible employee and the respective companies make monthly contributions to this provident fund plan equal to a specified percentage of the covered employee's salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The companies have no further obligation to the plan beyond its monthly contributions.

2.19.4 Compensated absences

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

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

2.19.5 Other income, net

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

2.19.6 Foreign Currency

Functional currency

The functional currency of Infosys, Infosys BPM, EdgeVerve, Skava and controlled trusts is the Indian rupee. The functional currencies for foreign subsidiaries are their respective local currencies. These financial statements are presented in U.S. dollars (rounded off to the nearest million)

Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are recognized in the condensed Consolidated Statement of Comprehensive Income and reported within exchange gains/ (losses) on translation of assets and liabilities, net, except when deferred in Other Comprehensive Income as qualifying cash flow hedges. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. The related revenue and expense are recognised using the same exchange rate.

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

The translation of financial statements of the foreign subsidiaries to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the Balance Sheet date and for revenue, expense and cash-flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in currency translation reserves under other components of equity. When a subsidiary is disposed off, in full, the relevant amount is transferred to net profit in the Statement of Comprehensive Income. However, when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

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

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate in effect at the Balance Sheet date.

2.19.7 Government grants

The Group recognizes government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants related to assets are treated as deferred income and are recognized in the net profit in the statement of comprehensive income on a systematic and rational basis over the useful life of the asset. Government grants related to revenue are recognized on a systematic basis in the statement of comprehensive income over the periods necessary to match them with the related costs which they are intended to compensate.

2.19.8 Operating Profits

Operating profit of the Group is computed considering the revenues, net of cost of sales, selling and marketing expenses and administrative expenses.

The table below provides details of break-up of expenses:

Cost of sales

(Dollars in millions)

Particulars	Three months ended		Nine months ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Employee benefit costs	2,236	1,962	6,583	5,716
Depreciation and amortization	137	120	388	348
Travelling costs	31	24	97	59
Cost of technical sub-contractors	407	468	1,371	1,214
Cost of software packages for own use	60	36	170	128
Third party items bought for service delivery to clients	312	208	819	475
Short term leases (Refer to Note 2.8)	1	1	3	2
Consultancy and professional charges	4	7	12	14
Communication costs	10	10	34	31
Repairs and maintenance	13	13	39	38
Provision for post-sales client support	16	5	24	10
Others	3	2	4	6
Total	**3,230**	**2,856**	**9,544**	**8,041**

Selling and marketing expenses

(Dollars in millions)

Particulars	Three months ended		Nine months ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Employee benefit costs	154	144	447	432
Travelling costs	8	3	25	5
Branding and marketing	27	19	79	49
Consultancy and professional charges	4	7	11	18
Communication costs	-	-	1	1
Others	3	4	11	8
Total	**196**	**177**	**574**	**513**

Infosys Limited and Subsidiaries

Administrative expenses

(Dollars in millions)

Particulars	Three months ended		Nine months ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Employee benefit costs	76	76	229	225
Consultancy and professional charges	41	56	139	151
Repairs and maintenance	30	26	85	83
Power and fuel	6	5	16	13
Communication costs	12	9	33	28
Travelling costs	5	3	15	6
Rates and taxes	9	7	28	24
Short-term leases (Refer to Note 2.8)	2	1	5	3
Insurance charges	5	6	16	16
Commission to non-whole time directors	-	-	1	1
Impairment loss recognized/(reversed) under expected credit loss model	13	7	25	19
Contributions towards Corporate Social Responsibility	18	12	40	47
Others	15	11	39	26
Total	**232**	**219**	**671**	**642**

Infosys Limited and Subsidiaries

Other income consist of the following:

(Dollars in millions)

Particulars	Three months ended		Nine months ended	
	December 31, 2022	**December 31, 2021**	**December 31, 2022**	**December 31, 2021**
Interest income on financial assets carried at amortized cost	26	27	83	105
Interest income on financial assets carried at fair value through other comprehensive income	29	19	91	61
Gain/(loss) on investments carried at fair value through profit or loss	6	5	11	13
Exchange gains / (losses) on forward and options contracts	(44)	16	(98)	24
Exchange gains / (losses) on translation of foreign currency assets and liabilities	67	(8)	143	(2)
Others	10	9	24	22
Total	**94**	**68**	**254**	**223**

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

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
January 12, 2023

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF INFOSYS LIMITED

Report on the Audit of the Interim Condensed Consolidated Financial Statements

Opinion

We have audited the accompanying interim condensed consolidated financial statements of **INFOSYS LIMITED** (the "Company") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group"), which comprise the Condensed Consolidated Balance Sheet as at December 31, 2022, the Condensed Consolidated Statement of Comprehensive Income for the three months and nine months ended on that date, the Condensed Consolidated Statement of Changes in Equity and the Condensed Consolidated Statement of Cash Flows for the nine months ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "interim condensed consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid interim condensed consolidated financial statements give a true and fair view in conformity with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") as issued by the International Accounting Standards Board ("IASB"), of the consolidated state of affairs of the Group as at December 31, 2022, the consolidated profit and consolidated total comprehensive income for the three months and nine months ended on that date, consolidated changes in equity and its consolidated cash flows for the nine months ended on that date.

Basis for Opinion

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

Management's Responsibilities for the Interim Condensed Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with IAS 34 as issued by the IASB. The respective Boards of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records for safeguarding assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective interim financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the interim condensed consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the interim condensed consolidated financial statements, the respective Boards of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Interim Condensed Consolidated Financial Statements

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

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

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the Company's internal financial controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the interim condensed consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the interim condensed consolidated financial statements, including the disclosures, and whether the interim condensed consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the interim condensed consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the interim condensed consolidated financial statements of which we are the independent auditors.

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

We communicate with those charged with governance of the Company and such other entities included in the interim condensed consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

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

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

Sanjiv V. Pilgaonkar
Partner
(Membership No.039826)
UDIN:

Place: Bengaluru
Date: January 12, 2023

INFOSYS LIMITED AND SUBSIDIARIES

Condensed Consolidated Financial Statements under International Financial Reporting Standards (IFRS) in Indian Rupee for the three months and nine months ended December 31, 2022

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Infosys Limited and subsidiaries

(In ₹ crore except equity share data)

Condensed Consolidated Balance Sheet as at	Note	December 31, 2022	March 31, 2022
ASSETS			
Current assets			
Cash and cash equivalents	2.1	11,587	17,472
Current investments	2.2	8,730	6,673
Trade receivables		27,660	22,698
Unbilled revenue	2.17	13,139	11,568
Prepayments and other current assets	2.4	11,213	8,577
Income tax assets	2.12	-	54
Derivative financial instruments	2.3	87	143
Total current assets		**72,416**	**67,185**
Non-current assets			
Property, plant and equipment	2.7	13,417	13,579
Right-of-use assets	2.8	6,480	4,823
Goodwill	2.9	7,247	6,195
Intangible assets		1,836	1,707
Non-current investments	2.2	12,386	13,651
Unbilled revenue	2.17	1,708	941
Deferred income tax assets	2.12	1,157	1,212
Income tax assets	2.12	6,319	6,098
Other non-current assets	2.4	3,000	2,494
Total non-current assets		**53,550**	**50,700**
Total assets		**125,966**	**117,885**
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables		4,788	4,134
Lease liabilities	2.8	1,143	872
Derivative financial instruments	2.3	225	61
Current income tax liabilities	2.12	3,168	2,607
Unearned revenue		7,117	6,324
Employee benefit obligations		2,400	2,182
Provisions	2.6	1,417	975
Other current liabilities	2.5	20,947	16,448
Total current liabilities		**41,205**	**33,603**
Non-current liabilities			
Lease liabilities	2.8	6,577	4,602
Deferred income tax liabilities	2.12	1,059	1,156
Employee benefit obligations		87	92
Other non-current liabilities	2.5	2,365	2,696
Total liabilities		**51,293**	**42,149**
Equity			
Share capital - ₹5 par value 4,800,000,000 (4,800,000,000) equity shares authorized, issued and outstanding 4,170,348,621 (4,193,012,929) equity shares fully paid up, net of 12,568,222 (13,725,712) treasury shares as at December 31, 2022 (March 31, 2022)	2.18	2,086	2,098
Share premium		929	827
Retained earnings		59,203	62,423
Cash flow hedge reserves		(41)	2
Other reserves		10,045	8,339
Capital redemption reserve		150	139
Other components of equity		1,920	1,522
Total equity attributable to equity holders of the Company		**74,292**	**75,350**
Non-controlling interests		381	386
Total equity		**74,673**	**75,736**
Total liabilities and equity		**125,966**	**117,885**

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

As per our report of even date attached

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

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
January 12, 2023

Infosys Limited and subsidiaries

(In ₹ crore except equity share and per equity share data)

Condensed Consolidated Statement of Comprehensive Income for the	Note	Three months ended December 31,		Nine months ended December 31,	
		2022	2021	2022	2021
Revenues	2.16	**38,318**	**31,867**	**109,326**	**89,365**
Cost of sales	2.19	26,561	21,415	76,342	59,726
Gross profit		**11,757**	**10,452**	**32,984**	**29,639**
Operating expenses					
Selling and marketing expenses	2.19	1,611	1,325	4,591	3,809
Administrative expenses	2.19	1,904	1,643	5,365	4,771
Total operating expenses		3,515	2,968	9,956	8,580
Operating profit		**8,242**	**7,484**	**23,028**	**21,059**
Other income, net	2.19	769	512	2,030	1,658
Finance cost		80	53	202	150
Profit before income taxes		**8,931**	**7,943**	**24,856**	**22,567**
Income tax expense	2.12	2,345	2,121	6,882	6,116
Net profit		**6,586**	**5,822**	**17,974**	**16,451**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset, net		29	(53)	(17)	(72)
Equity instruments through other comprehensive income, net	2.2	1	-	8	41
		30	(53)	(9)	(31)
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedge, net		(57)	(7)	(43)	4
Exchange differences on translation of foreign operations		676	(33)	715	91
Fair value changes on investments, net	2.2	48	(77)	(298)	16
		667	(117)	374	111
Total other comprehensive income/(loss), net of tax		**697**	**(170)**	**365**	**80**
Total comprehensive income		**7,283**	**5,652**	**18,339**	**16,531**
Profit attributable to:					
Owners of the Company		6,586	5,809	17,967	16,425
Non-controlling interests		-	13	7	26
		6,586	**5,822**	**17,974**	**16,451**
Total comprehensive income attributable to:					
Owners of the Company		7,268	5,640	18,322	16,506
Non-controlling interests		15	12	17	25
		7,283	**5,652**	**18,339**	**16,531**
Earnings per equity share					
Equity shares of par value ₹5/- each					
Basic (₹)		15.72	13.86	42.85	38.96
Diluted (₹)		15.70	13.83	42.79	38.88
Weighted average equity shares used in computing earnings per equity share	2.13				
Basic (in shares)		4,190,550,470	4,190,865,711	4,192,969,201	4,215,373,286
Diluted (in shares)		4,195,924,920	4,198,923,902	4,199,312,062	4,224,009,404

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

As per our report of even date attached

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

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
January 12, 2023

Infosys Limited and subsidiaries

(In ₹ crore except equity share data)

Condensed Consolidated Statement of Changes in Equity	Number of Shares[(1)]	Share capital	Share premium	Retained earnings	Other reserves[(2)]	Capital redemption reserve	Other components of equity	Cash flow hedge reserve	Total equity attributable to equity holders of the Company	Non-controlling interest	Total equity
Balance as at April 1, 2021	**4,245,146,114**	**2,124**	**993**	**65,397**	**6,385**	**111**	**1,331**	**10**	**76,351**	**431**	**76,782**
Changes in equity for the nine months ended December 31, 2021											
Net profit	-	-	-	16,425	-	-	-	-	16,425	26	16,451
Remeasurement of the net defined benefit liability/asset, net*	-	-	-	-	-	-	(72)	-	(72)	-	(72)
Fair value changes on derivatives designated as Cash flow hedge, net*	-	-	-	-	-	-	-	4	4	-	4
Exchange differences on translation of foreign operations	-	-	-	-	-	-	92	-	92	(1)	91
Equity instruments through other comprehensive income, net*	-	-	-	-	-	-	41	-	41	-	41
Fair value changes on investments, net*	-	-	-	-	-	-	16	-	16	-	16
Total comprehensive income for the period	**-**	**-**	**-**	**16,425**	**-**	**-**	**77**	**4**	**16,506**	**25**	**16,531**
Shares issued on exercise of employee stock options (Refer to note 2.11)	1,824,461	1	13	-	-	-	-	-	14	-	14
Buyback of equity shares (Refer to note 2.18)**	(55,807,337)	(28)	(640)	(10,425)	-	-	-	-	(11,093)	-	(11,093)
Transaction cost relating to buyback*	-	-	-	(26)	-	-	-	-	(26)	-	(26)
Amount transferred to capital redemption reserve upon buyback	-	-	-	(28)	-	28	-	-	-	-	-
Employee stock compensation expense (Refer to note 2.11)	-	-	285	-	-	-	-	-	285	-	285
Income tax benefit arising on exercise of stock options (Refer to note 2.12)	-	-	19	-	-	-	-	-	19	-	19
Transfer on account of options not exercised	-	-	(1)	1	-	-	-	-	-	-	-
Transferred to other reserves	-	-	-	(2,244)	2,244	-	-	-	-	-	-
Transferred from other reserves on utilization	-	-	-	633	(633)	-	-	-	-	-	-
Dividends paid to non controlling interest of subsidiary	-	-	-	-	-	-	-	-	-	(79)	(79)
Dividends[#]	-	-	-	(12,655)	-	-	-	-	(12,655)	-	(12,655)
Balance as at December 31, 2021	**4,191,163,238**	**2,097**	**669**	**57,078**	**7,996**	**139**	**1,408**	**14**	**69,401**	**377**	**69,778**

Infosys Limited and subsidiaries

(In ₹ crore except equity share data)

Condensed Consolidated Statement of Changes in Equity	Number of Shares[1]	Share capital	Share premium	Retained earnings	Other reserves[2]	Capital redemption reserve	Other components of equity	Cash flow hedge reserve	Total equity attributable to equity holders of the Company	Non-controlling interest	Total equity
Balance as at April 1, 2022	**4,193,012,929**	**2,098**	**827**	**62,423**	**8,339**	**139**	**1,522**	**2**	**75,350**	**386**	**75,736**
Impact on adoption of amendment to IAS 37##	-	-	-	(19)	-	-	-	-	(19)	-	(19)
	4,193,012,929	**2,098**	**827**	**62,404**	**8,339**	**139**	**1,522**	**2**	**75,331**	**386**	**75,717**
Changes in equity for the nine months ended December 31, 2022											
Net profit	-	-	-	17,967	-	-	-	-	17,967	7	17,974
Remeasurement of the net defined benefit liability/asset, net*	-	-	-	-	-	-	(17)	-	(17)	-	(17)
Equity instruments through other comprehensive income, net*	-	-	-	-	-	-	8	-	8	-	8
Fair value changes on derivatives designated as cash flow hedge, net*	-	-	-	-	-	-	-	(43)	(43)	-	(43)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	705	-	705	10	715
Fair value changes on investments, net*	-	-	-	-	-	-	(298)	-	(298)	-	(298)
Total comprehensive income for the period	**-**	**-**	**-**	**17,967**	**-**	**-**	**398**	**(43)**	**18,322**	**17**	**18,339**
Shares issued on exercise of employee stock options (Refer to note 2.11)	2,499,692	1	22	-	-	-	-	-	23	-	23
Buyback of equity shares (Refer to note 2.18)**	(25,164,000)	(13)	(332)	(5,820)	-	-	-	-	(6,165)	-	(6,165)
Transaction cost relating to buyback*	-	-	(17)	(1)	-	-	-	-	(18)	-	(18)
Amount transferred to capital redemption reserve upon buyback	-	-	-	(11)	-	11	-	-	-	-	-
Transferred on account of options not exercised	-	-	(2)	2	-	-	-	-	-	-	-
Employee stock compensation expense (Refer to note 2.11)	-	-	382	-	-	-	-	-	382	-	382
Income tax benefit arising on exercise of stock options (Refer to note 2.12)	-	-	49	-	-	-	-	-	49	-	49
Transferred to other reserves	-	-	-	(2,575)	2,575	-	-	-	-	-	-
Transferred from other reserves on utilization	-	-	-	869	(869)	-	-	-	-	-	-
Dividends paid to non controlling interest of subsidiary	-	-	-	-	-	-	-	-	-	(22)	(22)
Dividends#	-	-	-	(13,632)	-	-	-	-	(13,632)	-	(13,632)
Balance as at December 31, 2022	**4,170,348,621**	**2,086**	**929**	**59,203**	**10,045**	**150**	**1,920**	**(41)**	**74,292**	**381**	**74,673**

** net of tax*

*** Including tax on buyback of ₹1,165 crore and ₹1,893 crore for the nine months ended December 31, 2022 and December 31, 2021 respectively.*

 # net of treasury shares

Impact on account of adoption of amendment to IAS 37 Provisions, Contingent Liabilities and Contingents Assets

(1) excludes treasury shares of 12,568,222 as at December 31, 2022, 1,37,25,712 as at April 1, 2022, 14,454,720 as at December 31, 2021, and 15,514,732 as at April 1, 2021, held by consolidated trust.

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

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

As per our report of even date attached
for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No:
117366W/ W-100018

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru

January 12, 2023

Infosys Limited and subsidiaries

Condensed Consolidated Statement of Cash Flows

Accounting Policy

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

(In ₹ crore)

Particulars		**Nine months ended December 31,**	
	Note	**2022**	**2021**
Operating activities:			
Net Profit		17,974	16,451
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation and amortization		3,104	2,586
Income tax expense	2.12	6,882	6,116
Finance cost		202	150
Interest and dividend income		(847)	(577)
Exchange differences on translation of assets and liabilities, net		373	31
Impairment loss recognised/(reversed) under expected credit loss model		197	141
Stock compensation expense		386	302
Other adjustments		689	143
Changes in working capital			
Trade receivables and unbilled revenue		(7,350)	(6,077)
Prepayments and other assets		(2,498)	(1,182)
Trade payables		644	1,118
Unearned revenue		789	2,097
Other liabilities and provisions		2,474	3,031
Cash generated from operations		**23,019**	**24,330**
Income taxes paid		(6,615)	(5,763)
Net cash generated by operating activities		**16,404**	**18,567**
Investing activities:			
Expenditure on property, plant and equipment and intangibles		(1,805)	(1,533)
Deposits placed with corporation		(904)	(786)
Redemption of deposits placed with Corporation		671	629
Interest and dividend received		777	629
Payment for acquisition of business, net of cash acquired	2.10	(910)	-
Payment of contingent consideration pertaining to acquisition of business		(60)	(53)
Escrow and other deposits pertaining to Buyback		(592)	(420)
Redemption of escrow and other deposits pertaining to Buyback		-	420
Payments to acquire Investments			
- Quoted debt securities		(1,831)	(3,516)
- Liquid mutual fund units		(54,567)	(39,805)
- Certificates of deposit		(6,794)	(1,473)
- Commercial paper		(2,338)	-
- Other investments		(18)	(24)
Proceeds on sale of investments			
- Equity and preference securities		99	-
- Quoted debt securities		2,190	3,528
- Liquid mutual fund units		53,546	38,903
- Certificates of deposit		7,605	500
- Commercial paper		1,300	-
- Other investments		-	9
Other payments		-	(22)
Other receipts		57	53
Net cash (used)/generated in investing activities		**(3,574)**	**(2,961)**
Financing activities:			
Payment of lease liabilities		(866)	(644)
Payment of dividends		(13,633)	(12,655)
Payment of dividends to non-controlling interests of subsidiary		(22)	(79)
Other payments		(360)	(22)
Other receipts		121	209
Buyback of equity shares including transaction costs and tax on buyback		(3,928)	(11,125)
Shares issued on exercise of employee stock options		23	14
Net cash used in financing activities		**(18,665)**	**(24,302)**
Net increase/(decrease) in cash and cash equivalents		(5,835)	(8,696)
Effect of exchange rate changes on cash and cash equivalents		(50)	(75)
Cash and cash equivalents at the beginning of the period	2.1	17,472	24,714
Cash and cash equivalents at the end of the period	2.1	**11,587**	**15,943**
Supplementary information:			
Restricted cash balance	2.1	384	490

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

As per our report of even date attached

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

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

Sanjiv V. Pilgaonkar
Partner
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Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President a
Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
January 12, 2023

Overview and Notes to the Interim Condensed Consolidated Financial Statements

1. Overview

1.1 Company overview

Infosys Limited ('the Company' or Infosys) provides consulting, technology, outsourcing and next-generation digital services, to enable clients to execute strategies for their digital transformation. Infosys strategic objective is to build a sustainable organization that remains relevant to the agenda of clients, while creating growth opportunities for employees and generating profitable returns for investors. Infosys strategy is to be a navigator for our clients as they ideate, plan and execute on their journey to a digital future.

Infosys together with its subsidiaries and controlled trusts is herein after referred to as the "Group".

The Company is a public limited company incorporated and domiciled in India and has its registered office at Electronics City, Hosur Road, Bengaluru -560100, Karnataka, India. The Company has its primary listings on the BSE Ltd. and National Stock Exchange of India Limited. The Company's American Depositary Shares (ADS) representing equity shares are listed on the New York Stock Exchange (NYSE).

The Group's interim condensed consolidated financial statements are approved for issue by the Company's Board of Directors on January 12, 2023.

1.2 Basis of preparation of financial statements

These interim condensed consolidated financial statements have been prepared in compliance with IAS 34, Interim Financial Reporting as issued by International Accounting Standards Board, under the historical cost convention on accrual basis except for certain financial instruments which have been measured at fair values. Accordingly, these interim condensed consolidated financial statements do not include all the information required for a complete set of financial statements. These interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes included in the Company's consolidated financial statements under IFRS in Indian rupee for the year ended March 31, 2022. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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

1.3 Basis of consolidation

Infosys consolidates entities which it owns or controls. The interim condensed consolidated financial statements comprise the financial statements of the Company, its controlled trusts and its subsidiaries. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the Group Companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Company, are excluded.

1.4 Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the interim condensed consolidated financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note 1.5. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates and judgments are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the interim condensed consolidated financial statements.

1.5 Critical accounting estimates and judgments

a. Revenue recognition

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

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

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

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

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

b. Income taxes

The Group's two major tax jurisdictions are India and the United States, though the Company also files tax returns in other overseas jurisdictions.

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

In assessing the realizability of deferred income tax assets, Management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced. (Refer to Note 2.12)

c. Business combinations and intangible assets

Business combinations are accounted for using IFRS 3 (Revised), Business Combinations. IFRS 3 requires us to fair value identifiable intangible assets and contingent consideration to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Estimates are required to be made in determining the value of contingent consideration, value of option arrangements and intangible assets. These valuations are conducted by external valuation experts. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by Management (Refer to Note 2.10).

d. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. (Refer to Note 2.7).

e. Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGUs) is less than its carrying amount. For the impairment test, goodwill is allocated to the CGU or groups of CGUs which benefit from the synergies of the acquisition and which represent the lowest level at which goodwill is monitored for internal management purposes.

The recoverable amount of CGUs is determined based on higher of value-in-use and fair value less cost to sell. Key assumptions in the cash flow projections are prepared based on current economic conditions and comprises estimated long term growth rates, weighted average cost of capital and estimated operating margins. (Refer to note 2.9)

1.6 Recent accounting pronouncements

New and revised IFRS Standards in issue but not yet effective:

Amendments to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors	Definition of Accounting Estimates
Amendments to IAS 1 Presentation of Financial Statements	Disclosure of Accounting Policies
Amendments to IAS 12 Income Taxes	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback

Amendments to IAS 8

On February 12, 2021 International Accounting Standards Board (IASB) has issued amendments to IAS 8 Accounting Policies, Changes in Accounting estimates and Errors which introduced a definition of 'accounting estimates' and included amendments to IAS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

The effective date for adoption of this amendment is annual periods beginning on or after January 1, 2023, although early adoption is permitted. The Group has evaluated the amendment and there is no impact on its condensed consolidated financial statements.

Amendments to IAS 1

On February 12, 2021 International Accounting Standards Board (IASB) has issued amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements which requires the entities to disclose their material accounting policies rather than their significant accounting policies.

The effective date for adoption of this amendment is annual periods beginning on or after January 1, 2023, although early adoption is permitted. The Group is in the process of evaluating the impact of the amendment.

Amendments to IAS 12

On May 7, 2021, International Accounting Standards Board (IASB) has issued amendment to IAS 12 Income Taxes which narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

The effective date for adoption of this amendment is annual periods beginning on or after January 1, 2023, although early adoption is permitted. The Group has evaluated the amendment and there is no impact on its condensed consolidated financial statements.

Amendments to IFRS 16

On September 22, 2022, International Accounting Standards Board (IASB) has issued amendments to IFRS 16 Leases, which added requirements explaining the subsequent measurement for a sale and leaseback transaction. These amendments will not change the accounting for leases other than those arising in a sale and leaseback transaction.

The effective date for the adoption of this amendment is annual reporting periods beginning on or after January 1, 2024, although early adoption is permitted. The Group has evaluated the amendment and there is no impact on its condensed consolidated financial statements.

2. Notes to the Interim Condensed Consolidated Financial Statements

2.1 Cash and cash equivalents

Cash and cash equivalents consist of the following:

(In ₹ crore)

Particulars	As at	
	December 31, 2022	March 31, 2022
Cash and bank deposits	9,349	13,942
Deposits with financial institutions	2,238	3,530
Total Cash and cash equivalents	**11,587**	**17,472**

Cash and cash equivalents as at December 31, 2022 and March 31, 2022 include restricted cash and bank balances of ₹384 crore and ₹471 crore, respectively. The restrictions are primarily on account of bank balances held by irrevocable trusts controlled by the Company and bank balances held as margin money deposits against guarantees.

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

2.2 Investments

The carrying value of the investments are as follows:

(In ₹ crore)

Particulars	As at	
	December 31, 2022	March 31, 2022
(i) Current Investments		
Amortized Cost		
Quoted debt securities	358	221
Fair Value through profit or loss		
Liquid mutual fund units	3,165	2,012
Fair Value through other comprehensive income		
Quoted Debt Securities	1,379	1,011
Commercial Papers	1,064	-
Certificate of Deposit	2,764	3,429
Total current investments	**8,730**	**6,673**
(ii) Non-current Investments		
Amortized Cost		
Quoted debt securities	1,757	1,901
Fair Value through other comprehensive income		
Quoted debt securities	10,256	11,373
Unquoted equity and preference securities	215	194
Fair Value through profit or loss		
Unquoted Preference securities	-	24
Unquoted compulsorily convertible debentures	-	7
Others[(1)]	158	152
Total non-current investments	**12,386**	**13,651**
Total investments	**21,116**	**20,324**
Investments carried at amortized cost	2,115	2,122
Investments carried at fair value through other comprehensive income	15,678	16,007
Investments carried at fair value through profit or loss	3,323	2,195

[(1)] Uncalled capital commitments outstanding as at December 31, 2022 and March 31, 2022 was ₹94 crore and ₹28 crore, respectively.

Refer to note 2.3 for accounting policies on financial instruments.

Method of fair valuation:

(In ₹ crore)

Class of investment	Method	Fair value as at	
		December 31, 2022	March 31, 2022
Liquid mutual fund units	Quoted price	3,165	2,012
Quoted debt securities- carried at amortized cost	Quoted price and market observable inputs	2,319	2,447
Quoted debt securities- carried at fair value through other comprehensive income	Quoted price and market observable inputs	11,635	12,384
Commercial Paper	Market observable inputs	1,064	-
Certificates of Deposit	Market observable inputs	2,764	3,429
Unquoted equity and preference securities - carried at fair value through other comprehensive income	Discounted cash flows method, Market multiples method, Option pricing model	215	194
Unquoted equity and preference securities - carried at fair value through profit or loss	Discounted cash flows method, Market multiples method, Option pricing model	-	24
Unquoted compulsorily convertible debentures - carried at fair value through profit or loss	Discounted cash flows method	-	7
Others	Discounted cash flows method, Market multiples method, Option pricing model	158	152
Total		**21,320**	**20,649**

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

2.3 Financial instruments

Accounting Policy

2.3.1 Initial recognition

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

2.3.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

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

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

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

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

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

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration and financial liability under option arrangements recognized in a business combination which is subsequently measured at fair value through profit or loss.

b. Derivative financial instruments

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

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

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

Although the Group 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 condensed consolidated statement of comprehensive income when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date.

(ii) Cash flow hedge

The Group designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

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

2.3.3 Derecognition of financial instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under IFRS 9. A financial liability (or a part of a financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.3.4 Fair value of financial instruments

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

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

2.3.5 Impairment

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

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

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recorded is recognized as an impairment gain or loss in condensed consolidated statement of comprehensive income.

Financial instruments by category

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

(In ₹ crore)

Particulars	Amortized cost	Financial assets / liabilities at fair value through profit or loss		Financial assets / liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer to note 2.1)	11,587	-	-	-	-	11,587	11,587
Investments (Refer to note 2.2)							
Liquid mutual fund units	-	-	3,165	-	-	3,165	3,165
Quoted debt securities	2,115	-	-	-	11,635	13,750	13,954 [1]
Commercial Papers	-	-	-	-	1,064	1,064	1,064
Certificates of deposit	-	-	-	-	2,764	2,764	2,764
Unquoted equity and preference securities	-	-	-	215	-	215	215
Unquoted investment others	-	-	158	-	-	158	158
Trade receivables	27,660	-	-	-	-	27,660	27,660
Unbilled revenues (Refer to note 2.17)[3]	8,193	-	-	-	-	8,193	8,193
Prepayments and other assets (Refer to note 2.4)	5,379	-	-	-	-	5,379	5,311 [2]
Derivative financial instruments	-	-	74	-	13	87	87
Total	**54,934**	**-**	**3,397**	**215**	**15,476**	**74,022**	**74,158**
Liabilities:							
Trade payables	4,788	-	-	-	-	4,788	4,788
Lease liabilities	7,720	-	-	-	-	7,720	7,720
Derivative financial instruments	-	-	192	-	33	225	225
Financial liability under option arrangements (Refer to note 2.5)	-	-	671	-	-	671	671
Other liabilities including contingent consideration (Refer to note 2.5)	17,942	-	94	-	-	18,036	18,036
Total	**30,450**	**-**	**957**	**-**	**33**	**31,440**	**31,440**

(1) *On account of fair value changes including interest accrued*

(2) *Excludes interest accrued on quoted debt securities carried at amortized cost of ₹68 crore.*

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

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

(In ₹ crore)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer to note 2.1)	17,472	-	-	-	-	17,472	17,472
Investments (Refer to note 2.2)							
Liquid mutual fund units	-	-	2,012	-	-	2,012	2,012
Quoted debt securities	2,122	-	-	-	12,384	14,506	14,831 [1]
Certificates of deposit	-	-	-	-	3,429	3,429	3,429
Unquoted equity and preference securities	-	-	24	194	-	218	218
Unquoted compulsorily convertible debentures	-	-	7	-	-	7	7
Unquoted investments others	-	-	152	-	-	152	152
Trade receivables	22,698	-	-	-	-	22,698	22,698
Unbilled revenue (Refer to note 2.17)[3]	6,354	-	-	-	-	6,354	6,354
Prepayments and other assets (Refer to note 2.4)	3,972	-	-	-	-	3,972	3,881 [2]
Derivative financial instruments	-	-	123	-	20	143	143
Total	**52,618**	**-**	**2,318**	**194**	**15,833**	**70,963**	**71,197**
Liabilities:							
Trade payables	4,134	-	-	-	-	4,134	4,134
Lease liabilities	5,474	-	-	-	-	5,474	5,474
Derivative financial instruments	-	-	58	-	3	61	61
Financial liability under option arrangements (Refer to note 2.5)	-	-	655	-	-	655	655
Other liabilities including contingent consideration (Refer to note 2.5)	15,061	-	123	-	-	15,184	15,184
Total	**24,669**	**-**	**836**	**-**	**3**	**25,508**	**25,508**

(1) *On account of fair value changes including interest accrued*

(2) *Excludes interest accrued on quoted debt securities carried at amortized cost of ₹91 crore.*

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

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

Fair value hierarchy

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

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

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

The following table presents fair value hierarchy of assets and liabilities as at December 31, 2022:

(In ₹ crore)

Particulars	As at December 31, 2022	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3

Assets				
Investments in liquid mutual fund units (Refer to note 2.2)	3,165	3,165	-	-
Investments in quoted debt securities (Refer to note 2.2)	13,954	10,536	3,418	-
Investments in unquoted equity and preference securities (Refer to note 2.2)	215	-	-	215
Investments in certificates of deposits (Refer to note 2.2)	2,764	-	2,764	-
Investments in commercial paper (Refer to note 2.2)	1,064	-	1,064	-
Investments in unquoted investments others (Refer to note 2.2)	158	-	-	158
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts	87	-	87	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts	225	-	225	-
Financial liability under option arrangements (Refer to note 2.5)	671	-	-	671
Liability towards contingent consideration (Refer to note 2.5)*	94	-	-	94

** Discount rate pertaining to contingent consideration ranges from 9% to 14%*

During the nine months ended December 31, 2022, quoted debt securities of ₹974 crore were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on quoted price and quoted debt securities of ₹2,688 crore were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

The following table presents fair value hierarchy of assets and liabilities as at March 31, 2022:

(In ₹ crore)

Particulars	As at March 31, 2022	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units (Refer to note 2.2)	2,012	2,012	-	-
Investments in quoted debt securities (Refer to note 2.2)	14,831	13,042	1,789	-
Investments in unquoted equity and preference securities (Refer to note 2.2)	218	-	-	218
Investments in certificates of deposits (Refer to note 2.2)	3,429	-	3,429	-
Investments in unquoted compulsorily convertible debentures (Refer to note 2.2)	7	-	-	7
Investments in unquoted investments others (Refer to note 2.2)	152	-	-	152
Derivative financial instruments- gain on outstanding foreign exchange forward and option contracts	143	-	143	-
Liabilities				
Derivative financial instruments- loss on outstanding foreign exchange forward and option contracts	61	-	61	-
Financial liability under option arrangements (Refer to note 2.5)	655	-	-	655
Liability towards contingent consideration (Refer to note 2.5)*	123	-	-	123

**Discount rate pertaining to contingent consideration ranges from 8% to 14.5%*

During the year ended March 31, 2022, quoted debt securities of ₹576 crore were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on quoted price and quoted debt securities of ₹965 crore were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

A one percentage point change in the unobservable inputs used in fair valuation of Level 3 assets and liabilities does not have a significant impact in its value.

Majority of investments of the Group are fair valued based on Level 1 or Level 2 inputs. These investments primarily include investment in liquid mutual fund units, quoted debt securities, certificates of deposit, quoted bonds issued by government and quasi government organizations. The Group invests after considering counterparty risks based on multiple criteria including Tier I Capital, Capital Adequacy Ratio, credit rating, profitability, NPA levels and deposit base of banks and financial institutions. These risks are monitored regularly as per Group's risk management program.

2.4 Prepayments and other assets

Prepayments and other assets consist of the following:

(In ₹ crore)

Particulars	As at December 31, 2022	As at March 31, 2022
Current		
Rental deposits	38	58
Security deposits	10	7
Loans to employees	278	248
Prepaid expenses(1)	2,784	1,996
Interest accrued and not due	382	362
Withholding taxes and others(1)	2,913	1,941
Advance payments to vendors for supply of goods(1)	90	193
Deposit with corporations*	2,348	2,177
Escrow and other deposits pertaining to buyback (refer to note 2.18) **	592	-
Deferred contract cost(1)#		
Cost of obtaining a contract	954	858
Cost of fulfillment	165	91
Net investment in sublease of right of use asset	53	50
Other non financial assets (1)	342	325
Other financial assets	264	271
Total Current prepayment and other assets	**11,213**	**8,577**
Non-current		
Loans to employees	44	34
Deposit with corporations*	95	33
Rental deposits	226	186
Security deposits	46	47
Withholding taxes and others(1)	685	674
Deferred contract cost(1) #		
Cost of obtaining a contract	186	593
Cost of fulfillment	548	309
Prepaid expenses(1)	147	99
Net investment in sublease of right of use asset	320	322
Defined benefit plan assets(1)	20	20
Other financial assets	683	177
Total Non- current prepayment and other assets	**3,000**	**2,494**
Total prepayment and other assets	**14,213**	**11,071**
Financial assets in prepayments and other assets	**5,379**	**3,972**

(1) *Non financial assets*

Withholding taxes and others primarily consist of input tax credits and Cenvat recoverable from Government of India.

*Deposit with corporations represents amounts deposited to settle certain employee-related obligations as and when they arise during the normal course of business.

**Includes ₹240 crore towards shares purchased but not settled as of December 31, 2022

Includes technology assets taken over by the Group from a customer as a part of transformation project which is not considered as distinct goods or services and the control related to the assets is not transferred to the Group in accordance with IFRS 15 - Revenue from contract with customers. Accordingly, the same has been considered as a reduction to the total contract value and accounted as Deferred contract cost. The Group has entered into financing arrangements with a third party for these assets. As at December 31, 2022, the financial liability pertaining to such arrangements amounts to ₹747 crore. During the nine months ended December 31, 2022, ₹38 crore was settled directly by the third party to the customer on behalf of the Group and accordingly considered as non-cash transaction (Refer to note 2.5)

2.5 Other liabilities

Other liabilities comprise the following:

(In ₹ crore)

Particulars	As at	
	December 31, 2022	March 31, 2022
Current		
Accrued compensation to employees	3,536	4,061
Accrued expenses	7,841	7,476
Withholding taxes and others[(1)]	3,393	2,834
Retention money	14	13
Liabilities of controlled trusts	211	211
Deferred income - government grants[(1)]	11	11
Accrued defined benefit liability [(1)]	4	5
Liability towards contingent consideration	94	67
Capital Creditors	388	431
Financial liability relating to buyback * (Refer to note 2.18)	1,616	-
Tax on buyback [(1)] (Refer to note 2.20)	643	-
Other non-financial liabilities [(1)]	3	4
Other financial liabilities[#]	2,522	1,335
Financial liability under option arrangements	671	-
Total current other liabilities	**20,947**	**16,448**
Non-current		
Liability towards contingent consideration	-	56
Accrued expenses	1,496	946
Accrued defined benefit liability [(1)]	474	367
Accrued compensation to employees	8	8
Deferred income - government grants[(1)]	63	64
Deferred income[(1)]	7	9
Other financial liabilities[#]	310	580
Other non-financial liabilities[(1)]	7	11
Financial liability under option arrangements	-	655
Total non-current other liabilities	**2,365**	**2,696**
Total other liabilities	**23,312**	**19,144**
Financial liabilities included in other liabilities	18,707	15,839
Financial liability towards contingent consideration on an undiscounted basis	100	132

[(1)] *Non financial liabilities*

* In accordance with IAS 32 Financial Instruments: Presentation, the Company has recorded a financial liability as at December 31, 2022 for the obligation to acquire its own equity shares to the extent of standing instructions provided to its registered broker for the buyback (refer to note 2.18). The financial liability is recognized at the present value of the maximum amount that the Company would be required to pay to the registered broker for buy back, with a corresponding debit in general reserve / retained earnings.

[#] Deferred contract cost (Refer to note 2.4) includes technology assets taken over by the Group from a customer as a part of transformation project which is not considered as distinct goods or services and the control related to the assets is not transferred to the Group in accordance with IFRS 15 - Revenue from contract with customers. Accordingly, the same has been considered as a reduction to the total contract value and accounted as Deferred contract cost. The Group has entered into financing arrangements with a third party for these assets. As at December 31, 2022, the financial liability pertaining to such arrangements amounts to ₹747 crore. During the nine months ended December 31, 2022, ₹38 crore was settled directly by the third party to the customer on behalf of the Group and accordingly considered as non-cash transaction.

Accrued expenses primarily relates to cost of technical sub-contractors, telecommunication charges, legal and professional charges, brand building expenses, overseas travel expenses and office maintenance.

2.6 Provisions and other contingencies

Accounting Policy

Provisions

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

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

Post sales client support

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

Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Group recognizes any impairment loss on the assets associated with that contract.

Provisions comprise the following:

(In ₹ crore)

Particulars	As at	
	December 31, 2022	**March 31, 2022**
Provision for post sales client support and other provisions	1,417	975
	1,417	**975**

Provision for post sales client support represents cost associated with providing post sales support services which are accrued at the time of recognition of revenues and are expected to be utilized over a period of 1 year.

Provision for post sales client support and other provisions is included in cost of sales in the condensed consolidated statement of comprehensive income.

As at December 31, 2022 and March 31, 2022 claims against the Group, not acknowledged as debts, (excluding demands from income tax authorities - Refer to note 2.12) amounted to ₹691 crore and ₹640 crore respectively.

Legal proceedings

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

2.7 Property, plant and equipment

Accounting Policy

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by Management. The charge in respect of periodic depreciation is derived at after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The Group depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Building	22-25 years
Plant and machinery[(1)]	5 years
Computer equipment	3-5 years
Furniture and fixtures	5 years
Vehicles	5 years
Leasehold improvements	Lower of useful life of the asset or lease term

[(1)] *Includes solar plant with a useful life of 20 years*

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

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the condensed consolidated statement of comprehensive income when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in net profit in the condensed consolidated statement of comprehensive income.

Impairment

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

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

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

(In ₹ crore)

Particulars	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at October 1, 2022	**1,429**	**11,328**	**5,050**	**8,897**	**3,328**	**44**	**30,076**
Additions	-	165	132	348	120	-	765
Deletions*	-	-	(7)	(393)	(18)	-	(418)
Translation difference	-	37	9	43	25	-	114
Gross carrying value as at December 31, 2022	**1,429**	**11,530**	**5,184**	**8,895**	**3,455**	**44**	**30,537**
Accumulated depreciation as at October 1, 2022	**-**	**(4,308)**	**(3,864)**	**(6,360)**	**(2,587)**	**(38)**	**(17,157)**
Depreciation	-	(109)	(119)	(343)	(93)	(1)	(665)
Accumulated depreciation on deletions*	-	-	7	392	17	-	416
Translation difference	-	(8)	(8)	(28)	(20)	-	(64)
Accumulated depreciation as at December 31, 2022	**-**	**(4,425)**	**(3,984)**	**(6,339)**	**(2,683)**	**(39)**	**(17,470)**
Capital work-in progress as at October 1, 2022							483
Carrying value as at October 1, 2022	**1,429**	**7,020**	**1,186**	**2,537**	**741**	**6**	**13,402**
Capital work-in progress as at December 31, 2022							350
Carrying value as at December 31, 2022	**1,429**	**7,105**	**1,200**	**2,556**	**772**	**5**	**13,417**

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

(In ₹ crore)

Particulars	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at October 1, 2021	**1,410**	**11,047**	**5,142**	**7,834**	**3,155**	**44**	**28,632**
Additions	18	60	80	338	30	-	526
Deletions*	-	-	(57)	(138)	(33)	-	(228)
Translation difference	-	16	3	(1)	3	-	21
Gross carrying value as at December 31, 2021	**1,428**	**11,123**	**5,168**	**8,033**	**3,155**	**44**	**28,951**
Accumulated depreciation as at October 1, 2021	**-**	**(3,884)**	**(3,795)**	**(5,693)**	**(2,312)**	**(35)**	**(15,719)**
Depreciation	-	(105)	(110)	(274)	(83)	(1)	(573)
Accumulated depreciation on deletions*	-	-	35	139	25	-	199
Translation difference	-	(4)	-	(2)	(3)	-	(9)
Accumulated depreciation as at December 31, 2021	**-**	**(3,993)**	**(3,870)**	**(5,830)**	**(2,373)**	**(36)**	**(16,102)**
Capital work-in progress as at October 1, 2021							509
Carrying value as at October 1, 2021	**1,410**	**7,163**	**1,347**	**2,141**	**843**	**9**	**13,422**
Capital work-in progress as at December 31, 2021							495
Carrying value as at December 31, 2021	**1,428**	**7,130**	**1,298**	**2,203**	**782**	**8**	**13,344**

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

(In ₹ crore)

Particulars	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at April 1, 2022	**1,429**	**11,224**	**4,950**	**8,527**	**3,201**	**44**	**29,375**
Additions - Business Combination (Refer to Note 2.10)	-	-	5	6	3	-	14
Additions	-	308	267	1,016	283	1	1,875
Deletions*	-	-	(43)	(686)	(49)	(1)	(779)
Translation difference	-	(2)	5	32	17	-	52
Gross carrying value as at December 31, 2022	**1,429**	**11,530**	**5,184**	**8,895**	**3,455**	**44**	**30,537**
Accumulated depreciation as at April 1, 2022	**-**	**(4,100)**	**(3,677)**	**(6,034)**	**(2,452)**	**(37)**	**(16,300)**
Depreciation	-	(325)	(345)	(968)	(266)	(3)	(1,907)
Accumulated depreciation on deletions*	-	-	42	685	49	1	777
Translation difference	-	-	(4)	(22)	(14)	-	(40)
Accumulated depreciation as at December 31, 2022	**-**	**(4,425)**	**(3,984)**	**(6,339)**	**(2,683)**	**(39)**	**(17,470)**
Capital work-in progress as at April 1, 2022							504
Carrying value as at April 1, 2022	**1,429**	**7,124**	**1,273**	**2,493**	**749**	**7**	**13,579**
Capital work-in progress as at December 31, 2022							350
Carrying value as at December 31, 2022	**1,429**	**7,105**	**1,200**	**2,556**	**772**	**5**	**13,417**

* During the three months and nine months ended December 31, 2022, certain assets which were old and not in use having gross book value of ₹275 crore (net book value: Nil) and ₹504 crore (net book value: Nil), respectively were retired.

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

(In ₹ crore)

Particulars	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at April 1, 2021	**1,397**	**10,565**	**4,963**	**7,639**	**3,043**	**44**	**27,651**
Additions	31	515	266	982	151	-	1,945
Deletions*	-	-	(67)	(595)	(50)	-	(712)
Translation difference	-	43	6	7	11	-	67
Gross carrying value as at December 31, 2021	**1,428**	**11,123**	**5,168**	**8,033**	**3,155**	**44**	**28,951**
Accumulated depreciation as at April 1, 2021	**-**	**(3,675)**	**(3,599)**	**(5,636)**	**(2,149)**	**(32)**	**(15,091)**
Depreciation	-	(311)	(313)	(782)	(256)	(4)	(1,666)
Accumulated depreciation on deletions*	-	-	45	595	42	-	682
Translation difference	-	(7)	(3)	(7)	(10)	-	(27)
Accumulated depreciation as at December 31, 2021	**-**	**(3,993)**	**(3,870)**	**(5,830)**	**(2,373)**	**(36)**	**(16,102)**
Capital work-in progress as at April 1, 2021							1,063
Carrying value as at April 1, 2021	**1,397**	**6,890**	**1,364**	**2,003**	**894**	**12**	**13,623**
Capital work-in progress as at December 31, 2021							495
Carrying value as at December 31, 2021	**1,428**	**7,130**	**1,298**	**2,203**	**782**	**8**	**13,344**

* During the three months and nine months ended December 31, 2021, certain assets which were old and not in use having gross book value of ₹54 crore (net book value: Nil) and ₹316 crore (net book value: Nil) respectively, were retired.

The aggregate depreciation expense is included in cost of sales in the condensed consolidated statement of comprehensive income.

The Group had contractual commitments for capital expenditure primarily comprising of commitments for infrastructure facilities and computer equipment aggregating to ₹740 crore and ₹1,245 crore as at December 31, 2022 and March 31, 2022, respectively.

2.8 Leases

Accounting Policy

The Group as a lessee

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

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

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

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

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

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

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

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Group as a lessor

Leases for which the group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.
When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

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

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

(In ₹ crore)

Particulars	Category of ROU asset				Total
	Land	Buildings	Vehicles	Computers	
Balance as of October 1, 2022	**622**	**3,843**	**14**	**1,146**	**5,625**
Additions[(1)]	-	133	2	1,010	1,145
Deletions	-	(10)	-	(97)	(107)
Depreciation	(1)	(170)	(2)	(162)	(335)
Translation difference	3	51	1	97	152
Balance as of December 31, 2022	**624**	**3,847**	**15**	**1,994**	**6,480**

[(1)] *Net of adjustments on account of modifications and lease incentives*

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

(In ₹ crore)

Particulars	Category of ROU asset				Total
	Land	Buildings	Vehicles	Computers	
Balance as of October 1, 2021	**629**	**3,738**	**16**	**216**	**4,599**
Additions[(1)]	-	238	2	189	429
Deletions	-	(64)	-	(17)	(81)
Depreciation	(2)	(167)	(2)	(38)	(209)
Translation difference	2	(3)	(1)	(3)	(5)
Balance as of December 31, 2021	**629**	**3,742**	**15**	**347**	**4,733**

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

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

(In ₹ crore)

Particulars	Category of ROU asset				Total
	Land	Buildings	Vehicles	Computers	
Balance as of April 1, 2022	**628**	**3,711**	**16**	**468**	**4,823**
Additions[(1)]	-	619	6	2,004	2,629
Deletions	-	(12)	-	(250)	(262)
Depreciation	(4)	(500)	(7)	(320)	(831)
Translation difference	-	29	-	92	121
Balance as of December 31, 2022	**624**	**3,847**	**15**	**1,994**	**6,480**

[(1)] *Net of adjustments on account of modifications and lease incentives*

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

(In ₹ crore)

Particulars	**Category of ROU asset**				**Total**
	Land	**Buildings**	**Vehicles**	**Computers**	
Balance as of April 1, 2021	**630**	**3,984**	**19**	**161**	**4,794**
Additions[1]	-	302	3	289	594
Deletions	-	(70)	-	(35)	(105)
Depreciation	(5)	(487)	(7)	(67)	(566)
Translation difference	4	13	-	(1)	16
Balance as of December 31, 2021	**629**	**3,742**	**15**	**347**	**4,733**

[1] *Net of adjustments on account of modifications*

The aggregate depreciation expense on ROU assets is included in cost of sales in the condensed consolidated statement of comprehensive income.

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

(In ₹ crore)

Particulars	**As at**	
	December 31, 2022	**March 31, 2022**
Current lease liabilities	1,143	872
Non-current lease liabilities	6,577	4,602
Total	**7,720**	**5,474**

2.9 Goodwill and Intangible assets

2.9.1 Goodwill

Accounting Policy

Goodwill represents the purchase consideration in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquired entity. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the purchase consideration, the fair value of net assets acquired is reassessed and the bargain purchase gain is recognized immediately in the net profit in the Statement of Comprehensive Income. Goodwill is measured at cost less accumulated impairment losses.

Impairment

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGU) is less than its carrying amount. For the impairment test, goodwill is allocated to the CGU or groups of CGU's which benefit from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. Key assumptions in the cash flow projections are prepared based on current economic conditions and includes estimated long term growth rates, weighted average cost of capital and estimated operating margins.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognized in net profit in the Statement of Comprehensive Income and is not reversed in the subsequent period.

Following is a summary of changes in the carrying amount of goodwill:

(In ₹ crore)

Particulars	**As at**	
	December 31, 2022	**March 31, 2022**
Carrying value at the beginning	**6,195**	**6,079**
Goodwill on acquisitions *(Refer to note 2.10)*	630	-
Translation differences	422	116
Carrying value at the end	**7,247**	**6,195**

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the CGU or groups of CGUs, which benefit from the synergies of the acquisition.

2.9.2 Intangible assets

Accounting Policy

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

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

Impairment

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

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

2.10 Business combinations

Accounting policy

Business combinations have been accounted for using the acquisition method under the provisions of IFRS 3 (Revised), Business Combinations.

The purchase price in an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The purchase price also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognized in the Condensed Consolidated Statement of Comprehensive Income.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Business combinations between entities under common control is outside the scope of IFRS 3 (Revised), Business Combinations and is accounted for at carrying value of assets acquired and liabilities assumed.

The payments related to options issued by the Group over the non-controlling interests in its subsidiaries are accounted as financial liabilities and initially recognized at the estimated present value of gross obligations. Such options are subsequently measured at fair value in order to reflect the amount payable under the option at the date at which it becomes exercisable. In the event that the option expires unexercised, the liability is derecognized.

Transaction costs that the Group incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

Acquisition

Oddity

On April 20, 2022, Infosys Germany GmbH (a wholly-owned subsidiary of Infosys Consulting Pte. Ltd) acquired 100% voting interests in oddity GmbH, oddity Group Services GmbH, oddity Space GmbH, oddity Jungle GmbH, oddity Code GmbH and oddity Waves GmbH (collectively known as oddity), Germany-based digital marketing, experience, and commerce agency. This acquisition is expected to strengthen the Group's creative, branding and experience design capabilities in Germany and across Europe.

The purchase price is allocated to assets acquired and liabilities assumed based upon determination of fair values at the date of acquisition as follows:

(In ₹ crore)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net Assets(1)	49	-	49
Intangible assets –			
Customer contracts and relationships#	-	99	99
Deferred tax liabilities on intangible assets	-	(30)	(30)
Total	**49**	**69**	**118**
Goodwill			178
Total purchase price			**296**

(1) Includes cash and cash equivalents acquired of ₹ 21 crore.

 # The estimated useful life is around 5 years

The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill. The primary items that generated this goodwill are the value of the acquired assembled workforce and estimated synergies neither of which qualify as an intangible asset.

Goodwill is not tax-deductible.

The purchase consideration of ₹ 296 crore includes cash of ₹ 251 crore and contingent consideration with an estimated fair value of ₹45 crore as on the date of acquisition.

At the acquisition date, the key inputs used in determination of the fair value of contingent consideration are the probabilities assigned towards achievement of financial targets and discount rate of 12.5%. The undiscounted value of contingent consideration as of December 31, 2022 was ₹57 crore. Additionally, this acquisition has retention bonus payable to the employees of the acquiree over three years, subject to their continuous employment with the Group along with achievement of financial targets for the respective years. Bonus is recognized in employee benefit expenses in the Statement of Comprehensive Income over the period of service.

Fair value of trade receivables acquired, is ₹39 crore as of acquisition date and as of December 31, 2022 the amounts are fully collected.

The transaction costs of ₹4 crore related to the acquisition have been included under administrative expenses in the Condensed Consolidated Statement of Comprehensive Income for the quarter ended June 30, 2022.

BASE life science A/S

On September 01, 2022, Infosys Consulting Pte. Ltd (a wholly-owned subsidiary of Infosys Limited) acquired 100% voting interests in BASE life science A/S, a consulting and technology firm in the life sciences industry in Europe. This acquisition is expected to augment the Group's life sciences expertise, scale its digital transformation capabilities with cloud based industry solutions and expand its presence in Nordics region and across Europe.

The purchase price allocated to assets acquired and liabilities assumed based upon determination of fair values at the date of acquisition as follows:

(In ₹ crore)

Component	**Acquiree's carrying amount**	**Fair value adjustments**	**Purchase price allocated**
Net Assets[(1)]	54	-	54
Intangible assets –			
Customer contracts and relationships[#]	-	175	175
Vendor relationships[#]	-	30	30
Brand[#]	-	24	24
Deferred tax liabilities on intangible assets	-	(50)	(50)
Total	**54**	**179**	**233**
Goodwill			452
Total purchase price			**685**

[(1)] *Includes cash and cash equivalents acquired of ₹ 5 crore.*

 # Useful lives are estimated to be in the range of 1 to 6 years

The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill. The primary items that generated this goodwill are the value of the acquired assembled workforce and estimated synergies, neither of which qualify as an intangible asset.

Goodwill is not tax-deductible.

Additionally, this acquisition has shareholder and employee retention payouts payable to the employees of the acquiree over three years, subject to their continuous employment with the group. Performance and retention bonus is recognised in employee benefit expenses in the Statement of Comprehensive Income over the period of service.

Fair value of trade receivables acquired, is ₹72 crore as of acquisition date and as of December 31, 2022 the amounts are substantially collected.

The transaction costs of ₹3 crore related to the acquisition have been included under administrative expenses in the Statement of comprehensive income for the quarter ended September 30, 2022.

2.11 Employees' Stock Option Plans (ESOP)

Accounting Policy

The Group recognizes compensation expense relating to share-based payments in net profit based on estimated fair-values of the awards on the grant date. The estimated fair value of awards is recognized as an expense in net profit in the condensed consolidated statement of comprehensive income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share premium.

Infosys Expanded Stock Ownership Program 2019 (the 2019 Plan)

On June 22, 2019 pursuant to the approval by the shareholders in the Annual General Meeting, the Board has been authorized to introduce, offer, issue and provide share-based incentives to eligible employees of the Company and its subsidiaries under the 2019 Plan. The maximum number of shares under the 2019 plan shall not exceed 50,000,000 equity shares. To implement the 2019 Plan , up to 45,000,000 equity shares may be issued by way of secondary acquisition of shares by the Infosys Expanded Stock Ownership Trust. The Restricted Stock Units (RSUs) granted under the 2019 plan shall vest based on the achievement of defined annual performance parameters as determined by the administrator (Nomination and Remuneration Committee). The performance parameters will be based on a combination of relative Total Shareholder Return (TSR) against selected industry peers and certain broader market domestic and global indices and operating performance metrics of the company as decided by administrator. Each of the above performance parameters will be distinct for the purposes of calculation of quantity of shares to vest based on performance. These instruments will generally vest between a minimum of 1 to maximum of 3 years from the grant date.

2015 Stock Incentive Compensation Plan (the 2015 Plan):

On March 31, 2016, pursuant to the approval by the shareholders through postal ballot, the Board was authorized to introduce, offer, issue and allot share-based incentives to eligible employees of the Company and its subsidiaries under the 2015 Plan. The maximum number of shares under the 2015 plan shall not exceed 24,038,883 equity shares (this includes 11,223,576 equity shares which are held by the trust towards the 2011 Plan as at March 31, 2016). The Company expects to grant the instruments under the 2015 Plan over the period of 4 years. The plan numbers mentioned above would further be adjusted for the September 2018 bonus issue.

The equity settled and cash settled RSUs and stock options would vest generally over a period of 4 years and shall be exercisable within the period as approved by the Nomination and Remuneration Committee (NARC). The exercise price of the RSUs will be equal to the par value of the shares and the exercise price of the stock options would be the market price as on the date of grant.

Controlled trust holds 12,568,222 and 13,725,712 shares as at December 31, 2022 and March 31, 2022, respectively under the 2015 plan. Out of these shares 200,000 equity shares each have been earmarked for welfare activities of the employees as at December 31, 2022 and March 31, 2022.

The following is the summary of grants during the three months and nine months ended December 31, 2022 and December 31, 2021:

Particulars	2019 Plan				2015 Plan			
	Three months ended December 31,		Nine months ended December 31,		Three months ended December 31,		Nine months ended December 31,	
	2022	2021	2022	2021	2022	2021	2022	2021
Equity settled RSUs								
Key Managerial Personnel (KMPs)	-	-	176,893	73,962	-	-	287,325	101,697
Employees other than KMPs	3,814	-	374,774	-	48,050	25,270	48,050	25,270
Total Grants	**3,814**	**-**	**551,667**	**73,962**	**48,050**	**25,270**	**335,375**	**126,967**

Notes on grants to KMP:

CEO & MD

Based on the recommendations of the Board and the approval of the shareholders at the AGM held on June 25, 2022, Salil Parekh has been reappointed as the CEO and MD of the Company for a term commencing on July 1, 2022 and ending on March 31, 2027. The remuneration is approved by the shareholders in the AGM. The revised employment agreement is effective July 1, 2022.

Under the 2015 plan:

The Board, on April 13, 2022, based on the recommendations of the Nomination and Remuneration Committee, in accordance with the terms of his employment agreement effective till June 30, 2022, approved the grant of performance-based RSUs of fair value of ₹13 crore for fiscal 2023 under the 2015 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 84,361 performance-based RSU's were granted effective May 2, 2022.

Further, in line with the shareholders approval and revised employment contract which is effective July 1, 2022, the Board, on July 24, 2022, based on the recommendations of the Nomination and Remuneration Committee:

• Approved the grant of performance-based RSUs (Annual performance equity grant) of fair value of ₹21.75 crore for fiscal 2023 under the 2015 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 140,228 performance-based RSU's were granted effective August 1, 2022.

• Approved the performance-based grant of RSUs (Annual performance equity ESG grant) of fair value of ₹2 crore for fiscal 2023 under the 2015 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain environment, social and governance milestones as determined by the Board. Accordingly, 12,894 performance-based RSU's were granted effective August 1, 2022.

• Approved the performance-based grant of RSUs (Annual performance Equity TSR grant) of fair value of ₹5 crore for fiscal 2023 under the 2015 Plan. These RSUs will vest in line with the employment agreement based on Company's performance on cumulative relative TSR over the years and as determined by the Board. Accordingly, 32,236 performance-based RSU's were granted effective August 1, 2022.

Under the 2019 plan:

The Board, on April 13, 2022, based on the recommendations of the Nomination and Remuneration Committee, approved performance-based grant of RSUs amounting to ₹10 crore for fiscal 2023 under the 2019 Plan. These RSUs will vest in line with the employment agreement effective till June 30, 2022 based on achievement of certain performance targets. Accordingly, 64,893 performance-based RSU's were granted effective May 2, 2022.

Other KMPs

Under the 2015 plan:

On April 13, 2022, based on the recommendations of the Nomination and Remuneration Committee, in accordance with employment agreement, the Board, approved performance-based grant of 5,616 RSUs to a KMP under the 2015 Plan. The grants were made effective May 2, 2022. The performance based RSUs will vest over three years based on certain performance targets.
On April 13, 2022, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved time based grant of 11,990 RSUs to a KMP under the 2015 Plan. The grants were made effective May 2, 2022. These RSUs will vest over four years.

Under the 2019 plan:

On April 13, 2022, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved performance-based grants of 8,000 RSUs to a KMP under the 2019 plan. The grants were made effective May 2, 2022. These RSUs will vest over three years based on achievement of certain performance targets.

On May 21, 2022, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved performance-based grants of 1,04,000 RSUs to other KMPs under the 2019 plan. The grants were made effective June 1, 2022. These RSUs will vest over three years based on achievement of certain performance targets.

Break-up of employee stock compensation expense

(in ₹ crore)

Particulars	Three months ended December 31,		Nine months ended December 31,	
	2022	**2021**	**2022**	**2021**
Granted to:				
KMPs#	-	17	41	51
Employees other than KMPs	117	77	345	251
Total (1)	**117**	**94**	**386**	**302**
(1) *Cash settled stock compensation expense included in the above*	5	5	4	17

\# *Includes reversal of employee stock compensation expense on account of resignation*

The fair value of the awards are estimated using the Black-Scholes Model for time and non-market performance based options and Monte Carlo simulation model is used for TSR based options.

The inputs to the model include the share price at date of grant, exercise price, expected volatility, expected dividends, expected term and the risk free rate of interest. Expected volatility during the expected term of the options is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the options. Expected volatility of the comparative company have been modelled based on historical movements in the market prices of their publicly traded equity shares during a period equivalent to the expected term of the options. Correlation coefficient is calculated between each peer entity and the indices as a whole or between each entity in the peer group.

The fair value of each equity settled award is estimated on the date of grant using the following assumptions:

Particulars	For options granted in			
	Fiscal 2023-Equity Shares-RSU	**Fiscal 2023-ADS-RSU**	**Fiscal 2022-Equity Shares-RSU**	**Fiscal 2022-ADS-RSU**
Weighted average share price (₹) / ($ ADS)	1,525	19.01	1,791	24.45
Exercise price (₹)/ ($ ADS)	5.00	0.07	5.00	0.07
Expected volatility (%)	23-32	28-34	20-35	25-36
Expected life of the option (years)	1-4	1-4	1-4	1-4
Expected dividends (%)	2-3	2-3	2-3	2-3
Risk-free interest rate (%)	5-7	2-5	4-6	1-3
Weighted average fair value as on grant date (₹) / ($ ADS)	1,283	14.40	1,548	20.82

The expected life of the RSU/ESOP is estimated based on the vesting term and contractual term of the RSU/ESOP, as well as expected exercise behavior of the employee who receives the RSU/ESOP.

2.12 Income Taxes

Accounting policy

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Consolidated Statement of Comprehensive income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity or other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year. Tax benefits of deductions earned on exercise of employee share options in excess of compensation charged to income are credited to equity.

Income tax expense in the consolidated statement of comprehensive income comprises:

(In ₹ crore)

Particulars	Three months ended December 31,		Nine months ended December 31,	
	2022	**2021**	**2022**	**2021**
Current taxes				
Domestic taxes	1,598	1,471	5,142	4,319
Foreign taxes	597	592	1,885	1,667
	2,195	**2,063**	**7,027**	**5,986**
Deferred taxes				
Domestic taxes	242	116	267	339
Foreign taxes	(92)	(58)	(412)	(209)
	150	**58**	**(145)**	**130**
Income tax expense	**2,345**	**2,121**	**6,882**	**6,116**

Income tax expense for the three months ended December 31, 2022 and December 31, 2021 includes reversal (net of provisions) of ₹76 crore and provision (net of reversals) of ₹7 crore, respectively. Income tax expense for the nine months ended December 31, 2022 and December 31, 2021 includes reversal (net of provisions) of ₹36 crore and ₹26 crore, respectively. These provisions and reversals pertaining to prior periods are primarily on account of adjudication of certain disputed matters, upon filing of tax return and completion of assessments, across various jurisdictions.

Deferred income tax for the three months and nine months ended December 31, 2022 and December 31, 2021 substantially relates to origination and reversal of temporary differences.

The Company's Advanced Pricing Arrangement (APA) with the Internal Revenue Service (IRS) for US branch income tax expired in March 2021. The Company has applied for renewal of APA and currently the US taxable income is based on the Company's best estimate determined based on the expected value method.

As at December 31, 2022, claims against the Group not acknowledged as debts from the Income tax authorities amounted to ₹4,051 crore. As at March 31, 2022, claims against the Group not acknowledged as debts from the Income tax authorities amounted to ₹4,001 crore.

The amount paid to statutory authorities against the tax claims amounted to ₹6,546 crore and ₹5,996 crore as at December 31, 2022 and March 31, 2022, respectively.

The claims against the group primarily represent demands arising on completion of assessment proceedings under the Income Tax Act, 1961. These claims are on account of multiple issues of disallowances such as disallowance of profits earned from STP Units and SEZ Units, disallowance of deductions in respect of employment of new employees under section 80JJAA, disallowance of expenditure towards software being held as capital in nature, payments made to Associated Enterprises held as liable for withholding of taxes.

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

2.13 Basic and diluted shares used in computing earnings per equity share

Accounting Policy

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

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

2.14 Related party transactions

Refer to note 2.14 "Related party transactions" in the Company's 2022 Consolidated financial statements under IFRS in Indian rupee for the full names and other details of the Company's subsidiaries and controlled trusts.

Changes in Subsidiaries

During the nine months ended December 31, 2022, the following are the changes in the subsidiaries:

- Infosys Consulting S.R.L. (Argentina) (formerly a Wholly-owned subsidiary of Infosys Consulting Holding AG) became the majority owned and controlled subsidiary of Infosys Limited with effect from April 1, 2022.
- On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly owned subsidiary of Infosys Consulting Pte. Ltd) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH along with its subsidiary oddity code d.o.o., and oddity GmbH along with its two subsidiaries oddity (Shanghai) Co. Ltd., oddity Limited (Taipei).
- Panaya GmbH renamed as Infosys Financial Services GmbH.
- Infosys Arabia Limited, a majority owned and controlled subsidiary of Infosys Limited is under liquidation.
- Infosys Public Services Canada Inc., a wholly owned subsidiary of Infosys Public Services Inc. was incorporated on July 8, 2022.
- On September 1, 2022, Infosys Consulting Pte. Ltd. (a Wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S along with its seven subsidiaries BASE life science AG, BASE life science GmbH, BASE life science Ltd., BASE life science S.A.S., BASE life science S.r.l., Innovisor Inc. and BASE life science Inc.
- BASE life science SL., a wholly owned subsidiary of BASE life science A/S was incorporated on September 6, 2022.
- Panaya Germany GmbH, a wholly owned subsidiary of Panaya Inc. was incorporated on December 15,2022.

Change in key management personnel

The following are the changes in the key management personnel:

- Ravi Kumar S resigned effective October 11, 2022

Transactions with key management personnel

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

(In ₹ crore)

Particulars	**Three months ended December 31,**		**Nine months ended December 31,**	
	2022	**2021**	**2022**	**2021**
Salaries and other short term employee benefits to whole-time directors and executive officers(1)(2)	12	33	86	106
Commission and other benefits to non-executive/ independent directors	5	3	12	8
Total	**17**	**36**	**98**	**114**

(1) Total employee stock compensation expense for three months ended December 31, 2022 and December 31, 2021, includes a charge of less than a crore and ₹17 crore respectively, towards key managerial personnel. For the nine months ended December 31, 2022 and December 31, 2021, includes a charge of ₹41 crore and ₹51 crore respectively, towards key managerial personnel. (Refer to note 2.11). Stock compensation expense for the three months and nine months ended December 31, 2022 include reversal of expense on account of resignation.

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

2.15 Segment reporting

IFRS 8 Operating Segments establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Group's operations predominantly relate to providing end-to-end business solutions to enable clients to enhance business performance. The Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the accounting policies.

Business segments of the Group are primarily enterprises in Financial Services and Insurance, enterprises in Manufacturing, enterprises in Retail, Consumer Packaged Goods and Logistics, enterprises in the Energy, Utilities, Resources and Services, enterprises in Communication, Telecom OEM and Media, enterprises in Hi-Tech, enterprises in Life Sciences and Healthcare and all other segments. The Financial services reportable segments has been aggregated to include the Financial Services operating segment and Finacle operating segment because of the similarity of the economic characteristics. All other segments represents the operating segments of businesses in India, Japan, China, Infosys Public Services & other enterprises in Public Services.

Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment. Revenue for 'all other segments' represents revenue generated by Infosys Public services and revenue generated from customers located in India, Japan and China and other enterprises in Public services. Allocated expenses of segments include expenses incurred for rendering services from the Group's offshore software development centers and on-site expenses, which are categorized in relation to the associated efforts of the segment. Certain expenses such as depreciation and amortization, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying assets are used interchangeably. The Management believes that it is not practical to provide segment disclosures relating to those costs and expenses, and accordingly these expenses are separately disclosed as "unallocated" and adjusted against the total income of the Group.

Assets and liabilities used in the Group's business are not identified to any of the reportable segments, as these are used interchangeably between segments. Management believes that it is currently not practicable to provide segment disclosures relating to total assets and liabilities since a meaningful segregation of the available data is onerous.

Business segment revenue information is collated based on individual customers invoiced or in relation to which the revenue is otherwise recognized.

Disclosure of revenue by geographic locations is given in note 2.16 Revenue from operations.

2.15.1 Business segments

Three months ended December 31, 2022 and December 31, 2021

(In ₹ crore)

Particulars	Financial Services(1)	Retail(2)	Communication(3)	Energy, Utilities, Resources and Services	Manufacturing	Hi Tech	Life Sciences(4)	All other segments(5)	Total
Revenue	11,235	5,480	4,710	4,957	5,099	3,095	2,695	1,047	38,318
	10,023	*4,612*	*3,979*	*3,740*	*3,598*	*2,567*	*2,383*	*965*	*31,867*
Identifiable operating expenses	6,549	2,837	2,858	2,594	3,206	1,786	1,580	746	22,156
	5,659	*2,234*	*2,356*	*2,012*	*2,341*	*1,522*	*1,406*	*661*	*18,191*
Allocated expenses	2,008	997	810	906	858	496	431	289	6,795
	1,630	*748*	*660*	*653*	*624*	*409*	*337*	*232*	*5,293*
Segment Profit	**2,678**	**1,646**	**1,042**	**1,457**	**1,035**	**813**	**684**	**12**	**9,367**
	2,734	*1,630*	*963*	*1,075*	*633*	*636*	*640*	*72*	*8,383*
Unallocable expenses									1,125
									899
Operating profit									8,242
									7,484
Other income, net *(Refer to note 2.19)*									769
									512
Finance Cost									80
									53
Profit before income taxes									**8,931**
									7,943
Income tax expense									2,345
									2,121
Net profit									**6,586**
									5,822
Depreciation and amortization									**1,125**
									899
Non-cash expenses other than depreciation and amortization									-
									-

(1) *Financial Services include enterprises in Financial Services and Insurance*

(2) *Retail includes enterprises in Retail, Consumer Packaged Goods and Logistics*

(3) *Communication includes enterprises in Communication, Telecom OEM and Media*

(4) *Life Sciences includes enterprises in Life sciences and Health care*

(5) *Others include operating segments of businesses in India, Japan, China, Infosys Public Services & other enterprises in Public Services*

Nine months ended December 31, 2022 and December 31, 2021

(In ₹ crore)

Particulars	**Financial Services[(1)]**	**Retail[(2)]**	**Communication[(3)]**	**Energy, Utilities, Resources and Services**	**Manufacturing**	**Hi Tech**	**Life Sciences[(4)]**	**All other segments[(5)]**	**Total**
Revenue	32,945	15,667	13,675	13,714	13,957	8,878	7,404	3,086	109,326
	28,805	*13,118*	*11,050*	*10,611*	*9,520*	*7,388*	*6,377*	*2,496*	*89,365*
Identifiable operating expenses	18,829	8,023	8,488	7,309	9,245	5,225	4,320	2,100	63,539
	16,317	*6,333*	*6,648*	*5,632*	*5,766*	*4,409*	*3,619*	*1,715*	*50,439*
Allocated expenses	5,873	2,883	2,386	2,552	2,500	1,444	1,223	794	19,655
	4,752	*2,170*	*1,916*	*1,866*	*1,772*	*1,156*	*959*	*690*	*15,281*
Segment Profit	**8,243**	**4,761**	**2,801**	**3,853**	**2,212**	**2,209**	**1,861**	**192**	**26,132**
	7,736	*4,615*	*2,486*	*3,113*	*1,982*	*1,823*	*1,799*	*91*	*23,645*
Unallocable expenses									3,104
									2,586
Operating profit									23,028
									21,059
Other income, net *(Refer to note 2.19)*									2,030
									1,658
Finance Cost									202
									150
Profit before income taxes									**24,856**
									22,567
Income tax expense									6,882
									6,116
Net profit									**17,974**
									16,451
Depreciation and amortization									3,104
									2,586
Non-cash expenses other than depreciation and amortization									-
									-

[(1)] *Financial Services include enterprises in Financial Services and Insurance*

[(2)] *Retail includes enterprises in Retail, Consumer Packaged Goods and Logistics*

[(3)] *Communication includes enterprises in Communication, Telecom OEM and Media*

[(4)] *Life Sciences includes enterprises in Life sciences and Health care*

[(5)] *Others include operating segments of businesses in India, Japan, China, Infosys Public Services & other enterprises in Public Services*

2.15.2 Significant clients

No client individually accounted for more than 10% of the revenues for the three months and nine months ended December 31, 2022 and December 31, 2021, respectively.

2.16 Revenue from Operations

Accounting Policy:

The Group derives revenues primarily from IT services comprising software development and related services, cloud and infrastructure services, maintenance, consulting and package implementation, licensing of software products and platforms across the Group's core and digital offerings (together called as "software related services") and business process management services. Contracts with customers are either on a time-and-material, unit of work, fixed-price or on a fixed-timeframe basis.

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

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

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

Revenue on time-and-material and unit of work based contracts, are recognized as the related services are performed. Fixed price maintenance revenue is recognized ratably either on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or ratably using a percentage of completion method when the pattern of benefits from the services rendered to the customer and Group's costs to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive. Revenue from other fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time is recognized using the percentage-of-completion method. Efforts or costs expended are used to determine progress towards completion as there is a direct relationship between input and productivity. Progress towards completion is measured as the ratio of costs or efforts incurred to date (representing work performed) to the estimated total costs or efforts. Estimates of transaction price and total costs or efforts are continuously monitored over the term of the contracts and are recognized in net profit in the period when these estimates change or when the estimates are revised. Revenues and the estimated total costs or efforts are subject to revision as the contract progresses. Provisions for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

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

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

Certain cloud and infrastructure services contracts include multiple elements which may be subject to other specific accounting guidance, such as leasing guidance. These contracts are accounted in accordance with such specific accounting guidance. In such arrangements where the Group is able to determine that hardware and services are distinct performance obligations, it allocates the consideration to these performance obligations on a relative standalone selling price basis. In the absence of standalone selling price, the Group uses the expected cost-plus margin approach in estimating the standalone selling price. When such arrangements are considered as a single performance obligation, revenue is recognized over the period and measure of progress is determined based on promise in the contract.

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

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

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

The incremental costs of obtaining a contract (i.e., costs that would not have been incurred if the contract had not been obtained) are recognized as an asset if the Group expects to recover them.

Certain eligible, nonrecurring costs (e.g. set-up or transition or transformation costs) that do not represent a separate performance obligation are recognized as an asset when such costs (a) relate directly to the contract; (b) generate or enhance resources of the Group that will be used in satisfying the performance obligation in the future; and (c) are expected to be recovered.

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

The Group presents revenues net of indirect taxes in its Consolidated Statement of Comprehensive Income.

Revenues for the three months and nine months ended December 31, 2022 and December 31, 2021 is as follows:

(In ₹ crore)

Particulars	Three months ended December 31,		Nine months ended December 31,	
	2022	2021	2022	2021
Revenue from software services	35,870	29,766	102,375	83,425
Revenue from products and platforms	2,448	2,101	6,951	5,940
Total revenue from operations	**38,318**	**31,867**	**109,326**	**89,365**

Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by geography and offerings for each of our business segments. The group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Three months ended December 31, 2022 and December 31, 2021

(In ₹ crore)

Particulars	Financial Services (1)	Retail(2)	Communication (3)	Energy, Utilities, Resources and Services	Manufacturing	Hi Tech	Life Sciences(4)	Others (5)	Total
Revenues by Geography*									
North America	7,219	3,844	2,887	2,712	1,940	2,892	1,975	287	23,756
	6,310	*3,136*	*2,301*	*1,951*	*1,646*	*2,389*	*1,725*	*237*	*19,695*
Europe	1,882	1,341	976	1,845	2,994	68	684	105	9,895
	1,724	*1,224*	*973*	*1,477*	*1,794*	*59*	*627*	*58*	*7,936*
India	452	19	43	68	26	116	7	196	927
	491	*24*	*48*	*36*	*18*	*104*	*6*	*228*	*955*
Rest of the world	1,682	276	804	332	139	19	29	459	3,740
	1,498	*228*	*657*	*276*	*140*	*15*	*25*	*442*	*3,281*
Total	**11,235**	**5,480**	**4,710**	**4,957**	**5,099**	**3,095**	**2,695**	**1,047**	**38,318**
	10,023	***4,612***	***3,979***	***3,740***	***3,598***	***2,567***	***2,383***	***965***	***31,867***
Revenue by offerings									
Digital	6,223	3,615	3,150	3,148	3,773	1,984	1,679	531	24,103
	5,264	2,895	2,437	2,211	2,440	1,503	1,457	444	*18,651*
Core	5,012	1,865	1,560	1,809	1,326	1,111	1,016	516	14,215
	4,759	1,717	1,542	1,529	1,158	1,064	926	521	*13,216*
Total	**11,235**	**5,480**	**4,710**	**4,957**	**5,099**	**3,095**	**2,695**	**1,047**	**38,318**
	10,023	***4,612***	***3,979***	***3,740***	***3,598***	***2,567***	***2,383***	***965***	***31,867***

Nine months ended December 31, 2022 and December 31, 2021

(In ₹ crore)

Particulars	Financial Services (1)	Retail(2)	Communication (3)	Energy, Utilities, Resources and Services	Manufacturing	Hi Tech	Life Sciences(4)	Others (5)	Total
Revenues by Geography*									
North America	21,139	10,901	8,324	7,299	5,668	8,288	5,446	816	67,881
	17,979	*8,862*	*6,080*	*5,481*	*4,654*	*6,885*	*4,598*	*694*	*55,233*
Europe	5,525	3,874	2,829	5,216	7,881	204	1,834	224	27,587
	5,050	*3,524*	*2,666*	*4,204*	*4,554*	*165*	*1,672*	*166*	*22,001*
India	1,416	55	127	163	62	334	20	703	2,880
	1,362	*73*	*264*	*103*	*51*	*296*	*21*	*375*	*2,545*
Rest of the world	4,865	837	2,395	1,036	346	52	104	1,343	10,978
	4,414	*659*	*2,040*	*823*	*261*	*42*	*86*	*1,261*	*9,586*
Total	**32,945**	**15,667**	**13,675**	**13,714**	**13,957**	**8,878**	**7,404**	**3,086**	**109,326**
	28,805	***13,118***	***11,050***	***10,611***	***9,520***	***7,388***	***6,377***	***2,496***	***89,365***
Revenue by offerings									
Digital	18,142	10,217	9,120	8,536	10,046	5,595	4,601	1,471	67,728
	15,060	7,934	6,588	6,095	5,732	4,228	3,657	1,009	*50,303*
Core	14,803	5,450	4,555	5,178	3,911	3,283	2,803	1,615	41,598
	13,745	5,184	4,462	4,516	3,788	3,160	2,720	1,487	*39,062*
Total	**32,945**	**15,667**	**13,675**	**13,714**	**13,957**	**8,878**	**7,404**	**3,086**	**109,326**
	28,805	***13,118***	***11,050***	***10,611***	***9,520***	***7,388***	***6,377***	***2,496***	***89,365***

(1) Financial Services include enterprises in Financial Services and Insurance

(2) Retail includes enterprises in Retail, Consumer Packaged Goods and Logistics

(3) Communication includes enterprises in Communication, Telecom OEM and Media

(4) Life Sciences includes enterprises in Life sciences and Health care

(5) Others include operating segments of businesses in India, Japan, China, Infosys Public Services & other enterprises in Public Services

** Geographical revenues is based on the domicile of customer.*

Digital Services

Digital Services comprise of service and solution offerings of the Group that enable our clients to transform their businesses. These include offerings that enhance customer experience, leverage AI-based analytics and big data, engineer digital products and IoT, modernize legacy technology systems, migrate to cloud applications and implement advanced cyber security systems.

Core Services

Core Services comprise traditional offerings of the Group that have scaled and industrialized over a number of years. These primarily include application management services, proprietary application development services, independent validation solutions, product engineering and management, infrastructure management services, traditional enterprise application implementation, support and integration services.

Products & platforms

The Group derives revenues from the sale of products and platforms including Finacle – core banking solution, Edge Suite of products, Panaya platform, Infosys Equinox, Infosys Applied AI, Stater digital platform and Infosys McCamish – insurance platform.

Trade Receivables and Contract Balances

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

The Group's Receivables are rights to consideration that are unconditional. Unbilled revenues comprising revenues in excess of billings from time and material contracts and fixed price maintenance contracts are classified as financial asset when the right to consideration is unconditional and is due only after a passage of time.

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

Invoicing in excess of earnings are classified as unearned revenue.

Trade receivables and unbilled revenues are presented net of impairment in the consolidated statement of financial position.

2.17 Unbilled Revenue

(In ₹ crore)

Particulars	As at	
	December 31, 2022	March 31, 2022
Unbilled financial asset [(1)]	8,193	6,354
Unbilled non financial asset [(2)]	6,654	6,155
Total	**14,847**	**12,509**

[(1)] Right to consideration is unconditional and is due only after a passage of time.

[(2)] Right to consideration is dependent on completion of contractual milestones.

2.18 Equity

Accounting policy

Ordinary Shares

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

Treasury Shares

When any entity within the Group purchases the company's ordinary shares, the consideration paid including any directly attributable incremental cost is presented as a deduction from total equity, until they are cancelled, sold or reissued. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/ from Share premium.

Description of reserves

Retained earnings

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

Share premium

The amount received in excess of the par value has been classified as share premium. Additionally, share-based compensation recognized in net profit in the condensed consolidated statement of comprehensive income is credited to share premium. Amounts have been utilized for bonus issue and share buyback from share premium account.

Special Economic Zone Re-investment reserve

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

Capital Redemption Reserve

In accordance with section 69 of the Indian Companies Act, 2013, the Company creates capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from general reserve.

Other components of equity

Other components of equity include currency translation, re-measurement of net defined benefit liability/asset, fair value changes of equity instruments fair valued through other comprehensive income, changes on fair valuation of investments, net of taxes.

Cash flow hedge reserve

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the condensed consolidated Statement of Comprehensive Income upon the occurrence of the related forecasted transaction.

2.18.1 Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. Income tax consequences of dividends on financial instruments classified as equity will be recognized according to where the entity originally recognized those past transactions or events that generated distributable profits.

The Company declares and pays dividends in Indian rupees. Companies are required to pay / distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

Amount of per share dividend recognized as distribution to equity shareholders:-

(In ₹)

Particulars	Three months ended December 31,		Nine months ended December 31,	
	2022	2021	2022	2021
Final dividend for fiscal 2021	-	-	-	15.00
Interim dividend for fiscal 2022	-	15.00	-	15.00
Final dividend for fiscal 2022	-	-	16.00	-
Interim dividend for fiscal 2023	16.50	-	16.50	-

The Board of Directors in their meeting held on April 13, 2022 recommended a final dividend of ₹16/- per equity share for the financial year ended March 31, 2022. The same was approved by the shareholders in the Annual General Meeting (AGM) of the Company held on June 25, 2022 which resulted in a net cash outflow of ₹6,711 crore (excluding dividend paid on treasury shares).

The Board of Directors in their meeting held on October 13, 2022 declared an interim dividend of ₹16.50/- per equity share which resulted in a net cash outflow of ₹6,921 crore, excluding dividend paid on treasury shares.

2.18.2 Capital allocation policy

Effective fiscal 2020, the company expects to return approximately 85% of the free cash flow cumulatively over a 5-year period through a combination of semi-annual dividends and/or share buyback and/or special dividends, subject to applicable laws and requisite approvals, if any. Free cash flow is defined as net cash provided by operating activities less capital expenditure as per the consolidated statement of cash flows prepared under IFRS. Dividend and buyback include applicable taxes.

Update on buyback announced in October 2022:

In line with the capital allocation policy, the Board, at its meeting held on October 13, 2022, approved the buyback of equity shares, from the open market route through the Indian stock exchanges, amounting to ₹9,300 crore (Maximum Buyback Size, excluding buyback tax) at a price not exceeding ₹1,850 per share (Maximum Buyback Price), subject to shareholders' approval by way of Postal Ballot.

The shareholders approved the proposal of buyback of Equity Shares recommended by its Board of Directors by way of e-voting on the postal ballot, the results of which were declared on December 3, 2022. At the Maximum buyback price of ₹1,850/- per equity share and the Maximum buyback size of ₹9,300 crore the indicative maximum number of equity shares bought back would be 50,270,270 Equity Shares (Maximum buyback shares) comprising approximately 1.19% of the paid-up equity share capital of the Company as of September 30, 2022 and as on December 5, 2022, the date of the Public Announcement for the buyback (on a standalone basis).

The buyback was offered to all eligible equity shareholders of the Company (other than the Promoters, the Promoter Group and Persons in Control of the Company) under the open market route through the stock exchange. The Company will fund the buyback from its free reserves including Securities Premium as explained in Section 68 of the Companies Act, 2013.The buyback of equity shares through the stock exchange commenced on December 7, 2022 and is expected to be completed on or before June 6, 2023. During the quarter ended December 31, 2022, 25,164,000 equity shares were purchased from the stock exchange which includes 3,170,000 shares which have been purchased but have not been settled and therefore not extinguished as of December 31, 2022. In accordance with section 69 of the Companies Act, 2013, during the quarter ended December 31, 2022, the Company has created 'Capital Redemption Reserve' of ₹11 crore equal to the nominal value of the shares bought back as an appropriation from general reserve.

Buyback completed in September 2021

In line with the capital allocation policy, the Board, at its meeting held on April 14, 2021, approved the buyback of equity shares, from the open market route through the Indian stock exchanges, amounting to ₹9,200 crore (Maximum Buyback Size, excluding buyback tax) at a price not exceeding ₹1,750 per share (Maximum Buyback Price), subject to shareholders' approval in the ensuing Annual General Meeting.

The shareholders approved the proposal of buyback of Equity Shares recommended by its Board of Directors in the Annual General meeting held on June 19, 2021.

The buyback was offered to all eligible equity shareholders of the Company (other than the Promoters, the Promoter Group and Persons in Control of the Company) under the open market route through the stock exchange. The buyback of equity shares through the stock exchange commenced on June 25, 2021 and was completed on September 8, 2021. During this buyback period, the Company had purchased and extinguished a total of 55,807,337 equity shares from the stock exchange at a volume weighted average buy back price of ₹1,648.53/- per equity share comprising 1.31% of the pre buyback paid-up equity share capital of the Company. The buyback resulted in a cash outflow of ₹9,200 crore (excluding transaction costs and tax on buyback). The Company funded the buyback from its free reserves including Securities Premium as explained in Section 68 of the Companies Act, 2013.

In accordance with section 69 of the Companies Act, 2013, as at March 31, 2022, the Company has created 'Capital Redemption Reserve' of ₹28 crore equal to the nominal value of the shares bought back as an appropriation from general reserve.

The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares or buy back issued shares. As of December 31, 2022, the Company has only one class of equity shares and has no debt. Consequent to the above capital structure there are no externally imposed capital requirements.

2.18.3 Share capital and share premium

The Company has only one class of shares referred to as equity shares having a par value of ₹5/- each. 12,568,222 shares and 13,725,712 shares were held by controlled trust, as at December 31, 2022 and March 31, 2022, respectively.

2.19 Break-up of expenses and other income, net

a. Accounting policy

Gratuity and Pensions

The Group provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees majorly of Infosys and its Indian subsidiaries. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group. The Company contributes Gratuity liabilities to the Infosys Limited Employees' Gratuity Fund Trust (the Trust). In case of Infosys BPM and EdgeVerve, contributions are made to the Infosys BPM Employees' Gratuity Fund Trust and EdgeVerve Systems Limited Employees' Gratuity Fund Trust, respectively. Trustees administer contributions made to the Trusts and contributions are invested in a scheme with the Life Insurance Corporation of India as permitted by Indian law.

The Group operates defined benefit pension plan in certain overseas jurisdictions, in accordance with the local laws. These plans are managed by third party fund managers. The plans provide for periodic payouts after retirement and/or for a lumpsum payment as set out in rules of each fund and includes death and disability benefits.

Liabilities with regard to these defined benefit plans are determined by actuarial valuation, performed by an external actuary, at each Balance Sheet date using the projected unit credit method. These defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market risk.

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

Provident fund

Eligible employees of Infosys receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a portion to the Infosys Limited Employees' Provident Fund Trust. The trust invests in specific designated instruments as permitted by Indian law. The remaining portion is contributed to the government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the Government of India. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

In respect of Indian subsidiaries, eligible employees receive benefits from a provident fund, which is a defined contribution plan. Both the eligible employee and the respective companies make monthly contributions to this provident fund plan equal to a specified percentage of the covered employee's salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The Companies have no further obligation to the plan beyond its monthly contributions.

Superannuation

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

Compensated absences

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

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

Other income, net

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

Foreign currency

Functional currency

The functional currency of Infosys, Infosys BPM, EdgeVerve and Skava and controlled trusts is the Indian rupee. The functional currencies for foreign subsidiaries are their respective local currencies. These financial statements are presented in Indian rupees (rounded off to crore; one crore equals ten million).

Transactions and translations

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are recognized in the condensed Consolidated Statement of Comprehensive Income and reported within exchange gains/ (losses) on translation of assets and liabilities, net, except when deferred in Other Comprehensive Income as qualifying cash flow hedges. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. The related revenue and expense are recognized using the same exchange rate.

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

The translation of financial statements of the foreign subsidiaries to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the Balance Sheet date and for revenue, expense and cash-flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in currency translation reserves under other components of equity. When a subsidiary is disposed off, in full, the relevant amount is transferred to net profit in the statement of comprehensive income. However when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

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

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate in effect at the Balance Sheet date.

Government grants

The Group recognizes government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants related to assets are treated as deferred income and are recognized in the net profit in the statement of comprehensive income on a systematic and rational basis over the useful life of the asset. Government grants related to revenue are recognized on a systematic basis in the statement of comprehensive income over the periods necessary to match them with the related costs which they are intended to compensate.

Operating Profits

Operating profit of the Group is computed considering the revenues, net of cost of sales, selling and marketing expenses and administrative expenses.

b. The table below provides details of break-up of expenses:

Cost of sales

(In ₹ crore)

Particulars	Three months ended December 31,		Nine months ended December 31,	
	2022	2021	2022	2021
Employee benefit costs	18,383	14,706	52,649	42,452
Depreciation and amortization	1,125	899	3,104	2,586
Travelling costs	257	181	776	440
Cost of technical sub-contractors	3,343	3,511	10,944	9,019
Cost of software packages for own use	495	273	1,357	951
Third party items bought for service delivery to clients	2,567	1,560	6,575	3,533
Short-term leases (Refer to note 2.8)	10	5	25	17
Consultancy and professional charges	32	51	96	105
Communication costs	86	77	271	226
Repairs and maintenance	107	101	310	282
Provision for post-sales client support	130	40	200	75
Others	26	11	35	40
Total	**26,561**	**21,415**	**76,342**	**59,726**

Selling and marketing expenses

(In ₹ crore)

Particulars	Three months ended December 31,		Nine months ended December 31,	
	2022	2021	2022	2021
Employee benefit costs	1,264	1,079	3,570	3,209
Travelling costs	64	19	200	37
Branding and marketing	226	144	633	359
Short-term leases (Refer to note 2.8)	-	1	3	3
Communication costs	3	2	10	7
Consultancy and professional charges	30	53	89	134
Others	24	27	86	60
Total	**1,611**	**1,325**	**4,591**	**3,809**

Administrative expenses

(In ₹ crore)

Particulars	Three months ended December 31,		Nine months ended December 31,	
	2022	2021	2022	2021
Employee benefit costs	625	570	1,829	1,667
Consultancy and professional charges	339	416	1,111	1,125
Repairs and maintenance	243	198	677	614
Power and fuel	47	36	129	100
Communication costs	94	68	261	208
Travelling costs	39	21	123	41
Impairment loss recognized/(reversed) under expected credit loss model	106	54	197	141
Rates and taxes	74	52	220	180
Insurance charges	43	44	129	118
Short-term leases (Refer to note 2.8)	17	8	40	26
Commission to non-whole time directors	4	3	11	8
Contribution towards Corporate Social Responsibility	146	88	320	348
Others	127	85	318	195
Total	**1,904**	**1,643**	**5,365**	**4,771**

Other income consists of the following:

(In ₹ crore)

Particulars	Three months ended December 31,		Nine months ended December 31,	
	2022	2021	2022	2021
Interest income on financial assets carried at amortized cost	212	203	664	775
Interest income on financial assets carried at fair value through other comprehensive income	241	140	724	453
Gain/(loss) on investments carried at fair value through profit or loss	46	35	87	100
Gain/(loss) on investments carried at fair value through other comprehensive income	-	1	1	1
Exchange gains / (losses) on forward and options contracts	(363)	118	(789)	174
Exchange gains / (losses) on translation of other assets and liabilities	552	(59)	1,153	(12)
Others	81	74	190	167
Total	**769**	**512**	**2,030**	**1,658**

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

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
January 12, 2023

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF INFOSYS LIMITED

Report on the Audit of the Interim Condensed Standalone Financial Statements

Opinion

We have audited the accompanying interim condensed standalone financial statements of **INFOSYS LIMITED** (the "Company"), which comprise the Condensed Balance Sheet as at December 31, 2022, the Condensed Statement of Profit and Loss (including Other Comprehensive Income) for the three months and nine months ended on that date, the Condensed Statement of Changes in Equity and the Condensed Statement of Cash Flows for the nine months ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "interim condensed standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid interim condensed standalone financial statements give a true and fair view in conformity with Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under section 133 of the Companies Act, 2013 (the "Act"), read with relevant rules issued thereunder and other accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2022, the profit and total comprehensive income for the three months and nine months ended on that date, changes in equity and its cash flows for the nine months ended on that date.

Basis for Opinion

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

Management's Responsibilities for the Interim Condensed Standalone Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these interim condensed standalone financial statements that give a true and fair view of the financial position, financial performance, including total comprehensive income, changes in equity and cash flows of the Company in accordance with Ind AS 34 and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the interim condensed standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the Company's internal financial controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the interim condensed standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the interim condensed standalone financial statements, including the disclosures, and whether the interim condensed standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Sanjiv V. Pilgaonkar
Partner
(Membership No.039826)
UDIN:

Place: Bengaluru
Date: January 12, 2023

INFOSYS LIMITED

Condensed Standalone Financial Statements
under Indian Accounting Standards (Ind AS)
for the three months and nine months ended December 31, 2022

(In ₹ crore)

Condensed Balance Sheet as at	Note No.	December 31, 2022	March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	11,383	11,384
Right-of-use assets	2.3	3,538	3,311
Capital work-in-progress		211	411
Goodwill	2.2	211	211
Other intangible assets		8	32
Financial assets			
Investments	2.4	23,419	22,869
Loans	2.5	43	34
Other financial assets	2.6	1,220	727
Deferred tax assets (net)		762	970
Income tax assets (net)		5,686	5,585
Other non-current assets	2.9	1,850	1,416
Total non - current assets		**48,331**	**46,950**
Current assets			
Financial assets			
Investments	2.4	6,577	5,467
Trade receivables	2.7	23,206	18,966
Cash and cash equivalents	2.8	6,474	12,270
Loans	2.5	284	219
Other financial assets	2.6	8,134	6,580
Other current assets	2.9	10,080	8,935
Total current assets		**54,755**	**52,437**
Total assets		**103,086**	**99,387**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.11	2,091	2,103
Other equity		64,825	67,203
Total equity		**66,916**	**69,306**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	2.3	3,571	3,228
Other financial liabilities	2.12	1,166	676
Deferred tax liabilities (net)		689	841
Other non-current liabilities	2.14	461	360
Total non - current liabilities		**5,887**	**5,105**
Current liabilities			
Financial liabilities			
Lease liabilities	2.3	680	558
Trade payables	2.13		
Total outstanding dues of micro enterprises and small enterprises		-	3
Total outstanding dues of creditors other than micro enterprises and small enterprises		3,077	2,666
Other financial liabilities	2.12	14,012	11,269
Other current liabilities	2.14	8,561	7,381
Provisions	2.15	1,288	920
Income tax liabilities (net)		2,665	2,179
Total current liabilities		**30,283**	**24,976**
Total equity and liabilities		**103,086**	**99,387**

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

As per our report of even date attached

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

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
January 12, 2023

(In ₹ crore except equity share and per equity share data)

Condensed Statement of Profit and Loss for the	Note No.	Three months ended December 31,		Nine months ended December 31,	
		2022	2021	2022	2021
Revenue from operations	2.17	32,389	27,337	93,483	76,514
Other income, net	2.18	1,177	1,013	3,093	2,634
Total income		**33,566**	**28,350**	**96,576**	**79,148**
Expenses					
Employee benefit expenses	2.19	16,395	13,275	47,182	38,199
Cost of technical sub-contractors		4,720	4,406	14,545	11,658
Travel expenses		284	195	892	453
Cost of software packages and others	2.19	1,728	856	4,339	2,120
Communication expenses		132	102	386	312
Consultancy and professional charges		280	412	975	1,087
Depreciation and amortization expenses		713	631	2,039	1,809
Finance cost		41	33	115	97
Other expenses	2.19	978	651	2,417	1,828
Total expenses		**25,271**	**20,561**	**72,890**	**57,563**
Profit before tax		**8,295**	**7,789**	**23,686**	**21,585**
Tax expense:					
Current tax	2.16	1,916	1,852	6,261	5,354
Deferred tax	2.16	169	67	61	175
Profit for the period		**6,210**	**5,870**	**17,364**	**16,056**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset, net		28	(52)	(28)	(74)
Equity instruments through other comprehensive income, net		2	-	9	41
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedge, net		(57)	(7)	(43)	4
Fair value changes on investments, net		42	(67)	(275)	23
Total other comprehensive income/ (loss), net of tax		**15**	**(126)**	**(337)**	**(6)**
Total comprehensive income for the period		**6,225**	**5,744**	**17,027**	**16,050**
Earnings per equity share					
Equity shares of par value ₹5/- each					
Basic (₹)		14.77	13.96	41.28	37.96
Diluted (₹)		14.76	13.94	41.24	37.91
Weighted average equity shares used in computing earnings per equity share					
Basic	2.20	4,203,307,369	4,205,532,859	4,206,048,595	4,230,365,220
Diluted	2.20	4,206,813,168	4,210,226,186	4,210,104,735	4,235,256,684

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

As per our report of even date attached

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

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

Sanjiv V. Pilgaonkar
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Director

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Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
January 12, 2023

INFOSYS LIMITED

Condensed Statement of Changes in Equity *(In ₹ crore)*

Particulars	Equity Share Capital	Other Equity – Reserves & Surplus – Capital reserve – Capital reserve	Other Equity – Reserves & Surplus – Capital reserve – Other reserves (2)	Other Equity – Reserves & Surplus – Capital redemption reserve	Other Equity – Reserves & Surplus – Securities Premium	Other Equity – Reserves & Surplus – Retained earnings	Other Equity – Reserves & Surplus – General reserve	Other Equity – Reserves & Surplus – Share Options Outstanding Account	Other Equity – Reserves & Surplus – Special Economic Zone Re-investment reserve (1)	Other Equity – Other comprehensive income – Equity Instruments through other comprehensive income	Other Equity – Other comprehensive income – Effective portion of Cash flow hedges	Other Equity – Other comprehensive income – Other items of other comprehensive income / (loss)	Total equity attributable to equity holders of the Company
Balance as at April 1, 2021	**2,130**	**54**	**2,906**	**111**	**581**	**57,518**	**1,663**	**372**	**6,144**	**169**	**10**	**(127)**	**71,531**
Changes in equity for the nine months ended December 31, 2021													
Profit for the period	-	-	-	-	-	16,056	-	-	-	-	-	-	16,056
Remeasurement of the net defined benefit liability/asset, net*	-	-	-	-	-	-	-	-	-	-	-	(74)	(74)
Equity instruments through other comprehensive income, net*	-	-	-	-	-	-	-	-	-	41	-	-	41
Fair value changes on derivatives designated as cash flow hedge, net*	-	-	-	-	-	-	-	-	-	-	4	-	4
Fair value changes on investments, net*	-	-	-	-	-	-	-	-	-	-	-	23	23
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**16,056**	**-**	**-**	**-**	**41**	**4**	**(51)**	**16,050**
Buyback of equity shares**	(28)	-	-	-	(640)	(8,822)	(1,603)	-	-	-	-	-	(11,093)
Transaction cost relating to buyback*	-	-	-	-	-	-	(26)	-	-	-	-	-	(26)
Amount transferred to capital redemption reserve upon buyback	-	-	-	28	-	-	(28)	-	-	-	-	-	-
Transferred to Special Economic Zone Re-investment reserve	-	-	-	-	-	(2,086)	-	-	2,086	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	-	-	-	563	-	-	(563)	-	-	-	-
Transferred on account of exercise of stock options *(Refer to note 2.11)*	-	-	-	-	101	-	-	(101)	-	-	-	-	-
Transfer on account of options not exercised	-	-	-	-	-	-	1	(1)	-	-	-	-	-
Shares issued on exercise of employee stock options *(Refer to note 2.11)*	-	-	-	-	9	-	-	-	-	-	-	-	9
Employee stock compensation expense *(Refer to note 2.11)*	-	-	-	-	-	-	-	285	-	-	-	-	285
Income tax benefit arising on exercise of stock options	-	-	-	-	3	-	-	16	-	-	-	-	19
Reserves recorded upon business transfer under common control(3)	-	-	(62)	-	-	-	-	-	-	-	-	-	(62)
Dividends	-	-	-	-	-	(12,700)	-	-	-	-	-	-	(12,700)
Balance as at December 31, 2021	**2,102**	**54**	**2,844**	**139**	**54**	**50,529**	**7**	**571**	**7,667**	**210**	**14**	**(178)**	**64,013**

INFOSYS LIMITED

Condensed Statement of Changes in Equity

(In ₹ crore)

Particulars	Equity Share Capital	Other Equity											Total equity attributable to equity holders of the Company
		Reserves & Surplus								Other comprehensive income			
		Capital reserve		Capital redemption reserve	Securities Premium	Retained earnings	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve [(1)]	Equity Instruments through other comprehensive income	Effective portion of Cash flow hedges	Other items of other comprehensive income / (loss)	
		Capital reserve	Other reserves [(2)]										
Balance as at April 1, 2022	**2,103**	**54**	**2,844**	**139**	**172**	**55,449**	**9**	**606**	**7,926**	**266**	**2**	**(264)**	**69,306**
Impact on adoption of amendment to Ind AS 37[#]	-	-	-	-	-	(9)	-	-	-	-	-	-	(9)
	2,103	**54**	**2,844**	**139**	**172**	**55,440**	**9**	**606**	**7,926**	**266**	**2**	**(264)**	**69,297**
Changes in equity for the period ended December 31, 2022													
Profit for the period	-	-	-	-	-	17,364	-	-	-	-	-	-	17,364
Remeasurement of the net defined benefit liability/asset, net*	-	-	-	-	-	-	-	-	-	-	-	(28)	(28)
Equity instruments through other comprehensive income, net*	-	-	-	-	-	-	-	-	-	9	-	-	9
Fair value changes on derivatives designated as cash flow hedge, net*	-	-	-	-	-	-	-	-	-	-	(43)	-	(43)
Fair value changes on investments, net*	-	-	-	-	-	-	-	-	-	-	-	(275)	(275)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**17,364**	**-**	**-**	**-**	**9**	**(43)**	**(303)**	**17,027**
Buyback of equity shares**	(13)	-	-	-	(332)	(5,820)	-	-	-	-	-	-	(6,165)
Transaction cost relating to buyback*	-	-	-	-	(17)	(1)	-	-	-	-	-	-	(18)
Amount transferred to capital redemption reserve upon buyback	-	-	-	11	-	(2)	(9)	-	-	-	-	-	-
Transferred to Special Economic Zone Re-investment reserve	-	-	-	-	-	(2,562)	-	-	2,562	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	-	-	-	817	-	-	(817)	-	-	-	-
Transferred on account of exercise of stock options (Refer to note 2.11)	-	-	-	-	191	-	-	(191)	-	-	-	-	-
Transferred on account of options not exercised	-	-	-	-	-	-	2	(2)	-	-	-	-	-
Shares issued on exercise of employee stock options (Refer to note 2.11)	1	-	-	-	17	-	-	-	-	-	-	-	18
Employee stock compensation expense (Refer to note 2.11)	-	-	-	-	-	-	-	383	-	-	-	-	383
Income tax benefit arising on exercise of stock options	-	-	-	-	-	-	-	49	-	-	-	-	49
Dividends	-	-	-	-	-	(13,675)	-	-	-	-	-	-	(13,675)
Balance as at December 31, 2022	**2,091**	**54**	**2,844**	**150**	**31**	**51,561**	**2**	**845**	**9,671**	**275**	**(41)**	**(567)**	**66,916**

**net of tax*

***Including tax on buyback of ₹1,165 crore and ₹1,893 crore for the nine months ended December 31, 2022 and December 31, 2021 respectively.*

[#] *Impact on account of adoption of amendment to Ind AS 37 Provisions, Contingent Liabilities and Contingents Assets*

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

[(2)] *Profit / loss on transfer of business between entities under common control taken to reserve.*

[(3)] *Arising on transfer of the business of Brilliant Basics Limited to Infosys Limited*

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

As per our report of even date attached

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

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

Nandan M. Nilekani
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Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
January 12, 2023

INFOSYS LIMITED

Condensed Statement of Cash Flows

Accounting Policy

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

(In ₹ crore)

Particulars	Note No.	Nine months ended December 31, 2022	2021
Cash flow from operating activities:			
Profit for the period		17,364	16,056
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation and Amortization		2,039	1,809
Income tax expense	2.16	6,322	5,529
Impairment loss recognized / (reversed) under expected credit loss model		112	110
Finance cost		115	97
Interest and dividend income		(2,401)	(2,196)
Stock compensation expense		343	269
Other adjustments		241	133
Exchange differences on translation of assets and liabilities, net		98	54
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(6,476)	(4,542)
Loans, other financial assets and other assets		(873)	(940)
Trade payables		408	1,053
Other financial liabilities, other liabilities and provisions		2,410	3,898
Cash generated from operations		**19,702**	**21,330**
Income taxes paid		(5,791)	(5,036)
Net cash generated by operating activities		**13,911**	**16,294**
Cash flow from investing activities:			
Expenditure on property, plant and equipment		(1,475)	(1,245)
Deposits placed with corporation		(569)	(651)
Redemption of deposits with corporations		417	512
Interest and dividend received		1,090	1,392
Dividend received from subsidiary		1,187	1,150
Loan given to subsidiaries		(427)	-
Loan repaid by subsidiaries		393	73
Proceeds from redemption of debentures		-	536
Investment in subsidiaries		(1,530)	(125)
Escrow and other deposits pertaining to Buyback		(592)	420
Redemption of Escrow and other deposits pertaining to Buyback		-	(420)
Other receipts		47	38
Payments to acquire investments			
Liquid mutual fund units		(48,592)	(35,408)
Commercial papers		(2,116)	-
Certificates of deposits		(5,912)	(1,473)
Government Securities		(1,370)	(1,553)
Non-convertible debentures		-	(1,062)
Others		(4)	(4)
Proceeds on sale of investments			
Tax free bonds and government bonds		13	-
Equity and preference securities		-	9
Liquid mutual fund units		47,770	34,893
Non-convertible debentures		220	1,939
Certificates of deposit		7,155	500
Commercial papers		1,100	-
Government Securities		1,532	1,452
Others		99	-
Net cash (used in) / from investing activities		**(1,564)**	**973**

Cash flow from financing activities:			
Payment of lease liabilities		(494)	(429)
Shares issued on exercise of employee stock options		18	10
Buyback of equity shares including transaction costs and tax on buyback		(3,928)	(11,125)
Other receipts		57	129
Other payments		(61)	-
Payment of dividends		(13,676)	(12,700)
Net cash used in financing activities		**(18,084)**	**(24,115)**
Net increase / (decrease) in cash and cash equivalents		(5,737)	(6,848)
Effect of exchange differences on translation of foreign currency cash and cash equivalents		(59)	(46)
Cash and cash equivalents at the beginning of the period	2.8	12,270	17,612
Cash and cash equivalents at the end of the period	2.8	**6,474**	**10,718**
Supplementary information:			
Restricted cash balance	2.8	66	66

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

As per our report of even date attached

for Deloitte Haskins & Sells LLP
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Firm's Registration No:
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for and on behalf of the Board of Directors of Infosys Limited

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Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
January 12, 2023

INFOSYS LIMITED

Overview and Notes to the Interim Condensed Standalone Financial Statements

1. Overview

1.1 Company overview

Infosys Limited ('the Company' or Infosys) provides consulting, technology, outsourcing and next-generation digital services, to enable clients to execute strategies for their digital transformation. Infosys strategic objective is to build a sustainable organization that remains relevant to the agenda of clients, while creating growth opportunities for employees and generating profitable returns for investors. Infosys strategy is to be a navigator for our clients as they ideate, plan and execute on their journey to a digital future.

The Company is a public limited company incorporated and domiciled in India and has its registered office at Electronics City, Hosur Road, Bengaluru 560100, Karnataka, India. The company has its primary listings on the BSE Ltd. and National Stock Exchange of India Limited. The Company's American Depositary Shares (ADS) representing equity shares are listed on the New York Stock Exchange (NYSE).

The interim condensed standalone financial statements are approved for issue by the Company's Board of Directors on January 12, 2023.

1.2 Basis of preparation of financial statements

These interim condensed standalone financial statements are prepared in accordance with Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting, under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ("the Act") (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accordingly, these interim condensed standalone financial statements do not include all the information required for a complete set of financial statements. These interim condensed standalone financial statements should be read in conjunction with the standalone financial statements and related notes included in the Company's Annual Report for the year ended March 31, 2022. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

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

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

1.3 Use of estimates and judgments

The preparation of the interim condensed standalone financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the interim condensed standalone financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note no. 1.4. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates and judgements are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the interim condensed standalone financial statements.

1.4 Critical accounting estimates and judgments

a. Revenue recognition

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

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

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

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

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

b. Income taxes

The Company's two major tax jurisdictions are India and the U.S., though the Company also files tax returns in other overseas jurisdictions.

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

In assessing the realizability of deferred income tax assets, Management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced. (Refer to note 2.16 and note 2.21)

c. Property, plant and equipment

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

2. Notes to the Interim Condensed Standalone Financial Statements

2.1 PROPERTY, PLANT AND EQUIPMENT

Accounting Policy

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the management. The charge in respect of periodic depreciation is derived at after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Building[(1)]	22-25 years
Plant and machinery[(1) (2)]	5 years
Office equipment	5 years
Computer equipment[(1)]	3-5 years
Furniture and fixtures[(1)]	5 years
Vehicles[(1)]	5 years
Leasehold improvements	Lower of useful life of the asset or lease term

[(1)] *Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.*
[(2)] *Includes Solar plant with a useful life of 20 years.*

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

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

Impairment

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

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

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

(In ₹ crore)

Particulars	Land-Freehold	Buildings[(1)(2)]	Plant and machinery[(2)]	Office Equipment[(2)]	Computer equipment[(2)]	Furniture and fixtures[(2)]	Leasehold Improvements	Vehicles	Total
Gross carrying value as at October 1, 2022	**1,429**	**10,258**	**3,122**	**1,272**	**7,525**	**2,158**	**897**	**44**	**26,705**
Additions	-	165	88	27	309	92	1	-	682
Deletions**	-	-	(1)	(3)	(272)	(1)	-	-	(277)
Gross carrying value as at December 31, 2022	**1,429**	**10,423**	**3,209**	**1,296**	**7,562**	**2,249**	**898**	**44**	**27,110**
Accumulated depreciation as at October 1, 2022	**-**	**(4,027)**	**(2,607)**	**(1,036)**	**(5,443)**	**(1,713)**	**(575)**	**(38)**	**(15,439)**
Depreciation	-	(99)	(61)	(27)	(281)	(55)	(41)	(1)	(565)
Accumulated depreciation on deletions**	-	-	1	3	272	1	-	-	277
Accumulated depreciation as at December 31, 2022	**-**	**(4,126)**	**(2,667)**	**(1,060)**	**(5,452)**	**(1,767)**	**(616)**	**(39)**	**(15,727)**
Carrying value as at October 1, 2022	**1,429**	**6,231**	**515**	**236**	**2,082**	**445**	**322**	**6**	**11,266**
Carrying value as at December 31, 2022	**1,429**	**6,297**	**542**	**236**	**2,110**	**482**	**282**	**5**	**11,383**

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

(In ₹ crore)

Particulars	Land-Freehold	Buildings[(1)(2)]	Plant and machinery[(2)]	Office Equipment[(2)]	Computer equipment[(2)]	Furniture and fixtures[(2)]	Leasehold Improvements	Vehicles	Total
Gross carrying value as at October 1, 2021	**1,410**	**10,001**	**3,271**	**1,227**	**6,628**	**2,032**	**822**	**44**	**25,435**
Additions	18	59	62	12	298	22	8	-	479
Deletions*	-	-	(26)	(1)	(124)	(4)	(34)	-	(189)
Gross carrying value as at December 31, 2021	**1,428**	**10,060**	**3,307**	**1,238**	**6,802**	**2,050**	**796**	**44**	**25,725**
Accumulated depreciation as at October 1, 2021	**-**	**(3,644)**	**(2,705)**	**(943)**	**(4,891)**	**(1,524)**	**(455)**	**(35)**	**(14,197)**
Depreciation	-	(96)	(59)	(27)	(226)	(49)	(34)	(1)	(492)
Accumulated depreciation on deletions*	-	-	26	1	124	4	25	-	180
Accumulated depreciation as at December 31, 2021	**-**	**(3,740)**	**(2,738)**	**(969)**	**(4,993)**	**(1,569)**	**(464)**	**(36)**	**(14,509)**
Carrying value as at October 1, 2021	**1,410**	**6,357**	**566**	**284**	**1,737**	**508**	**367**	**9**	**11,238**
Carrying value as at December 31, 2021	**1,428**	**6,320**	**569**	**269**	**1,809**	**481**	**332**	**8**	**11,216**

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

(In ₹ crore)

Particulars	Land-Freehold	Buildings(1)(2)	Plant and machinery(2)	Office Equipment(2)	Computer equipment(2)	Furniture and fixtures(2)	Leasehold Improvements	Vehicles	Total
Gross carrying value as at April 1, 2022	**1,429**	**10,115**	**3,054**	**1,250**	**7,239**	**2,070**	**817**	**44**	**26,018**
Additions	-	308	161	60	826	184	81	1	1,621
Deletions**	-	-	(6)	(14)	(503)	(5)	-	(1)	(529)
Gross carrying value as at December 31, 2022	**1,429**	**10,423**	**3,209**	**1,296**	**7,562**	**2,249**	**898**	**44**	**27,110**
Accumulated depreciation as at April 1, 2022	**-**	**(3,834)**	**(2,494)**	**(993)**	**(5,163)**	**(1,614)**	**(499)**	**(37)**	**(14,634)**
Depreciation	-	(292)	(179)	(81)	(792)	(158)	(117)	(3)	(1,622)
Accumulated depreciation on deletions**	-	-	6	14	503	5	-	1	529
Accumulated depreciation as at December 31, 2022	**-**	**(4,126)**	**(2,667)**	**(1,060)**	**(5,452)**	**(1,767)**	**(616)**	**(39)**	**(15,727)**
Carrying value as at April 1, 2022	**1,429**	**6,281**	**560**	**257**	**2,076**	**456**	**318**	**7**	**11,384**
Carrying value as at December 31, 2022	**1,429**	**6,297**	**542**	**236**	**2,110**	**482**	**282**	**5**	**11,383**

**During each of the three months and nine months ended December 31, 2022, certain assets which were old and not in use having gross book value of ₹252 crore (net book value: Nil) and ₹401 crore, respectively were retired.

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

(In ₹ crore)

Particulars	Land-Freehold	Buildings(1)(2)	Plant and machinery(2)	Office Equipment(2)	Computer equipment(2)	Furniture and fixtures(2)	Leasehold Improvements	Vehicles	Total
Gross carrying value as at April 1, 2021	**1,397**	**9,546**	**3,141**	**1,195**	**6,530**	**1,952**	**788**	**44**	**24,593**
Additions	31	514	194	48	789	108	42	-	1,726
Deletions*	-	-	(28)	(5)	(517)	(10)	(34)	-	(594)
Gross carrying value as at December 31, 2021	**1,428**	**10,060**	**3,307**	**1,238**	**6,802**	**2,050**	**796**	**44**	**25,725**
Accumulated depreciation as at April 1, 2021	**-**	**(3,460)**	**(2,600)**	**(891)**	**(4,870)**	**(1,434)**	**(376)**	**(32)**	**(13,663)**
Depreciation	-	(280)	(166)	(82)	(640)	(144)	(113)	(4)	(1,429)
Accumulated depreciation on deletions*	-	-	28	4	517	9	25	-	583
Accumulated depreciation as at December 31, 2021	**-**	**(3,740)**	**(2,738)**	**(969)**	**(4,993)**	**(1,569)**	**(464)**	**(36)**	**(14,509)**
Carrying value as at April 1, 2021	**1,397**	**6,086**	**541**	**304**	**1,660**	**518**	**412**	**12**	**10,930**
Carrying value as at December 31, 2021	**1,428**	**6,320**	**569**	**269**	**1,809**	**481**	**332**	**8**	**11,216**

*During each of the three months and nine months ended December 31, 2021, certain assets which were old and not in use having gross book value of ₹53 crore (net book value: Nil) and ₹291 crore (net book value: Nil) respectively, were retired.

(1) Buildings include ₹250/- being the value of five shares of ₹50/- each in Mittal Towers Premises Co-operative Society Limited.

(2) Includes certain assets provided on cancellable operating lease to subsidiaries.

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

2.2 GOODWILL AND INTANGIBLE ASSETS

2.2.1 Goodwill

Following is a summary of changes in the carrying amount of goodwill:

(In ₹ crore)

Particulars	As at	
	December 31, 2022	**March 31, 2022**
Carrying value at the beginning	211	167
Goodwill on business transfer	-	44
Carrying value at the end	**211**	**211**

2.2.2 Intangible Assets:

Accounting Policy

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

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

2.3 LEASES

Accounting Policy

The Company as a lessee

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

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

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

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

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

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

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

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor

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

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

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

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

(In ₹ crore)

Particulars	Category of ROU asset			Total
	Land	Buildings	Computers	
Balance as at October 1, 2022	550	2,790	178	3,518
Additions[(1)]	-	23	160	183
Deletion	-	(2)	(16)	(18)
Depreciation	(1)	(111)	(33)	(145)
Balance as at December 31, 2022	**549**	**2,700**	**289**	**3,538**

[(1)] *Net of adjustments on account of modifications and lease incentives*

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

(In ₹ crore)

Particulars	Category of ROU asset			Total
	Land	Buildings	Computers	
Balance as at October 1, 2021	554	2,652	100	3,306
Additions[(1)]	-	155	41	196
Deletion	-	(8)	-	(8)
Depreciation	(1)	(113)	(17)	(131)
Balance as at December 30, 2021	**553**	**2,686**	**124**	**3,363**

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

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

(In ₹ crore)

Particulars	Category of ROU asset			Total
	Land	Buildings	Computers	
Balance as at April 1, 2022	552	2,621	138	3,311
Additions[(1)]	-	411	266	677
Deletion	-	(3)	(50)	(53)
Depreciation	(3)	(329)	(65)	(397)
Balance as at December 31, 2022	**549**	**2,700**	**289**	**3,538**

[(1)] *Net of adjustments on account of modifications and lease incentives*

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

(In ₹ crore)

Particulars	Category of ROU asset			Total
	Land	Buildings	Computers	
Balance as at April 1, 2021	556	2,766	113	3,435
Additions[(1)]	-	248	42	290
Deletion	-	(8)	-	(8)
Depreciation	(3)	(320)	(31)	(354)
Balance as at December 31, 2021	**553**	**2,686**	**124**	**3,363**

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

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

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

(In ₹ crore)

Particulars	As at	
	December 31, 2022	March 31, 2022
Current lease liabilities	680	558
Non-current lease liabilities	3,571	3,228
Total	**4,251**	**3,786**

2.4 INVESTMENTS

(In ₹ crore)

Particulars	As at December 31, 2022	As at March 31, 2022
Non-current investments		
Equity instruments of subsidiaries	9,078	9,061
Redeemable Preference shares of subsidiary	2,831	1,318
Preference securities and equity instruments	215	194
Compulsorily convertible debentures	-	7
Others	79	76
Tax free bonds	1,743	1,901
Non-convertible debentures	2,679	3,459
Government Securities	6,794	6,853
Total non-current investments	**23,419**	**22,869**
Current investments		
Liquid mutual fund units	2,267	1,337
Commercial Papers	1,039	-
Certificates of deposit	2,026	3,141
Tax free bonds	350	200
Government bonds	-	13
Government Securities	5	362
Non-convertible debentures	890	414
Total current investments	**6,577**	**5,467**
Total carrying value	**29,996**	**28,336**

(In ₹ crore, except as otherwise stated)

Particulars	As at December 31, 2022	As at March 31, 2022
Non-current investments		
Unquoted		
Investment carried at cost		
Investments in equity instruments of subsidiaries		
Infosys BPM Limited	662	662
33,828 (33,828) equity shares of ₹10,000/- each, fully paid up		
Infosys Technologies (China) Co. Limited	369	369
Infosys Technologies, S. de R.L. de C.V., Mexico	65	65
17,49,99,990 (17,49,99,990) equity shares of MXN 1 par value, fully paid up		
Infosys Technologies (Sweden) AB	76	76
1,000 (1,000) equity shares of SEK 100 par value, fully paid		
Infosys Technologies (Shanghai) Company Limited	1,010	1,010
Infosys Public Services, Inc.	99	99
3,50,00,000 (3,50,00,000) shares of USD 0.50 par value, fully paid		
Infosys Consulting Holding AG	1,323	1,323
23,350 (23,350) - Class A shares of CHF 1,000 each and		
26,460 (26,460) - Class B Shares of CHF 100 each, fully paid up		
Infosys Americas Inc.	1	1
10,000 (10,000) shares of USD 10 per share, fully paid up		
EdgeVerve Systems Limited	1,312	1,312
1,31,18,40,000 (1,31,18,40,000) equity shares of ₹10/- each, fully paid up		
Infosys Nova Holdings LLC#	2,637	2,637
Infosys Consulting Pte Ltd	10	10
1,09,90,000 (1,09,90,000) shares of SGD 1.00 par value, fully paid		
Brilliant Basics Holding Limited	59	59
1,346 (1,346) shares of GBP 0.005 each, fully paid up		
Infosys Arabia Limited	2	2
70 (70) shares		
Skava Systems Private Limited	59	59
25,000 (25,000) shares of ₹10/- each, fully paid up		
Panaya Inc.	582	582
2 (2) shares of USD 0.01 per share, fully paid up		
Infosys Chile SpA	7	7
100 (100) shares		
WongDoody, Inc.	380	380
100 (100) shares		
Infosys Luxembourg S.a r.l.	17	17
20,000 (20,000) shares		
Infosys Austria GmBH	-	-
80,000 (80,000) shares of EUR 1 par value, fully paid up		
Infosys Consulting Brazil	337	337
27,50,71,070 (27,50,71,070) shares of BRL 1 per share, fully paid up		
Infosys Romania	34	34
99,183 (99,183) shares of RON 100 per share, fully paid up		
Infosys Bulgaria	2	2
4,58,000 (4,58,000) shares of BGN 1 per share, fully paid up		
Infosys Germany Holdings GmbH	2	2
25,000 (25,000) shares EUR 1 per share, fully paid up		
Infosys Green Forum	1	1
10,00,000 (10,00,000) shares ₹10 per share, fully paid up		
Infosys Automotive and Mobility GmbH	15	15
Infosys Germany GmbH	-	-
25,000 (25,000) shares EUR 1 per share, fully paid up		
Infosys Turkey Bilgi Tekn	7	-
1,30,842 (1) share Turkish Liras 100 (10,000) per share, fully paid up		
Infosys Consulting S.R.L. (Argentina)	2	-
2,94,500 (Nil) shares AR$ 100 per share, fully paid up		
Infosys Business Solutions LLC	8	-
10,000 (Nil) shares USD 100 per share, fully paid up		
Investments in Redeemable Preference shares of subsidiary		
Infosys Consulting Pte Ltd	2,831	1,318
49,62,00,000 (24,92,00,000) shares of SGD 1 per share, fully paid up		
	11,909	**10,379**

Investments carried at fair value through profit or loss		
Compulsorily convertible debentures	-	7
Others [(1)]	79	76
	79	**83**
Investments carried at fair value through other comprehensive income		
Preference securities	213	192
Equity instruments	2	2
	215	**194**
Quoted		
Investments carried at amortized cost		
Tax free bonds	1,743	1,901
	1,743	**1,901**
Investments carried at fair value through other comprehensive income		
Non-convertible debentures	2,679	3,459
Government Securities	6,794	6,853
	9,473	**10,312**
Total non-current investments	**23,419**	**22,869**
Current investments		
Unquoted		
Investments carried at fair value through profit or loss		
Liquid mutual fund units	2,267	1,337
	2,267	**1,337**
Investments carried at fair value through other comprehensive income		
Commercial Papers	1,039	-
Certificates of deposit	2,026	3,141
	3,065	**3,141**
Quoted		
Investments carried at amortized cost		
Tax free bonds	350	200
Government bonds	-	13
	350	**213**
Investments carried at fair value through other comprehensive income		
Government Securities	5	362
Non-convertible debentures	890	414
	895	**776**
Total current investments	**6,577**	**5,467**
Total investments	**29,996**	**28,336**
Aggregate amount of quoted investments	12,461	13,202
Market value of quoted investments (including interest accrued), current	1,280	1,003
Market value of quoted investments (including interest accrued), non-current	11,446	12,551
Aggregate amount of unquoted investments	17,535	15,134
[#] Aggregate amount of impairment in value of investments	94	94
Reduction in the fair value of assets held for sale	854	854
Investments carried at cost	11,909	10,379
Investments carried at amortized cost	2,093	2,114
Investments carried at fair value through other comprehensive income	13,648	14,423
Investments carried at fair value through profit or loss	2,346	1,420

[(1)] *Uncalled capital commitments outstanding as of December 31, 2022 and March 31, 2022 was ₹8 crore and ₹11 crore, respectively.*

Refer to note 2.10 for accounting policies on financial instruments.

Method of fair valuation:

(In ₹ crore)

Class of investment	Method	Fair value as at December 31, 2022	Fair value as at March 31, 2022
Liquid mutual fund units	Quoted price	2,267	1,337
Tax free bonds and government bonds	Quoted price and market observable inputs	2,297	2,438
Non-convertible debentures	Quoted price and market observable inputs	3,569	3,873
Government Securities	Quoted price and market observable inputs	6,799	7,215
Commercial Papers	Market observable inputs	1,039	-
Certificate of deposit	Market observable inputs	2,026	3,141
Unquoted equity and preference securities	Discounted cash flows method, Market multiples method, Option pricing model	215	194
Compulsorily convertible debentures	Discounted cash flows method	-	7
Others	Discounted cash flows method, Market multiples method, Option pricing model	79	76

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

2.5 LOANS

(In ₹ crore)

Particulars	As at December 31, 2022	As at March 31, 2022
Non- Current		
Loans considered good - Unsecured		
Other Loans		
Loans to employees	43	34
Total non - current loans	**43**	**34**
Current		
Loans considered good - Unsecured		
Loans to subsidiaries	43	-
Other Loans		
Loans to employees	241	219
Total current loans	**284**	**219**
Total Loans	**327**	**253**

2.6 OTHER FINANCIAL ASSETS

(In ₹ crore)

Particulars	As at December 31, 2022	As at March 31, 2022
Non-current		
Security deposits [1]	42	43
Net investment in Sublease of right of use asset [1]	313	320
Rental deposits [1]	170	134
Unbilled revenues [1][5][#]	596	215
Others [1]	99	15
Total non-current other financial assets	**1,220**	**727**
Current		
Security deposits [1]	1	1
Rental deposits [1]	13	36
Restricted deposits [1]*	2,117	1,965
Unbilled revenues [1][5][#]	4,790	3,543
Interest accrued but not due [1]	339	323
Foreign currency forward and options contracts [2][3]	26	131
Escrow and other deposits pertaining to buyback (Refer to Note 2.11) [1]**	592	-
Net investment in Sublease of right of use asset [1]	48	45
Others [1][4]	208	536
Total current other financial assets	**8,134**	**6,580**
Total other financial assets	**9,354**	**7,307**
[1] Financial assets carried at amortized cost	9,328	7,176
[2] Financial assets carried at fair value through other comprehensive income	13	20
[3] Financial assets carried at fair value through Profit or Loss	13	111
[4] *Includes dues from subsidiaries*	35	220
[5] *Includes dues from subsidiaries*	833	419

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

** Includes ₹240 crore towards shares purchased but not settled as of December 31, 2022

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

2.7 TRADE RECEIVABLES

(In ₹ crore)

Particulars	As at December 31, 2022	As at March 31, 2022
Current		
Trade Receivable considered good - Unsecured [1]	23,676	19,454
Less: Allowance for expected credit loss	470	488
Trade Receivable considered good - Unsecured	23,206	18,966
Trade Receivable - credit impaired - Unsecured	93	85
Less: Allowance for credit impairment	93	85
Trade Receivable - credit impaired - Unsecured	-	-
Total trade receivables [2]	**23,206**	**18,966**
[1] *Includes dues from subsidiaries*	1,493	268
[2] *Includes dues from companies where directors are interested*	-	-

2.8 CASH AND CASH EQUIVALENTS

(In ₹ crore)

Particulars	As at	
	December 31, 2022	March 31, 2022
Balances with banks		
In current and deposit accounts	4,804	9,375
Cash on hand	-	-
Others		
Deposits with financial institutions	1,670	2,895
Total Cash and cash equivalents	**6,474**	**12,270**
Balances with banks in unpaid dividend accounts	35	36
Deposit with more than 12 months maturity	-	1,471
Balances with banks held as margin money deposits against guarantees	1	1

Cash and cash equivalents as at December 31, 2022 and March 31, 2022 include restricted cash and bank balances of ₹66 crore and ₹60 crore, respectively. The restrictions are primarily on account of bank balances held as margin money deposits against guarantees.

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

2.9 OTHER ASSETS

(In ₹ crore)

Particulars	As at	
	December 31, 2022	March 31, 2022
Non-current		
Capital advances	108	87
Advances other than capital advance		
Others		
Prepaid expenses	74	82
Defined benefit plan assets	9	10
Deferred contract cost[3]		
Cost of obtaining a contract	129	151
Cost of fulfillment	493	273
Unbilled revenues[2]	370	156
Withholding taxes and others	667	657
Total non-current other assets	**1,850**	**1,416**
Current		
Advances other than capital advance		
Payment to vendors for supply of goods	48	183
Others		
Prepaid expenses [1]	1,604	1,174
Unbilled revenues[2]	5,652	5,365
Deferred contract cost[3]		
Cost of obtaining a contract	391	350
Cost of fulfillment	111	40
Withholding taxes and others	2,056	1,589
Other receivables [1]	218	234
Total current other assets	**10,080**	**8,935**
Total other assets	**11,930**	**10,351**
[1] *Includes dues from subsidiaries*	179	204

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

[3] *Includes technology assets taken over by the Company from a customer as a part of transformation project which is not considered as distinct goods or services and the control related to the assets is not transferred to the Company in accordance with Ind AS 115 - Revenue from contract with customers. Accordingly, the same has been considered as a reduction to the total contract value and accounted as Deferred contract cost. The Company has entered into a financing arrangement with a third party for these assets which has been considered as financial liability. (Refer to note 2.12)*

Withholding taxes and others primarily consist of input tax credits and Cenvat recoverable from Government of India.

2.10 FINANCIAL INSTRUMENTS

Accounting Policy

2.10.1 Initial recognition

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

2.10.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

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

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

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

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

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

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss.

(v) Investment in subsidiaries

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

b. Derivative financial instruments

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

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

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

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

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

(ii) Cash flow hedge

The Company designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow 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 cash flow hedge reserve till the period the hedge was effective remains in 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 cash flow hedge reserve is reclassified to net profit in the Statement of Profit and Loss.

2.10.3 Derecognition of financial instruments

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

2.10.4 Fair value of financial instruments

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

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

2.10.5 Impairment

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

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

The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recorded is recognized as an impairment gain or loss in statement of profit and loss.

Financial instruments by category

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

(In ₹ crore)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer to note 2.8)	6,474	-	-	-	-	6,474	6,474
Investments (Refer to note2.4)		-					
Preference securities, Equity instruments and others	-	-	79	215	-	294	294
Tax free bonds and government bonds	2,093	-	-	-	-	2,093	2,297 [1]
Liquid mutual fund units	-	-	2,267	-	-	2,267	2,267
Commercial Papers	-	-	-	-	1,039	1,039	1,039
Certificates of deposits	-	-	-	-	2,026	2,026	2,026
Non convertible debentures	-	-	-	-	3,569	3,569	3,569
Government Securities	-	-	-	-	6,799	6,799	6,799
Trade receivables (Refer to note 2.7)	23,206	-	-	-	-	23,206	23,206
Loans (Refer to note 2.5)	327	-	-	-	-	327	327
Other financial assets (Refer to note 2.6) [3]	9,328	-	13	-	13	9,354	9,286 [2]
Total	**41,428**	-	**2,359**	**215**	**13,446**	**57,448**	**57,584**
Liabilities:							
Trade payables (Refer to note 2.13)	3,077	-	-	-	-	3,077	3,077
Lease liabilities (Refer to note 2.3)	4,251	-	-	-	-	4,251	4,251
Other financial liabilities (Refer to note 2.12)	12,978	-	160	-	33	13,171	13,171
Total	**20,306**	-	**160**	-	**33**	**20,499**	**20,499**

[1] *On account of fair value changes including interest accrued*

[2] *Excludes interest accrued on tax free bonds and government bonds carried at amortized cost of ₹68 crore*

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

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

(In ₹ crore)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer to note 2.8)	12,270	-	-	-	-	12,270	12,270
Investments (Refer to note 2.4)							
Preference securities, Equity instruments and others	-	-	76	194	-	270	270
Compulsorily convertible debentures	-	-	7	-	-	7	7
Tax free bonds and government bonds	2,114	-	-	-	-	2,114	2,438 [1]
Liquid mutual fund units	-	-	1,337	-	-	1,337	1,337
Certificates of deposits	-	-	-	-	3,141	3,141	3,141
Non convertible debentures	-	-	-	-	3,873	3,873	3,873
Government Securities	-	-	-	-	7,215	7,215	7,215
Trade receivables (Refer to note 2.7)	18,966	-	-	-	-	18,966	18,966
Loans (Refer to note 2.5)	253	-	-	-	-	253	253
Other financial assets (Refer to note 2.6)[3]	7,176	-	111	-	20	7,307	7,216 [2]
Total	**40,779**	-	**1,531**	**194**	**14,249**	**56,753**	**56,986**
Liabilities:							
Trade payables (Refer to note 2.13)	2,669	-	-	-	-	2,669	2,669
Lease Liabilities (Refer to note 2.3)	3,786	-	-	-	-	3,786	3,786
Other financial liabilities (Refer to note 2.12)	10,084	-	8	-	3	10,095	10,095
Total	**16,539**	-	**8**	-	**3**	**16,550**	**16,550**

[1] *On account of fair value changes including interest accrued*

[2] *Excludes interest accrued on tax free bonds and government bonds carried at amortized cost of ₹91 crore*

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

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

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

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

(In ₹ crore)

Particulars	As at December 31, 2022	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in tax free bonds (Refer to note 2.4)	2,297	897	1,400	-
Investments in government bonds (Refer to note 2.4)	-	-	-	-
Investments in liquid mutual fund units (Refer to note 2.4)	2,267	2,267	-	-
Investments in certificates of deposit (Refer to note 2.4)	2,026	-	2,026	-
Investments in commercial papers (Refer to Note 2.4)	1,039	-	1,039	-
Investments in non convertible debentures (Refer to note 2.4)	3,569	1,853	1,716	-
Investments in government securities (Refer to note 2.4)	6,799	6,726	73	-
Investments in equity instruments (Refer to note 2.4)	2	-	-	2
Investments in preference securities (Refer to note 2.4)	213	-	-	213
Other investments (Refer to note 2.4)	79	-	-	79
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts (Refer to note 2.6)	26	-	26	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts (Refer to note 2.12)	193	-	193	-

During the nine months ended December 31, 2022, tax free bonds and non-convertible debentures of ₹902 crore were transferred from Level 2 to Level 1 of fair value hierarchy since these were valued based on quoted price. Further tax free bonds, non-convertible debentures and government securities of ₹2,540 crore were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

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

(In ₹ crore)

Particulars	As at March 31, 2022	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in tax free bonds (Refer to note 2.4)	2,425	1,238	1,187	-
Investments in government bonds (Refer to note 2.4)	13	13	-	-
Investments in liquid mutual fund units (Refer to note 2.4)	1,337	1,337	-	-
Investments in certificate of deposit (Refer to note 2.4)	3,141	-	3,141	-
Investments in non convertible debentures (Refer to note 2.4)	3,873	3,472	401	-
Investments in government securities (Refer to note 2.4)	7,215	7,177	38	-
Investments in equity instruments (Refer to note 2.4)	2	-	-	2
Investments in preference securities (Refer to note 2.4)	192	-	-	192
Investments in compulsorily convertible debentures (Refer to note 2.4)	7	-	-	7
Other investments (Refer to note 2.4)	76	-	-	76
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts (Refer to note 2.6)	131	-	131	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts (Refer note 2.12)	11	-	11	-

During the year ended March 31, 2022, tax free bonds of ₹576 crore was transferred from Level 2 to Level 1 of fair value hierarchy since these were valued based on quoted price. Further tax free bonds, non-convertible debentures and government securities of ₹890 crore were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

A one percentage point change in the unobservable inputs used in fair valuation of Level 3 assets and liabilities does not have a significant impact in its value.

Majority of investments of the Company are fair valued based on Level 1 or Level 2 inputs. These investments primarily include investment in liquid mutual fund units, tax free bonds, certificates of deposit, commercial paper, treasury bills, government securities, quoted bonds issued by government and quasi-government organizations and non-convertible debentures. The Company invests after considering counterparty risks based on multiple criteria including Tier I capital, Capital Adequacy Ratio, Credit Rating, Profitability, NPA levels and Deposit base of banks and financial institutions. These risks are monitored regularly as per Company's risk management program.

2.11 EQUITY

Accounting policy

Ordinary Shares

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

Description of reserves

Capital redemption reserve

In accordance with section 69 of the Indian Companies Act, 2013, the Company creates capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from general reserve.

Retained earnings

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

Securities premium

The amount received in excess of the par value of equity shares has been classified as securities premium. Amounts have been utilized for bonus issue and share buyback from share premium account.

Share options outstanding account

The Share options outstanding account is used to record the fair value of equity-settled share based payment transactions with employees. The amounts recorded in share options outstanding account are transferred to securities premium upon exercise of stock options and transferred to general reserve on account of stock options not exercised by employees.

Special Economic Zone Re-investment reserve

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

Other components of equity

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

Cash flow hedge reserve

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the related forecasted transaction.

2.11.1 EQUITY SHARE CAPITAL

(In ₹ crore, except as otherwise stated)

Particulars	As at	
	December 31, 2022	March 31, 2022
Authorized		
Equity shares, ₹5/- par value		
4,80,00,00,000 (4,80,00,00,000) equity shares	2,400	2,400
Issued, Subscribed and Paid-Up		
Equity shares, ₹5/- par value [(1)]	2,091	2,103
4,18,29,16,843 (4,20,67,38,641) equity shares fully paid-up		
	2,091	**2,103**

[(1)] *Refer to note 2.20 for details of basic and diluted shares*

Forfeited shares amounted to ₹1,500/- (₹1,500/-)

The Company has only one class of shares referred to as equity shares having a par value of ₹5/-. Each holder of equity shares is entitled to one vote per share. The equity shares represented by American Depository Shares (ADS) carry similar rights to voting and dividends as the other equity shares. Each ADS represents one underlying equity share.

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

For details of shares reserved for issue under the employee stock option plan of the Company, refer to the note below.

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

(in ₹ crore, except as stated otherwise)

Particulars	As at December 31, 2022		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
As at the beginning of the period	4,20,67,38,641	2,103	4,26,06,60,846	2,130
Add: Shares issued on exercise of employee stock options	1,342,202	1	18,85,132	1
Less: Shares bought back	25,164,000	13	5,58,07,337	28
As at the end of the period	**4,18,29,16,843**	**2,091**	**4,20,67,38,641**	**2,103**

Capital allocation policy

Effective fiscal 2020, the company expects to return approximately 85% of the free cash flow cumulatively over a 5-year period through a combination of semi annual dividends and/or share buyback and/or special dividends, subject to applicable laws and requisite approvals, if any. Free cash flow is defined as net cash provided by operating activities less capital expenditure as per the consolidated statement of cash flows prepared under IFRS. Dividend and buyback include applicable taxes.

Update on buyback announced in October 2022

In line with the capital allocation policy, the Board, at its meeting held on October 13, 2022, approved the buyback of equity shares, from the open market route through the Indian stock exchanges, amounting to ₹9,300 crore (Maximum Buyback Size, excluding buyback tax) at a price not exceeding ₹1,850 per share (Maximum Buyback Price), subject to shareholders' approval by way of Postal Ballot.

The shareholders approved the proposal of buyback of Equity Shares recommended by its Board of Directors by way of e-voting on the postal ballot, the results of which were declared on December 3, 2022. At the Maximum buyback price of ₹1,850/- per equity share and the Maximum buyback size of ₹9,300 crore the indicative maximum number of equity shares bought back would be 50,270,270 Equity Shares (Maximum buyback shares) comprising approximately 1.19% of the paid-up equity share capital of the Company as of September 30, 2022 and as on December 5, 2022, the date of the Public Announcement for the buyback (on a standalone basis).

The buyback was offered to all eligible equity shareholders of the Company (other than the Promoters, the Promoter Group and Persons in Control of the Company) under the open market route through the stock exchange. The Company will fund the buyback from its free reserves including Securities Premium as explained in Section 68 of the Companies Act, 2013. The buyback of equity shares through the stock exchange commenced on December 7, 2022 and is expected to be completed on or before June 6, 2023. During the quarter ended December 31, 2022, 25,164,000 equity shares were purchased from the stock exchange which includes 3,170,000 shares which have been purchased but have not been settled and therefore not extinguished as of December 31, 2022. In accordance with section 69 of the Companies Act, 2013, during the quarter ended December 31, 2022, the Company has created 'Capital Redemption Reserve' of ₹11 crore equal to the nominal value of the shares bought back as an appropriation from general reserve.

Buyback completed in September 2021

In line with the capital allocation policy, the Board, at its meeting held on April 14, 2021, approved the buyback of equity shares, from the open market route through the Indian stock exchanges, amounting to ₹9,200 crore (Maximum Buyback Size, excluding buyback tax) at a price not exceeding ₹1,750 per share (Maximum Buyback Price), subject to shareholders' approval in the ensuing Annual General Meeting.

The shareholders approved the proposal of buyback of Equity Shares recommended by its Board of Directors in the Annual General meeting held on June 19, 2021.

The buyback was offered to all eligible equity shareholders of the Company (other than the Promoters, the Promoter Group and Persons in Control of the Company) under the open market route through the stock exchange. The buyback of equity shares through the stock exchange commenced on June 25, 2021 and was completed on September 8, 2021. During this buyback period the Company had purchased and extinguished a total of 55,807,337 equity shares from the stock exchange at a volume weighted average buyback price of ₹1,648.53/- per equity share comprising 1.31% of the pre buyback paid up equity share capital of the Company. The buyback resulted in a cash outflow of ₹9,200 crore (excluding transaction costs and tax on buyback). The Company funded the buyback from its free reserves including Securities Premium as explained in Section 68 of the Companies Act, 2013.

In accordance with section 69 of the Companies Act, 2013, as at March 31, 2022, the Company has created 'Capital Redemption Reserve' of ₹28 crore equal to the nominal value of the shares bought back as an appropriation from general reserve.

The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares or buy back issued shares. As of December 31, 2022, the Company has only one class of equity shares and has no debt. Consequent to the above capital structure there are no externally imposed capital requirements.

2.11.2 DIVIDEND

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. Income tax consequences of dividends on financial instruments classified as equity will be recognized according to where the entity originally recognized those past transactions or events that generated distributable profits.

The Company declares and pays dividends in Indian rupees. Companies are required to pay/distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

The amount of per share dividend recognized as distribution to equity shareholders in accordance with Companies Act, 2013 is as follows:-

(in ₹)

Particulars	**Three months ended December 31,**		**Nine months ended December 31,**	
	2022	**2021**	**2022**	**2021**
Interim dividend for fiscal 2023	16.50	-	16.50	-
Final dividend for fiscal 2022	-	-	16.00	-
Interim dividend for fiscal 2022	-	15.00	-	15.00
Final dividend for fiscal 2021	-	-	-	15.00

The Board of Directors in their meeting on April 13, 2022 recommended a final dividend of ₹16/- per equity share for the financial year ended March 31, 2022. The same was approved by the shareholders in the Annual General Meeting (AGM) of the Company held on June 25, 2022 which resulted in a net cash outflow of ₹6,732 crore.

The Board of Directors in their meeting held on October 13, 2022 declared an interim dividend of ₹16.50/- per equity share which resulted in a net cash outflow of ₹6,943 crore.

2.11.3 Employee Stock Option Plan (ESOP):

Accounting Policy

The Company recognizes compensation expense relating to share-based payments in net profit based on estimated fair-values of the awards on the grant date. The estimated fair value of awards is recognized as an expense in the statement of profit and loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

Infosys Expanded Stock Ownership Program 2019 (the 2019 Plan):

On June 22, 2019 pursuant to approval by the shareholders in the Annual General Meeting, the Board has been authorized to introduce, offer, issue and provide share-based incentives to eligible employees of the Company and its subsidiaries under the 2019 Plan. The maximum number of shares under the 2019 plan shall not exceed 5,00,00,000 equity shares. To implement the 2019 Plan, up to 4,50,00,000 equity shares may be issued by way of secondary acquisition of shares by Infosys Expanded Stock Ownership Trust. The Restricted Stock Units (RSUs) granted under the 2019 plan shall vest based on the achievement of defined annual performance parameters as determined by the administrator (Nomination and Remuneration Committee). The performance parameters will be based on a combination of relative Total Shareholders Return (TSR) against selected industry peers and certain broader market domestic and global indices and operating performance metrics of the company as decided by administrator. Each of the above performance parameters will be distinct for the purposes of calculation of quantity of shares to vest based on performance. These instruments will generally vest between a minimum of 1 to maximum of 3 years from the grant date.

2015 Stock Incentive Compensation Plan (the 2015 Plan):

On March 31, 2016, pursuant to the approval by the shareholders through postal ballot, the Board was authorized to introduce, offer, issue and allot share-based incentives to eligible employees of the Company and its subsidiaries under the 2015 Plan. The maximum number of shares under the 2015 plan shall not exceed 2,40,38,883 equity shares (this includes 1,12,23,576 equity shares which are held by the trust towards the 2011 Plan as at March 31, 2016). The Company expects to grant the instruments under the 2015 Plan over the period of 4 years. The plan numbers mentioned above would further be adjusted for the September 2018 bonus issue.

The equity settled and cash settled RSUs and stock options would vest generally over a period of 4 years and shall be exercisable within the period as approved by the Nomination and Remuneration Committee (NARC). The exercise price of the RSUs will be equal to the par value of the shares and the exercise price of the stock options would be the market price as on the date of grant.

Controlled trust holds 12,568,222 shares and 13,725,712 shares as at December 31, 2022 and March 31, 2022, respectively under the 2015 plan. Out of these shares, 200,000 equity shares each have been earmarked for welfare activities of the employees as at December 31, 2022 and March 31, 2022.

The following is the summary of grants during the three months and nine months ended December 31, 2022 and December 31, 2021:

Particulars	2019 plan				2015 plan			
	Three months ended December 31,		Nine months ended December 31,		Three months ended December 31,		Nine months ended December 31,	
	2022	2021	2022	2021	2022	2021	2022	2021
Equity settled RSUs								
Key Managerial Personnel (KMPs)	-	-	176,893	73,962	-	-	287,325	101,697
Employees other than KMPs	3,814	-	374,774	-	48,050	25,270	48,050	25,270
Total Grants	**3,814**	**-**	**551,667**	**73,962**	**48,050**	**25,270**	**335,375**	**126,967**

Notes on grants to KMP:

CEO & MD

Based on the recommendations of the Board and the approval of the shareholders at the AGM held on June 25, 2022, Salil Parekh has been reappointed as the CEO and MD of the Company for a term commencing on July 1, 2022 and ending on March 31, 2027. The remuneration is approved by the shareholders in the AGM. The revised employment agreement is effective July 1, 2022.

Under the 2015 plan:

The Board, on April 13, 2022, based on the recommendations of the Nomination and Remuneration Committee, in accordance with the terms of his employment agreement effective till June 30, 2022, approved the grant of performance-based RSUs of fair value of ₹13 crore for fiscal 2023 under the 2015 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 84,361 performance based RSU's were granted effective May 2, 2022.

Further, in line with the shareholders approval and revised employment contract which is effective July 1, 2022, the Board, on July 24, 2022, based on the recommendations of the Nomination and Remuneration Committee:

• Approved the grant of performance-based RSUs (Annual performance equity grant) of fair value of ₹21.75 crore for fiscal 2023 under the 2015 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 140,228 performance based RSU's were granted effective August 1, 2022.

• Approved the performance-based grant of RSUs (Annual performance equity ESG grant) of fair value of ₹2 crore for fiscal 2023 under the 2015 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain environment, social and governance milestones as determined by the Board. Accordingly, 12,894 performance-based RSU's were granted effective August 1, 2022.

• Approved the performance-based grant of RSUs (Annual performance Equity TSR grant) of fair value of ₹5 crore for fiscal 2023 under the 2015 Plan. These RSUs will vest in line with the employment agreement based on Company's performance on cumulative relative TSR over the years and as determined by the Board. Accordingly, 32,236 performance-based RSU's were granted effective August 1, 2022.

Under the 2019 plan:

The Board, on April 13, 2022, based on the recommendations of the Nomination and Remuneration Committee, approved performance-based grant of RSUs amounting to ₹10 crore for fiscal 2023 under the 2019 Plan. These RSUs will vest in line with the employment agreement effective till June 30, 2022 based on achievement of certain performance targets. Accordingly, 64,893 performance-based RSU's were granted effective May 2, 2022.

Other KMPs

Under the 2015 plan:

On April 13, 2022, based on the recommendations of the Nomination and Remuneration Committee, in accordance with employment agreement, the Board, approved performance-based grant of 5,616 RSUs to a KMP under the 2015 Plan. The grants were made effective May 2, 2022. The performance-based RSUs will vest over three years based on certain performance targets.

On April 13, 2022, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved time based grant of 11,990 RSUs to a KMP under the 2015 Plan. The grants were made effective May 2, 2022. These RSUs will vest over four years.

Under the 2019 plan:

On April 13, 2022, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved performance-based grant of 8,000 RSUs to a KMP under the 2019 Plan. The grants were made effective May 2, 2022. These RSUs will vest over three years based on achievement of certain performance targets.

On May 21, 2022, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved performance-based grant of 104,000 RSUs to other KMPs under the 2019 Plan. The grants were made effective June 1, 2022. These RSUs will vest over three years based on achievement of certain performance targets.

The break-up of employee stock compensation expense is as follows:

(in ₹ crore)

Particulars	Three months ended December 31,		Nine months ended December 31,	
	2022	2021	2022	2021
Granted to:				
KMP#	-	17	41	51
Employees other than KMP	101	68	302	218
Total (1)	**101**	**85**	**343**	**269**
(1) *Cash settled stock compensation expense included in the above*	2	3	-	11

\# *Includes reversal of employee stock compensation expense on account of resignation*

The fair value of the awards are estimated using the Black-Scholes Model for time and non-market performance-based options and Monte Carlo simulation model is used for TSR based options.

The inputs to the model include the share price at date of grant, exercise price, expected volatility, expected dividends, expected term and the risk free rate of interest. Expected volatility during the expected term of the options is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the options. Expected volatility of the comparative company have been modelled based on historical movements in the market prices of their publicly traded equity shares during a period equivalent to the expected term of the options. Correlation coefficient is calculated between each peer entity and the indices as a whole or between each entity in the peer group.

The fair value of each equity settled award is estimated on the date of grant using the following assumptions:

Particulars	For options granted in			
	Fiscal 2023-Equity Shares-RSU	Fiscal 2023-ADS-RSU	Fiscal 2022-Equity Shares-RSU	Fiscal 2022-ADS-RSU
Weighted average share price (₹) / ($ ADS)	1,525	19.01	1,791	24.45
Exercise price (₹) / ($ ADS)	5.00	0.07	5.00	0.07
Expected volatility (%)	23-32	28-34	20-35	25-36
Expected life of the option (years)	1-4	1-4	1-4	1-4
Expected dividends (%)	2-3	2-3	2-3	2-3
Risk-free interest rate (%)	5-7	2-5	4-6	1-3
Weighted average fair value as on grant date (₹) / ($ ADS)	1,283	14.40	1,548	20.82

The expected life of the RSU/ESOP is estimated based on the vesting term and contractual term of the RSU/ESOP, as well as expected exercise behavior of the employee who receives the RSU/ESOP.

2.12 OTHER FINANCIAL LIABILITIES

(In ₹ crore)

Particulars	As at December 31, 2022	As at March 31, 2022
Non-current		
Others		
Compensated absences	80	86
Accrued compensation to employees [1]	8	8
Accrued expenses [1][4]	1,014	503
Other payables [1][7]	64	79
Total non-current other financial liabilities	**1,166**	**676**
Current		
Unpaid dividends [1]	35	36
Others		
Accrued compensation to employees [1]	2,541	2,999
Accrued expenses [1][4]	5,017	4,603
Retention monies [1]	14	12
Capital creditors [1]	365	395
Financial liability relating to buyback (Refer Note no. 2.11) [1][6]	1,616	-
Compensated absences	1,927	1,764
Other payables [1][5][7]	2,304	1,449
Foreign currency forward and options contracts [2][3]	193	11
Total current other financial liabilities	**14,012**	**11,269**
Total other financial liabilities	**15,178**	**11,945**
[1] *Financial liability carried at amortized cost*	12,978	10,084
[2] *Financial liability carried at fair value through profit or loss*	160	8
[3] *Financial liability carried at fair value through other comprehensive income*	33	3
[4] *Includes dues to subsidiaries*	31	7
[5] *Includes dues to subsidiaries*	154	316

[6] *In accordance with Ind AS 32 Financial Instruments: Presentation, the Company has recorded a financial liability as at December 31, 2022 for the obligation to acquire its own equity shares to the extent of standing instructions provided to its registered broker for the buyback (Refer to Note 2.11) . The financial liability is recognized at the present value of the maximum amount that the Company would be required to pay to the registered broker for buy back, with a corresponding debit in general reserve / retained earnings.*

[7] *Deferred contract cost (Refer to note 2.9) includes technology assets taken over by the Company from a customer as a part of transformation project which is not considered as distinct goods or services and the control related to the assets is not transferred to the Company in accordance with Ind AS 115 - Revenue from contract with customers. Accordingly, the same has been considered as a reduction to the total contract value and accounted as Deferred contract cost. The Company has entered into a financing arrangement with a third party for these assets which has been considered as financial liability.*

Accrued expenses primarily relate to cost of technical sub-contractors, telecommunication charges, legal and professional charges, brand building expenses, overseas travel expenses and office maintenance.

2.13 TRADE PAYABLES

(In ₹ crore)

Particulars	As at December 31, 2022	As at March 31, 2022
Outstanding dues of micro enterprises and small enterprises	-	3
Outstanding dues of creditors other than micro enterprises and small enterprises[1]	3,077	2,666
Total trade payables	**3,077**	**2,669**
[1] *Includes dues to subsidiaries*	*635*	*613*

2.14 OTHER LIABILITIES

(In ₹ crore)

Particulars	As at December 31, 2022	As at March 31, 2022
Non-current		
Accrued defined benefit liability	439	332
Others		
Deferred income	3	9
Deferred income - government grants	19	19
Total non - current other liabilities	**461**	**360**
Current		
Accrued defined benefit liability	1	2
Unearned revenue	5,772	5,179
Others		
Tax on buyback (Refer Note no. 2.11)	643	-
Deferred income - government grants	9	10
Withholding taxes and others	2,136	2,190
Total current other liabilities	**8,561**	**7,381**
Total other liabilities	**9,022**	**7,741**

2.15 PROVISIONS

Accounting Policy

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

a. Post-sales client support

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

b. Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

Provision for post-sales client support and other provisions

(In ₹ crore)

Particulars	As at	
	December 31, 2022	March 31, 2022
Current		
Others		
Post-sales client support and others	1,288	920
Total provisions	**1,288**	**920**

Provision for post sales client support and other provisions majorly represents costs associated with providing sales support services which are accrued at the time of recognition of revenues and are expected to be utilized over a period of 1 year.

2.16 INCOME TAXES

Accounting Policy

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

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year. Tax benefits of deductions earned on exercise of employee share options in excess of compensation charged to income are credited to equity.

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

(In ₹ crore)

Particulars	Three months ended December 31,		Nine months ended December 31,	
	2022	2021	2022	2021
Current taxes	1,916	1,852	6,261	5,354
Deferred taxes	169	67	61	175
Income tax expense	**2,085**	**1,919**	**6,322**	**5,529**

Income tax expense for the three months ended December 31, 2022 and December 31, 2021 includes reversal (net of provisions) of ₹79 crore and provisions (net of reversal) of ₹3 crore, respectively. Income tax expense for the nine months ended December 31, 2022 and December 31, 2021 includes reversal (net of provisions) of ₹65 crore and ₹29 crore, respectively. These provisions and reversals pertaining to prior periods are primarily on account of adjudication of certain disputed matters, upon filing of tax return and completion of assessments, across various jurisdictions.

Deferred income tax for the three months and nine months ended December 31, 2022 and December 31, 2021 substantially relates to origination and reversal of temporary differences.

The Company's Advanced Pricing Arrangement (APA) with the Internal Revenue Service (IRS) for US branch income tax expired in March 2021. The Company has applied for renewal of APA and currently the US taxable income is based on the Company's best estimate determined based on the expected value method.

2.17 REVENUE FROM OPERATIONS

Accounting Policy

The Company derives revenues primarily from IT services comprising software development and related services, cloud and infrastructure services, maintenance, consulting and package implementation, licensing of software products and platforms across the Company's core and digital offerings (together called as "software related services"). Contracts with customers are either on a time-and-material, unit of work, fixed-price or on a fixed-timeframe basis.

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

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

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

Revenue on time-and-material and unit of work based contracts, are recognized as the related services are performed. Fixed price maintenance revenue is recognized ratably either on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or ratably using a percentage of completion method when the pattern of benefits from the services rendered to the customer and Company's costs to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive. Revenue from other fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time is recognized using the percentage-of-completion method. Efforts or costs expended are used to determine progress towards completion as there is a direct relationship between input and productivity. Progress towards completion is measured as the ratio of costs or efforts incurred to date (representing work performed) to the estimated total costs or efforts. Estimates of transaction price and total costs or efforts are continuously monitored over the term of the contracts and are recognized in net profit in the period when these estimates change or when the estimates are revised. Revenues and the estimated total costs or efforts are subject to revision as the contract progresses. Provisions for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

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

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

Certain cloud and infrastructure services contracts include multiple elements which may be subject to other specific accounting guidance, such as leasing guidance. These contracts are accounted in accordance with such specific accounting guidance. In such arrangements where the Company is able to determine that hardware and services are distinct performance obligations, it allocates the consideration to these performance obligations on a relative standalone selling price basis. In the absence of standalone selling price, the Company uses the expected cost-plus margin approach in estimating the standalone selling price. When such arrangements are considered as a single performance obligation, revenue is recognized over the period and measure of progress is determined based on promise in the contract.

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

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

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

The incremental costs of obtaining a contract (i.e., costs that would not have been incurred if the contract had not been obtained) are recognized as an asset if the Company expects to recover them.

Certain eligible, nonrecurring costs (e.g. set-up or transition or transformation costs) that do not represent a separate performance obligation are recognized as an asset when such costs (a) relate directly to the contract; (b) generate or enhance resources of the Company that will be used in satisfying the performance obligation in the future; and (c) are expected to be recovered.

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

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

Revenue from operations for the three months and nine months ended December 31, 2022 and December 31, 2021 is as follows:

(In ₹ crore)

Particulars	Three months ended December 31,		Nine months ended December 31,	
	2022	2021	2022	2021
Revenue from software services	32,328	27,261	93,312	76,262
Revenue from products and platforms	61	76	171	252
Total revenue from operations	**32,389**	**27,337**	**93,483**	**76,514**

Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by offerings for the three months and nine months ended December 31, 2022 and December 31, 2021 respectively. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

(In ₹ crore)

Particulars	Three months ended December 31,		Nine months ended December 31,	
	2022	2021	2022	2021
Revenue by offerings				
Core	11,820	11,164	34,834	32,656
Digital	20,569	16,173	58,649	43,858
Total	**32,389**	**27,337**	**93,483**	**76,514**

Digital Services

Digital Services comprise of service and solution offerings of the company that enable our clients to transform their businesses. These include offerings that enhance customer experience, leverage AI-based analytics and big data, engineer digital products and IoT, modernize legacy technology systems, migrate to cloud applications and implement advanced cyber security systems.

Core Services

Core Services comprise traditional offerings of the Company that have scaled and industrialized over a number of years. These primarily include application management services, proprietary application development services, independent validation solutions, product engineering and management, infrastructure management services, traditional enterprise application implementation, support and integration services.

Products & platforms

The Company derives revenues from the sale of products and platforms including Infosys Applied AI which applies next-generation AI and machine learning.

Trade receivables and Contract Balances

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

The Company's receivables are rights to consideration that are unconditional. Unbilled revenues comprising revenues in excess of billings from time and material contracts and fixed price maintenance contracts are classified as financial asset when the right to consideration is unconditional and is due only after a passage of time.

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

Invoicing in excess of earnings are classified as unearned revenue.

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

2.18 OTHER INCOME, NET

2.18.1 Other income - Accounting Policy

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

2.18.2 Foreign currency - Accounting Policy

Functional currency

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

Transactions and translations

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are recognized in the Statement of Profit and Loss and reported within exchange gains/(losses) on translation of assets and liabilities, net, except when deferred in Other Comprehensive Income as qualifying cash flow hedges. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction. The related revenue and expense are recognized using the same exchange rate.

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

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

Government grant

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants related to assets are treated as deferred income and are recognized in the net profit in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset. Government grants related to revenue are recognized on a systematic basis in the net profit in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate.

Other income for the three months and nine months ended December 31, 2022 and December 31, 2021 is as follows:

(In ₹ crore)

Particulars	**Three months ended December 31,**		**Nine months ended December 31,**	
	2022	**2021**	**2022**	**2021**
Interest income on financial assets carried at amortized cost				
Tax free bonds and government bonds	38	38	113	114
Deposit with Bank and others	136	131	451	523
Interest income on financial assets fair valued through other comprehensive income				
Non-convertible debentures, commercial papers, certificates of deposit and government securities	215	123	650	409
Income on investments carried at fair value through other comprehensive income	-	1	1	1
Income on investments carried at fair value through profit or loss				
Gain / (loss) on liquid mutual funds and other investments	63	30	107	82
Dividend received from subsidiary	494	558	1,187	1,150
Exchange gains/(losses) on foreign currency forward and options contracts	(413)	154	(673)	224
Exchange gains/(losses) on translation of other assets and liabilities	562	(90)	1,073	(44)
Miscellaneous income, net	82	68	184	175
Total other income	**1,177**	**1,013**	**3,093**	**2,634**

2.19 EXPENSES

Accounting Policy

2.19.1 Gratuity and Pension

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible Indian employees of Infosys. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The Company contributes Gratuity liabilities to the Infosys Limited Employees' Gratuity Fund Trust (the Trust). Trustees administer contributions made to the Trusts and contributions are invested in a scheme with the Life Insurance Corporation of India as permitted by Indian law.

The Company operates defined benefit pension plan in certain overseas jurisdictions, in accordance with the local laws. These plans are managed by third party fund managers. The plans provide for periodic payouts after retirement or for a lumpsum payment as set out in rules of each fund and includes death and disability benefits.

Liabilities with regard to these defined benefit plans are determined by actuarial valuation, performed by an external actuary, at each Balance Sheet date using the projected unit credit method. These defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market risk.

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

2.19.2 Provident fund

Eligible employees of Infosys receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a portion to the Infosys Limited Employees' Provident Fund Trust. The trust invests in specific designated instruments as permitted by Indian law. The remaining portion is contributed to the government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the Government of India. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

2.19.3 Superannuation

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

2.19.4 Compensated absences

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

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

(In ₹ crore)

Particulars	**Three months ended December 31,**		**Nine months ended December 31,**	
	2022	**2021**	**2022**	**2021**
Employee benefit expenses				
Salaries including bonus	15,757	12,738	45,248	36,690
Contribution to provident and other funds	499	371	1,425	1,016
Share based payments to employees (Refer to note 2.11)	101	85	343	269
Staff welfare	38	81	166	224
	16,395	**13,275**	**47,182**	**38,199**
Cost of software packages and others				
For own use	379	210	1,082	755
Third party items bought for service delivery to clients	1,349	646	3,257	1,365
	1,728	**856**	**4,339**	**2,120**
Other expenses				
Power and fuel	40	25	113	69
Brand and Marketing	184	122	526	277
Short-term leases	9	2	15	9
Rates and taxes	54	38	157	144
Repairs and Maintenance	237	210	670	620
Consumables	5	8	18	22
Insurance	35	39	106	100
Provision for post-sales client support and others	132	42	201	74
Commission to non-whole time directors	4	3	11	8
Impairment loss recognized / (reversed) under expected credit loss model	59	45	112	110
Auditor's remuneration				
Statutory audit fees	1	1	5	4
Tax matters	-	-	-	-
Other services	-	-	-	-
Contributions towards Corporate Social Responsibility	132	85	289	321
Others	86	31	194	70
	978	**651**	**2,417**	**1,828**

2.20 BASIC AND DILUTED SHARES USED IN COMPUTING EARNINGS PER EQUITY SHARE

Accounting Policy

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

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

2.21 CONTINGENT LIABILITIES AND COMMITMENTS

Accounting Policy

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

(In ₹ crore)

Particulars	**As at**	
	December 31, 2022	**March 31, 2022**
Contingent liabilities:		
Claims against the Company, not acknowledged as debts[(1)]	4,297	4,245
[Amount paid to statutory authorities ₹6,132 crore *(₹5,617 crore)*]		
Commitments:		
Estimated amount of contracts remaining to be executed on capital contracts and not provided for	623	1,092
(net of advances and deposits)[(2)]		
Other Commitments*	8	11

**Uncalled capital pertaining to investments*

[(1)] As at December 31, 2022 and March 31, 2022, claims against the Company not acknowledged as debts in respect of income tax matters amounted to ₹3,938 crore and ₹3,898 crore, respectively.

The claims against the Company primarily represent demands arising on completion of assessment proceedings under the Income Tax Act, 1961. These claims are on account of multiple issues of disallowances such as disallowance of profits earned from STP Units and SEZ Units, disallowance of deductions in respect of employment of new employees under section 80JJAA, disallowance of expenditure towards software being held as capital in nature, payments made to Associated Enterprises held as liable for withholding of taxes. These matters are pending before various Appellate Authorities and the management including its tax advisors expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Company's financial position and results of operations.

Amount paid to statutory authorities against the tax claims amounted to ₹6,122 crore and ₹5,607 crore as at December 31, 2022 and March 31, 2022, respectively.

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

Legal Proceedings

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

2.22 RELATED PARTY TRANSACTIONS

Refer to the Company's Annual Report for the year ended March 31, 2022 for the full names and other details of the Company's subsidiaries and controlled trusts.

Changes in Subsidiaries

During the nine months ended December 31, 2022, the following are the changes in the subsidiaries:

- On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly owned subsidiary of Infosys Consulting Pte. Ltd) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH along with its subsidiary oddity code d.o.o., and oddity GmbH along with its two subsidiaries oddity (Shanghai) Co. Ltd., oddity Limited(Taipei).
- Infosys Consulting S.R.L. (Argentina) (formerly a Wholly-owned subsidiary of Infosys Consulting Holding AG) became the majority owned and controlled subsidiary of Infosys Limited with effect from April 1, 2022.
- Panaya GmbH renamed as Infosys Financial Services GmbH.
- Infosys Arabia Limited, a majority owned and controlled subsidiary of Infosys Limited is under liquidation.
- Infosys Public Services Canada Inc., a wholly owned subsidiary of Infosys Public Services Inc. was incorporated on July 8, 2022.
- On September 1, 2022, Infosys Consulting Pte. Ltd. (a Wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S along with its seven subsidiaries BASE life science AG, BASE life science GmbH, BASE life science Ltd., BASE life science S.A.S., BASE life science S.r.l., Innovisor Inc. and BASE life science Inc.
- BASE life science SL., a wholly owned subsidiary of BASE life science A/S was incorporated on September 6,2022
- Panaya Germany GmbH, a wholly owned subsidiary of Panaya Inc. was incorporated on December 15,2022.

The Company's related party transactions during the three months and nine months ended December 31, 2022 and December 31, 2021 and outstanding balances as at December 31, 2022 and March 31, 2022 are with its subsidiaries with whom the Company generally enters into transactions which are at arms length and in the ordinary course of business.

Change in key management personnel

The following are the changes in the key management personnel:

- Ravi Kumar S resigned effective October 11, 2022

Transactions with key management personnel

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

(In ₹ crore)

Particulars	Three months ended December 31,		Nine months ended December 31,	
	2022	2021	2022	2021
Salaries and other short term employee benefits to whole-time directors and executive officers	12	33	86	106
Commission and other benefits to non-executive / independent directors	5	3	12	8
Total	**17**	**36**	**98**	**114**

(1)Total employee stock compensation expense for the three months ended December 31, 2022 and December 31, 2021 includes a charge of less than a crore and ₹17 crore, respectively, towards key managerial personnel. For the nine months ended December 31, 2022 and December 31, 2021, includes a charge of ₹41 crore and ₹51 crore respectively, towards key managerial personnel.(Refer to note 2.11) Stock compensation expense for the three months and nine months ended December 31, 2022 include reversal of expense on account of resignation.

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

2.23 SEGMENT REPORTING

The Company publishes this financial statement along with the interim condensed consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the interim condensed consolidated financial statements.

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

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
January 12, 2023

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF INFOSYS LIMITED

Report on the Audit of the Interim Condensed Consolidated Financial Statements

Opinion

We have audited the accompanying interim condensed consolidated financial statements of **INFOSYS LIMITED** (the "Company"), and its subsidiaries (the Company and its subsidiaries together referred to as the "Group"), which comprise the Condensed Consolidated Balance Sheet as at December 31, 2022, the Condensed Consolidated Statement of Profit and Loss (including Other Comprehensive Income) for the three months and nine months ended on that date, the Condensed Consolidated Statement of Changes in Equity and the Condensed Consolidated Statement of Cash Flows for the nine months ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "interim condensed consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid interim condensed consolidated financial statements give a true and fair view in conformity with the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under section 133 of the Companies Act, 2013 (the "Act"), read with relevant rules issued thereunder and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at December 31, 2022, the consolidated profit and consolidated total comprehensive income for the three months and nine months ended on that date, changes in equity and its cash flows for the nine months ended on that date.

Basis for Opinion

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

Management's Responsibilities for the Interim Condensed Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with Ind AS 34 and other accounting principles generally accepted in India. The respective Boards of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective interim financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the interim condensed consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the interim condensed consolidated financial statements, the respective Boards of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their own respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Interim Condensed Consolidated Financial Statements

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

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

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the Company's internal financial controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the interim condensed consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the interim condensed consolidated financial statements, including the disclosures, and whether the interim condensed consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the interim condensed consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the interim condensed consolidated financial statements of which we are the independent auditors.

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

We communicate with those charged with governance of the Company and such other entities included in the interim condensed consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

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

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

Sanjiv V. Pilgaonkar
Partner
(Membership No.039826)
UDIN:

Place: Bengaluru
Date: January 12, 2023

INFOSYS LIMITED AND SUBSIDIARIES

Condensed Consolidated Financial Statements under Indian Accounting Standards (Ind AS) for the three months and nine months ended December 31, 2022

Index **Page No.**

INFOSYS LIMITED AND SUBSIDIARIES

(In ₹ crore)

Condensed Consolidated Balance Sheets as at	Note	December 31, 2022	March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	2.2	13,067	13,075
Right-of-use assets	2.19	6,480	4,823
Capital work-in-progress		236	416
Goodwill	2.3	7,247	6,195
Other intangible assets		1,836	1,707
Financial assets			
Investments	2.4	12,386	13,651
Loans	2.5	44	34
Other financial assets	2.6	2,507	1,460
Deferred tax assets (net)		1,157	1,212
Income tax assets (net)		6,319	6,098
Other non-current assets	2.9	2,271	2,029
Total non-current assets		**53,550**	**50,700**
Current assets			
Financial assets			
Investments	2.4	8,730	6,673
Trade receivables	2.7	27,660	22,698
Cash and cash equivalents	2.8	11,587	17,472
Loans	2.5	278	248
Other financial assets	2.6	10,830	8,727
Income tax assets (net)		—	54
Other Current assets	2.9	13,331	11,313
Total current assets		**72,416**	**67,185**
Total assets		**125,966**	**117,885**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.11	2,086	2,098
Other equity		72,206	73,252
Total equity attributable to equity holders of the Company		**74,292**	**75,350**
Non-controlling interests		381	386
Total equity		**74,673**	**75,736**
Liabilities			
Non-current liabilities			
Financial Liabilities			
Lease liabilities	2.19	6,577	4,602
Other financial liabilities	2.12	1,901	2,337
Deferred tax liabilities (net)		1,059	1,156
Other non-current liabilities	2.13	551	451
Total non-current liabilities		**10,088**	**8,546**
Current liabilities			
Financial Liabilities			
Lease liabilities	2.19	1,143	872
Trade payables		4,788	4,134
Other financial liabilities	2.12	19,518	15,837
Other current liabilities	2.13	11,171	9,178
Provisions	2.14	1,417	975
Income tax liabilities (net)		3,168	2,607
Total current liabilities		**41,205**	**33,603**
Total equity and liabilities		**125,966**	**117,885**

The accompanying notes form an integral part of the interim condensed consolidated financial statements

As per our report of even date attached

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

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
January 12, 2023

INFOSYS LIMITED AND SUBSIDIARIES

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

Condensed Consolidated Statement of Profit and Loss for the	Note No.	Three months ended December 31,		Nine months ended December 31,	
		2022	**2021**	**2022**	**2021**
Revenue from operations	2.16	38,318	31,867	109,326	89,365
Other income, net	2.17	769	512	2,030	1,658
Total income		**39,087**	**32,379**	**111,356**	**91,023**
Expenses					
Employee benefit expenses	2.18	20,272	16,355	58,048	47,328
Cost of technical sub-contractors		3,343	3,511	10,946	9,019
Travel expenses		360	221	1,099	518
Cost of software packages and others	2.18	3,085	1,861	8,017	4,543
Communication expenses		183	147	542	441
Consultancy and professional charges		401	520	1,296	1,364
Depreciation and amortization expenses		1,125	899	3,104	2,586
Finance cost		80	53	202	150
Other expenses	2.18	1,307	869	3,246	2,507
Total expenses		**30,156**	**24,436**	**86,500**	**68,456**
Profit before tax		**8,931**	**7,943**	**24,856**	**22,567**
Tax expense:					
Current tax	2.15	2,195	2,063	7,027	5,986
Deferred tax	2.15	150	58	(145)	130
Profit for the period		**6,586**	**5,822**	**17,974**	**16,451**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset, net		29	(53)	(17)	(72)
Equity instruments through other comprehensive income, net		1	—	8	41
		30	**(53)**	**(9)**	**(31)**
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedge, net		(57)	(7)	(43)	4
Exchange differences on translation of foreign operations		676	(33)	715	91
Fair value changes on investments, net		48	(77)	(298)	16
		667	**(117)**	**374**	**111**
Total other comprehensive income /(loss), net of tax		**697**	**(170)**	**365**	**80**
Total comprehensive income for the period		**7,283**	**5,652**	**18,339**	**16,531**
Profit attributable to:					
Owners of the Company		6,586	5,809	17,967	16,425
Non-controlling interests		—	13	7	26
		6,586	**5,822**	**17,974**	**16,451**
Total comprehensive income attributable to:					
Owners of the Company		7,268	5,640	18,322	16,506
Non-controlling interests		15	12	17	25
		7,283	**5,652**	**18,339**	**16,531**
Earnings per Equity share					
Equity shares of par value ₹5/- each					
Basic (₹)		15.72	13.86	42.85	38.96
Diluted (₹)		15.70	13.83	42.79	38.88
Weighted average equity shares used in computing earnings per equity share	2.20				
Basic (in shares)		4,190,550,470	4,190,865,711	4,192,969,201	4,215,373,286
Diluted (in shares)		4,195,924,920	4,198,923,902	4,199,312,062	4,224,009,404

The accompanying notes form an integral part of the interim condensed consolidated financial statements

As per our report of even date attached

for Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration No :

117366W/ W-100018

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

Sanjiv V. Pilgaonkar
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A.G.S. Manikantha
Company Secretary

Bengaluru
January 12, 2023

INFOSYS LIMITED AND SUBSIDIARIES

Condensed Consolidated Statement of Changes in Equity

(In ₹ crore)

Particulars		OTHER EQUITY														
		RESERVES & SURPLUS								Other comprehensive income						
	Equity Share capital [1]	Capital reserve	Capital redemption reserve	Securities Premium	Retained earnings	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve [2]	Other reserves [3]	Equity instruments through other comprehensive income	Exchange differences on translating the financial statements of a foreign operation	Effective portion of Cash Flow Hedges	Other items of other comprehensive income / (loss)	Total equity attributable to equity holders of the Company	Non-controlling interest	Total equity
Balance as at April 1, 2021	**2,124**	**54**	**111**	**600**	**62,643**	**2,715**	**372**	**6,385**	**6**	**158**	**1,331**	**10**	**(158)**	**76,351**	**431**	**76,782**
Changes in equity for the nine months ended December 31, 2021																
Profit for the period	—	—	—	—	16,425	—	—	—	—	—	—	—	—	16,425	26	16,451
Remeasurement of the net defined benefit liability/asset, net*	—	—	—	—	—	—	—	—	—	—	—	—	(72)	(72)	—	(72)
Equity instruments through other comprehensive income, net*	—	—	—	—	—	—	—	—	—	41	—	—	—	41	—	41
Fair value changes on derivatives designated as cash flow hedge, net*	—	—	—	—	—	—	—	—	—	—	—	4	—	4	—	4
Exchange differences on translation of foreign operations	—	—	—	—	—	—	—	—	—	—	92	—	—	92	(1)	91
Fair value changes on investments, net*	—	—	—	—	—	—	—	—	—	—	—	—	16	16	—	16
Total Comprehensive income for the period	**—**	**—**	**—**	**—**	**16,425**	**—**	**—**	**—**	**—**	**41**	**92**	**4**	**(56)**	**16,506**	**25**	**16,531**
Shares issued on exercise of employee stock options *(Refer to Note 2.11)*	1	—	—	13	—	—	—	—	—	—	—	—	—	14	—	14
Employee stock compensation expense *(Refer to Note 2.11)*	—	—	—	—	—	—	285	—	—	—	—	—	—	285	—	285
Transfer on account of options not exercised	—	—	—	—	—	1	(1)	—	—	—	—	—	—	—	—	—
Buyback of equity shares *(Refer to Note 2.11)* **	(28)	—	—	(640)	(8,822)	(1,603)	—	—	—	—	—	—	—	(11,093)	—	(11,093)
Transaction costs relating to buyback*	—	—	—	—	—	(26)	—	—	—	—	—	—	—	(26)	—	(26)
Amount transferred to capital redemption reserve upon buyback	—	—	28	—	—	(28)	—	—	—	—	—	—	—	—	—	—
Transfer to legal reserve	—	—	—	—	(9)	—	—	—	9	—	—	—	—	—	—	—
Transferred on account of exercise of stock options	—	—	—	101	—	—	(101)	—	—	—	—	—	—	—	—	—
Income tax benefit arising on exercise of stock options	—	—	—	3	—	—	16	—	—	—	—	—	—	19	—	19
Dividends [1]	—	—	—	—	(12,655)	—	—	—	—	—	—	—	—	(12,655)	—	(12,655)
Dividends paid to non controlling interest of subsidiary	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(79)	(79)
Transferred to Special Economic Zone Re-investment reserve	—	—	—	—	(2,244)	—	—	2,244	—	—	—	—	—	—	—	—
Transferred from Special Economic Zone Re-investment reserve on utilization	—	—	—	—	633	—	—	(633)	—	—	—	—	—	—	—	—
Balance as at December 31, 2021	**2,097**	**54**	**139**	**77**	**55,971**	**1,059**	**571**	**7,996**	**15**	**199**	**1,423**	**14**	**(214)**	**69,401**	**377**	**69,778**

Condensed Consolidated Statement of Changes in Equity (contd.)

(In ₹ crore)

Particulars	Equity Share capital (1)	OTHER EQUITY: RESERVES & SURPLUS: Capital reserve	Capital redemption reserve	Securities Premium	Retained earnings	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve (2)	Other reserves (3)	Other comprehensive income: Equity instruments through other comprehensive income	Exchange differences on translating the financial statements of a foreign operation	Effective portion of Cash Flow Hedges	Other items of other comprehensive income / (loss)	Total equity attributable to equity holders of the Company	Non-controlling interest	Total equity
Balance as at April 1, 2022	**2,098**	**54**	**139**	**200**	**61,313**	**1,061**	**606**	**8,339**	**16**	**254**	**1,560**	**2**	**(292)**	**75,350**	**386**	**75,736**
Impact on adoption of amendment to Ind AS 37#	—	—	—	—	(19)	—	—	—	—	—	—	—	—	(19)	—	(19)
	2,098	**54**	**139**	**200**	**61,294**	**1,061**	**606**	**8,339**	**16**	**254**	**1,560**	**2**	**(292)**	**75,331**	**386**	**75,717**
Changes in equity for the nine months ended December 31, 2022																
Profit for the period	—	—	—	—	17,967	—	—	—	—	—	—	—	—	17,967	7	17,974
Remeasurement of the net defined benefit liability/asset, net*	—	—	—	—	—	—	—	—	—	—	—	—	(17)	(17)	—	(17)
Equity instruments through other comprehensive income, net*	—	—	—	—	—	—	—	—	—	8	—	—	—	8	—	8
Fair value changes on derivatives designated as cash flow hedge, net*	—	—	—	—	—	—	—	—	—	—	—	(43)	—	(43)	—	(43)
Exchange differences on translation of foreign operations	—	—	—	—	—	—	—	—	—	—	705	—	—	705	10	715
Fair value changes on investments, net*	—	—	—	—	—	—	—	—	—	—	—	—	(298)	(298)	—	(298)
Total Comprehensive income for the period	**—**	**—**	**—**	**—**	**17,967**	**—**	**—**	**—**	**—**	**8**	**705**	**(43)**	**(315)**	**18,322**	**17**	**18,339**
Shares issued on exercise of employee stock options *(Refer to Note 2.11)*	1	—	—	22	—	—	—	—	—	—	—	—	—	23	—	23
Employee stock compensation expense *(Refer to Note 2.11)*	—	—	—	—	—	—	382	—	—	—	—	—	—	382	—	382
Transferred to legal reserve	—	—	—	—	(3)	—	—	—	3	—	—	—	—	—	—	—
Transferred on account of exercise of stock options	—	—	—	191	—	—	(191)	—	—	—	—	—	—	—	—	—
Transferred on account of options not exercised	—	—	—	—	—	2	(2)	—	—	—	—	—	—	—	—	—
Buyback of equity shares *(Refer to Note 2.11)* **	(13)	—	—	(332)	(5,820)	—	—	—	—	—	—	—	—	(6,165)	—	(6,165)
Transaction costs relating to buyback*	—	—	—	(17)	(1)	—	—	—	—	—	—	—	—	(18)	—	(18)
Amount transferred to capital redemption reserve upon buyback	—	—	11	—	(2)	(9)	—	—	—	—	—	—	—	—	—	—
Income tax benefit arising on exercise of stock options	—	—	—	—	—	—	49	—	—	—	—	—	—	49	—	49
Dividends (1)	—	—	—	—	(13,632)	—	—	—	—	—	—	—	—	(13,632)	—	(13,632)
Dividends paid to non controlling interest of subsidiary	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(22)	(22)
Transferred to Special Economic Zone Re-investment reserve	—	—	—	—	(2,575)	—	—	2,575	—	—	—	—	—	—	—	—
Transferred from Special Economic Zone Re-investment reserve on utilization	—	—	—	—	869	—	—	(869)	—	—	—	—	—	—	—	—
Balance as at December 31, 2022	**2,086**	**54**	**150**	**64**	**58,097**	**1,054**	**844**	**10,045**	**19**	**262**	**2,265**	**(41)**	**(607)**	**74,292**	**381**	**74,673**

* *Net of tax*

** *Including tax on buyback of ₹1,165 crore and ₹1,893 crore for the nine months ended December 31, 2022 and December 31, 2021 respectively.*

Impact on account of adoption of amendment to Ind AS 37 Provisions, Contingent Liabilities and Contingents Assets

(1) *Net of treasury shares*

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

(3) *Under the Swiss Code of Obligation, few subsidiaries of Infosys Lodestone are required to appropriate a certain percentage of the annual profit to legal reserve which may be used only to cover losses or for measures designed to sustain the Company through difficult times, to prevent unemployment or to mitigate its consequences.*

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

As per our report of even date attached
for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No :
117366W/ W-100018

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
January 12, 2023

INFOSYS LIMITED AND SUBSIDIARIES

Condensed Consolidated Statement of Cash Flows

Accounting policy

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

(In ₹ crore)

Particulars	Note No.	Nine months ended December 31, 2022	2021
Cash flow from operating activities			
Profit for the period		17,974	16,451
Adjustments to reconcile net profit to net cash provided by operating			
Income tax expense	2.15	6,882	6,116
Depreciation and amortization		3,104	2,586
Interest and dividend income		(1,388)	(1,228)
Finance cost		202	150
Impairment loss recognized / (reversed) under expected credit loss model		197	141
Exchange differences on translation of assets and liabilities, net		373	31
Stock compensation expense		386	302
Other adjustments		677	143
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(7,350)	(6,069)
Loans, other financial assets and other assets		(2,435)	(1,464)
Trade payables		644	1,118
Other financial liabilities, other liabilities and provisions		3,263	5,128
Cash generated from operations		**22,529**	**23,405**
Income taxes paid		(6,615)	(5,763)
Net cash generated by operating activities		**15,914**	**17,642**
Cash flows from investing activities			
Expenditure on property, plant and equipment and intangibles		(1,805)	(1,533)
Deposits placed with corporation		(904)	(786)
Redemption of deposits placed with Corporation		671	629
Interest and dividend received		1,267	1,554
Payment towards acquisition of business, net of cash acquired	2.1	(910)	—
Payment of contingent consideration pertaining to acquisition of business		(60)	(53)
Escrow and other deposits pertaining to Buyback		(592)	(420)
Redemption of escrow and other deposits pertaining to Buyback		—	420
Other receipts		57	53
Other payments		—	(22)
Payments to acquire Investments			
Tax free bonds and government bonds		(13)	0
Liquid mutual funds		(54,567)	(39,805)
Certificates of deposit		(6,794)	(1,473)
Commercial paper		(2,338)	—
Non-convertible debentures		(249)	(1,216)
Government securities		(1,569)	(2,300)
Others		(18)	(24)
Proceeds on sale of Investments			
Tax free bonds and government bonds		13	—
Liquid mutual funds		53,546	38,903
Certificates of deposit		7,605	500
Commercial paper		1,300	—
Non-convertible debentures		295	2,076
Government securities		1,882	1,452
Equity and preference securities		99	—
Others		—	9
Net cash (used in) / generated from investing activities		**(3,084)**	**(2,036)**

Cash flows from financing activities:			
Payment of lease liabilities		(866)	(644)
Payment of dividends		(13,633)	(12,655)
Payment of dividend to non-controlling interest of subsidiary		(22)	(79)
Shares issued on exercise of employee stock options		23	14
Other receipts		121	209
Other payments		(360)	(22)
Buyback of equity shares including transaction cost and tax on buyback		(3,928)	(11,125)
Net cash used in financing activities		**(18,665)**	**(24,302)**
Net increase / (decrease) in cash and cash equivalents		(5,835)	(8,696)
Effect of exchange rate changes on cash and cash equivalents		(50)	(75)
Cash and cash equivalents at the beginning of the period	2.8	17,472	24,714
Cash and cash equivalents at the end of the period	2.8	**11,587**	**15,943**
Supplementary information:			
Restricted cash balance	2.8	384	490

The accompanying notes form an integral part of the interim condensed consolidated financial statements

As per our report of even date attached
for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No :
117366W/ W-100018

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

Sanjiv V. Pilgaonkar
Partner
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Nandan M. Nilekani
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Chief Executive Officer and Managing Director

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Director

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Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
January 12, 2023

INFOSYS LIMITED AND SUBSIDIARIES

Overview and notes to the Interim Condensed Consolidated Financial Statements

1. Overview

1.1 Company overview

Infosys Limited ('the Company' or Infosys) provides consulting, technology, outsourcing and next-generation digital services, to enable clients to execute strategies for their digital transformation. Infosys strategic objective is to build a sustainable organization that remains relevant to the agenda of clients, while creating growth opportunities for employees and generating profitable returns for investors. Infosys strategy is to be a navigator for our clients as they ideate, plan and execute on their journey to a digital future.

Infosys together with its subsidiaries and controlled trusts is hereinafter referred to as 'the Group'.

The Company is a public limited company incorporated and domiciled in India and has its registered office at Electronics city, Hosur Road, Bengaluru 560100, Karnataka, India. The Company has its primary listings on the BSE Ltd. and National Stock Exchange of India Limited. The Company's American Depositary Shares (ADS) representing equity shares are listed on the New York Stock Exchange (NYSE).

The Group's interim condensed consolidated financial statements are approved for issue by the Company's Board of Directors on January 12, 2023.

1.2 Basis of preparation of financial statements

These interim condensed consolidated financial statements are prepared in accordance with Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting , under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accordingly, these interim condensed consolidated financial statements do not include all the information required for a complete set of financial statements. These interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes included in the Company's Annual Report for the year ended March 31, 2022. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

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

As the quarter and year-to-date figures are taken from the source and rounded to the nearest digits, the quarter figures in this statement added up to the

1.3 Basis of consolidation

Infosys consolidates entities which it owns or controls. The interim condensed consolidated financial statements comprise the financial statements of the Company, its controlled trusts and its subsidiaries. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Company, are excluded.

1.4 Use of estimates and judgments

The preparation of the interim condensed consolidated financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the interim condensed consolidated financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in *Note no. 1.5* . Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates and judgements are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the interim condensed consolidated financial statements.

1.5 Critical accounting estimates and judgments

a. Revenue recognition

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

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

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

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

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

b. Income taxes

The Group's two major tax jurisdictions are India and the United States, though the Company also files tax returns in other overseas jurisdictions.

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

In assessing the realizability of deferred income tax assets, the Management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, the Management believes that the Group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced *(Refer to Notes 2.15 and 2.21)* .

c. Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Estimates are required to be made in determining the value of contingent consideration, value of option arrangements and intangible assets. These valuations are conducted by external valuation experts. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by the Management *(Refer to Note 2.1).*

d. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology *(Refer to Note 2.2)* .

e. Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGUs) is less than its carrying amount. For the impairment test, goodwill is allocated to the CGU or groups of CGUs which benefit from the synergies of the acquisition and which represent the lowest level at which goodwill is monitored for internal management purposes.

The recoverable amount of CGUs is determined based on higher of value-in-use and fair value less cost to sell. Key assumptions in the cash flow projections are prepared based on current economic conditions and comprises estimated long term growth rates, weighted average cost of capital and estimated operating margins *(Refer to Note 2.3)* .

2. Notes to the Interim Condensed Consolidated Financial Statements

2.1 BUSINESS COMBINATIONS

Accounting policy

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations.

The purchase price in an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The purchase price also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognized in the Consolidated Statement of Profit and Loss.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Business combinations between entities under common control is accounted for at carrying value of the assets acquired and liabilities assumed in the Group's consolidated financial statements.

The payments related to options issued by the Group over the non-controlling interests in its subsidiaries are accounted as financial liabilities and initially recognized at the estimated present value of gross obligations. Such options are subsequently measured at fair value in order to reflect the amount payable under the option at the date at which it becomes exercisable. In the event that the option expires unexercised, the liability is derecognized.

Transaction costs that the Group incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

Acquisition

Oddity

On April 20, 2022, Infosys Germany GmbH (a wholly-owned subsidiary of Infosys Consulting Pte. Ltd) acquired 100% voting interests in oddity GmbH, oddity group services GmbH, oddity space GmbH, oddity jungle GmbH, oddity code GmbH and oddity waves GmbH (collectively known as oddity), Germany-based digital marketing, experience, and commerce agency. This acquisition is expected to strengthen the Group's creative, branding and experience design capabilities in Germany and across Europe.

The purchase price is allocated to assets acquired and liabilities assumed based upon determination of fair values at the date of acquisition as follows:

(In ₹ crore)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net Assets[(1)]	49	—	49
Intangible assets –			
Customer contracts and relationships[#]	—	99	99
Deferred tax liabilities on intangible assets	—	(30)	(30)
Total	**49**	**69**	**118**
Goodwill			178
Total purchase price			**296**

[(1)] *Includes cash and cash equivalents acquired of ₹ 21 crore.*

[#] *The estimated useful life is around 5 years*

The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill. The primary items that generated this goodwill are the value of the acquired assembled workforce and estimated synergies neither of which qualify as an intangible asset.

Goodwill is not tax-deductible.

The purchase consideration of ₹296 crore includes cash of ₹251 crore and contingent consideration with an estimated fair value of ₹45 crore as on the date of acquisition.

At the acquisition date, the key inputs used in determination of the fair value of contingent consideration are the probabilities assigned towards achievement of financial targets and discount rate of 12.5%. The undiscounted value of contingent consideration as of December 31, 2022 was ₹57 crore. Additionally, these acquisition have retention bonus payable to the employees of the acquiree over three years, subject to their continuous employment with the Group along with achievement of financial targets for the respective years. Bonus is recognized in employee benefit expenses in the Statement of Profit and Loss over the period of service.

Fair value of trade receivables acquired, is ₹39 crore as of acquisition date and as of December 31, 2022 the amounts are fully collected.

The transaction costs of ₹4 crore related to the acquisition have been included under administrative expenses of Consolidated Statement of Profit and Loss for the quarter ended June 30, 2022.

BASE life science A/S

On September 01, 2022, Infosys Consulting Pte. Ltd (a wholly-owned subsidiary of Infosys Limited) acquired 100% voting interests in BASE life science A/S, a consulting and technology firm in the life sciences industry in Europe. This acquisition is expected to augment the Group's life sciences expertise, scale its digital transformation capabilities with cloud based industry solutions and expand its presence in Nordics region and across Europe.

The purchase price allocated to assets acquired and liabilities assumed based upon determination of fair values at the date of acquisition as follows:

(In ₹ crore)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net Assets(1)	54	—	54
Intangible assets –			
Customer contracts and relationships#	—	175	175
Vendor relationships#	—	30	30
Brand#	—	24	24
Deferred tax liabilities on intangible assets	—	(50)	(50)
Total	**54**	**179**	**233**
Goodwill			452
Total purchase price			**685**

(1) *Includes cash and cash equivalents acquired of ₹ 5 crore.*

 # Useful lives are estimated to be in the range of 1 to 6 years

The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill. The primary items that generated this goodwill are the value of the acquired assembled workforce and estimated synergies, neither of which qualify as an intangible asset.

Goodwill is not tax-deductible.

Additionally, this acquisition has shareholder and employee retention payouts payable to the employees of the acquiree over three years, subject to their continuous employment with the group. Performance and retention bonus is recognized in employee benefit expenses in the Statement of Comprehensive Income over the period of service.

Fair value of trade receivables acquired, is ₹72 crore as of acquisition date and as of December 31, 2022 the amounts are substantially collected.

The transaction costs of 3 crore related to the acquisition have been included under administrative expenses in the Consolidated Statement of Profit and Loss for the quarter ended September 30, 2022.

2.2 PROPERTY, PLANT AND EQUIPMENT

Accounting policy

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the Management. The charge in respect of periodic depreciation is derived at after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The Group depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Buildings (1)	22-25 years
Plant and machinery (1)(2)	5 years
Office equipment	5 years
Computer equipment (1)	3-5 years
Furniture and fixtures (1)	5 years
Vehicles(1)	5 years
Leasehold improvements	Lower of useful life of the asset or lease term

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

(2) *Includes Solar plant with a useful life of 20 years*

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

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

Impairment

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

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

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

(In ₹ crore)

Particulars	**Land - Freehold**	**Buildings (1)**	**Plant and machinery**	**Office Equipment**	**Computer equipment**	**Furniture and fixtures**	**Leasehold Improvements**	**Vehicles**	**Total**
Gross carrying value as at October 1, 2022	**1,431**	**11,328**	**3,276**	**1,435**	**8,897**	**2,359**	**1,306**	**44**	**30,076**
Additions - Business Combination *(Refer to Note 2.1)*	—	—	—	—	—	—	—	—	—
Additions	—	165	89	32	348	100	31	—	765
Deletions**	—	—	(1)	(6)	(393)	(17)	(1)	—	(418)
Translation difference	—	37	4	5	43	8	17	—	114
Gross carrying value as at December 31, 2022	**1,431**	**11,530**	**3,368**	**1,466**	**8,895**	**2,450**	**1,353**	**44**	**30,537**
Accumulated depreciation as at October 1, 2022	—	(4,308)	(2,473)	(1,177)	(6,360)	(1,871)	(930)	(38)	(17,157)
Depreciation	—	(109)	(70)	(32)	(343)	(61)	(49)	(1)	(665)
Accumulated depreciation on deletions**	—	—	—	6	392	17	1	—	416
Translation difference	—	(8)	(4)	(3)	(28)	(7)	(14)	—	(64)
Accumulated depreciation as at December 31, 2022	—	**(4,425)**	**(2,547)**	**(1,206)**	**(6,339)**	**(1,922)**	**(992)**	**(39)**	**(17,470)**
Carrying value as at October 1, 2022	**1,431**	**7,020**	**803**	**258**	**2,537**	**488**	**376**	**6**	**12,919**
Carrying value as at December 31, 2022	**1,431**	**7,105**	**821**	**260**	**2,556**	**528**	**361**	**5**	**13,067**

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

(In ₹ crore)

Particulars	**Land - Freehold**	**Buildings (1)**	**Plant and machinery**	**Office Equipment**	**Computer equipment**	**Furniture and fixtures**	**Leasehold Improvements**	**Vehicles**	**Total**
Gross carrying value as at October 1, 2021	**1,412**	**11,047**	**3,431**	**1,403**	**7,834**	**2,232**	**1,229**	**44**	**28,632**
Additions	18	60	63	14	338	24	9	—	526
Deletions*	—	—	(45)	(4)	(138)	(5)	(36)	—	(228)
Translation difference	—	16	1	1	(1)	1	3	—	21
Gross carrying value as at December 31, 2021	**1,430**	**11,123**	**3,450**	**1,414**	**8,033**	**2,252**	**1,205**	**44**	**28,951**
Accumulated depreciation as at October 1, 2021	**—**	**(3,884)**	**(2,540)**	**(1,095)**	**(5,693)**	**(1,680)**	**(792)**	**(35)**	**(15,719)**
Depreciation	—	(105)	(64)	(30)	(274)	(54)	(45)	(1)	(573)
Accumulated depreciation on deletions*	—	—	26	4	138	4	26	—	198
Translation difference	—	(4)	—	(2)	(1)	(1)	—	—	(8)
Accumulated depreciation as at December 31, 2021	**—**	**(3,993)**	**(2,578)**	**(1,123)**	**(5,830)**	**(1,731)**	**(811)**	**(36)**	**(16,102)**
Carrying value as at October 1, 2021	**1,412**	**7,163**	**891**	**308**	**2,141**	**552**	**437**	**9**	**12,913**
Carrying value as at December 31, 2021	**1,430**	**7,130**	**872**	**291**	**2,203**	**521**	**394**	**8**	**12,849**

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

(In ₹ crore)

Particulars	Land - Freehold	Buildings (1)	Plant and machinery	Office Equipment	Computer equipment	Furniture and fixtures	Leasehold Improvements	Vehicles	Total
Gross carrying value as at April 1, 2022	**1,431**	**11,224**	**3,210**	**1,427**	**8,527**	**2,278**	**1,234**	**44**	**29,375**
Additions - Business Combination *(Refer to Note 2.1)*	—	—	—	5	6	1	2	—	14
Additions	—	308	164	67	1,016	202	117	1	1,875
Deletions**	—	—	(7)	(36)	(686)	(37)	(12)	(1)	(779)
Translation difference	—	(2)	1	3	32	6	12	—	52
Gross carrying value as at December 31, 2022	**1,431**	**11,530**	**3,368**	**1,466**	**8,895**	**2,450**	**1,353**	**44**	**30,537**
Accumulated depreciation as at April 1, 2022	**—**	**(4,100)**	**(2,344)**	**(1,150)**	**(6,034)**	**(1,779)**	**(856)**	**(37)**	**(16,300)**
Depreciation	—	(325)	(208)	(90)	(968)	(174)	(139)	(3)	(1,907)
Accumulated depreciation on deletions**	—	—	6	36	685	37	12	1	777
Translation difference	—	—	(1)	(2)	(22)	(6)	(9)	—	(40)
Accumulated depreciation as at December 31, 2022	**—**	**(4,425)**	**(2,547)**	**(1,206)**	**(6,339)**	**(1,922)**	**(992)**	**(39)**	**(17,470)**
Carrying value as at April 1, 2022	**1,431**	**7,124**	**866**	**277**	**2,493**	**499**	**378**	**7**	**13,075**
Carrying value as at December 31, 2022	**1,431**	**7,105**	**821**	**260**	**2,556**	**528**	**361**	**5**	**13,067**

** During the three months and nine months ended December 31, 2022, certain assets which were old and not in use having gross book value of ₹275 crore (net book value: Nil) and ₹504 crore (net book value: Nil), respectively were retired.

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

(In ₹ crore)

Particulars	Land - Freehold	Buildings (1)	Plant and machinery	Office Equipment	Computer equipment	Furniture and fixtures	Leasehold Improvements	Vehicles	Total
Gross carrying value as at April 1, 2021	**1,399**	**10,565**	**3,296**	**1,371**	**7,639**	**2,149**	**1,188**	**44**	**27,651**
Additions	31	515	197	53	982	112	55	—	1,945
Deletions*	—	—	(47)	(12)	(595)	(12)	(46)	—	(712)
Translation difference	—	43	4	2	7	3	8	—	67
Gross carrying value as at December 31, 2021	**1,430**	**11,123**	**3,450**	**1,414**	**8,033**	**2,252**	**1,205**	**44**	**28,951**
Accumulated depreciation as at April 1, 2021	**—**	**(3,675)**	**(2,425)**	**(1,043)**	**(5,636)**	**(1,580)**	**(700)**	**(32)**	**(15,091)**
Depreciation	—	(311)	(179)	(90)	(782)	(159)	(141)	(4)	(1,666)
Accumulated depreciation on deletions*	—	—	28	12	595	11	36	—	682
Translation difference	—	(7)	(2)	(2)	(7)	(3)	(6)	—	(27)
Accumulated depreciation as at December 31, 2021	**—**	**(3,993)**	**(2,578)**	**(1,123)**	**(5,830)**	**(1,731)**	**(811)**	**(36)**	**(16,102)**
Carrying value as at April 1, 2021	**1,399**	**6,890**	**871**	**328**	**2,003**	**569**	**488**	**12**	**12,560**
Carrying value as at December 31, 2021	**1,430**	**7,130**	**872**	**291**	**2,203**	**521**	**394**	**8**	**12,849**

* During the three months ended and nine months ended December 31, 2021, certain assets which were old and not in use having gross book value of ₹54 crore (net book value: Nil) and ₹316 crore (net book value: Nil) respectively, were retired.

(1) *Buildings include ₹250/- being the value of five shares of ₹50/- each in Mittal Towers Premises Co-operative Society Limited.*

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

2.3 GOODWILL AND INTANGIBLE ASSETS

2.3.1 Goodwill

Accounting policy

Goodwill represents the purchase consideration in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquired entity. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds purchase consideration, the fair value of net assets acquired is reassessed and the bargain purchase gain is recognized in capital reserve. Goodwill is measured at cost less accumulated impairment losses.

Impairment

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGU) is less than its carrying amount. For the impairment test, goodwill is allocated to the CGU or groups of CGUs which benefit from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. Key assumptions in the cash flow projections are prepared based on current economic conditions and includes estimated long term growth rates, weighted average cost of capital and estimated operating margins.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognized in the Consolidated Statement of Profit and Loss and is not reversed in the subsequent period.

Following is a summary of changes in the carrying amount of goodwill:

(In ₹ crore)

Particulars	**As at**	
	December 31, 2022	**March 31, 2022**
Carrying value at the beginning	**6,195**	**6,079**
Goodwill on acquisitions *(Refer to Note 2.1)*	630	—
Translation differences	422	116
Carrying value at the end	**7,247**	**6,195**

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the CGU or groups of CGUs, which benefit from the synergies of the acquisition.

2.3.2 Intangible Assets

Accounting policy

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

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

Impairment

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

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

2.4 INVESTMENTS

(In ₹ crore)

Particulars	As at December 31, 2022	As at March 31, 2022
Non-current Investments		
Unquoted		
Investments carried at fair value through other comprehensive income		
Preference securities	213	192
Equity instruments	2	2
	215	**194**
Investments carried at fair value through profit or loss		
Preference securities	—	24
Compulsorily convertible debentures	—	7
Others [(1)]	158	152
	158	**183**
Quoted		
Investments carried at amortized cost		
Government bonds	14	—
Tax free bonds	1,743	1,901
	1,757	**1,901**
Investments carried at fair value through other comprehensive income		
Non convertible debentures	3,002	3,718
Government securities	7,254	7,655
	10,256	**11,373**
Total non-current investments	**12,386**	**13,651**
Current Investments		
Unquoted		
Investments carried at fair value through profit or loss		
Liquid mutual fund units	3,165	2,012
	3,165	**2,012**
Investments carried at fair value through other comprehensive income		
Commercial Paper	1,064	—
Certificates of deposit	2,764	3,429
	3,828	**3,429**
Quoted		
Investments carried at amortized cost		
Government bonds	8	21
Tax free bonds	350	200
	358	**221**
Investments carried at fair value through other comprehensive income		
Non convertible debentures	1,067	495
Government securities	312	516
	1,379	**1,011**
Total current investments	**8,730**	**6,673**
Total investments	**21,116**	**20,324**
Aggregate amount of quoted investments	13,750	14,506
Market value of quoted investments (including interest accrued), current	1,773	1,247
Market value of quoted investments (including interest accrued), non current	12,245	13,612
Aggregate amount of unquoted investments	7,366	5,818
Investments carried at amortized cost	2,115	2,122
Investments carried at fair value through other comprehensive income	15,678	16,007
Investments carried at fair value through profit or loss	3,323	2,195

[(1)] *Uncalled capital commitments outstanding as at December 31, 2022 and March 31, 2022 was ₹94 crore and ₹28 crore, respectively.*

Refer to Note 2.10 for Accounting policies on Financial Instruments.

Method of fair valuation:

(In ₹ crore)

Class of investment	Method	Fair value as at December 31, 2022	Fair value as at March 31, 2022
Liquid mutual fund units	Quoted price	3,165	2,012
Tax free bonds and government bonds	Quoted price and market observable inputs	2,319	2,447
Non-convertible debentures	Quoted price and market observable inputs	4,069	4,213
Government securities	Quoted price and market observable inputs	7,566	8,171
Commercial Papers	Market observable inputs	1,064	—
Certificates of deposit	Market observable inputs	2,764	3,429
Unquoted equity and preference securities - carried at fair value through other comprehensive income	Discounted cash flows method, Market multiples method, Option pricing model	215	194
Unquoted equity and preference securities - carried at fair value through profit or loss	Discounted cash flows method, Market multiples method, Option pricing model	—	24
Unquoted compulsorily convertible debentures - carried at fair value through profit or loss	Discounted cash flows method	—	7
Others	Discounted cash flows method, Market multiples method, Option pricing model	158	152
Total		**21,320**	**20,649**

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

2.5 LOANS

(In ₹ crore)

Particulars	As at December 31, 2022	As at March 31, 2022
Non Current		
Loans considered good - Unsecured		
Other loans		
Loans to employees	44	34
	44	**34**
Loans credit impaired - Unsecured		
Other loans		
Loans to employees	—	—
Less: Allowance for credit impairment	—	—
	—	—
Total non-current loans	**44**	**34**
Current		
Loans considered good - Unsecured		
Other loans		
Loans to employees	278	248
Total current loans	**278**	**248**
Total loans	**322**	**282**

2.6 OTHER FINANCIAL ASSETS

(In ₹ crore)

Particulars	As at December 31, 2022	As at March 31, 2022
Non Current		
Security deposits (1)	46	47
Rental deposits (1)	226	186
Unbilled revenues (1)#	1,137	695
Net investment in sublease of right of use asset (1)	320	322
Restricted deposits (1)*	95	33
Others (1)	683	177
Total non-current other financial assets	**2,507**	**1,460**
Current		
Security deposits (1)	10	7
Rental deposits (1)	38	58
Restricted deposits (1)*	2,348	2,177
Unbilled revenues (1)#	7,056	5,659
Interest accrued but not due (1)	382	362
Foreign currency forward and options contracts (2) (3)	87	143
Escrow and other deposits pertaining to buyback (Refer to Note 2.11) (1) **	592	—
Net investment in sublease of right of use asset (1)	53	50
Others (1)	264	271
Total current other financial assets	**10,830**	**8,727**
Total other financial assets	**13,337**	**10,187**
(1) Financial assets carried at amortized cost	13,250	10,044
(2) Financial assets carried at fair value through other comprehensive income	13	20
(3) Financial assets carried at fair value through profit or loss	74	123

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

** Includes ₹240 crore towards shares purchased but not settled as of December 31, 2022

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

2.7 TRADE RECEIVABLES

(In ₹ crore)

Particulars	As at December 31, 2022	As at March 31, 2022
Current		
Trade Receivable considered good - Unsecured	28,243	23,252
Less: Allowance for expected credit loss	583	554
Trade Receivable considered good - Unsecured	27,660	22,698
Trade Receivable - credit impaired - Unsecured	123	113
Less: Allowance for credit impairment	123	113
Trade Receivable - credit impaired - Unsecured	—	—
Total trade receivables	**27,660**	**22,698**

2.8 CASH AND CASH EQUIVALENTS

(In ₹ crore)

Particulars	As at December 31, 2022	As at March 31, 2022
Balances with banks		
In current and deposit accounts	9,349	13,942
Cash on hand	—	—
Others		
Deposits with financial institutions	2,238	3,530
Total cash and cash equivalents	**11,587**	**17,472**
Balances with banks in unpaid dividend accounts	35	36
Deposit with more than 12 months maturity	103	1,616
Balances with banks held as margin money deposits against guarantees	1	1

Cash and cash equivalents as at December 31, 2022 and March 31, 2022 include restricted cash and bank balances of ₹384 crore and ₹471 crore respectively. The restrictions are primarily on account of bank balances held by irrevocable trusts controlled by the company and bank balances held as margin money deposits against guarantees.

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

2.9 OTHER ASSETS

(In ₹ crore)

Particulars	As at December 31, 2022	As at March 31, 2022
Non Current		
Capital advances	114	88
Advances other than capital advances		
Others		
Withholding taxes and others	685	674
Unbilled revenues #	571	246
Defined benefit plan assets	20	20
Prepaid expenses	147	99
Deferred Contract Cost *		
Cost of obtaining a contract	186	593
Cost of fulfillment	548	309
Total Non-Current other assets	**2,271**	**2,029**
Current		
Advances other than capital advances		
Payment to vendors for supply of goods	90	193
Others		
Unbilled revenues #	6,083	5,909
Withholding taxes and others	2,913	1,941
Prepaid expenses	2,784	1,996
Deferred Contract Cost *		
Cost of obtaining a contract	954	858
Cost of fulfillment	165	91
Other receivables	342	325
Total Current other assets	**13,331**	**11,313**
Total other assets	**15,602**	**13,342**

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

*Includes technology assets taken over by the Group from a customer as a part of transformation project which is not considered as distinct goods or services and the control related to the assets is not transferred to the Group in accordance with Ind AS 115 - Revenue from contract with customers. Accordingly, the same has been considered as a reduction to the total contract value and accounted as Deferred contract cost. The Group has entered into financing arrangements with a third party for these assets. As at December 31, 2022, the financial liability pertaining to such arrangements amounts to ₹747 crore. During the nine months ended December 31, 2022, ₹38 crore was settled directly by the third party to the customer on behalf of the Group and accordingly considered as non-cash transaction (Refer to Note 2.12)

Withholding taxes and others primarily consist of input tax credits and Cenvat recoverable from Government of India.

2.10 FINANCIAL INSTRUMENTS

Accounting policy

2.10.1 Initial recognition

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

2.10.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

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

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

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

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

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

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration and financial liability under option arrangements recognized in a business combination which is subsequently measured at fair value through profit or loss.

b. Derivative financial instruments

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

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

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

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

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

(ii) Cash flow hedge

The Group designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the Consolidated Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the Consolidated Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the Consolidated Statement of Profit and Loss.

2.10.3 Derecognition of financial instruments

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

2.10.4 Fair value of financial instruments

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

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

2.10.5 Impairment

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

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

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

Financial instruments by category

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

(In ₹ crore)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents *(Refer to Note 2.8)*	11,587	—	—	—	—	11,587	11,587
Investments *(Refer to Note 2.4)*							
Equity and preference securities	—	—	—	215	—	215	215
Tax free bonds and government bonds	2,115	—	—	—	—	2,115	2,319 [1]
Liquid mutual fund units	—	—	3,165	—	—	3,165	3,165
Non convertible debentures	—	—	—	—	4,069	4,069	4,069
Government securities	—	—	—	—	7,566	7,566	7,566
Commercial Paper	—	—	—	—	1,064	1,064	1,064
Certificates of deposit	—	—	—	—	2,764	2,764	2,764
Other investments	—	—	158	—	—	158	158
Trade receivables *(Refer to Note 2.7)*	27,660	—	—	—	—	27,660	27,660
Loans *(Refer to Note 2.5)*	322	—	—	—	—	322	322
Other financials assets *(Refer to Note 2.6)* [3]	13,250	—	74	—	13	13,337	13,269 [2]
Total	**54,934**	**—**	**3,397**	**215**	**15,476**	**74,022**	**74,158**
Liabilities:							
Trade payables	4,788	—	—	—	—	4,788	4,788
Lease liabilities *(Refer to Note 2.19)*	7,720	—	—	—	—	7,720	7,720
Financial Liability under option arrangements *(Refer to Note 2.12)*	—	—	671	—	—	671	671
Other financial liabilities *(Refer to Note 2.12)*	17,942	—	286	—	33	18,261	18,261
Total	**30,450**	**—**	**957**	**—**	**33**	**31,440**	**31,440**

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

(2) Excludes interest accrued on tax free bonds and government bonds carried at amortized cost of ₹68 crore

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

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

(In ₹ crore)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents *(Refer to Note 2.8)*	17,472	—	—	—	—	17,472	17,472
Investments *(Refer to Note 2.4)*							
Equity and preference securities	—	—	24	194	—	218	218
Compulsorily convertible debentures	—	—	7	—	—	7	7
Tax free bonds and government bonds	2,122	—	—	—	—	2,122	2,447 [1]
Liquid mutual fund units	—	—	2,012	—	—	2,012	2,012
Non convertible debentures	—	—	—	—	4,213	4,213	4,213
Government securities	—	—	—	—	8,171	8,171	8,171
Certificates of deposit	—	—	—	—	3,429	3,429	3,429
Other investments	—	—	152	—	—	152	152
Trade receivables *(Refer to Note 2.7)*	22,698	—	—	—	—	22,698	22,698
Loans *(Refer to Note 2.5)*	282	—	—	—	—	282	282
Other financials assets *(Refer to Note 2.6)* [3]	10,044	—	123		20	10,187	10,096 [2]
Total	**52,618**	**—**	**2,318**	**194**	**15,833**	**70,963**	**71,197**
Liabilities:							
Trade payables	4,134	—	—	—	—	4,134	4,134
Lease liabilities *(Refer to Note 2.19)*	5,474	—	—	—	—	5,474	5,474
Financial Liability under option arrangements	—	—	655	—	—	655	655
Other financial liabilities *(Refer to Note 2.12)*	15,061	—	181	—	3	15,245	15,245
Total	**24,669**	**—**	**836**	**—**	**3**	**25,508**	**25,508**

[1] *On account of fair value changes including interest accrued*

[2] *Excludes interest accrued on tax free bonds and government bonds carried at amortized cost of ₹91 crore*

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

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

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

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

(In ₹ crore)

Particulars	As at December 31, 2022	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual funds *(Refer to Note 2.4)*	3,165	3,165	—	—
Investments in tax free bonds (Refer to Note 2.4)	2,297	897	1,400	—
Investments in government bonds *(Refer to Note 2.4)*	22	22	—	—
Investments in non convertible debentures *(Refer to Note 2.4)*	4,069	2,206	1,863	—
Investment in government securities *(Refer to Note 2.4)*	7,566	7,411	155	—
Investments in equity instruments *(Refer to Note 2.4)*	2	—	—	2
Investments in preference securities *(Refer to Note 2.4)*	213	—	—	213
Investments in commercial paper *(Refer to Note 2.4)*	1,064	—	1,064	—
Investments in certificates of deposit *(Refer to Note 2.4)*	2,764	—	2,764	—
Other investments *(Refer to Note 2.4)*	158	—	—	158
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts *(Refer to Note 2.6)*	87	—	87	—
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts *(Refer to Note 2.12)*	225	—	225	—
Financial liability under option arrangements *(Refer to Note 2.12)*	671	—	—	671
Liability towards contingent consideration *(Refer to Note 2.12)* [1]	94	—	—	94

[1] *Discount rate pertaining to contingent consideration ranges from 9% to 14%*

During the nine months ended December 31, 2022, non-convertible debentures and tax free bonds of ₹974 crore was transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on quoted price. Further, non-convertible debentures, tax free bonds and government securities of ₹2,688 crore were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

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

(In ₹ crore)

Particulars	As at March 31, 2022	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual funds *(Refer to Note 2.4)*	2,012	2,012	—	—
Investments in tax free bonds *(Refer to Note 2.4)*	2,425	1,238	1,187	—
Investments in government bonds *(Refer to Note 2.4)*	22	22	—	—
Investments in non convertible debentures *(Refer to Note 2.4)*	4,213	3,736	477	—
Investment in government securities *(Refer to Note 2.4)*	8,171	8,046	125	—
Investments in equity instruments *(Refer to Note 2.4)*	2	—	—	2
Investments in preference securities *(Refer to Note 2.4)*	216	—	—	216
Investments in certificates of deposit *(Refer to Note 2.4)*	3,429	—	3,429	—
Investments in compulsorily convertible debentures *(Refer to Note 2.4)*	7	—	—	7
Other investments *(Refer to Note 2.4)*	152	—	—	152
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts *(Refer to Note 2.6)*	143	—	143	—
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts *(Refer to Note 2.12)*	61	—	61	—
Financial liability under option arrangements *(Refer to Note 2.12)*	655	—	—	655
Liability towards contingent consideration *(Refer to Note 2.12)* [(1)]	123	—	—	123

[(1)] *Discount rate pertaining to contingent consideration ranges from 8% to 14.5%*

During the year ended March 31, 2022, tax free bonds and non-convertible debentures of ₹576 crore were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on quoted price. Further, tax free bonds and non-convertible debentures of ₹965 crore was transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

A one percentage point change in the unobservable inputs used in fair valuation of Level 3 assets and liabilities does not have a significant impact in its value.

Majority of investments of the Group are fair valued based on Level 1 or Level 2 inputs. These investments primarily include investment in liquid mutual fund units, tax free bonds, certificates of deposit, commercial paper, treasury bills, government securities, quoted bonds issued by government and quasi-government organizations and non-convertible debentures. The Group invests after considering counterparty risks based on multiple criteria including Tier I capital, Capital Adequacy Ratio, Credit Rating, Profitability, NPA levels and Deposit base of banks and financial institutions. These risks are monitored regularly as per Group's risk management program.

2.11 EQUITY

Accounting policy

Ordinary Shares

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

Treasury Shares

When any entity within the Group purchases the company's ordinary shares, the consideration paid including any directly attributable incremental cost is presented as a deduction from total equity, until they are cancelled, sold or reissued. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to / from securities premium.

Description of reserves

Capital Redemption Reserve

In accordance with section 69 of the Indian Companies Act, 2013, the Company creates capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from general reserve.

Retained earnings

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

Securities premium

The amount received in excess of the par value has been classified as securities premium. Amounts have been utilized for bonus issue and share buyback from share premium account.

Share options outstanding account

The share options outstanding account is used to record the fair value of equity-settled share based payment transactions with employees. The amounts recorded in share options outstanding account are transferred to securities premium upon exercise of stock options and transferred to general reserve on account of stock options not exercised by employees.

Special Economic Zone Re-investment reserve

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

Other components of equity

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

Currency translation reserve

The exchange differences arising from the translation of financial statements of foreign subsidiaries with functional currency other than Indian rupees is recognized in other comprehensive income and is presented within equity.

Cash flow hedge reserve

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Consolidated Statement of Profit and Loss upon the occurrence of the related forecasted transaction.

EQUITY SHARE CAPITAL

(In ₹ crore, except as otherwise stated)

Particulars	As at	
	December 31, 2022	**March 31, 2022**
Authorized		
Equity shares, ₹5 par value		
480,00,00,000 (480,00,00,000) equity shares	2,400	2,400
Issued, Subscribed and Paid-Up		
Equity shares, ₹5 par value[(1)]	2,086	2,098
4,17,03,48,621 (4,19,30,12,929) equity shares fully paid-up[(2)]		
	2,086	**2,098**

Note: Forfeited shares amounted to ₹1,500 (₹1,500)

[(1)] *Refer to Note 2.20 for details of basic and diluted shares*

[(2)] *Net of treasury shares 12,568,222 (1,37,25,712)*

The Company has only one class of shares referred to as equity shares having a par value of ₹5/-. Each holder of equity shares is entitled to one vote per share. The equity shares represented by American Depositary Shares (ADS) carry similar rights to voting and dividends as the other equity shares. Each ADS represents one underlying equity share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts. However, no such preferential amounts exist currently, other than the amounts held by irrevocable controlled trusts. For irrevocable controlled trusts, the corpus would be settled in favor of the beneficiaries.

For details of shares reserved for issue under the employee stock option plan of the Company refer to the note below.

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

(In ₹ crore, except as stated otherwise)

Particulars	As at December 31, 2022		As at March 31, 2022	
	Number of shares	**Amount**	**Number of shares**	**Amount**
As at the beginning of the period	**419,30,12,929**	**2,098**	**424,51,46,114**	**2,124**
Add: Shares issued on exercise of employee stock options	24,99,692	1	36,74,152	2
Less: Shares bought back	25,164,000	13	55,807,337	28
As at the end of the period	**4,170,348,621**	**2,086**	**419,30,12,929**	**2,098**

Capital allocation policy

Effective fiscal 2020, the Company expects to return approximately 85% of the free cash flow cumulatively over a 5-year period through a combination of semi-annual dividends and/or share buyback and/or special dividends, subject to applicable laws and requisite approvals, if any. Free cash flow is defined as net cash provided by operating activities less capital expenditure as per the Consolidated Statement of Cash Flows prepared under IFRS. Dividend and buyback include applicable taxes.

Update on buyback announced in October 2022:

In line with the capital allocation policy, the Board, at its meeting held on October 13, 2022, approved the buyback of equity shares, from the open market route through the Indian stock exchanges, amounting to ₹9,300 crore (Maximum Buyback Size, excluding buyback tax) at a price not exceeding ₹1,850 per share (Maximum Buyback Price), subject to shareholders' approval by way of Postal Ballot.

The shareholders approved the proposal of buyback of Equity Shares recommended by its Board of Directors by way of e-voting on the postal ballot, the results of which were declared on December 3, 2022. At the Maximum buyback price of ₹1,850/- per equity share and the Maximum buyback size of ₹9,300 crore the indicative maximum number of equity shares bought back would be 50,270,270 Equity Shares (Maximum buyback shares) comprising approximately 1.19% of the paid-up equity share capital of the Company as of September 30, 2022 and as on December 5, 2022, the date of the Public Announcement for the buyback (on a standalone basis).

The buyback was offered to all eligible equity shareholders of the Company (other than the Promoters, the Promoter Group and Persons in Control of the Company) under the open market route through the stock exchange. The Company will fund the buyback from its free reserves including Securities Premium as explained in Section 68 of the Companies Act, 2013.The buyback of equity shares through the stock exchange commenced on December 7, 2022 and is expected to be completed on or before June 6, 2023. During the quarter ended December 31, 2022, 25,164,000 equity shares were purchased from the stock exchange which includes 3,170,000 shares which have been purchased but have not been settled and therefore not extinguished as of December 31, 2022. In accordance with section 69 of the Companies Act, 2013, during the quarter ended December 31, 2022, the Company has created 'Capital Redemption Reserve' of ₹11 crore equal to the nominal value of the shares bought back as an appropriation from general reserve/retained earnings.

Buyback completed in September 2021

In line with the capital allocation policy, the Board, at its meeting held on April 14, 2021, approved the buyback of equity shares, from the open market route through the Indian stock exchanges, amounting to ₹9,200 crore (Maximum Buyback Size, excluding buyback tax) at a price not exceeding ₹1,750 per share (Maximum Buyback Price), subject to shareholders' approval in the ensuing Annual General Meeting.

The shareholders approved the proposal of buyback of Equity Shares recommended by its Board of Directors in the Annual General meeting held on June 19, 2021.

The buyback was offered to all eligible equity shareholders of the Company (other than the Promoters, the Promoter Group and Persons in Control of the Company) under the open market route through the stock exchange. The buyback of equity shares through the stock exchange commenced on June 25, 2021 and was completed on September 8, 2021. During this buyback period, the Company had purchased and extinguished a total of 55,807,337 equity shares from the stock exchange at a volume weighted average buy back price of ₹1,648.53/- per equity share comprising 1.31% of the pre buyback paid-up equity share capital of the Company. The buyback resulted in a cash outflow of ₹9,200 crore (excluding transaction costs and tax on buyback). The Company funded the buyback from its free reserves including Securities Premium as explained in Section 68 of the Companies Act, 2013.

In accordance with section 69 of the Companies Act, 2013, as at March 31, 2022, the Company has created 'Capital Redemption Reserve' of ₹28 crore equal to the nominal value of the shares bought back as an appropriation from general reserve.

The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares or buy back issued shares. As of December 31, 2022, the Company has only one class of equity shares and has no debt. Consequent to the above capital structure there are no externally imposed capital requirements.

Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. Income tax consequences of dividends on financial instruments classified as equity will be recognized according to where the entity originally recognized those past transactions or events that generated distributable profits.

The Company declares and pays dividends in Indian rupees. Companies are required to pay/distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

The amount of per share dividend recognized as distribution to equity shareholders in accordance with Companies Act 2013 is as follows:

(in ₹)

Particulars	Three months ended December 31,		Nine months ended December 31,	
	2022	2021	2022	2021
Final dividend for fiscal 2021	—	—	—	15.00
Interim dividend for fiscal 2022	—	15.00	—	15.00
Final dividend for fiscal 2022	—	—	16.00	—
Interim dividend for fiscal 2023	16.50	—	16.50	—

The Board of Directors in their meeting held on April 13, 2022 recommended a final dividend of ₹16/- per equity share for the financial year ended March 31, 2022. The same was approved by the shareholders in the Annual General Meeting (AGM) of the Company held on June 25, 2022 which resulted in a net cash outflow of ₹6,711 crore (excluding dividend paid on treasury shares).

The Board of Directors in their meeting held on October 13, 2022 declared a interim dividend of ₹16.50/- per equity share which resulted in a net cash outflow of ₹6,921 crore, excluding dividend paid on treasury shares.

Employee Stock Option Plan (ESOP):

Accounting policy

The Group recognizes compensation expense relating to share-based payments in net profit based on estimated fair values of the awards on the grant date. The estimated fair value of awards is recognized as an expense in the statement of profit and loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

Infosys Expanded Stock Ownership Program 2019 (the 2019 Plan) :

On June 22, 2019 pursuant to approval by the shareholders in the Annual General Meeting, the Board has been authorized to introduce, offer, issue and provide share-based incentives to eligible employees of the Company and its subsidiaries under the 2019 Plan. The maximum number of shares under the 2019 Plan shall not exceed 5,00,00,000 equity shares. To implement the 2019 Plan, up to 4,50,00,000 equity shares may be issued by way of secondary acquisition of shares by Infosys Expanded Stock Ownership Trust. The Restricted Stock Units (RSUs) granted under the 2019 Plan shall vest based on the achievement of defined annual performance parameters as determined by the administrator (Nomination and Remuneration Committee). The performance parameters will be based on a combination of relative Total Shareholder Return (TSR) against selected industry peers and certain broader market domestic and global indices and operating performance metrics of the Company as decided by administrator. Each of the above performance parameters will be distinct for the purposes of calculation of quantity of shares to vest based on performance. These instruments will generally vest between a minimum of 1 to maximum of 3 years from the grant date.

2015 Stock Incentive Compensation Plan (the 2015 Plan) :

On March 31, 2016, pursuant to the approval by the shareholders through postal ballot, the Board was authorized to introduce, offer, issue and allot share-based incentives to eligible employees of the Company and its subsidiaries under the 2015 Plan. The maximum number of shares under the 2015 Plan shall not exceed 2,40,38,883 equity shares (this includes 1,12,23,576 equity shares which are held by the trust towards the 2011 Plan as at March 31, 2016). The Company expects to grant the instruments under the 2015 Plan over the period of 4 years. The plan numbers mentioned above would further be adjusted for the September 2018 bonus issue.

The equity settled and cash settled RSUs and stock options would vest generally over a period of 4 years and shall be exercisable within the period as approved by the Nomination and Remuneration Committee (NARC). The exercise price of the RSUs will be equal to the par value of the shares and the exercise price of the stock options would be the market price as on the date of grant.

Controlled trust holds 1,25,68,222 and 1,37,25,712 shares as at December 31, 2022 and March 31, 2022, respectively, under the 2015 Plan. Out of these shares, 200,000 equity shares each have been earmarked for welfare activities of the employees as at December 31, 2022 and March 31, 2022.

The following is the summary of grants during the three months and nine months ended December 31, 2022 and December 31, 2021:

Particulars	2019 Plan				2015 Plan			
	Three months ended December 31,		Nine months ended December 31,		Three months ended December 31,		Nine months ended December 31,	
	2022	2021	2022	2021	2022	2021	2022	2021
Equity Settled RSUs								
Key Managerial Personnel (KMPs)	—	—	176,893	73,962	—	—	287,325	101,697
Employees other than KMPs	3,814	—	374,774	—	48,050	25,270	48,050	25,270
Total Grants	**3,814**	**—**	**551,667**	**73,962**	**48,050**	**25,270**	**335,375**	**126,967**

Notes on grants to KMP:

CEO & MD

Based on the recommendations of the Board and the approval of the shareholders at the AGM held on June 25, 2022, Salil Parekh has been reappointed as the CEO and MD of the Company for a term commencing on July 1, 2022 and ending on March 31, 2027. The remuneration is approved by the shareholders in the AGM. The revised employment agreement is effective July 1, 2022.

Under the 2015 Plan:

The Board, on April 13, 2022, based on the recommendations of the Nomination and Remuneration Committee, in accordance with the terms of his employment agreement effective till June 30, 2022, approved the grant of performance-based RSUs of fair value of ₹13 crore for fiscal 2023 under the 2015 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 84,361 performance based RSU's were granted effective May 2, 2022.

Further, in line with the shareholders approval and revised employment contract which is effective July 1, 2022, the Board, on July 24, 2022, based on the recommendations of the Nomination and Remuneration Committee:

• Approved the grant of performance-based RSUs (Annual performance equity grant) of fair value of ₹21.75 crore for fiscal 2023 under the 2015 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 140,228 performance based RSU's were granted effective August 1, 2022.

• Approved the performance-based grant of RSUs (Annual performance equity ESG grant) of fair value of ₹2 crore for fiscal 2023 under the 2015 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain environment, social and governance milestones as determined by the Board. Accordingly, 12,894 performance based RSU's were granted effective August 1, 2022.

• Approved the performance-based grant of RSUs (Annual performance Equity TSR grant) of fair value of ₹5 crore for fiscal 2023 under the 2015 Plan. These RSUs will vest in line with the employment agreement based on Company's performance on cumulative relative TSR over the years and as determined by the Board. Accordingly, 32,236 performance based RSU's were granted effective August 1, 2022.

Under the 2019 Plan:

The Board, on April 13, 2022, based on the recommendations of the Nomination and Remuneration Committee, approved performance-based grant of RSUs amounting to ₹10 crore for fiscal 2023 under the 2019 Plan. These RSUs will vest in line with the employment agreement effective till June 30, 2022 based on achievement of certain performance targets. Accordingly, 64,893 performance based RSU's were granted effective May 2, 2022.

Other KMPs

Under the 2015 Plan:

On April 13, 2022, based on the recommendations of the Nomination and Remuneration Committee, in accordance with employment agreement, the Board, approved performance-based grant of 5,616 RSUs to a KMP under the 2015 Plan. The grants were made effective May 2, 2022. The performance based RSUs will vest over three years based on certain performance targets.

On April 13, 2022, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved time based grant of 11,990 RSUs to a KMP under the 2015 Plan. The grants were made effective May 2, 2022. These RSUs will vest over four years.

Under the 2019 Plan:

On April 13, 2022, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved performance based grant of 8,000 RSUs to a KMP under the 2019 Plan. The grants were made effective May 2, 2022. These RSUs will vest over three years based on achievement of certain performance targets.

On May 21, 2022, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved performance based grant of 1,04,000 RSUs to other KMPs under the 2019 Plan. The grants were made effective June 1, 2022. These RSUs will vest over three years based on achievement of certain performance targets.

Break-up of employee stock compensation expense:

(in ₹ crore)

Particulars	Three months ended December 31,		Nine months ended December 31,	
	2022	2021	2022	2021
Granted to:				
KMP[#]	—	17	41	51
Employees other than KMP	117	77	345	251
Total [(1)]	**117**	**94**	**386**	**302**
[(1)] *Cash-settled stock compensation expense included in the above*	5	5	4	17

[#] *Includes reversal of employee stock compensation expense on account of resignation*

The fair value of the awards are estimated using the Black-Scholes Model for time and non-market performance based options and Monte Carlo simulation model is used for TSR based options.

The inputs to the model include the share price at date of grant, exercise price, expected volatility, expected dividends, expected term and the risk free rate of interest. Expected volatility during the expected term of the options is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the options. Expected volatility of the comparative company have been modelled based on historical movements in the market prices of their publicly traded equity shares during a period equivalent to the expected term of the options. Correlation coefficient is calculated between each peer entity and the indices as a whole or between each entity in the peer group.

The fair value of each equity settled award is estimated on the date of grant using the following assumptions:

Particulars	For options granted in			
	Fiscal 2023-Equity Shares-RSU	Fiscal 2023-ADS-RSU	Fiscal 2022-Equity Shares-RSU	Fiscal 2022-ADS-RSU
Weighted average share price (₹) / ($ ADS)	1,525	19.01	1,791	24.45
Exercise price (₹) / ($ ADS)	5.00	0.07	5.00	0.07
Expected volatility (%)	23-32	28-34	20-35	25-36
Expected life of the option (years)	1-4	1-4	1-4	1-4
Expected dividends (%)	2-3	2-3	2-3	2-3
Risk-free interest rate (%)	5-7	2-5	4-6	1-3
Weighted average fair value as on grant date (₹) / ($ ADS)	1,283	14.40	1,548	20.82

The expected life of the RSU/ESOP is estimated based on the vesting term and contractual term of the RSU/ESOP, as well as expected exercise behavior of the employee who receives the RSU/ESOP.

2.12 OTHER FINANCIAL LIABILITIES

(In ₹ crore)

Particulars	As at	
	December 31, 2022	March 31, 2022
Non-current		
Others		
Accrued compensation to employees [1]	8	8
Accrued expenses [1]	1,496	946
Compensated absences	87	92
Financial liability under option arrangements [2]	—	655
Payable for acquisition of business - Contingent consideration [2]	—	56
Other Payables [1][5]	310	580
Total non-current other financial liabilities	**1,901**	**2,337**
Current		
Unpaid dividends [1]	35	36
Others		
Accrued compensation to employees [1]	3,536	4,061
Accrued expenses [1]	7,841	7,476
Retention monies [1]	14	13
Payable for acquisition of business - Contingent consideration [2]	94	67
Payable by controlled trusts [1]	211	211
Financial liability relating to buyback (Refer to Note 2.11) [1] [4]	1,616	—
Compensated absences	2,400	2,182
Financial liability under option arrangements [2]	671	—
Foreign currency forward and options contracts [2] [3]	225	61
Capital creditors [1]	388	431
Other payables [1][5]	2,487	1,299
Total current other financial liabilities	**19,518**	**15,837**
Total other financial liabilities	**21,419**	**18,174**
[1] Financial liability carried at amortized cost	17,942	15,061
[2] Financial liability carried at fair value through profit or loss	957	836
[3] Financial liability carried at fair value through other comprehensive income	33	3
Contingent consideration on undiscounted basis	100	132

[4]In accordance with Ind AS 32 Financial Instruments: Presentation, the Company has recorded a financial liability as at December 31, 2022 for the obligation to acquire its own equity shares to the extent of standing instructions provided to its registered broker for the buyback (Refer to Note 2.11) . The financial liability is recognized at the present value of the maximum amount that the Company would be required to pay to the registered broker for buy back, with a corresponding debit in general reserve / retained earnings.

[5] Deferred contract cost (Refer to Note 2.9) includes technology assets taken over by the Group from a customer as a part of transformation project which is not considered as distinct goods or services and the control related to the assets is not transferred to the Group in accordance with Ind AS 115 - Revenue from contract with customers. Accordingly, the same has been considered as a reduction to the total contract value and accounted as Deferred contract cost. The Group has entered into financing arrangements with a third party for these assets. As at December 31, 2022, the financial liability pertaining to such arrangements amounts to ₹747 crore. During the nine months ended December 31, 2022, ₹38 crore was settled directly by the third party to the customer on behalf of the Group and accordingly considered as non-cash transaction.
Accrued expenses primarily relates to cost of technical sub-contractors, telecommunication charges, legal and professional charges, brand building expenses, overseas travel expenses and office maintenance.

2.13 OTHER LIABILITIES

(In ₹ crore)

Particulars	As at	
	December 31, 2022	March 31, 2022
Non-current		
Others		
Deferred income - government grants	63	64
Accrued defined benefit liability	474	367
Deferred income	7	9
Others	7	11
Total non-current other liabilities	**551**	**451**
Current		
Unearned revenue	7,117	6,324
Others		
Withholding taxes and others	3,393	2,834
Accrued defined benefit liability	4	5
Deferred income - government grants	11	11
Tax on buyback (Refer to Note 2.11)	643	—
Others	3	4
Total current other liabilities	**11,171**	**9,178**
Total other liabilities	**11,722**	**9,629**

2.14 PROVISIONS

Accounting policy

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

a. Post sales client support

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

b. Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Group recognizes any impairment loss on the assets associated with that contract.

Provision for post-sales client support and other provisions:

(In ₹ crore)

Particulars	As at	
	December 31, 2022	**March 31, 2022**
Current		
Others		
Post-sales client support and other provisions	1,417	975
Total provisions	**1,417**	**975**

Provision for post sales client support and other provisions majorly represents costs associated with providing sales support services which are accrued at the time of recognition of revenues and are expected to be utilized over a period of 1 year.

2.15 INCOME TAXES

Accounting policy

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Consolidated Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity or other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year. Tax benefits of deductions earned on exercise of employee share options in excess of compensation charged to income are credited to equity.

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

(In ₹ crore)

Particulars	Three months ended December 31,		Nine months ended December 31,	
	2022	**2021**	**2022**	**2021**
Current taxes	2,195	2,063	7,027	5,986
Deferred taxes	150	58	(145)	130
Income tax expense	**2,345**	**2,121**	**6,882**	**6,116**

Income tax expense for the three months ended December 31, 2022 and December 31, 2021 includes reversal (net of provisions) of ₹76 crore and provisions (net of reversal) of ₹7 crore, respectively. Income tax expense for the nine months ended December 31, 2022 and December 31, 2021 includes reversal (net of provisions) of ₹36 crore and ₹26 crore, respectively. These provisions and reversals pertaining to prior periods are primarily on account of adjudication of certain disputed matters, upon filing of tax return and completion of assessments, across various jurisdictions.

Deferred income tax for three months and nine months ended December 31, 2022 and December 31, 2021 substantially relates to origination and reversal of temporary differences.

The Company's Advanced Pricing Arrangement (APA) with the Internal Revenue Service (IRS) for US branch income tax expired in March 2021. The Company has applied for renewal of APA and currently the US taxable income is based on the Company's best estimate determined based on the expected value method.

2.16 REVENUE FROM OPERATIONS

Accounting policy

The Group derives revenues primarily from IT services comprising software development and related services, cloud and infrastructure services, maintenance, consulting and package implementation, licensing of software products and platforms across the Group's core and digital offerings (together called as "software related services") and business process management services. Contracts with customers are either on a time-and-material, unit of work, fixed-price or on a fixed-timeframe basis.

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

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

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

Revenue on time-and-material and unit of work based contracts, are recognized as the related services are performed. Fixed price maintenance revenue is recognized ratably either on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or ratably using a percentage of completion method when the pattern of benefits from the services rendered to the customer and the Group's costs to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive. Revenue from other fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time is recognized using the percentage-of-completion method. Efforts or costs expended are used to determine progress towards completion as there is a direct relationship between input and productivity. Progress towards completion is measured as the ratio of costs or efforts incurred to date (representing work performed) to the estimated total costs or efforts. Estimates of transaction price and total costs or efforts are continuously monitored over the term of the contracts and are recognized in net profit in the period when these estimates change or when the estimates are revised. Revenues and the estimated total costs or efforts are subject to revision as the contract progresses. Provisions for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

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

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

Certain cloud and infrastructure services contracts include multiple elements which may be subject to other specific accounting guidance, such as leasing guidance. These contracts are accounted in accordance with such specific accounting guidance. In such arrangements where the Group is able to determine that hardware and services are distinct performance obligations, it allocates the consideration to these performance obligations on a relative standalone selling price basis. In the absence of standalone selling price, the Group uses the expected cost-plus margin approach in estimating the standalone selling price. When such arrangements are considered as a single performance obligation, revenue is recognized over the period and measure of progress is determined based on promise in the contract.

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

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

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

The incremental costs of obtaining a contract (i.e., costs that would not have been incurred if the contract had not been obtained) are recognized as an asset if the Group expects to recover them.

Certain eligible, nonrecurring costs (e.g. set-up or transition or transformation costs) that do not represent a separate performance obligation are recognized as an asset when such costs (a) relate directly to the contract; (b) generate or enhance resources of the Group that will be used in satisfying the performance obligation in the future; and (c) are expected to be recovered.

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

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

Revenue from operation for the three months and nine months ended December 31, 2022 and December 31, 2021 are as follows:

(In ₹ crore)

Particulars	Three months ended December 31,		Nine months ended December 31,	
	2022	2021	2022	2021
Revenue from software services	35,870	29,766	102,375	83,425
Revenue from products and platforms	2,448	2,101	6,951	5,940
Total revenue from operations	**38,318**	**31,867**	**109,326**	**89,365**

Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by geography and offerings for each of our business segments. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

For the three months ended December 31, 2022 and December 31, 2021:

(In ₹ crore)

Particulars	Financial Services (1)	Retail(2)	Communication (3)	Energy , Utilities, Resources and Services	Manufacturing	Hi-Tech	Life Sciences(4)	Others (5)	Total
Revenues by Geography*									
North America	7,219	3,844	2,887	2,712	1,940	2,892	1,975	287	23,756
	6,310	*3,136*	*2,301*	*1,951*	*1,646*	*2,389*	*1,725*	*237*	*19,695*
Europe	1,882	1,341	976	1,845	2,994	68	684	105	9,895
	1,724	*1,224*	*973*	*1,477*	*1,794*	*59*	*627*	*58*	*7,936*
India	452	19	43	68	26	116	7	196	927
	491	*24*	*48*	*36*	*18*	*104*	*6*	*228*	*955*
Rest of the world	1,682	276	804	332	139	19	29	459	3,740
	1,498	*228*	*657*	*276*	*140*	*15*	*25*	*442*	*3,281*
Total	**11,235**	**5,480**	**4,710**	**4,957**	**5,099**	**3,095**	**2,695**	**1,047**	**38,318**
	10,023	***4,612***	***3,979***	***3,740***	***3,598***	***2,567***	***2,383***	***965***	***31,867***
Revenue by offerings									
Digital	6,223	3,615	3,150	3,148	3,773	1,984	1,679	531	24,103
	5,264	*2,895*	*2,437*	*2,211*	*2,440*	*1,503*	*1,457*	*444*	*18,651*
Core	5,012	1,865	1,560	1,809	1,326	1,111	1,016	516	14,215
	4,759	*1,717*	*1,542*	*1,529*	*1,158*	*1,064*	*926*	*521*	*13,216*
Total	**11,235**	**5,480**	**4,710**	**4,957**	**5,099**	**3,095**	**2,695**	**1,047**	**38,318**
	10,023	***4,612***	***3,979***	***3,740***	***3,598***	***2,567***	***2,383***	***965***	***31,867***

For the nine months ended December 31, 2022 and December 31, 2021:

(In ₹ crore)

Particulars	Financial Services (1)	Retail(2)	Communication (3)	Energy , Utilities,	Manufacturing	Hi-Tech	Life Sciences(4)	Others (5)	Total
Revenues by Geography*									
North America	21,139	10,901	8,324	7,299	5,668	8,288	5,446	816	67,881
	17,979	*8,862*	*6,080*	*5,481*	*4,654*	*6,885*	*4,598*	*694*	*55,233*
Europe	5,525	3,874	2,829	5,216	7,881	204	1,834	224	27,587
	5,050	3,524	2,666	4,204	4,554	165	1,672	166	*22,001*
India	1,416	55	127	163	62	334	20	703	2,880
	1,362	*73*	*264*	*103*	*51*	*296*	*21*	*375*	*2,545*
Rest of the world	4,865	837	2,395	1,036	346	52	104	1,343	10,978
	4,414	*659*	*2,040*	*823*	*261*	*42*	*86*	*1,261*	*9,586*
Total	**32,945**	**15,667**	**13,675**	**13,714**	**13,957**	**8,878**	**7,404**	**3,086**	**109,326**
	28,805	***13,118***	***11,050***	***10,611***	***9,520***	***7,388***	***6,377***	***2,496***	***89,365***
Revenue by offerings									
Digital	18,142	10,217	9,120	8,536	10,046	5,595	4,601	1,471	67,728
	15,060	*7,934*	*6,588*	*6,095*	*5,732*	*4,228*	*3,657*	*1,009*	*50,303*
Core	14,803	5,450	4,555	5,178	3,911	3,283	2,803	1,615	41,598
	13,745	*5,184*	*4,462*	*4,516*	*3,788*	*3,160*	*2,720*	*1,487*	*39,062*
Total	**32,945**	**15,667**	**13,675**	**13,714**	**13,957**	**8,878**	**7,404**	**3,086**	**109,326**
	28,805	***13,118***	***11,050***	***10,611***	***9,520***	***7,388***	***6,377***	***2,496***	***89,365***

(1) Financial Services include enterprises in Financial Services and Insurance
(2) Retail includes enterprises in Retail, Consumer Packaged Goods and Logistics
(3) Communication includes enterprises in Communication, Telecom OEM and Media
(4) Life Sciences includes enterprises in Life sciences and Health care
(5) Others include operating segments of businesses in India, Japan, China, Infosys Public Services & other enterprises in Public Services
** Geographical revenue is based on the domicile of customer*

Digital Services

Digital Services comprise of service and solution offerings of the Group that enable our clients to transform their businesses. These include offerings that enhance customer experience, leverage AI-based analytics and big data, engineer digital products and IoT, modernize legacy technology systems, migrate to cloud applications and implement advanced cyber security systems.

Core Services

Core Services comprise traditional offerings of the Group that have scaled and industrialized over a number of years. These primarily include application management services, proprietary application development services, independent validation solutions, product engineering and management, infrastructure management services, traditional enterprise application implementation, support and integration services.

Products & platforms

The Group derives revenues from the sale of products and platforms including Finacle – core banking solution, Edge Suite of products, Panaya platform, Infosys Equinox, Infosys Applied AI, Stater digital platform and Infosys McCamish – insurance platform.

Trade Receivables and Contract Balances

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

The Group's receivables are rights to consideration that are unconditional. Unbilled revenues comprising revenues in excess of billings from time and material contracts and fixed price maintenance contracts are classified as financial asset when the right to consideration is unconditional and is due only after a passage of time.

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

Invoicing in excess of earnings are classified as unearned revenue.

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

2.17 OTHER INCOME, NET

Accounting policy

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

Foreign currency

Accounting policy

Functional currency

The functional currency of Infosys, Infosys BPM, EdgeVerve, Skava and controlled trusts is the Indian rupee. The functional currencies for foreign subsidiaries are their respective local currencies. These financial statements are presented in Indian rupees (rounded off to crore; one crore equals ten million).

Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are recognized in the Consolidated Statement of Profit and Loss and reported within exchange gains/ (losses) on translation of assets and liabilities, net, except when deferred in Other Comprehensive Income as qualifying cash flow hedges. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. The related revenue and expense are recognized using the same exchange rate.

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

The translation of financial statements of the foreign subsidiaries to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the Balance Sheet date and for revenue, expense and cash-flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in currency translation reserves under other components of equity. When a subsidiary is disposed off, in full, the relevant amount is transferred to net profit in the Consolidated Statement of Profit and Loss. However when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

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

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate in effect at the Balance Sheet date.

Government grant

The Group recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Government grants related to assets are treated as deferred income and are recognized in net profit in the Consolidated Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset. Government grants related to revenue are recognized on a systematic basis in net profit in the interim condensed consolidated Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate.

Other income for the three months and nine months December 31, 2022 and December 31, 2021 is as follows:

(In ₹ crore)

Particulars	Three months ended December 31,		Nine months ended September 30,	
	2022	2021	2022	2021
Interest income on financial assets carried at amortized cost				
Tax free bonds and Government bonds	38	38	113	114
Deposit with Bank and others	174	165	551	661
Interest income on financial assets carried at fair value through other comprehensive income				
Non-convertible debentures, commercial paper, certificates of deposit and government securities	241	140	724	453
Income on investments carried at fair value through profit or loss:				
Gain / (loss) on liquid mutual funds and other investments	46	35	87	100
Income on investments carried at fair value through other comprehensive income	—	1	1	1
Exchange gains / (losses) on forward and options contracts	(363)	118	(789)	174
Exchange gains / (losses) on translation of other assets and liabilities	552	(59)	1,153	(12)
Miscellaneous income, net	81	74	190	167
Total other income	**769**	**512**	**2,030**	**1,658**

2.18 EXPENSES

Accounting policy

Gratuity and Pensions

The Group provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees majorly of Infosys and its Indian subsidiaries. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group. The Company contributes Gratuity liabilities to the Infosys Limited Employees' Gratuity Fund Trust (the Trust). In case of Infosys BPM and EdgeVerve, contributions are made to the Infosys BPM Employees' Gratuity Fund Trust and EdgeVerve Systems Limited Employees' Gratuity Fund Trust, respectively. Trustees administer contributions made to the Trusts and contributions are invested in a scheme with the Life Insurance Corporation of India as permitted by Indian law.

The Group operates defined benefit pension plan in certain overseas jurisdictions, in accordance with the local laws. These plans are managed by third party fund managers. The plans provide for periodic payouts after retirement and/or for a lumpsum payment as set out in rules of each fund and includes death and disability benefits.

Liabilities with regard to these defined benefit plans are determined by actuarial valuation, performed by an external actuary, at each Balance Sheet date using the projected unit credit method. These defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market risk.

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

Provident fund

Eligible employees of Infosys receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a portion to the Infosys Limited Employees' Provident Fund Trust. The trust invests in specific designated instruments as permitted by Indian law. The remaining portion is contributed to the government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the Government of India. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

In respect of Indian subsidiaries, eligible employees receive benefits from a provident fund, which is a defined contribution plan. Both the eligible employee and the respective companies make monthly contributions to this provident fund plan equal to a specified percentage of the covered employee's salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The Companies have no further obligation to the plan beyond its monthly contributions.

Superannuation

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

Compensated absences

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

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

(In ₹ crore)

Particulars	Three months ended December 31,		Nine months ended September 30,	
	2022	2021	2022	2021
Employee benefit expenses				
Salaries including bonus	19,467	15,725	55,712	45,532
Contribution to provident and other funds	559	424	1,596	1,159
Share based payments to employees *(Refer to Note 2.11)*	117	94	386	302
Staff welfare	129	112	354	335
	20,272	**16,355**	**58,048**	**47,328**
Cost of software packages and others				
For own use	518	301	1,442	1,010
Third party items bought for service delivery to clients	2,567	1,560	6,575	3,533
	3,085	**1,861**	**8,017**	**4,543**
Other expenses				
Repairs and maintenance	312	266	876	799
Power and fuel	47	36	130	100
Brand and marketing	228	147	640	362
Short-term leases	27	14	68	46
Rates and taxes	75	53	221	180
Consumables	39	38	118	106
Insurance	44	44	131	120
Provision for post-sales client support and others	130	40	200	75
Commission to non-whole time directors	4	3	11	8
Impairment loss recognized / (reversed) under expected credit loss model	106	54	197	141
Contributions towards Corporate Social responsibility	146	88	320	348
Others	149	86	334	222
	1,307	**869**	**3,246**	**2,507**

2.19 Leases

Accounting Policy

The Group as a lessee

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

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

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

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

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

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

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

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Group as a lessor

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

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

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

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

(In ₹ crore)

Particulars	Category of ROU asset				
	Land	Buildings	Vehicles	Computers	Total
Balance as of October 1, 2022	**622**	**3,843**	**14**	**1,146**	**5,625**
Additions[(1)]	—	133	2	1,010	1,145
Deletions	—	(10)	—	(97)	(107)
Depreciation	(1)	(170)	(2)	(162)	(335)
Translation difference	3	51	1	97	152
Balance as of December 31, 2022	**624**	**3,847**	**15**	**1,994**	**6,480**

[(1)] Net of adjustments on account of modifications and lease incentives.

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

(In ₹ crore)

Particulars	Category of ROU asset				
	Land	Buildings	Vehicles	Computers	Total
Balance as of October 1, 2021	**629**	**3,738**	**16**	**216**	**4,599**
Additions[(1)]	—	238	2	189	429
Deletions	—	(64)	—	(17)	(81)
Depreciation	(2)	(167)	(2)	(38)	(209)
Translation difference	2	(3)	(1)	(3)	(5)
Balance as of December 31, 2021	**629**	**3,742**	**15**	**347**	**4,733**

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

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

(In ₹ crore)

Particulars	Category of ROU asset				Total
	Land	Buildings	Vehicles	Computers	
Balance as of April 1, 2022	**628**	**3,711**	**16**	**468**	**4,823**
Additions[(1)]	—	619	6	2,004	2,629
Deletions	—	(12)	—	(250)	(262)
Depreciation	(4)	(500)	(7)	(320)	(831)
Translation difference	—	29	—	92	121
Balance as of December 31, 2022	**624**	**3,847**	**15**	**1,994**	**6,480**

[(1)] Net of adjustments on account of modifications and lease incentives.

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

(In ₹ crore)

Particulars	Category of ROU asset				Total
	Land	Buildings	Vehicles	Computers	
Balance as of April 1, 2021	**630**	**3,984**	**19**	**161**	**4,794**
Additions[(1)]	—	302	3	289	594
Deletions	—	(70)	—	(35)	(105)
Depreciation	(5)	(487)	(7)	(67)	(566)
Translation difference	4	13	—	(1)	16
Balance as of December 31, 2021	**629**	**3,742**	**15**	**347**	**4,733**

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

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

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

(In ₹ crore)

Particulars	As at	
	December 31, 2022	March 31, 2022
Current lease liabilities	1,143	872
Non-current lease liabilities	6,577	4,602
Total	**7,720**	**5,474**

2.20 BASIC AND DILUTED SHARES USED IN COMPUTING EARNINGS PER EQUITY SHARE

Accounting policy

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

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

2.21 CONTINGENT LIABILITIES AND COMMITMENTS

Accounting policy

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

(In ₹ crore)

Particulars	As at	
	December 31, 2022	March 31, 2022
Contingent liabilities :		
Claims against the Group, not acknowledged as debts[(1)]	4,742	4,641
[Amount paid to statutory authorities ₹6,557 crore *(₹6,006 crore)*]		
Commitments :		
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)[(2)]	740	1,245
Other commitments*	94	28

** Uncalled capital pertaining to investments*

[(1)] As at December 31, 2022 and March 31, 2022, claims against the Group not acknowledged as debts in respect of income tax matters amounted to ₹4,051 crore and ₹4,001 crore, respectively.

The claims against the Group primarily represent demands arising on completion of assessment proceedings under the Income Tax Act, 1961. These claims are on account of multiple issues of disallowances such as disallowance of profits earned from STP Units and SEZ Units, disallowance of deductions in respect of employment of new employees under section 80JJAA, disallowance of expenditure towards software being held as capital in nature, payments made to Associated Enterprises held as liable for withholding of taxes. These matters are pending before various Appellate Authorities and the Management including its tax advisors expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Group's financial position and results of operations.

Amount paid to statutory authorities against the tax claims amounted to ₹6,546 crore and ₹5,996 crore as at December 31, 2022 and March 31, 2022, respectively.

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

Legal Proceedings

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

2.22 RELATED PARTY TRANSACTIONS

Refer to the Company's Annual Report for the year ended March 31, 2022 for the full names and other details of the Company's subsidiaries and controlled

Changes in Subsidiaries

During the nine months ended December 31, 2022, the following are the changes in the subsidiaries:

- Infosys Consulting S.R.L. (Argentina) (formerly a Wholly-owned subsidiary of Infosys Consulting Holding AG) became the majority owned and controlled subsidiary of Infosys Limited with effect from April 1, 2022.
- On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly owned subsidiary of Infosys Consulting Pte. Ltd) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH along with its subsidiary oddity code d.o.o., and oddity GmbH along with its two subsidiaries oddity (Shanghai) Co. Ltd., oddity Limited(Taipei).
- Panaya GmbH renamed as Infosys Financial Services GmbH.
- Infosys Arabia Limited, a majority owned and controlled subsidiary of Infosys Limited is under liquidation.
- Infosys Public Services Canada Inc., a wholly owned subsidiary of Infosys Public Services Inc. was incorporated on July 8, 2022.
- On September 1, 2022, Infosys Consulting Pte. Ltd. (a Wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S along with its seven subsidiaries BASE life science AG, BASE life science GmbH, BASE life science Ltd., BASE life science S.A.S., BASE life science S.r.l., Innovisor Inc. and BASE life science Inc.
- BASE life science SL., a wholly owned subsidiary of BASE life science A/S was incorporated on September 6, 2022
- Panaya Germany GmbH, a wholly owned subsidiary of Panaya Inc. was incorporated on December 15,2022.

Change in key management personnel

The following are the changes in the key management personnel:

- Ravi Kumar S resigned effective October 11, 2022

Transaction with key management personnel:

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

(In ₹ crore)

Particulars	Three months ended December 31,		Nine months ended December 31,	
	2022	2021	2022	2021
Salaries and other short term employee benefits to whole-time directors and executive officers (1)(2)	12	33	86	106
Commission and other benefits to non-executive/independent directors	5	3	12	8
Total	**17**	**36**	**98**	**114**

(1) Total employee stock compensation expense for the three months ended December 31, 2022 and December 31, 2021 includes a charge of less than a crore and ₹17 crore, respectively, towards key managerial personnel. For the nine months ended December 31, 2022 and December 31, 2021 includes a charge of ₹41 crore and ₹51 crore, respectively, towards key managerial personnel. (Refer to Note 2.11) Stock compensation expense for the three months and nine months ended December 31, 2022 include reversal of expense on account of resignation.

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

2.23 SEGMENT REPORTING

Ind AS 108, Operating segments, establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Group's operations predominantly relate to providing end-to-end business solutions to enable clients to enhance business performance. The Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the accounting policies.

Business segments of the Group are primarily enterprises in Financial Services and Insurance, enterprises in Manufacturing, enterprises in Retail, Consumer Packaged Goods and Logistics, enterprises in the Energy, Utilities, Resources and Services, enterprises in Communication, Telecom OEM and Media, enterprises in Hi-Tech, enterprises in Life Sciences and Healthcare and all other segments. The Financial services reportable segments has been aggregated to include the Financial Services operating segment and Finacle operating segment because of the similarity of the economic characteristics. All other segments represent the operating segments of businesses in India, Japan, China, Infosys Public Services & other enterprises in Public Services.

Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment. Revenue for 'all other segments' represents revenue generated by Infosys Public services and revenue generated from customers located in India, Japan and China and other enterprises in Public services. Allocated expenses of segments include expenses incurred for rendering services from the Group's offshore software development centers and on-site expenses, which are categorized in relation to the associated efforts of the segment. Certain expenses such as depreciation and amortization, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying assets are used interchangeably. The Management believes that it is not practical to provide segment disclosures relating to those costs and expenses, and accordingly these expenses are separately disclosed as "unallocated" and adjusted against the total income of the Group.

Assets and liabilities used in the Group's business are not identified to any of the reportable segments, as these are used interchangeably between segments. The Management believes that it is currently not practicable to provide segment disclosures relating to total assets and liabilities since a meaningful segregation of the available data is onerous.

Business segment revenue information is collated based on individual customers invoiced or in relation to which the revenue is otherwise recognized.

Disclosure of revenue by geographic locations is given in note 2.16 Revenue from operations.

Business Segments

Three months ended December 31, 2022 and December 31, 2021:

(In ₹ crore)

Particulars	Financial Services (1)	Retail (2)	Communication (3)	Energy, Utilities, Resources and Services	Manufacturing	Hi-Tech	Life Sciences (4)	All other segments (5)	Total
Revenue from operations	11,235	5,480	4,710	4,957	5,099	3,095	2,695	1,047	38,318
	10,023	*4,612*	*3,979*	*3,740*	*3,598*	*2,567*	*2,383*	*965*	*31,867*
Identifiable operating expenses	6,549	2,837	2,858	2,594	3,206	1,786	1,580	746	22,156
	5,659	*2,234*	*2,356*	*2,012*	*2,341*	*1,522*	*1,406*	*661*	*18,191*
Allocated expenses	2,008	997	810	906	858	496	431	289	6,795
	1,630	*748*	*660*	*653*	*624*	*409*	*337*	*232*	*5,293*
Segment profit	**2,678**	**1,646**	**1,042**	**1,457**	**1,035**	**813**	**684**	**12**	**9,367**
	2,734	*1,630*	*963*	*1,075*	*633*	*636*	*640*	*72*	*8,383*
Unallocable expenses									1,125
									899
Other income, net *(Refer to Note 2.17)*									769
									512
Finance cost									80
									53
Profit before tax									**8,931**
									7,943
Income tax expense									2,345
									2,121
Net Profit									**6,586**
									5,822
Depreciation and amortization									1,125
									899
Non-cash expenses other than depreciation and amortization									—
									—

Nine months ended December 31, 2022 and December 31, 2021:

(In ₹ crore)

Particulars	Financial Services [1]	Retail [2]	Communication [3]	Energy, Utilities, Resources and Services	Manufacturing	Hi-Tech	Life Sciences [4]	All other segments [5]	Total
Revenue from operations	*32,945*	*15,667*	*13,675*	*13,714*	*13,957*	*8,878*	*7,404*	*3,086*	109,326
	28,805	*13,118*	*11,050*	*10,611*	*9,520*	*7,388*	*6,377*	*2,496*	*89,365*
Identifiable operating expenses	18,829	8,023	8,488	7,309	9,245	5,225	4,320	2,100	63,539
	16,317	*6,333*	*6,648*	*5,632*	*5,766*	*4,409*	*3,619*	*1,715*	*50,439*
Allocated expenses	5,873	2,883	2,386	2,552	2,500	1,444	1,223	794	19,655
	4,752	*2,170*	*1,916*	*1,866*	*1,772*	*1,156*	*959*	*690*	*15,281*
Segment operating income	**8,243**	**4,761**	**2,801**	**3,853**	**2,212**	**2,209**	**1,861**	**192**	**26,132**
	7,736	*4,615*	*2,486*	*3,113*	*1,982*	*1,823*	*1,799*	*91*	*23,645*
Unallocable expenses									3,104
									2,586
Other income, net *(Refer to Note 2.17)*									2,030
									1,658
Finance cost									202
									150
Profit before tax									**24,856**
									22,567
Income tax expense									6,882
									6,116
Net Profit									**17,974**
									16,451
Depreciation and amortization expense									3,104
									2,586
Non-cash expenses other than depreciation and amortization									—
									—

[1] *Financial Services include enterprises in Financial Services and Insurance*
[2] *Retail includes enterprises in Retail, Consumer Packaged Goods and Logistics*
[3] *Communication includes enterprises in Communication, Telecom OEM and Media*
[4] *Life Sciences includes enterprises in Life sciences and Health care*
[5] *Others include operating segments of businesses in India, Japan, China, Infosys Public Services & other enterprises in Public Services*

Significant clients

No client individually accounted for more than 10% of the revenues for the three months and nine months ended December 31, 2022 and December 31, 2021, respectively.

2.24 FUNCTION WISE CLASSIFICATION OF CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(In ₹ crore)

Particulars	Note No.	Three months ended December 31,		Nine months ended December 31,	
		2022	2021	2022	2021
Revenue from operations	2.16	38,318	31,867	109,326	89,365
Cost of Sales		26,561	21,415	76,342	59,726
Gross profit		**11,757**	**10,452**	**32,984**	**29,639**
Operating expenses					
Selling and marketing expenses		1,611	1,325	4,591	3,809
General and administration expenses		1,904	1,643	5,365	4,771
Total operating expenses		**3,515**	**2,968**	**9,956**	**8,580**
Operating profit		**8,242**	**7,484**	**23,028**	**21,059**
Other income, net	2.17	769	512	2,030	1,658
Finance cost		80	53	202	150
Profit before tax		**8,931**	**7,943**	**24,856**	**22,567**
Tax expense:					
Current tax	2.15	2,195	2,063	7,027	5,986
Deferred tax	2.15	150	58	(145)	130
Profit for the period		**6,586**	**5,822**	**17,974**	**16,451**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset, net		29	(53)	(17)	(72)
Equity instruments through other comprehensive income, net		1	—	8	41
		30	**(53)**	**(9)**	**(31)**
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedge, net		(57)	(7)	(43)	4
Exchange differences on translation of foreign operations, net		676	(33)	715	91
Fair value changes on investments, net		48	(77)	(298)	16
		667	**(117)**	**374**	**111**
Total other comprehensive income / (loss), net of tax		**697**	**(170)**	**365**	**80**
Total comprehensive income for the period		**7,283**	**5,652**	**18,339**	**16,531**
Profit attributable to:					
Owners of the Company		6,586	5,809	17,967	16,425
Non-controlling interests		—	13	7	26
		6,586	**5,822**	**17,974**	**16,451**
Total comprehensive income attributable to:					
Owners of the Company		7,268	5,640	18,322	16,506
Non-controlling interests		15	12	17	25
		7,283	**5,652**	**18,339**	**16,531**

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

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
January 12, 2023