TO ALL STOCK EXCHANGES

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

January 11, 2024

Dear Sir/ Madam,

Sub: Outcome of Board meeting

This has reference to our letter dated December 14, 2023, regarding the captioned subject. The Board, at their meeting held on January 10-11, 2024 transacted the following items of business:

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 ending December 31, 2023;

2. Approved the audited standalone financial results of the Company as per INDAS for the quarter and nine months ending December 31, 2023;

3. Approved the audited financial statements of the Company and its subsidiaries as per INDAS and IFRS for the quarter and nine months ending December 31, 2023;

Re-appointment of an independent director

4. Based on the recommendation of the Nomination and Remuneration Committee, considered and approved the re-appointment of Chitra Nayak (DIN - 09101763), as an Independent Director for the second term of three years from March 25, 2024 to March 24, 2027, subject to shareholders' approval.

   It may be noted that Chitra Nayak has no relationship with any member of the Board of directors and meets all the criteria for being appointed as an independent director under applicable laws including circulars issued by the stock exchanges from time to time.

   Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, and NSE Circular No. NSE/ CML/2018/24 dated June 20, 2018 has been obtained that she is not debarred from holding office of a Director by virtue of any order passed by the Securities and Exchange Board of India or any other such authority.

   Her brief profile is available on the website of the Company under following link: https://www.infosys.com/about/management-profiles/chitra-nayak.html

Acquisition

5. Approved acquisition of InSemi Technology Services Private Limited engaged in Semiconductor Design and Engineering R&D services. A press release along with additional information as per Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations is enclosed.

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Bengaluru 560 100, India
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investors@infosys.com
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Postal ballot notice

6. Approved the Postal Ballot Notice to seek approval of the shareholders for the following-
   a. Appointment of Nitin Paranjpe (DIN - 00045204), as an Independent Director for a term of five years from January 1, 2024 to December 31, 2029.
   b. Re-appointment of Chitra Nayak (DIN - 09101763), as an Independent Director for the second term of three years from March 25, 2024 to March 24, 2027.

   Postal Ballot Notice shall be sent to the shareholders in due course and the same shall be filed with the exchanges.

Incorporation of subsidiaries

7. Approved incorporation of wholly owned subsidiaries in Thailand and Kingdom of Saudi Arabia. Additional information as required under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations will be disclosed in due course.

Allotment of equity shares

8. Allotted 5,227 equity shares, pursuant to exercise of Restricted Stock Units by eligible employees as hereunder:

   a. 4,327 equity shares under the 2015 Incentive Compensation Plan;
   b. 900 equity shares under the Infosys Expanded Stock Ownership Program 2019.

   Consequently, on January 11, 2024, the issued and subscribed share capital of the Company stands increased to ₹ 20,75,22,63,905/- divided into 4,15,04,52,781 equity shares of ₹5/- each.

Stock grants

9. Based on the recommendations of the Nomination and Remuneration Committee, the Board approved 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, 2024 and the number of RSUs will be calculated based on the market price at the close of trading on February 1, 2024. The exercise price of RSUs will be equal to the par value of the share.

The Board meeting was held on January 10 and 11, 2024. The Board meeting on January 11, 2024 commenced at 12.30 p.m. IST and concluded at 4.00 p.m.

We are hereby enclosing herewith the financial results, press releases and annexures for your information and record. The same will also be made available on the Company's website 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: 2024.01.11 16:05:30 +05'30'

Manikantha A.G.S.
Company Secretary

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Infosys®
PRESS RELEASE

Infosys to Acquire Leading Semiconductor Design Services Provider, InSemi

This strategic investment demonstrates our commitment to the semiconductor ecosystem and strengthens expertise in Engineering R&D services.

Bengaluru, India – January 11, 2024: Infosys (NSE, BSE, NYSE: INFY) a global leader in next-generation digital services and consulting, today announced a definitive agreement to acquire InSemi, a leading semiconductor design and embedded services provider. This strategic investment further strengthens Infosys' Engineering R&D capabilities and demonstrates its continued commitment to co-create with global clients to help them navigate their digital transformation journey.

Semiconductors are at the heart of the technology which is driving exponential growth of Artificial Intelligence (AI), 5G, Hyperconnectivity, High Performance Computing, Quantum Technology, Virtual Reality, IoT and Smart Devices. This collaboration will help accelerate Infosys' Chip-to-Cloud strategy**,** by bringing niche design skills at scale and will also pair seamlessly with existing investments in AI/Automation platform**s** and industry partnerships. The collaboration will aim to orchestrate comprehensive end-to-end product development for clients.

Founded in 2013, InSemi offers end-to-end semiconductor design services with expertise across electronic design, platform design, automation, embedded and software technologies. It serves leading global corporations across semi-conductor, consumer electronics, automotive, and hi-tech industries. InSemi is growing expeditiously and a team of over 900+ design specialists bring in the competitive advantage, agile mindset, and an innovative approach to build technology-led solutions that transform businesses.

Dinesh R, EVP & Co-Delivery Head, Infosys, said, "Infosys has been a leader and at the forefront of delivering cutting edge solutions across industries with Engineering R&D services. With the advent of AI, Smart devices, 5G and beyond, electric vehicles, the demand for next-generation semiconductor design services integrated with our embedded systems creates unique differentiator. InSemi is a strategic investment as we usher a next wave of growth and a leadership position in Engineering R&D."

"Over the last five years, InSemi has built a foundation with solid growth and design capabilities across the semiconductor value chain. With Infosys as our catalyst, it creates a synergistic combination that allows us to scale and bring the power of AI & Engineering R&D and next-generation technology to global clients, expanding across industry sectors. We aim to further accelerate our progress and together with Infosys, it paves a path of innovation opening new opportunities for our teams", said **Shreekanth Sampigethaya & Arup Dash, Co-Founders, InSemi.**

The acquisition is expected to close during the fourth quarter of fiscal 2024, subject to customary closing conditions.

About Insemi
InSemi has been a market leader in the semiconductor design and embedded system solutions space. We provide end-to-end semiconductor design services including RTL & ASIC Design, Physical Design, STA, Verification, DFT, Circuit Design & Layout, FPGA, Foundation IP design, PSV, and Emulation. Our team of engineers have successfully delivered multiple ASIC design tape-outs in advanced technology nodes all the way to 5nm. InSemi is growing expeditiously and with a team of 900+ technology specialists, we bring in competitive advantage, agile mindset, and innovation to address technological challenges and transform businesses. With our expertise in electronic design, platform design, automation, embedded and software technologies, we Strategize, Innovate, and Design smart solutions, powering-up products for high-performance and seamless connectivity. For more information please visit www.insemitech.com

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. We enable clients in more than 56 countries to navigate their digital transformation. With over four decades of experience in managing the systems and workings of global enterprises, we expertly steer clients, as they navigate their digital transformation powered by cloud and AI. We enable them with an AI-first 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
Certain statements in this release concerning our future growth prospects, or our future financial or operating performance are forward-looking statements intended to qualify for the 'safe harbor' under the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties that could cause actual results or outcomes to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding the execution of our business strategy, our ability to attract and retain personnel, our transition to hybrid work model, economic uncertainties, technological innovations such as Generative AI, the complex and evolving regulatory landscape including immigration regulation changes, our ESG vision, our capital allocation policy and expectations concerning our market position, future operations, margins, profitability, liquidity, capital resources, and our corporate actions including acquisitions. Important factors that may cause actual results or outcomes to differ from those implied by the forward-looking statements are discussed in more detail in our US Securities and Exchange Commission filings including our Annual Report on Form 20-F for the fiscal year ended March 31, 2023. 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 more information, please contact**: PR_Global@infosys.com**

Disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Name of the target entity	InSemi Technology Services Private Limited ("InSemi") **Acquirer:** Infosys Limited.
Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired?	No.
Industry to which the entity being acquired belongs	Semiconductor Design and Engineering R&D services.
Objects and effects of acquisition	The acquisition demonstrates our commitment to the semiconductor ecosystem and strengthens expertise in Engineering R&D services. Infosys has been a leader and at the forefront of delivering cutting edge solutions across industries with Engineering R&D services. With the advent of AI, Smart devices, 5G and beyond, electric vehicles, the demand for next-generation semiconductor design services integrated with our embedded systems creates unique differentiator. InSemi is a strategic investment as we usher a next wave of growth and a leadership position in Engineering R&D. This collaboration will help accelerate Infosys' Chip-to-Cloud strategy by bringing niche design skills at scale and will also pair seamlessly with existing investments in AI/Automation platform and industry partnerships. This strategic investment will aim to orchestrate comprehensive end-to-end product development for clients.
Any governmental or regulatory approvals required for the acquisition	None.
Indicative time period for completion of the acquisition	The acquisition of InSemi is expected to close during the fourth quarter of fiscal 2024, subject to customary closing conditions.
Nature of consideration	Cash.
Cost of acquisition or the price at which the shares are acquired;	Consideration including earn-outs, and management incentives, and retention bonus totaling up to INR 280 crores subject to customary closing adjustments.
Percentage of holding	100% of the equity share capital in InSemi
Brief Background	Founded in 2013, InSemi, is a leading end-to-end semiconductor design services provider. InSemi is growing expeditiously and with a team of 900+ technology specialists, brings competitive advantage, agile mindset, and innovation to address technological challenges and transform businesses across the semiconductor value chain. (https://www.insemitech.com) InSemi, headquartered in Bengaluru, offers expertise in electronic design, platform design, automation, embedded

	and software technologies, to Strategize, Innovate, and Design smart solutions, powering-up products for high-performance and seamless connectivity. InSemi is primarily owned by Founders and Investors. Last 3 years' Revenues (Fiscal year ending March 31st): FY23: INR 153.6 crores, FY22: INR 109.5 crores, FY21: INR 58.8 crores.

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Fact Sheet

Consolidated Financial Data - Third Quarter, Fiscal 2024

-1.0%	20.5%	3.0% YTD	$3.2 bn
YoY & CC growth	Operating margin	increase in EPS (₹ terms)	Large deal TCV (71% net new)

Revenue Growth- Q3 24

	Reported	CC
QoQ growth (%)	-1.2%	-1.0%
YoY growth (%)	0.1%	-1.0%

Revenues by Business Segments

(in %)

	Quarter ended			YoY Growth	
	Dec 31, 2023	Sep 30, 2023	Dec 31, 2022	Reported	CC
Financial services	27.8	27.5	29.3	(5.2)	(5.9)
Retail	14.6	15.2	14.3	2.0	0.4
Communication	11.4	11.4	12.3	(7.3)	(8.0)
Energy, Utilities, Resources & Services	13.2	12.7	13.0	1.8	0.3
Manufacturing	14.9	14.3	13.3	12.5	10.6
Hi-Tech	7.7	7.8	8.1	(5.0)	(5.1)
Life Sciences	7.6	7.8	7.0	8.2	6.3
Others	2.9	3.3	2.7	5.8	7.0
Total	**100.0**	**100.0**	**100.0**	**0.1**	**(1.0)**

Revenues by Client Geography

(in %)

	Quarter ended			YoY Growth	
	Dec 31, 2023	Sep 30, 2023	Dec 31, 2022	Reported	CC
North America	59.0	61.1	62.0	(4.7)	(4.9)
Europe	28.2	26.5	25.8	9.2	5.0
Rest of the world	10.4	9.6	9.8	7.1	7.8
India	2.4	2.8	2.4	(1.9)	(1.0)
Total	**100.0**	**100.0**	**100.0**	**0.1**	**(1.0)**

Client Data

	Quarter ended		
	Dec 31, 2023	Sep 30, 2023	Dec 31, 2022
Number of Clients			
Active	1,872	1,884	1,850
Added during the period (gross)	88	100	134
Number of Million dollar clients*			
1 Million dollar +	944	951	912
10 Million dollar +	308	312	294
50 Million dollar +	82	80	79
100 Million dollar +	40	39	38
Client contribution to revenues			
Top 5 clients	13.4%	13.3%	13.1%
Top 10 clients	20.0%	19.9%	20.5%
Top 25 clients	33.7%	34.1%	35.3%
Days Sales Outstanding*	72	67	68

**LTM (Last twelve months) Revenues*

Effort & Utilization – Consolidated IT Services

(in %)

	Quarter ended		
	Dec 31, 2023	Sep 30, 2023	Dec 31, 2022
Effort			
Onsite	24.4	24.6	24.5
Offshore	75.6	75.4	75.5
Utilization			
Including trainees	81.7	80.4	77.1
Excluding trainees	82.7	81.8	81.7

Employee Metrics

(Nos.)

	Quarter ended		
	Dec 31, 2023	Sep 30, 2023	Dec 31, 2022
Total employees	322,663	328,764	346,845
S/W professionals	304,590	310,375	329,296
Sales & Support	18,073	18,389	17,549
Voluntary Attrition % (LTM - IT Services)	12.9%	14.6%	24.3%
% of Women Employees	39.3%	39.4%	39.4%

Cash Flow

In US $ million

	Quarter ended		
	Dec 31, 2023	Sep 30, 2023	Dec 31, 2022
Free cash flow [1]	665	670	576
Consolidated cash and investments [2]	3,903	4,170	3,908

In ₹ crore

	Quarter ended		
	Dec 31, 2023	Sep 30, 2023	Dec 31, 2022
Free cash flow [1]	5,548	5,536	4,741
Consolidated cash and investments [2]	32,476	34,635	32,330

[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 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, 2023	Dec 31, 2022	Growth % YoY	Sep 30, 2023	Growth % QoQ
Revenues	**4,663**	**4,659**	**0.1%**	**4,718**	**-1.2%**
Cost of sales	3,274	3,230	1.4%	3,271	0.1%
Gross Profit	**1,389**	**1,429**	**-2.8%**	**1,447**	**-4.0%**
Operating Expenses:					
Selling and marketing expenses	204	196	4.1%	213	-4.2%
Administrative expenses	229	232	-1.3%	234	-2.1%
Total Operating Expenses	**433**	**428**	**1.2%**	**447**	**-3.1%**
Operating Profit	**956**	**1,001**	**-4.5%**	**1,000**	**-4.4%**
Operating Margin %	**20.5**	**21.5**	**-1.0%**	**21.2**	**-0.7%**
Other Income, net(1)	79	84	-6.0%	60	31.7%
Profit before income taxes	**1,035**	**1,085**	**-4.6%**	**1,060**	**-2.4%**
Income tax expense	301	285	5.6%	309	-2.6%
Net Profit (before minority interest)	**734**	**800**	**-8.2%**	**751**	**-2.2%**
Net Profit (after minority interest)	**733**	**800**	**-8.3%**	**751**	**-2.3%**
Basic EPS ($)	**0.18**	**0.19**	**-7.1%**	**0.18**	**-2.3%**
Diluted EPS ($)	**0.18**	**0.19**	**-7.1%**	**0.18**	**-2.3%**
Dividend Per Share ($)(2)	**-**	**-**	**-**	**0.22**	**-**

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, 2023	Dec 31, 2022	Growth %
Revenues	**13,997**	**13,657**	**2.5%**
Cost of sales	9,755	9,544	2.2%
Gross Profit	**4,242**	**4,113**	**3.1%**
Operating Expenses:			
Selling and marketing expenses	633	574	10.3%
Administrative expenses	692	671	3.1%
Total Operating Expenses	**1,325**	**1,245**	**6.4%**
Operating Profit	**2,917**	**2,868**	**1.7%**
Operating Margin %	**20.8**	**21.0**	**-0.2%**
Other Income, net(1)	196	229	-14.4%
Profit before income taxes	**3,113**	**3,097**	**0.5%**
Income tax expense	904	859	5.2%
Net Profit (before minority interest)	**2,209**	**2,238**	**-1.3%**
Net Profit (after minority interest)	**2,208**	**2,237**	**-1.3%**
Basic EPS ($)	**0.53**	**0.53**	**0.0%**
Diluted EPS ($)	**0.53**	**0.53**	**0.1%**
Dividend Per Share ($)(2)	**0.22**	**0.20**	**9.1%**

(1) *Other income is net of Finance Cost*
(2) *USD/INR exchange rate of 83.00 considered for Q3'24*

Consolidated statement of Comprehensive Income for three months ended, (Extracted from IFRS Financial Statement)

In ₹ crore, except per equity share data

Particulars	Dec 31, 2023	Dec 31, 2022	Growth % YoY	Sep 30, 2023	Growth % QoQ
Revenues	**38,821**	**38,318**	**1.3%**	**38,994**	**-0.4%**
Cost of sales	27,253	26,561	2.6%	27,031	0.8%
Gross Profit	**11,568**	**11,757**	**-1.6%**	**11,963**	**-3.3%**
Operating Expenses:					
Selling and marketing expenses	1,700	1,611	5.5%	1,754	-3.1%
Administrative expenses	1,907	1,904	0.2%	1,935	-1.4%
Total Operating Expenses	**3,607**	**3,515**	**2.6%**	**3,689**	**-2.2%**
Operating Profit	**7,961**	**8,242**	**-3.4%**	**8,274**	**-3.8%**
Operating Margin %	**20.5**	**21.5**	**-1.0%**	**21.2**	**-0.7%**
Other Income, net[(1)]	658	689	-4.5%	494	33.2%
Profit before income taxes	**8,619**	**8,931**	**-3.5%**	**8,768**	**-1.7%**
Income tax expense	2,506	2,345	6.9%	2,553	-1.8%
Net Profit (before minority interest)	**6,113**	**6,586**	**-7.2%**	**6,215**	**-1.6%**
Net Profit (after minority interest)	**6,106**	**6,586**	**-7.3%**	**6,212**	**-1.7%**
Basic EPS (₹)	**14.76**	**15.72**	**-6.1%**	**15.01**	**-1.7%**
Diluted EPS (₹)	**14.74**	**15.70**	**-6.1%**	**14.99**	**-1.7%**
Dividend Per Share (₹)	**-**	**-**	**-**	**18.00**	**-**

Consolidated statement of Comprehensive Income for nine months ended, (Extracted from IFRS Financial Statement)

In ₹ crore, except per equity share data

Particulars	Dec 31, 2023	Dec 31, 2022	Growth %
Revenues	**115,748**	**109,326**	**5.9%**
Cost of sales	80,666	76,342	5.7%
Gross Profit	**35,082**	**32,984**	**6.4%**
Operating Expenses:			
Selling and marketing expenses	5,238	4,591	14.1%
Administrative expenses	5,718	5,365	6.6%
Total Operating Expenses	**10,956**	**9,956**	**10.0%**
Operating Profit	**24,126**	**23,028**	**4.8%**
Operating Margin %	**20.8**	**21.1**	**-0.3%**
Other Income, net[(1)]	1,622	1,828	-11.3%
Profit before income taxes	**25,748**	**24,856**	**3.6%**
Income tax expense	7,474	6,882	8.6%
Net Profit (before minority interest)	**18,274**	**17,974**	**1.7%**
Net Profit (after minority interest)	**18,264**	**17,967**	**1.7%**
Basic EPS (₹)	**44.13**	**42.85**	**3.0%**
Diluted EPS (₹)	**44.08**	**42.79**	**3.0%**
Dividend Per Share (₹)	**18.00**	**16.50**	**9.1%**

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

As the quarter and nine months ended 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 quarter might not always add up to the nine months ended figures reported in this statement.

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, 2023, (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 subsidiaries 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, 2023.

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, 2023 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.

Emphasis of Matter

As described in note 1(c) to the statement, certain costs relating to possible damages or claims relating to a cybersecurity incident in a subsidiary are indeterminable as at the date of this report because of reasons stated in the note. Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Consolidated Financial Results

The Statement which includes Consolidated financial results is the responsibility of the Company's Board of Directors and has been approved by it for the issuance. The Statement has been compiled from the related audited interim condensed consolidated financial statements for the three and nine months ended December 31, 2023. This responsibility includes the preparation and presentation of the consolidated financial results for the quarter and nine months ended December 31, 2023 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/Trustees of entities 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/Trustees of the entities 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/Trustees either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors/Trustees of entities 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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.
- Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations to the extent applicable.
- 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 11, 2024

Deloitte
Haskins & Sells LLP

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. (liquidated effective July 14, 2023)
14. Infosys Public Services, Inc. USA
15. Infosys BPM Limited
16. Infosys (Czech Republic) Limited s.r.o.
17. Infosys Poland Sp z.o.o
18. Infosys McCamish Systems LLC
19. Portland Group Pty Ltd
20. Infosys BPO Americas LLC.
21. Infosys Consulting Holding AG
22. Infosys Management Consulting Pty Limited
23. Infosys Consulting AG
24. Infosys Consulting GmbH
25. Infosys Consulting S.R.L (Romania)
26. Infosys Consulting SAS
27. Infy Consulting Company Ltd.
28. Infy Consulting B.V.

29. Infosys Consulting S.R.L (Argentina) (formerly a wholly-owned subsidiary of Infosys Consulting Holding AG) became the majority owned and controlled subsidiary of Infosys Limited with effect from April 1, 2022
30. Infosys Consulting (Belgium) NV
31. Panaya Inc.
32. Infosys Financial Services GmbH (formerly known as Panaya GmbH) became a wholly owned subsidiary of Infosys Singapore Pte. Ltd with effect from February 23, 2023
33. Panaya Ltd.
34. Brilliant Basics Holdings Limited (under liquidation)
35. Brilliant Basics Limited (under liquidation)
36. Infosys Singapore Pte. Ltd. (formerly known as Infosys Consulting Pte. Ltd.)
37. Infosys Middle East FZ LLC
38. Fluido Oy
39. Fluido Sweden AB (Extero)
40. Fluido Norway A/S
41. Fluido Denmark A/S
42. Fluido Slovakia s.r.o
43. Infosys Compaz Pte. Ltd.
44. Infosys South Africa (Pty) Ltd
45. WongDoody, Inc
46. HIPUS Co., Ltd.
47. Stater N.V.
48. Stater Nederland B.V.
49. Stater XXL B.V.
50. HypoCasso B.V.
51. Stater Participations B.V. (wholly owned subsidiary of Stater N.V. merged with Stater N.V. with effect from November 24, 2023)
52. Stater Belgium N.V./S.A. (formerly a wholly owned subsidiary of Stater Participations B.V., became the wholly owned subsidiary of Stater N.V. with effect from November 24, 2023)
53. Outbox systems Inc. dba Simplus (US)
54. Simplus ANZ Pty Ltd.
55. Simplus Australia Pty Ltd
56. Simplus Philippines, Inc.
57. Infosys Fluido UK, Ltd. (formerly Simplus U.K, Ltd)

58. Infosys Fluido Ireland, Ltd. (formerly Simplus Ireland, Ltd)
59. Infosys Limited Bulgaria EOOD
60. Infosys BPM UK Limited
61. Blue Acorn iCi Inc. (formerly known as Beringer Commerce Inc)
62. Kaleidoscope Animations, Inc.
63. Kaleidoscope Prototyping LLC (liquidated effective November 1, 2023)
64. GuideVision s.r.o
65. GuideVision Deutschland GmbH
66. GuideVision Suomi Oy
67. GuideVision Magyarorszag Kft
68. GuideVision Polska Sp. z.o.o
69. Infosys Business Solutions LLC
70. Infosys Germany GmbH (formerly known as Kristall 247. GmbH)
71. GuideVision UK Ltd (under liquidation)
72. Infosys Turkey Bilgi Teknolojileri Limited Sirketi
73. Infosys Germany Holding Gmbh
74. Infosys Automotive and Mobility GmbH & Co. KG
75. Stater GmbH
76. Infosys Green Forum
77. Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.
78. oddity space GmbH (acquired by Infosys Germany GmbH on April 20, 2022, merged into WongDoody GmbH (formerly known as oddity GmbH) with effect from September 29, 2023)
79. oddity jungle GmbH (acquired by Infosys Germany GmbH on April 20, 2022, merged into WongDoody GmbH (formerly known as oddity GmbH) with effect from September 29, 2023)
80. oddity waves GmbH (acquired by Infosys Germany GmbH on April 20, 2022, merged into WongDoody GmbH (formerly known as oddity GmbH) with effect from September 29, 2023)
81. oddity group Services GmbH (acquired by Infosys Germany GmbH on April 20, 2022, merged into WongDoody GmbH (formerly known as oddity GmbH) with effect from September 29, 2023)
82. oddity code GmbH (acquired by Infosys Germany GmbH on April 20, 2022, merged into WongDoody GmbH (formerly known as oddity GmbH) with effect from September 29, 2023)

83. oddity code d.o.o. (renamed as WongDoody d.o.o) which was formerly a subsidiary of oddity Code GmbH acquired by Infosys Germany GmbH on April 20, 2022 has become a subsidiary of Wongdoody Gmbh (formerly known as oddity GmbH) with effect from September 29, 2023
84. oddity GmbH renamed as WongDoody GmbH (acquired by Infosys Germany GmbH on April 20, 2022)
85. oddity (Shanghai) Co. Ltd. (subsidiary of oddity GmbH) acquired by Infosys Germany GmbH on April 20, 2022
86. oddity Limited (Taipei) (subsidiary of oddity GmbH) acquired by Infosys Germany GmbH on April 20, 2022
87. Infosys Public Services Canada Inc. (a wholly owned subsidiary of Infosys Public Services Inc.) incorporated on July 8, 2022
88. BASE life science A/S acquired by Infosys Singapore Pte. Ltd. (formerly known as Infosys Consulting Pte. Ltd.) on September 1, 2022
89. BASE life science AG (a wholly owned subsidiary of BASE life science A/S) acquired by Infosys Singapore Pte. Ltd. (formerly known as Infosys Consulting Pte. Ltd.) on September 1, 2022
90. BASE life science GmbH (a wholly owned subsidiary of BASE life science A/S) acquired by Infosys Singapore Pte. Ltd. (formerly known as Infosys Consulting Pte. Ltd.) on September 1, 2022
91. BASE life science Ltd. (a wholly owned subsidiary of BASE life science A/S) acquired by Infosys Singapore Pte. Ltd. (formerly known as Infosys Consulting Pte. Ltd.) on September 1, 2022
92. BASE life science S.A.S. (a wholly owned subsidiary of BASE life science A/S) acquired by Infosys Singapore Pte. Ltd. (formerly known as Infosys Consulting Pte. Ltd.) on September 1, 2022
93. BASE life science S.r.l. (a wholly owned subsidiary of BASE life science A/S) acquired by Infosys Singapore Pte. Ltd. (formerly known as Infosys Consulting Pte. Ltd.) on September 1, 2022
94. Innovisor Inc. (a wholly owned subsidiary of BASE life science A/S) acquired by Infosys Singapore Pte. Ltd. (formerly known as Infosys Consulting Pte. Ltd.) on September 1, 2022
95. BASE life science Inc. (a wholly owned subsidiary of BASE life science A/S) acquired by Infosys Singapore Pte. Ltd. (formerly known as Infosys Consulting Pte. Ltd.) on September 1, 2022
96. BASE life science SL. (a wholly owned subsidiary of BASE life science A/S) incorporated on September 6, 2022
97. Panaya Germany GmbH, a wholly owned subsidiary of Panaya Inc. was incorporated on December 15, 2022
98. Infosys Norway, a wholly owned subsidiary of Infosys Singapore Pte. Ltd. was incorporated on February 7, 2023

99. Infosys BPM Canada Inc. (Wholly-owned subsidiary of Infosys BPM Limited) incorporated on August 11, 2023
100. Danske IT and Support Services India Private Limited acquired by Infosys Limited on September 1, 2023
101. Infosys Employees Welfare Trust
102. Infosys Employee Benefits Trust
103. Infosys Science Foundation
104. Infosys Expanded Stock Ownership Trust

Deloitte
Haskins & Sells LLP

Chartered Accountants
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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, 2023, (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, 2023.

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, 2023 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

The Statement, which includes the Standalone financial results is the responsibility of the Company's Board of Directors, and has been approved by it for the issuance. The Statement has been compiled from the related audited interim condensed standalone financial statements for the three and nine months ended December 31, 2023. This responsibility includes the preparation and presentation of the standalone financial results for the quarter and nine months ended December 31, 2023 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 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 Statement 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 11, 2024

Infosys®
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Q3 FY 24 Financial Results

Infosys Limited
CIN : L85110KA1981PLC013115
Regd. Office: Electronics City, Hosur Road, Bengaluru 560 100, India.
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Statement of Consolidated Audited Results of Infosys Limited and its subsidiaries for the quarter and nine months ended December 31, 2023 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,
	2023	2023	2022	2023	2022	2023
	Audited	Audited	Audited	Audited	Audited	Audited
Revenue from operations	38,821	38,994	38,318	115,748	109,326	146,767
Other income, net	789	632	769	1,982	2,030	2,701
Total Income	**39,610**	**39,626**	**39,087**	**117,730**	**111,356**	**149,468**
Expenses						
Employee benefit expenses	20,651	20,796	20,272	62,228	58,048	78,359
Cost of technical sub-contractors	3,066	3,074	3,343	9,264	10,946	14,062
Travel expenses	387	439	360	1,288	1,099	1,525
Cost of software packages and others	3,722	3,387	3,085	9,828	8,017	10,902
Communication expenses	169	179	183	531	542	713
Consultancy and professional charges	504	387	401	1,237	1,296	1,684
Depreciation and amortisation expenses	1,176	1,166	1,125	3,515	3,104	4,225
Finance cost	131	138	80	360	202	284
Other expenses	1,185	1,292	1,307	3,731	3,246	4,392
Total expenses	**30,991**	**30,858**	**30,156**	**91,982**	**86,500**	**116,146**
Profit before tax	**8,619**	**8,768**	**8,931**	**25,748**	**24,856**	**33,322**
Tax expense:						
Current tax	2,419	2,491	2,195	7,216	7,027	9,287
Deferred tax	87	62	150	258	(145)	(73)
Profit for the period	**6,113**	**6,215**	**6,586**	**18,274**	**17,974**	**24,108**
Other comprehensive income						
Items that will not be reclassified subsequently to profit or loss						
Remeasurement of the net defined benefit liability/asset, net	71	(64)	29	94	(17)	8
Equity instruments through other comprehensive income, net	(9)	40	1	31	8	(7)
Items that will be reclassified subsequently to profit or loss						
Fair value changes on derivatives designated as cash flow hedges, net	(46)	23	(57)	(17)	(43)	(7)
Exchange differences on translation of foreign operations	436	5	676	457	715	776
Fair value changes on investments, net	52	(20)	48	107	(298)	(256)
Total other comprehensive income/(loss), net of tax	**504**	**(16)**	**697**	**672**	**365**	**514**
Total comprehensive income for the period	**6,617**	**6,199**	**7,283**	**18,946**	**18,339**	**24,622**
Profit attributable to:						
Owners of the company	6,106	6,212	6,586	18,264	17,967	24,095
Non-controlling interest	7	3	-	10	7	13
	6,113	**6,215**	**6,586**	**18,274**	**17,974**	**24,108**
Total comprehensive income attributable to:						
Owners of the company	6,605	6,196	7,268	18,934	18,322	24,598
Non-controlling interest	12	3	15	12	17	24
	6,617	**6,199**	**7,283**	**18,946**	**18,339**	**24,622**
Paid up share capital (par value ₹5/- each, fully paid)	2,070	2,070	2,086	2,070	2,086	2,069
Other equity *#	73,338	73,338	73,252	73,338	73,252	73,338
Earnings per equity share (par value ₹5/- each)**						
Basic (in ₹ per share)	14.76	15.01	15.72	44.13	42.85	57.63
Diluted (in ₹ per share)	14.74	14.99	15.70	44.08	42.79	57.54

** Balances for the quarter and nine months ended December 31, 2023 and quarter ended September 30, 2023 represent balances as per the audited Balance Sheet as at March 31, 2023 and balances for the quarter and nine months ended December 31, 2022 represent balances as per the audited Balance Sheet as at March 31, 2022 as required by SEBI (Listing and Other Disclosure Requirements) Regulations, 2015*

*** EPS is not annualized for the quarter and nine months ended December 31, 2023, quarter ended September 30, 2023 and quarter and nine months ended December 31, 2022.*

 # 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, 2023 have been taken on record by the Board of Directors at its meeting held on January 11, 2024. **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) Board and Management changes

i) The Board, based on the recommendation of the Nomination and Remuneration Committee, considered and approved the re-appointment of Chitra Nayak (DIN - 09101763), as an Independent Director for the second term of three years from March 25, 2024 to March 24, 2027, subject to shareholders' approval.

ii) The Board appointed Jayesh Sanghrajka as the Chief Financial Officer of the Company with effect from April 1, 2024.

iii) Nilanjan Roy resigned as the Chief Financial Officer of the Company. He will continue to be with Infosys till March 31, 2024 as the Chief Financial Officer. The Board placed on record its appreciation for the services rendered by him and for his contributions to the Company.

c) Update on McCamish Cybersecurity incident

In November 2023, Infosys McCamish Systems LLC (McCamish) a step down subsidiary of Infosys Limited, experienced a cybersecurity incident resulting in the non-availability of certain applications and systems. McCamish initiated its incident response and engaged cybersecurity and other specialists to assist in its investigation of and response to the incident and remediation and restoration of impacted applications and systems. By December 31, 2023, McCamish, with external specialists' assistance, substantially remediated and restored the affected applications and systems.

Loss of contracted revenues and costs incurred with respect to remediations, restoration, communication efforts and others amounted to approximately ₹250 crore ($30 million).

Actions taken by McCamish included investigative analysis conducted by a third-party cybersecurity firm to determine, among other things, whether and the extent to which company or customer data was subject to unauthorized access or exfiltration. On the basis of analysis conducted by the cybersecurity firm, McCamish believes that certain data was exfiltrated by unauthorized third parties during the incident and this exfiltrated data included certain customer data. McCamish has engaged a third-party e- discovery vendor in assessing the extent and nature of such data. This review process is ongoing. McCamish may incur additional costs including indemnities or damages/claims, which are indeterminable at this time.

Infosys had previously communicated the occurence of this cybersecurity incident to BSE Limited, National Stock Exchange of India Limited, New York Stock Exchange and to United States Securities and Exchange Commission on November 3, 2023.

d) Proposed acquisition

On January 11, 2024, Infosys Limited entered into a definitive agreement to acquire 100% of the equity share capital in InSemi Technology Services Private Limited, a semiconductor design services company headquartered in India, for a consideration including earn-outs, and management incentives and retention bonuses totalling up to ₹280 crore (approximately $34 million) , subject to customary closing adjustments.

e) Update on stock grants

The Board, on January 11, 2024, based on the recommendations of the Nomination and Remuneration Committee, approved 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, 2024 and the number of RSUs will be calculated based on the market price at the close of trading on February 1, 2024. The exercise price of RSUs will be equal to the par value of the share.

2. Information on dividends for the quarter and nine months ended December 31, 2023

The Board of Directors (in the meeting held on October 12, 2023) declared an interim dividend of ₹18/- per equity share. The record date for the payment was October 25, 2023 and the same was paid on November 6, 2023. The interim dividend declared in the previous year was ₹16.50/- 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,
	2023	2023	2022	2023	2022	2023
Dividend per share (par value ₹5/- each)						
Interim dividend	-	18.00	-	18.00	16.50	16.50
Final dividend	-	-	-	-	-	17.50

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,
	2023	2023	2022	2023	2022	2023
Revenue by business segment						
Financial Services (1)#	10,783	10,705	11,235	32,149	32,945	43,763
Retail (2)	5,649	5,913	5,480	17,075	15,667	21,204
Communication (3)	4,421	4,463	4,710	13,325	13,675	18,086
Energy, Utilities, Resources and Services	5,121	4,957	4,957	14,966	13,714	18,539
Manufacturing	5,786	5,574	5,099	16,710	13,957	19,035
Hi-Tech	2,985	3,053	3,095	9,095	8,878	11,867
Life Sciences (4)	2,954	3,050	2,695	8,753	7,404	10,085
All other segments (5)	1,122	1,279	1,047	3,675	3,086	4,188
Total	**38,821**	**38,994**	**38,318**	**115,748**	**109,326**	**146,767**
Less: Inter-segment revenue	-	-	-	-	-	-
Net revenue from operations	**38,821**	**38,994**	**38,318**	**115,748**	**109,326**	**146,767**
Segment profit before tax, depreciation and non-controlling interests:						
Financial Services (1)#	2,260	2,579	2,678	7,384	8,243	10,843
Retail (2)	1,715	1,674	1,646	5,018	4,761	6,396
Communication (3)	860	1,035	1,042	2,879	2,801	3,759
Energy, Utilities , Resources and Services	1,450	1,352	1,457	4,091	3,853	5,155
Manufacturing	1,110	1,033	1,035	3,116	2,212	3,113
Hi-Tech	758	788	813	2,349	2,209	2,959
Life Sciences (4)	766	799	684	2,266	1,861	2,566
All other segments (5)	218	180	12	538	192	339
Total	**9,137**	**9,440**	**9,367**	**27,641**	**26,132**	**35,130**
Less: Other Unallocable expenditure	1,176	1,166	1,125	3,515	3,104	4,225
Add: Unallocable other income	789	632	769	1,982	2,030	2,701
Less: Finance cost	131	138	80	360	202	284
Profit before tax and non-controlling interests	**8,619**	**8,768**	**8,931**	**25,748**	**24,856**	**33,322**

(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*

Includes impact on account of McCamish cybersecurity incident. Refer note 1.c) above.

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,
	2023	2023	2022	2023	2022	2023
Revenue from operations	32,491	32,629	32,389	96,932	93,483	124,014
Profit before tax	8,876	8,517	8,295	25,539	23,686	31,643
Profit for the period	6,552	6,245	6,210	18,754	17,364	23,268

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 11, 2024

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, 2023, 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,
	2023	2023	2022	2023	2022	2023
	Audited	Audited	Audited	Audited	Audited	Audited
Revenues	4,663	4,718	4,659	13,997	13,657	18,212
Cost of sales	3,274	3,271	3,230	9,755	9,544	12,709
Gross profit	**1,389**	**1,447**	**1,429**	**4,242**	**4,113**	**5,503**
Operating expenses	433	447	428	1,325	1,245	1,678
Operating profit	**956**	**1,000**	**1,001**	**2,917**	**2,868**	**3,825**
Other income, net	95	77	94	239	254	335
Finance cost	16	17	10	43	25	35
Profit before income taxes	**1,035**	**1,060**	**1,085**	**3,113**	**3,097**	**4,125**
Income tax expense	301	309	285	904	859	1,142
Net profit	**734**	**751**	**800**	**2,209**	**2,238**	**2,983**
Earnings per equity share *						
Basic	0.18	0.18	0.19	0.53	0.53	0.71
Diluted	0.18	0.18	0.19	0.53	0.53	0.71
Total assets	15,606	15,689	15,226	15,606	15,226	15,312
Cash and cash equivalents and current investments	2,598	2,805	2,456	2,598	2,456	2,322

* *EPS is not annualized for the quarter and nine months ended December 31, 2023, quarter ended September 30, 2023 and quarter and nine months ended December 31, 2022.*

Certain statements in this release concerning our future growth prospects, our future financial or operating performance, and the McCamish cybersecurity incident are forward-looking statements intended to qualify for the 'safe harbor' under the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties that could cause actual results or outcomes to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding the execution of our business strategy, our ability to attract and retain personnel, our transition to hybrid work model, economic uncertainties, technological innovations such as Generative AI, the complex and evolving regulatory landscape including immigration regulation changes, our ESG vision, our capital allocation policy and expectations concerning our market position, future operations, margins, profitability, liquidity, capital resources, our corporate actions including acquisitions, the actual or anticipated findings of the ongoing assessment of the extent and nature of exfiltrated data in relation to the McCamish cybersecurity incident and customer reaction to such findings, and the amount of any additional costs, including indemnities or damages / claims, resulting from the McCamish cybersecurity incident. Important factors that may cause actual results or outcomes to differ from those implied by the forward-looking statements are discussed in more detail in our US Securities and Exchange Commission filings including our Annual Report on Form 20-F for the fiscal year ended March 31, 2023. 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 24
Financial
Results

Infosys Limited

CIN: L85110KA1981PLC013115

Regd. Office: Electronics City, Hosur Road, Bengaluru – 560 100, India.

Website: www.infosys.com; Email: investors@infosys.com; Telephone: 91 80 2852 0261; Fax: 91 80 2852 0362

Statement of Audited Results of Infosys Limited for the quarter and nine months ended December 31, 2023 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,
	2023	2023	2022	2023	2022	2023
	Audited	Audited	Audited	Audited	Audited	Audited
Revenue from operations	32,491	32,629	32,389	96,932	93,483	124,014
Other income, net	1,582	1,350	1,177	3,934	3,093	3,859
Total income	**34,073**	**33,979**	**33,566**	**100,866**	**96,576**	**127,873**
Expenses						
Employee benefit expenses	16,304	16,435	16,395	49,092	47,182	62,764
Cost of technical sub-contractors	4,670	4,645	4,720	13,991	14,545	19,096
Travel expenses	296	345	284	1,001	892	1,227
Cost of software packages and others	1,811	1,809	1,728	4,793	4,339	5,214
Communication expenses	119	131	132	379	386	502
Consultancy and professional charges	282	275	280	772	975	1,236
Depreciation and amortisation expense	738	738	713	2,222	2,039	2,753
Finance cost	82	89	41	215	115	157
Other expenses	895	995	978	2,862	2,417	3,281
Total expenses	**25,197**	**25,462**	**25,271**	**75,327**	**72,890**	**96,230**
Profit before tax	**8,876**	**8,517**	**8,295**	**25,539**	**23,686**	**31,643**
Tax expense:						
Current tax	2,231	2,180	1,916	6,476	6,261	8,167
Deferred tax	93	92	169	309	61	208
Profit for the period	**6,552**	**6,245**	**6,210**	**18,754**	**17,364**	**23,268**
Other comprehensive income						
Items that will not be reclassified subsequently to profit or loss						
Remeasurement of the net defined benefit liability / asset, net	73	(68)	28	92	(28)	(19)
Equity instruments through other comprehensive income, net	(9)	40	2	31	9	(6)
Items that will be reclassified subsequently to profit or loss						
Fair value changes on derivatives designated as cash flow hedges, net	(46)	23	(57)	(17)	(43)	(7)
Fair value changes on investments, net	49	(22)	42	95	(275)	(236)
Total other comprehensive income/ (loss), net of tax	**67**	**(27)**	**15**	**201**	**(337)**	**(268)**
Total comprehensive income for the period	**6,619**	**6,218**	**6,225**	**18,955**	**17,027**	**23,000**
Paid-up share capital (par value ₹5/- each fully paid)	2,075	2,075	2,091	2,075	2,091	2,074
Other Equity*	65,671	65,671	67,203	65,671	67,203	65,671
Earnings per equity share (par value ₹5 /- each)**						
Basic (in ₹ per share)	15.79	15.05	14.77	45.19	41.28	55.48
Diluted (in ₹ per share)	15.78	15.04	14.76	45.15	41.24	55.42

** Balances for the quarter and nine months ended December 31, 2023 and quarter ended September 30, 2023 represent balances as per the audited Balance Sheet as at March 31, 2023 and balances for the quarter and nine months ended December 31, 2022 represent balances as per the audited Balance Sheet as at March 31, 2022 as required by SEBI (Listing and Other Disclosure Requirements) Regulations, 2015.*

*** EPS is not annualized for the quarter and nine months ended December 31, 2023, quarter ended September 30, 2023 and quarter and nine months ended December 31, 2022.*

1. Notes pertaining to the current quarter

a) The audited interim condensed standalone financial statements for the quarter and nine months ended December 31, 2023 have been taken on record by the Board of Directors at its meeting held on January 11, 2024. **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) Board and Management changes

i) The Board, based on the recommendation of the Nomination and Remuneration Committee, considered and approved the re-appointment of Chitra Nayak (DIN - 09101763), as an Independent Director for the second term of three years from March 25, 2024 to March 24, 2027, subject to shareholders' approval.

ii) The Board appointed Jayesh Sanghrajka as the Chief Financial Officer of the Company with effect from April 1, 2024.

iii) Nilanjan Roy resigned as the Chief Financial Officer of the Company. He will continue to be with Infosys till March 31, 2024 as the Chief Financial Officer. The Board placed on record its appreciation for the services rendered by him and for his contributions to the Company.

c) Proposed acquisition

On January 11, 2024, Infosys Limited entered into a definitive agreement to acquire 100% of the equity share capital in InSemi Technology Services Private Limited, a semiconductor design services company headquartered in India, for a consideration including earn-outs, and management incentives and retention bonuses totalling up to ₹280 crore (approximately $34 million) , subject to customary closing adjustments.

d) Update on stock grants

The Board, on January 11, 2024, based on the recommendations of the Nomination and Remuneration Committee, approved 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, 2024 and the number of RSUs will be calculated based on the market price at the close of trading on February 1, 2024. The exercise price of RSUs will be equal to the par value of the share.

2. Information on dividends for the quarter and nine months ended December 31, 2023

The Board of Directors (in the meeting held on October 12, 2023) declared an interim dividend of ₹18/- per equity share. The record date for the payment was October 25, 2023 and the same was paid on November 6, 2023. The interim dividend declared in the previous year was ₹16.50/- 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,
	2023	2023	2022	2023	2022	2023
Dividend per share (par value ₹5/- each)						
Interim dividend	-	18.00	-	18.00	16.50	16.50
Final dividend	-	-	-	-	-	17.50

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, 2023.

By order of the Board
for Infosys Limited

Bengaluru, India
January 11, 2024

Salil Parekh
Chief Executive Officer and Managing Director

Certain statements in this release concerning our future growth prospects, our future financial or operating performance, and the McCamish cybersecurity incident are forward-looking statements intended to qualify for the 'safe harbor' under the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties that could cause actual results or outcomes to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding the execution of our business strategy, our ability to attract and retain personnel, our transition to hybrid work model, economic uncertainties, technological innovations such as Generative AI, the complex and evolving regulatory landscape including immigration regulation changes, our ESG vision, our capital allocation policy and expectations concerning our market position, future operations, margins, profitability, liquidity, capital resources, our corporate actions including acquisitions, the actual or anticipated findings of the ongoing assessment of the extent and nature of exfiltrated data in relation to the McCamish cybersecurity incident and customer reaction to such findings, and the amount of any additional costs, including indemnities or damages / claims, resulting from the McCamish cybersecurity incident. Important factors that may cause actual results or outcomes to differ from those implied by the forward-looking statements are discussed in more detail in our US Securities and Exchange Commission filings including our Annual Report on Form 20-F for the fiscal year ended March 31, 2023. 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.

IFRS – INR

Press Release

Resilient performance in a seasonally weak quarter; Large deal momentum continues with 71% net new deals

Infosys Topaz driving strong differentiation and market leadership in generative AI

Bengaluru, India – January 11, 2024: Infosys (NSE, BSE, NYSE: INFY), a global leader in next-generation digital services and consulting, delivered $4,663 million in Q3 revenues with year-on-year and sequential decline of 1.0% in constant currency. Large deal TCV for the quarter was $3.2 billion, with 71% being net new. Operating margin for the quarter was 20.5%, a sequential decline of 70 bps. Attrition declined further to 12.9%. FY24 revenue guidance revised to 1.5%-2.0% and operating margin guidance at 20%-22%.

“Our performance in Q3 was resilient. Large deal wins were strong at $3.2 billion, with 71% of this as net new, reflecting the relevance and strength of our portfolio of offerings ranging from generative AI, digital and cloud to cost, efficiency and automation” said **Salil Parekh, CEO and MD**. “Our clients are leveraging our Topaz generative AI capabilities and our Cobalt cloud capabilities to create long-term value for their businesses”, he added.

-1.0%	20.5%	3.0%	$3.2 bn
YoY & QoQ CC growth	Operating margin	YTD Increase in EPS (₹ terms)	Large deal TCV (71% net new)

Guidance for FY24:

- Revenue growth of 1.5%-2.0% in constant currency
- Operating margin of 20%-22%

1. Key highlights:

For the quarter ended December 31, 2023

- Revenues in CC terms declined by 1.0% YoY and QoQ
- Reported revenues at ₹38,821 crore, growth of 1.3% YoY
- Operating margin at 20.5%, decline of 1.0% YoY and 0.7% QoQ
- Basic EPS at ₹14.76, decline of 6.1% YoY
- FCF at ₹5,548 crore, growth of 17.0% YoY; FCF conversion at 90.8% of net profit

For nine months ended December 31, 2023

- Revenues in CC terms grew by 1.8% YoY
- Reported revenues at ₹115,748 crore, growth of 5.9% YoY
- Operating margin at 20.8%, decline of 0.2% YoY
- Basic EPS at ₹44.13, growth of 3.0% YoY
- FCF at ₹16,833 crore, growth of 15.3% YoY; FCF conversion at 92.1% of net profit

“Q3 performance is a demonstration of our strong execution capabilities reflected in improved operational efficiencies achieved under ‘Project Maximus’, despite a challenging environment”, said **Nilanjan Roy, Chief Financial Officer**. “Cash generation remained robust with FCF to net profit conversion for Q3 at 90.6%”, he added.

2. Client wins & testimonials

- Infosys entered into a collaboration with smart Europe GmbH for five years to bring sustainable electric mobility to customers. **Dirk Adelmann, Chief Executive Officer, smart Europe GmbH**, said, "We are pleased to have Infosys as our partner on this journey. Infosys' strong leadership commitment backed by its ability to drive end-to-end application development and maintenance with efficiency and effectiveness, will help us boost our operational performance and user experience."
- Infosys announced a strategic long-term collaboration with TK Elevator (TKE) to help consolidate, harmonize, and modernize their digital landscape. **Susan Poon, Global CIO at TK Elevator**, said, "Technology empowers our employees and business associates to deliver high-quality services to customers and users across the value chain. We are delighted to significantly expand our collaboration with Infosys, which brings end-to-end digital transformation capabilities, helping us accelerate our business transformation and to realize our strategic vision."
- Infosys collaborated with LKQ Europe to help integrate and standardize their disparate business processes and systems, to enable synergies and achieve economies of scale. **Varun Laroyia, Chief Executive Officer, LKQ Europe**, said, "At LKQ, we are constantly enhancing our market leading position. This project is an extension of our original program and focused on building a more streamlined and impactful organization. With Infosys as our strategic partner, we are aiming to reduce complexities, increase efficiency and leverage our strengths. This will allow us to upgrade our focus on customer-centricity, ensure best in class customer experiences and further excel our top position."
- Infosys and Spirit AeroSystems inaugurated their dedicated center for aerospace engineering excellence in Richardson, Texas. The center will enable Infosys to work more closely with Spirit AeroSystems to develop cross-functional solutions to pressing business challenges in the aircraft development lifecycle. **Dr. Sean Black, Senior Vice President, Chief Technology Officer and Chief Engineer, Spirit AeroSystems**, said, "The strategic collaboration with Infosys in Richardson, Texas, will leverage the talent pool in the North Texas region and create a dedicated center for aerospace engineering excellence to cover the complete aircraft development life cycle for both new derivatives and in-service aircraft."
- Infosys helped enhance Spotlight Retail Group's customer growth via an omnichannel digital fulfilment and advanced analytics platform leveraging Infosys Topaz. **Tal Lall, Group General Manager, Digital and Omnichannel, Spotlight Retail Group**, said, "At Spotlight Retail Group, we are committed to continuously optimize customer experiences as one of our key competitive differentiators. One of the ways that we've done this is through greater investment in personalization, and this is core to the digital commerce platform built with Infosys Topaz, leveraging its advanced analytics capabilities. This platform now provides us with deeper customer insights while supporting scalability to meet customer demands and onboarding new brands. We are delighted to have collaborated with Infosys on this journey."
- Infosys collaborated with Proximus to help modernize their IT stack, optimize costs and broaden their portfolio of offerings. **Antonietta Mastroianni, Chief Digital & IT Officer at Proximus**, said, "Our affiliates are an important part of Proximus' multi-brand strategy. They have a fantastic reputation in Belgium when it comes to quality service at great prices. In order to continue to ensure smooth operations and an enhanced portfolio of offerings to all our customers, it was crucial to achieve deeper integration in the Proximus IT stack. A complex transition, involving multiple vendors, applications in an evolving landscape meant that we

needed new operating model and sourcing strategy that could anticipate and adapt to our requirements. Infosys as a managing partner for this venture with the out-tasking model enabled us to successfully complete the program on time and with great quality of delivery."

- Bank of Commerce selected Infosys Finacle for its core banking transformation to help replace their legacy platform. **Michelangelo R. Aguilar, President and CEO, Bank of Commerce**, said, "We are pleased to have chosen Infosys Finacle due to its established presence in the Philippines, robust solutions suite, and record of reliable delivery in the market. The modernization of our core banking system is an integral part of BankCom's digital transformation journey as a universal bank in delivering a truly digital banking experience to our clients. It will enable us to operate better, innovate, and keep pace with industry best practices, regulatory requirements, and evolving expectations of the markets we serve, notably the San Miguel Group and SMC ecosystem."

3. Recognitions & Awards

AI and Cloud Services

- Positioned as a leader in HFS Horizons: Generative Enterprise Services, 2023
- Recognized as a leader in Constellation ShortList 2023: AI-Driven Cognitive Applications
- Recognized as a leader in Constellation ShortList 2023: Artificial Intelligence and Machine Learning Best-of-Breed Platforms
- Positioned as a leader in Gartner Magic Quadrant for Cloud ERP Services for Service-Centric Enterprises
- Rated as a leader in Cloud Services in Insurance PEAK Matrix® Assessment 2023 by Everest Group
- Recognized as a leader in IDC MarketScape: Worldwide Managed Public Cloud Services 2023 Vendor Assessment
- Recognized as a leader in IDC MarketScape: IDC Asia/Pacific Cloud Professional Services Vendor Assessment
- Recognized as a leader in IDC MarketScape: Asia/Pacific Microsoft Business Applications Implementation Services Vendor Assessment, 2023–2024
- Rated as a leader in NelsonHall's Advanced Digital Workplace Services NEAT
- Recognized as a leader in Public Cloud ISG Provider Lens™ report in the US, UK and Nordics regions

Key Digital Services

- Recognized as a leader in Constellation ShortList 2023: Metaverse Design and Services
- Rated as a leader in Healthcare Payer Digital Services PEAK Matrix® Assessment 2023 by Everest Group
- Recognized as a Leader in the Gartner® Magic Quadrant™ for Finance and Accounting Business Process Outsourcing 2023

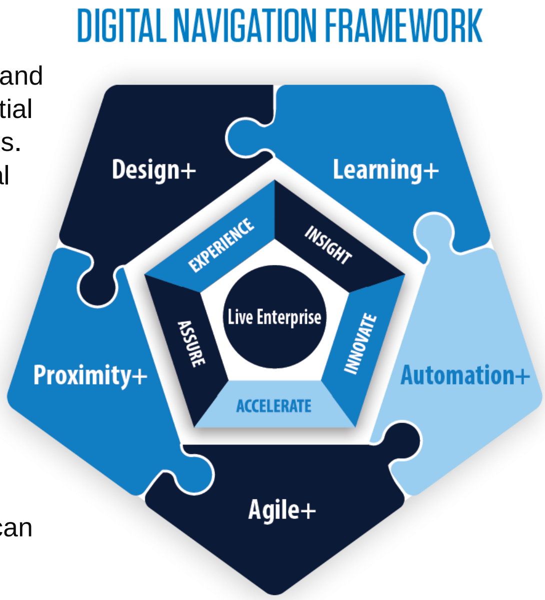
- Rated as a leader in Lending IT Services PEAK Matrix® Assessment 2023 by Everest Group
- Rated as a leader in Next-generation Quality Engineering (QE) Services PEAK Matrix® Assessment 2023 by Everest Group
- Recognized as a leader in IDC MarketScape: Worldwide Production Management Service Providers 2023 Vendor Assessment
- Recognized as a leader in IDC MarketScape: Worldwide Quality Management Service Providers 2023 Vendor Assessment
- Positioned as a leader in HFS Horizons: Low-Code Services, 2023
- Recognized as a leader in IDC MarketScape: Worldwide Supply Chain All Other Ecosystems Services 2023 Vendor Assessment
- Recognized as a leader in IDC MarketScape: Worldwide Software Engineering Services 2023 Vendor Assessment
- Recognized as a leader in Avasant's Tech-enabled Sustainability Services 2023–2024 RadarView™
- Recognized as a leader in Avasant's Intelligent IT Ops Services 2023-2024 RadarView™
- Recognized as a leader in Avasant's Nordics Digital Services 2023-2024 RadarView™

Industry & Solutions

- Positioned as a leader in HFS Horizons: Retail and CPG Service Providers, 2023
- Infosys BPM won the 'Best CSR Impact' award, at the Corporate Social Responsibility Summit and Awards 2023
- Infosys Finacle recognized as Best SaaS Provider Europe 2023 at the Global Finance Awards
- Infosys Finacle and The National Bank of Greece awarded in the category 'Best Core Banking Implementation Europe 2023' at the Global Finance Awards
- Infosys Finacle and Union Bank of India recognized at the 2023 Banking Tech awards in the Best Embedded Finance Initiative category
- Infosys Finacle and Emirates NBD awarded 'Best Digital Transformation Implementation' at the MEA Finance Leaders Awards 2023

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. We enable clients in more than 56 countries to navigate their digital transformation. With over four decades of experience in managing the systems and workings of global enterprises, we expertly steer clients, 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

Certain statements in this release concerning our future growth prospects, or our future financial or operating performance, are forward-looking statements intended to qualify for the 'safe harbor' under the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties that could cause actual results or outcomes to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding the execution of our business strategy, our ability to attract and retain personnel, our transition to hybrid work model, economic uncertainties, technological innovations such as Generative AI, the complex and evolving regulatory landscape including immigration regulation changes, our ESG vision, our capital allocation policy and expectations concerning our market position, future operations, margins, profitability, liquidity, capital resources, our corporate actions including acquisitions, the actual or anticipated findings of the ongoing assessment of the extent and nature of exfiltrated data in relation to the McCamish cybersecurity incident and customer reaction to such findings, and the amount of any additional costs, including indemnities or damages / claims, resulting from the McCamish cybersecurity incident. Important factors that may cause actual results or outcomes to differ from those implied by the forward-looking statements are discussed in more detail in our US Securities and Exchange Commission filings including our Annual Report on Form 20-F for the fiscal year ended March 31, 2023. 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, 2023	March 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	13,645	12,173
Current investments	7,974	6,909
Trade receivables	30,618	25,424
Unbilled revenue	13,227	15,289
Other Current assets	11,857	11,086
Total current assets	**77,321**	**70,881**
Non-current assets		
Property, plant and equipment and Right-of-use assets	19,762	20,675
Goodwill and other Intangible assets	8,943	8,997
Non-current investments	11,270	12,569
Unbilled revenue	1,677	1,449
Other non-current assets	10,893	11,245
Total non-current assets	**52,545**	**54,935**
Total assets	**129,866**	**125,816**
LIABILITIES AND EQUITY		
Current liabilities		
Trade payables	3,825	3,865
Unearned revenue	7,674	7,163
Employee benefit obligations	2,717	2,399
Other current liabilities and provisions	24,713	25,759
Total current liabilities	**38,929**	**39,186**
Non-current liabilities		
Lease liabilities	6,670	7,057
Other non-current liabilities	3,817	3,778
Total non-current liabilities	**10,487**	**10,835**
Total liabilities	**49,416**	**50,021**
Total equity attributable to equity holders of the company	**80,070**	**75,407**
Non-controlling interests	380	388
Total equity	**80,450**	**75,795**
Total liabilities and equity	**129,866**	**125,816**

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

(in ₹ crore except per equity share data)

	3 months ended December 31, 2023	3 months ended December 31, 2022	9 months ended December 31, 2023	9 months ended December 31, 2022
Revenues	**38,821**	**38,318**	**115,748**	**109,326**
Cost of sales	27,253	26,561	80,666	76,342
Gross profit	**11,568**	**11,757**	**35,082**	**32,984**
Operating expenses:				
Selling and marketing expenses	1,700	1,611	5,238	4,591
Administrative expenses	1,907	1,904	5,718	5,365
Total operating expenses	3,607	3,515	10,956	9,956
Operating profit	**7,961**	**8,242**	**24,126**	**23,028**
Other income, net [(3)]	658	689	1,622	1,828
Profit before income taxes	**8,619**	**8,931**	**25,748**	**24,856**
Income tax expense	2,506	2,345	7,474	6,882
Net profit (before minority interest)	**6,113**	**6,586**	**18,274**	**17,974**
Net profit (after minority interest)	6,106	6,586	18,264	17,967
Basic EPS (₹)	14.76	15.72	44.13	42.85
Diluted EPS (₹)	14.74	15.70	44.08	42.79

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, 2023, which have been taken on record at the Board meeting held on January 11, 2024.*

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. *As the quarter and nine months ended 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 nine months ended figures reported in this statement.*

Infosys®
Navigate your next

IFRS – USD

Press Release

Resilient performance in a seasonally weak quarter; Large deal momentum continues with 71% net new deals

Infosys Topaz driving strong differentiation and market leadership in generative AI

Bengaluru, India – January 11, 2024: Infosys (NSE, BSE, NYSE: INFY), a global leader in next-generation digital services and consulting, delivered $4,663 million in Q3 revenues with year-on-year and sequential decline of 1.0% in constant currency. Large deal TCV for the quarter was $3.2 billion, with 71% being net new. Operating margin for the quarter was 20.5%, a sequential decline of 70 bps. Attrition declined further to 12.9%. FY24 revenue guidance revised to 1.5%-2.0% and operating margin guidance at 20%-22%.

"Our performance in Q3 was resilient. Large deal wins were strong at $3.2 billion, with 71% of this as net new, reflecting the relevance and strength of our portfolio of offerings ranging from generative AI, digital and cloud to cost, efficiency and automation" said **Salil Parekh, CEO and MD**. "Our clients are leveraging our Topaz generative AI capabilities and our Cobalt cloud capabilities to create long-term value for their businesses", he added.

-1.0% YoY & QoQ CC growth	**20.5%** Operating margin	**3.0%** YTD Increase in EPS (₹ terms)	**$3.2 bn** Large deal TCV (71% net new)

Guidance for FY24:

- Revenue growth of 1.5%-2.0% in constant currency
- Operating margin of 20%-22%

1. Key highlights:

For the quarter ended December 31, 2023

- Revenues in CC terms declined by 1.0% YoY and QoQ
- Reported revenues at $4,663 million, growth of 0.1% YoY
- Operating margin at 20.5%, decline of 1.0% YoY and 0.7% QoQ
- Basic EPS at $0.18, decline of 7.1% YoY
- FCF at $665 million, growth of 15.5% YoY; FCF conversion at 90.6% of net profit

For nine months ended December 31, 2023

- Revenues in CC terms grew by 1.8% YoY
- Reported revenues at $13,997 million, growth of 2.5% YoY
- Operating margin at 20.8%, decline of 0.2% YoY
- Basic EPS at $0.53, flat YoY
- FCF at $2,034 million, growth of 11.7% YoY; FCF conversion at 92.1% of net profit

"Q3 performance is a demonstration of our strong execution capabilities reflected in improved operational efficiencies achieved under 'Project Maximus', despite a challenging environment", said **Nilanjan Roy, Chief Financial Officer**. "Cash generation remained robust with FCF to net profit conversion for Q3 at 90.6%", he added.

2. Client wins & testimonials

- Infosys entered into a collaboration with smart Europe GmbH for five years to bring sustainable electric mobility to customers. **Dirk Adelmann, Chief Executive Officer, smart Europe GmbH**, said, "We are pleased to have Infosys as our partner on this journey. Infosys' strong leadership commitment backed by its ability to drive end-to-end application development and maintenance with efficiency and effectiveness, will help us boost our operational performance and user experience."
- Infosys announced a strategic long-term collaboration with TK Elevator (TKE) to help consolidate, harmonize, and modernize their digital landscape. **Susan Poon, Global CIO at TK Elevator**, said, "Technology empowers our employees and business associates to deliver high-quality services to customers and users across the value chain. We are delighted to significantly expand our collaboration with Infosys, which brings end-to-end digital transformation capabilities, helping us accelerate our business transformation and to realize our strategic vision."
- Infosys collaborated with LKQ Europe to help integrate and standardize their disparate business processes and systems, to enable synergies and achieve economies of scale. **Varun Laroyia, Chief Executive Officer, LKQ Europe**, said, "At LKQ, we are constantly enhancing our market leading position. This project is an extension of our original program and focused on building a more streamlined and impactful organization. With Infosys as our strategic partner, we are aiming to reduce complexities, increase efficiency and leverage our strengths. This will allow us to upgrade our focus on customer-centricity, ensure best in class customer experiences and further excel our top position."
- Infosys and Spirit AeroSystems inaugurated their dedicated center for aerospace engineering excellence in Richardson, Texas. The center will enable Infosys to work more closely with Spirit AeroSystems to develop cross-functional solutions to pressing business challenges in the aircraft development lifecycle. **Dr. Sean Black, Senior Vice President, Chief Technology Officer and Chief Engineer, Spirit AeroSystems**, said, "The strategic collaboration with Infosys in Richardson, Texas, will leverage the talent pool in the North Texas region and create a dedicated center for aerospace engineering excellence to cover the complete aircraft development life cycle for both new derivatives and in-service aircraft."
- Infosys helped enhance Spotlight Retail Group's customer growth via an omnichannel digital fulfilment and advanced analytics platform leveraging Infosys Topaz. **Tal Lall, Group General Manager, Digital and Omnichannel, Spotlight Retail Group**, said, "At Spotlight Retail Group, we are committed to continuously optimize customer experiences as one of our key competitive differentiators. One of the ways that we've done this is through greater investment in personalization, and this is core to the digital commerce platform built with Infosys Topaz, leveraging its advanced analytics capabilities. This platform now provides us with deeper customer insights while supporting scalability to meet customer demands and onboarding new brands. We are delighted to have collaborated with Infosys on this journey."
- Infosys collaborated with Proximus to help modernize their IT stack, optimize costs and broaden their portfolio of offerings. **Antonietta Mastroianni, Chief Digital & IT Officer at Proximus**, said, "Our affiliates are an important part of Proximus' multi-brand strategy. They have a fantastic reputation in Belgium when it comes to quality service at great prices. In order to continue to ensure smooth operations and an enhanced portfolio of offerings to all our customers, it was crucial to achieve deeper integration in the Proximus IT stack. A complex transition, involving multiple vendors, applications in an evolving landscape meant that we

needed new operating model and sourcing strategy that could anticipate and adapt to our requirements. Infosys as a managing partner for this venture with the out-tasking model enabled us to successfully complete the program on time and with great quality of delivery."

- Bank of Commerce selected Infosys Finacle for its core banking transformation to help replace their legacy platform. **Michelangelo R. Aguilar, President and CEO, Bank of Commerce**, said, "We are pleased to have chosen Infosys Finacle due to its established presence in the Philippines, robust solutions suite, and record of reliable delivery in the market. The modernization of our core banking system is an integral part of BankCom's digital transformation journey as a universal bank in delivering a truly digital banking experience to our clients. It will enable us to operate better, innovate, and keep pace with industry best practices, regulatory requirements, and evolving expectations of the markets we serve, notably the San Miguel Group and SMC ecosystem."

3. Recognitions & Awards

AI and Cloud Services

- Positioned as a leader in HFS Horizons: Generative Enterprise Services, 2023
- Recognized as a leader in Constellation ShortList 2023: AI-Driven Cognitive Applications
- Recognized as a leader in Constellation ShortList 2023: Artificial Intelligence and Machine Learning Best-of-Breed Platforms
- Positioned as a leader in Gartner Magic Quadrant for Cloud ERP Services for Service-Centric Enterprises
- Rated as a leader in Cloud Services in Insurance PEAK Matrix® Assessment 2023 by Everest Group
- Recognized as a leader in IDC MarketScape: Worldwide Managed Public Cloud Services 2023 Vendor Assessment
- Recognized as a leader in IDC MarketScape: IDC Asia/Pacific Cloud Professional Services Vendor Assessment
- Recognized as a leader in IDC MarketScape: Asia/Pacific Microsoft Business Applications Implementation Services Vendor Assessment, 2023–2024
- Rated as a leader in NelsonHall's Advanced Digital Workplace Services NEAT
- Recognized as a leader in Public Cloud ISG Provider Lens™ report in the US, UK and Nordics regions

Key Digital Services

- Recognized as a leader in Constellation ShortList 2023: Metaverse Design and Services
- Rated as a leader in Healthcare Payer Digital Services PEAK Matrix® Assessment 2023 by Everest Group
- Recognized as a Leader in the Gartner® Magic Quadrant™ for Finance and Accounting Business Process Outsourcing 2023

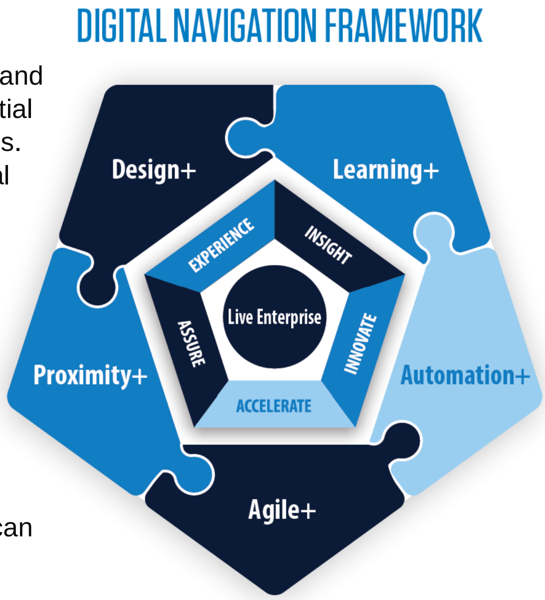
- Rated as a leader in Lending IT Services PEAK Matrix® Assessment 2023 by Everest Group
- Rated as a leader in Next-generation Quality Engineering (QE) Services PEAK Matrix® Assessment 2023 by Everest Group
- Recognized as a leader in IDC MarketScape: Worldwide Production Management Service Providers 2023 Vendor Assessment
- Recognized as a leader in IDC MarketScape: Worldwide Quality Management Service Providers 2023 Vendor Assessment
- Positioned as a leader in HFS Horizons: Low-Code Services, 2023
- Recognized as a leader in IDC MarketScape: Worldwide Supply Chain All Other Ecosystems Services 2023 Vendor Assessment
- Recognized as a leader in IDC MarketScape: Worldwide Software Engineering Services 2023 Vendor Assessment
- Recognized as a leader in Avasant's Tech-enabled Sustainability Services 2023–2024 RadarView™
- Recognized as a leader in Avasant's Intelligent IT Ops Services 2023-2024 RadarView™
- Recognized as a leader in Avasant's Nordics Digital Services 2023-2024 RadarView™

Industry & Solutions

- Positioned as a leader in HFS Horizons: Retail and CPG Service Providers, 2023
- Infosys BPM won the 'Best CSR Impact' award, at the Corporate Social Responsibility Summit and Awards 2023
- Infosys Finacle recognized as Best SaaS Provider Europe 2023 at the Global Finance Awards
- Infosys Finacle and The National Bank of Greece awarded in the category 'Best Core Banking Implementation Europe 2023' at the Global Finance Awards
- Infosys Finacle and Union Bank of India recognized at the 2023 Banking Tech awards in the Best Embedded Finance Initiative category
- Infosys Finacle and Emirates NBD awarded 'Best Digital Transformation Implementation' at the MEA Finance Leaders Awards 2023

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. We enable clients in more than 56 countries to navigate their digital transformation. With over four decades of experience in managing the systems and workings of global enterprises, we expertly steer clients, 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

Certain statements in this release concerning our future growth prospects, or our future financial or operating performance, are forward-looking statements intended to qualify for the 'safe harbor' under the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties that could cause actual results or outcomes to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding the execution of our business strategy, our ability to attract and retain personnel, our transition to hybrid work model, economic uncertainties, technological innovations such as Generative AI, the complex and evolving regulatory landscape including immigration regulation changes, our ESG vision, our capital allocation policy and expectations concerning our market position, future operations, margins, profitability, liquidity, capital resources, our corporate actions including acquisitions, the actual or anticipated findings of the ongoing assessment of the extent and nature of exfiltrated data in relation to the McCamish cybersecurity incident and customer reaction to such findings, and the amount of any additional costs, including indemnities or damages / claims, resulting from the McCamish cybersecurity incident. Important factors that may cause actual results or outcomes to differ from those implied by the forward-looking statements are discussed in more detail in our US Securities and Exchange Commission filings including our Annual Report on Form 20-F for the fiscal year ended March 31, 2023. 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, 2023	March 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	1,640	1,481
Current investments	958	841
Trade receivables	3,680	3,094
Unbilled revenue	1,589	1,861
Other Current assets	1,425	1,349
Total current assets	**9,292**	**8,626**
Non-current assets		
Property, plant and equipment and Right-of-use assets	2,375	2,516
Goodwill and other Intangible assets	1,075	1,095
Non-current investments	1,354	1,530
Unbilled revenue	202	176
Other non-current assets	1,308	1,369
Total non-current assets	**6,314**	**6,686**
Total assets	**15,606**	**15,312**
LIABILITIES AND EQUITY		
Current liabilities		
Trade payables	460	470
Unearned revenue	922	872
Employee benefit obligations	326	292
Other current liabilities and provisions	2,970	3,135
Total current liabilities	**4,678**	**4,769**
Non-current liabilities		
Lease liabilities	802	859
Other non-current liabilities	458	460
Total non-current liabilities	**1,260**	**1,319**
Total liabilities	**5,938**	**6,088**
Total equity attributable to equity holders of the company	**9,617**	**9,172**
Non-controlling interests	51	52
Total equity	**9,668**	**9,224**
Total liabilities and equity	**15,606**	**15,312**

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, 2023	3 months ended December 31, 2022	9 months ended December 31, 2023	9 months ended December 31, 2022
Revenues	**4,663**	**4,659**	**13,997**	**13,657**
Cost of sales	3,274	3,230	9,755	9,544
Gross profit	**1,389**	**1,429**	**4,242**	**4,113**
Operating expenses:				
Selling and marketing expenses	204	196	633	574
Administrative expenses	229	232	692	671
Total operating expenses	433	428	1,325	1,245
Operating profit	**956**	**1,001**	**2,917**	**2,868**
Other income, net [(3)]	79	84	196	229
Profit before income taxes	**1,035**	**1,085**	**3,113**	**3,097**
Income tax expense	301	285	904	859
Net profit (before minority interest)	**734**	**800**	**2,209**	**2,238**
Net profit (after minority interest)	733	800	2,208	2,237
Basic EPS ($)	0.18	0.19	0.53	0.53
Diluted EPS ($)	0.18	0.19	0.53	0.53

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, 2023, which have been taken on record at the Board meeting held on January 11, 2024.*

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. *As the quarter and nine months ended 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 nine months ended figures reported in this statement.*

Deloitte Haskins & Sells LLP

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Karnataka, India

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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, 2023, 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, 2023, its consolidated profit and its consolidated total comprehensive income for the three months and nine months ended on that date, its 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.

Emphasis of Matter

As described in note 2.6.2 to the interim condensed consolidated financial statements, certain costs relating to possible damages or claims relating to a cybersecurity incident in a subsidiary are indeterminable as at the date of this report because of reasons stated in the note. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance 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

1.

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/Trustees of the entities 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/Trustees of the entities 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 have no realistic alternative but to do so.

The respective Boards of Directors/Trustees of the entities 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 such 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 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 11, 2024

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, 2023

Index	**Page No.**

Infosys Limited and subsidiaries

(Dollars in millions except equity share data)

Condensed Consolidated Balance Sheet as at	Note	December 31, 2023	March 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents	2.1	1,640	1,481
Current investments	2.2	958	841
Trade receivables		3,680	3,094
Unbilled revenue	2.17	1,589	1,861
Prepayments and other current assets	2.4	1,395	1,336
Income tax assets	2.12	21	1
Derivative financial instruments	2.3	9	12
Total current assets		**9,292**	**8,626**
Non-current assets			
Property, plant and equipment	2.7	1,547	1,679
Right-of-use assets	2.8	828	837
Goodwill	2.9	894	882
Intangible assets		181	213
Non-current investments	2.2	1,354	1,530
Unbilled revenue	2.17	202	176
Deferred income tax assets	2.12	84	152
Income tax assets	2.12	823	785
Other non-current assets	2.4	401	432
Total non-current assets		**6,314**	**6,686**
Total assets		**15,606**	**15,312**
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables		460	470
Lease liabilities	2.8	249	151
Derivative financial instruments	2.3	17	10
Current income tax liabilities	2.12	483	412
Unearned revenue		922	872
Employee benefit obligations		326	292
Provisions	2.6	220	159
Other current liabilities	2.5	2,001	2,403
Total current liabilities		**4,678**	**4,769**
Non-current liabilities			
Lease liabilities	2.8	802	859
Deferred income tax liabilities	2.12	113	149
Employee benefit obligations		11	10
Other non-current liabilities	2.5	334	301
Total non-current liabilities		**1,260**	**1,319**
Total liabilities		**5,938**	**6,088**
Equity			
Share capital - ₹5 ($0.16) par value 4,800,000,000 (4,800,000,000) equity shares authorized, issued and outstanding 4,139,198,089 (4,136,387,925) equity shares fully paid up, net of 11,249,465 (12,172,119) treasury shares as at December 31, 2023 (March 31, 2023)	2.18	325	325
Share premium		413	366
Retained earnings		11,613	11,401
Cash flow hedge reserves		(2)	-
Other reserves		1,593	1,370
Capital redemption reserve		24	24
Other components of equity		(4,349)	(4,314)
Total equity attributable to equity holders of the Company		**9,617**	**9,172**
Non-controlling interests		51	52
Total equity		**9,668**	**9,224**
Total liabilities and equity		**15,606**	**15,312**

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

Bobby Parikh
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
January 11, 2024

Infosys Limited and subsidiaries

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

Condensed Consolidated Statement of Comprehensive Income for the	Note	Three months ended		Nine months ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Revenues	2.16	**4,663**	**4,659**	**13,997**	**13,657**
Cost of sales	2.19	3,274	3,230	9,755	9,544
Gross profit		**1,389**	**1,429**	**4,242**	**4,113**
Operating expenses:					
Selling and marketing expenses	2.19	204	196	633	574
Administrative expenses	2.19	229	232	692	671
Total operating expenses		**433**	**428**	**1,325**	**1,245**
Operating profit		**956**	**1,001**	**2,917**	**2,868**
Other income, net	2.19	95	94	239	254
Finance cost		16	10	43	25
Profit before income taxes		**1,035**	**1,085**	**3,113**	**3,097**
Income tax expense	2.12	301	285	904	859
Net profit		**734**	**800**	**2,209**	**2,238**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset, net		8	4	11	-
Equity instruments through other comprehensive income, net		(1)	(1)	4	(2)
		7	3	15	(2)
Items that will be reclassified subsequently to profit or loss					
Fair value changes on investments, net		7	6	13	(34)
Fair value changes on derivatives designated as cash flow hedge, net		(6)	(7)	(2)	(5)
Exchange differences on translation of foreign operations		34	(84)	(63)	(771)
		35	(85)	(52)	(810)
Total other comprehensive income/(loss), net of tax		**42**	**(82)**	**(37)**	**(812)**
Total comprehensive income		**776**	**718**	**2,172**	**1,426**
Profit attributable to:					
Owners of the Company		733	800	2,208	2,237
Non-controlling interests		1	-	1	1
		734	**800**	**2,209**	**2,238**
Total comprehensive income attributable to:					
Owners of the Company		775	718	2,171	1,425
Non-controlling interests		1	-	1	1
		776	**718**	**2,172**	**1,426**
Earnings per equity share					
Basic (in $ per share)		0.18	0.19	0.53	0.53
Diluted (in $ per share)		0.18	0.19	0.53	0.53
Weighted average equity shares used in computing earnings per equity share					
Basic (in shares)	2.13	4,138,963,794	4,190,550,470	4,138,282,170	4,192,969,201
Diluted (in shares)	2.13	4,143,565,697	4,195,924,920	4,143,506,821	4,199,312,062

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

Bobby Parikh
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
January 11, 2024

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, 2022	**4,193,012,929**	**328**	**337**	**11,672**	**1,170**	**21**	**1**	**(3,588)**	**9,941**	**53**	**9,994**
Impact on adoption of amendment to 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 the nine months ended December 31, 2022											
Net profit	-	-	-	2,237	-	-	-	-	2,237	1	2,238
Fair value changes on derivatives designated as Cash flow hedge, net*	-	-	-	-	-	-	(5)	-	(5)	-	(5)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	(771)	(771)	-	(771)
Equity instruments through other comprehensive income, net*	-	-	-	-	-	-	-	(2)	(2)	-	(2)
Fair value changes on investments, net*	-	-	-	-	-	-	-	(34)	(34)	-	(34)
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	-	-	-	-	-
Employee stock compensation expense (Refer to note 2.11)	-	-	48	-	-	-	-	-	48	-	48
Income tax benefit arising on exercise of stock options	-	-	5	-	-	-	-	-	5	-	5
Transferred to other reserves	-	-	-	(312)	312	-	-	-	-	-	-
Transferred from other reserves on utilization	-	-	-	108	(108)	-	-	-	-	-	-
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**

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, 2023	**4,136,387,925**	**325**	**366**	**11,401**	**1,370**	**24**	**-**	**(4,314)**	**9,172**	**52**	**9,224**
Changes in equity for the nine months ended December 31, 2023											
Net profit	-	-	-	2,208	-	-	-	-	2,208	1	2,209
Remeasurement of the net defined benefit liability/asset, net*	-	-	-	-	-	-	-	11	11	-	11
Equity instruments through other comprehensive income, net*	-	-	-	-	-	-	-	4	4	-	4
Fair value changes on derivatives designated as cash flow hedge, net*	-	-	-	-	-	-	(2)	-	(2)	-	(2)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	(63)	(63)	-	(63)
Fair value changes on investments, net*	-	-	-	-	-	-	-	13	13	-	13
Total comprehensive income for the period	**-**	**-**	**-**	**2,208**	**-**	**-**	**(2)**	**(35)**	**2,171**	**1**	**2,172**
Shares issued on exercise of employee stock options (Refer to note 2.11)	2,810,164	-	-	-	-	-	-	-	-	-	-
Transferred on account of options not exercised	-	-	(4)	4	-	-	-	-	-	-	-
Employee stock compensation expense (Refer to note 2.11)	-	-	51	-	-	-	-	-	51	-	51
Transferred to other reserves	-	-	-	(281)	281	-	-	-	-	-	-
Transferred from other reserves on utilization	-	-	-	58	(58)	-	-	-	-	-	-
Buyback of shares pertaining to non controlling interest of subsidiary	-	-	-	-	-	-	-	-	-	(2)	(2)
Dividends#	-	-	-	(1,777)	-	-	-	-	(1,777)	-	(1,777)
Balance as at December 31, 2023	**4,139,198,089**	**325**	**413**	**11,613**	**1,593**	**24**	**(2)**	**(4,349)**	**9,617**	**51**	**9,668**

** net of tax*

*** Including tax on buyback of $141 million for the nine months ended December 31, 2022.*

 # 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 11,249,465 as at December 31, 2023, 12,172,119 as at April 1, 2023, 12,568,222 as at December 31, 2022 and 13,725,712 as at April 1, 2022 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 and on behalf of the Board of Directors of Infosys Limited

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

Nandan M. Nilekani
Chairman

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Chief Executive Officer and Managing Director

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Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
January 11, 2024

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 items 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, 2023	2022
Operating activities:			
Net Profit		2,209	2,238
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation and amortization		425	388
Interest income		(95)	(105)
Finance cost		43	25
Income tax expense	2.12	904	859
Exchange differences on translation of assets and liabilities, net		15	47
Impairment loss recognized/(reversed) under expected credit loss model		27	25
Stock compensation expense		52	48
Provision for post sale client support		25	24
Other adjustments		132	60
Changes in working capital			
Trade receivables and unbilled revenue		(429)	(915)
Prepayments and other assets		(83)	(311)
Trade payables		(5)	80
Unearned revenue		61	98
Other liabilities and provisions		(183)	308
Cash generated from operations		**3,098**	**2,869**
Income taxes paid		(864)	(824)
Net cash generated by operating activities		**2,234**	**2,045**
Investing activities:			
Expenditure on property, plant and equipment and intangibles		(200)	(224)
Deposits placed with Corporation		(89)	(113)
Redemption of deposits placed with Corporation		76	84
Interest received		91	97
Payment for acquisition of business, net of cash acquired		-	(113)
Payment of contingent consideration pertaining to acquisition of business		(12)	(8)
Escrow and other deposits pertaining to Buyback		-	(72)
Payments to acquire Investments			
Liquid mutual funds units		(6,439)	(6,793)
Certificates of deposit		(510)	(846)
Quoted debt securities		(41)	(228)
Commercial paper		(580)	(291)
Other investments		(1)	(2)
Proceeds on sale of investments			
Quoted debt securities		173	273
Certificates of deposit		723	947
Commercial paper		435	162
Liquid mutual funds units		6,316	6,666
Other investments		2	12
Other receipts		15	7
Net cash used in investing activities		**(41)**	**(442)**
Financing activities:			
Payment of lease liabilities		(174)	(107)
Payment of dividends		(1,777)	(1,697)
Payment of dividends to non-controlling interests of subsidiary		-	(3)
Payment towards buyback of shares pertaining to non controlling interest of subsidiary		(2)	-
Shares issued on exercise of employee stock options		-	3
Other payments		(64)	(45)
Other receipts		-	15
Buyback of equity shares including transaction costs and tax on buyback		-	(475)
Net cash used in financing activities		**(2,017)**	**(2,309)**
Net increase/(decrease) in cash and cash equivalents		176	(706)
Effect of exchange rate changes on cash and cash equivalents		(17)	(198)
Cash and cash equivalents at the beginning of the period	2.1	1,481	2,305
Cash and cash equivalents at the end of the period	2.1	**1,640**	**1,401**
Supplementary information:			
Restricted cash balance	2.1	45	46

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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Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
January 11, 2024

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 11, 2024.

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 ("IASB"), 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, 2023. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The material accounting policy information used in preparation of the audited condensed consolidated interim financial statements have been discussed in the respective notes.

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 interim condensed consolidated 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. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note 1.5. 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 interim condensed consolidated 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 the 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. These valuations are conducted by external valuation experts. Estimates are required to be made in determining the value of contingent consideration, value of option arrangements and intangible assets. 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 and 2.9.2)

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)

1.6 Recent accounting pronouncements

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

Amendments to IFRS 16 Leases	Lease Liability in a Sale and Leaseback
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments	Disclosure regarding supplier finance arrangements
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates	Lack of Exchangeability

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 does not expect this amendment to have any significant impact in its financial statements.

Amendments to IAS 7 and IFRS 7

On May 25, 2023 International Accounting Standards Board (IASB) has issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosure which requires entities to disclose information that enables users of financial statement to assess how supplier finance arrangements affect its liabilities and cash flows and to understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.

The effective date for adoption of this amendment is annual periods beginning on or after January 1, 2024, although early adoption is permitted. The Group is in the process of evaluating the impact of the amendment.

Amendments to IAS 21

On August 15, 2023, International Accounting Standards Board (IASB) has issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates, Lack of Exchangeability that will require companies to provide more useful information in their financial statements when a currency cannot be exchanged into another currency. These amendments specify when a currency is exchangeable into another currency and when it is not and specify how an entity determines the exchange rate to apply when a currency is not exchangeable.

The effective date for adoption of this amendment is annual periods beginning on or after January 1, 2025, although early adoption is permitted. The Group is in the process of evaluating the impact of the amendment.

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, 2023	March 31, 2023
Cash and bank deposits	1,640	1,220
Deposits with financial institutions	-	261
Total Cash and cash equivalents	**1,640**	**1,481**

Cash and cash equivalents as at December 31, 2023 and March 31, 2023 include restricted cash and bank balances of $45 million and $44 million, respectively. The restrictions are primarily on account of bank balances held by irrevocable trusts controlled by the company.

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:

(Dollars in millions)

Particulars	As at	
	December 31, 2023	March 31, 2023
(i) Current Investments		
Amortized Cost		
Quoted debt securities	-	18
Fair Value through profit or loss		
Liquid mutual fund units	257	119
Fair Value through other comprehensive income		
Quoted debt securities	226	179
Certificates of deposits	229	435
Commercial paper	246	90
Total current investments	**958**	**841**
(ii) Non-current Investments		
Amortized Cost		
Quoted debt securities	212	215
Fair Value through other comprehensive income		
Quoted debt securities	1,042	1,221
Quoted equity securities	16	-
Unquoted equity and preference securities	10	24
Fair Value through profit or loss		
Target maturity fund units	51	49
Others[1]	23	21
Total non-current investments	**1,354**	**1,530**
Total investments	**2,312**	**2,371**
Investments carried at amortized cost	212	233
Investments carried at fair value through other comprehensive income	1,769	1,949
Investments carried at fair value through profit or loss	331	189

[1] *Uncalled capital commitments outstanding as on December 31, 2023 and March 31, 2023 was $10 million and $11 million, respectively.*

Refer to note 2.3 for accounting policies on financial instruments.

Method of fair valuation:

(Dollars in millions)

Class of investment	Method	Fair value	
		December 31, 2023	March 31, 2023
Liquid mutual fund units - carried at fair value through profit or loss	Quoted price	257	119
Target maturity fund units - carried at fair value through profit or loss	Quoted price	51	49
Quoted debt securities- carried at amortized cost	Quoted price and market observable inputs	234	261
Quoted debt securities- carried at fair value through other comprehensive income	Quoted price and market observable inputs	1,268	1,400
Commercial paper - carried at fair value through other comprehensive income	Market observable inputs	246	90
Certificates of deposit - carried at fair value through other comprehensive income	Market observable inputs	229	435
Quoted equity securities	Quoted price	16	-
Unquoted equity and preference securities - carried at fair value through other comprehensive income	Discounted cash flows method, Market multiples method, Option pricing model	10	24
Others - carried at fair value through profit or loss	Discounted cash flows method, Market multiples method, Option pricing model	23	21
Total		**2,334**	**2,399**

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, 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 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 ECL (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 loss or gain in consolidated statement of comprehensive income.

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at December 31, 2023 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)	1,640	-	-	-	-	1,640	1,640
Investments (Refer to note 2.2)							
Liquid mutual fund units	-	-	257	-	-	257	257
Target maturity fund units	-	-	51	-	-	51	51
Quoted debt securities	212	-	-	-	1,268	1,480	1,502 (1)
Certificates of deposit	-	-	-	-	229	229	229
Commercial Papers	-	-	-	-	246	246	246
Quoted equity securities	-	-	-	16	-	16	16
Unquoted equity and preference securities	-	-	-	10	-	10	10
Unquoted investment others	-	-	23	-	-	23	23
Trade receivables	3,680	-	-	-	-	3,680	3,680
Unbilled revenues (Refer to note 2.17)(3)	1,058	-	-	-	-	1,058	1,058
Prepayments and other assets (Refer to note 2.4)	663	-	-	-	-	663	656 (2)
Derivative financial instruments	-	-	7	-	2	9	9
Total	**7,253**	**-**	**338**	**26**	**1,745**	**9,362**	**9,377**
Liabilities:							
Trade payables	460	-	-	-	-	460	460
Lease liabilities (Refer to note 2.8)	1,051	-	-	-	-	1,051	1,051
Derivative financial instruments	-	-	14	-	3	17	17
Financial liability under option arrangements (Refer to note 2.5)	-	-	78	-	-	78	78
Other liabilities including contingent consideration (Refer to note 2.5)	1,789	-	-	-	-	1,789	1,789
Total	**3,300**	**-**	**92**	**-**	**3**	**3,395**	**3,395**

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

(2) *Excludes interest accrued on quoted debt securities carried at amortized cost of $7 million*

(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, 2023 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)	1,481	-	-	-	-	1,481	1,481
Investments (Refer to note 2.2)							
Liquid mutual fund units	-	-	119	-	-	119	119
Target maturity fund units	-	-	49	-	-	49	49
Quoted debt securities	233	-	-	-	1,400	1,633	1,661 (1)
Certificates of deposit	-	-	-	-	435	435	435
Commercial Papers	-	-	-	-	90	90	90
Unquoted equity and preference securities	-	-	-	24	-	24	24
Unquoted investments others	-	-	21	-	-	21	21
Trade receivables	3,094	-	-	-	-	3,094	3,094
Unbilled revenues(Refer to note 2.17)(3)	1,157	-	-	-	-	1,157	1,157
Prepayments and other assets (Refer to note 2.4)	624	-	-	-	-	624	614 (2)
Derivative financial instruments	-	-	8	-	4	12	12
Total	**6,589**	**-**	**197**	**24**	**1,929**	**8,739**	**8,757**
Liabilities:							
Trade payables	470	-	-	-	-	470	470
Lease liabilities (Refer to note 2.8)	1,010	-	-	-	-	1,010	1,010
Derivative financial instruments	-	-	8	-	2	10	10
Financial liability under option arrangements (Refer to note 2.5)	-	-	73	-	-	73	73
Other liabilities including contingent consideration (Refer to note 2.5)	2,112	-	12	-	-	2,124	2,124
Total	**3,592**	**-**	**93**	**-**	**2**	**3,687**	**3,687**

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

(2) *Excludes interest accrued on quoted debt securities carried at amortized cost of $10 million*

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

For trade receivables, trade payables, 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 fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at December 31, 2023 is as follows:

(Dollars in millions)

Particulars	As at December 31, 2023	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments (Refer to note 2.2)				
Investments in liquid mutual fund units	257	257	-	-
Investments in target maturity fund units	51	51	-	-
Investments in quoted debt securities	1,502	1,377	125	-
Investments in certificates of deposit	229	-	229	-
Investments in commercial paper	246	-	246	-
Investments in quoted equity securities	16	16	-	-
Investments in unquoted equity and preference securities	10	-	-	10
Investments in unquoted investments others	23	-	-	23
Others				
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts	9	-	9	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts	17	-	17	-
Financial liability under option arrangements (Refer to note 2.5)(1)	78	-	-	78

(1) *Discount rate ranges from 10% to 17%*

During the nine months ended December 31, 2023, quoted debt securities of $202 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 $18 million 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, 2023 is as follows:

(Dollars in millions)

Particulars	As at March 31, 2023	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments (Refer to note 2.2)				
Investments in liquid mutual fund units	119	119	-	-
Investments in target maturity fund units	49	49	-	-
Investments in quoted debt securities	1,661	1,302	359	-
Investments in certificates of deposit	435	-	435	-
Investments in commercial paper	90	-	90	-
Investments in unquoted equity and preference securities	24	-	-	24
Investments in unquoted investments others	21	-	-	21
Others				
Derivative financial instruments- gain on outstanding foreign exchange forward and option contracts	12	-	12	-
Liabilities				
Derivative financial instruments- loss on outstanding foreign exchange forward and option contracts	10	-	10	-
Financial liability under option arrangements (Refer to note 2.5)(1)	73	-	-	73
Liability towards contingent consideration (Refer to note 2.5)(1)	12	-	-	12

(1) *Discount rate ranges from 10% to 15%*

During the year ended March 31, 2023, quoted debt securities of $47 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 $196 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, target maturity 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.

2.4 Prepayments and other assets

Prepayments and other assets consist of the following:

(Dollars in millions)

Particulars	As at	
	December 31, 2023	March 31, 2023
Current		
Rental deposits[1]	7	4
Security deposits[1]	1	1
Loans to employees[1]	28	35
Prepaid expenses[2]	436	334
Interest accrued and not due[1]	46	59
Withholding taxes and others[2]	356	398
Advance payments to vendors for supply of goods[2]	9	25
Deposit with corporations[1][3]	305	286
Deferred contract cost[2]		
Cost of obtaining a contract[2][4]	31	104
Cost of fulfillment[2]	40	21
Net investment in sublease of right-of-use asset[1]	1	6
Other non financial assets[2]	27	32
Other financial assets[1]	108	31
Total Current prepayment and other assets	**1,395**	**1,336**
Non-current		
Loans to employees[1]	4	5
Security deposits[1]	6	6
Deposit with corporations[1][3]	2	12
Defined benefit plan assets[2]	4	4
Prepaid expenses[2]	42	41
Deferred contract cost[2]		
Cost of obtaining a contract [2][4]	18	23
Cost of fulfillment[2]	86	79
Withholding taxes and others[2]	82	83
Net investment in sublease of right-of-use asset[1]	-	37
Rental deposits[1]	27	29
Other non financial assets[2]	2	-
Other financial assets[1]	128	113
Total Non- current prepayment and other assets	**401**	**432**
Total prepayment and other assets	**1,796**	**1,768**
[1] Financial assets carried at amortized cost	663	624

[2] *Non financial assets*

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

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

[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, 2023, the financial liability pertaining to such arrangements amounts to $43 million. (Refer to note 2.5)

2.5 Other liabilities

Other liabilities comprise the following:

(Dollars in millions)

Particulars	As at	
	December 31, 2023	March 31, 2023
Current		
Accrued compensation to employees[(1)]	454	508
Accrued expenses[(1)]	933	949
Accrued defined benefit liability[(3)]	1	-
Withholding taxes and others[(3)]	421	442
Retention money[(1)]	2	2
Liabilities of controlled trusts[(1)]	25	26
Deferred income - government grants[(3)]	1	4
Liability towards contingent consideration[(2)]	-	12
Capital Creditors[(1)]	27	82
Financial liability under option arrangements[(2)#]	66	73
Other financial liabilities[(1)(4)]	71	305
Total current other liabilities	**2,001**	**2,403**
Non-current		
Accrued compensation to employees[(1)]	1	1
Accrued expenses[(1)]	265	198
Accrued defined benefit liability [(3)]	35	54
Deferred income - government grants[(3)]	8	5
Deferred income[(3)]	1	1
Financial liability under option arrangements[(2)#]	12	-
Other non-financial liabilities[(3)]	1	1
Other financial liabilities[(1)(4)]	11	41
Total non-current other liabilities	**334**	**301**
Total other liabilities	**2,335**	**2,704**
[(1)] Financial liability carried at amortized cost	1,789	2,112
[(2)] Financial liability carried at fair value through profit or loss	78	85

[(3)] *Non financial liabilities*

[(4)] 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, 2023, the financial liability pertaining to such arrangements amounts to $43 million.

Represents liability related to options issued by the Group over the non-controlling interests in its subsidiaries.

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 and cost of third party software and hardware.

2.6 Provisions and other contingencies

Accounting Policy

2.6.1 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.

a. 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.

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

(Dollars in millions)

Particulars	As at	
	December 31, 2023	**March 31, 2023**
Post sales client support and other provisions	220	159
Total provisions	**220**	**159**

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 interim condensed consolidated statement of comprehensive income.

As at December 31, 2023 and March 31, 2023, claims against the Group, not acknowledged as debts, (excluding demands from income tax authorities- Refer to Note 2.12) amounted to $91 million (₹759 crore) and $85 million (₹700 crore), respectively.

2.6.2 McCamish cybersecurity incident

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

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

Actions taken by McCamish included investigative analysis conducted by a third-party cybersecurity firm to determine, among other things, whether and the extent to which company or customer data was subject to unauthorized access or exfiltration. On the basis of analysis conducted by the cybersecurity firm, McCamish believes that certain data was exfiltrated by unauthorized third parties during the incident and this exfiltrated data included certain customer data. McCamish has engaged a third-party e- discovery vendor in assessing the extent and nature of such data. This review process is ongoing. McCamish may incur additional costs including indemnities or damages/claims, which are indeterminable at this time.

Infosys had previously communicated the occurence of this cybersecurity incident to BSE Limited, National Stock Exchange of India Limited, New York Stock Exchange and to United States Securities and Exchange Commission on November 3, 2023.

2.6.3 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 25 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. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset.

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.

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

(Dollars in millions)

Particulars	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at October 1, 2023	**172**	**1,388**	**623**	**1,023**	**411**	**6**	**3,623**
Additions	-	1	4	25	1	-	31
Deletions**	-	(7)	(6)	(27)	(7)	-	(47)
Translation difference	-	(1)	1	-	1	-	1
Gross carrying value as at December 31, 2023	**172**	**1,381**	**622**	**1,021**	**406**	**6**	**3,608**
Accumulated depreciation as at October 1, 2023	**-**	**(572)**	**(483)**	**(739)**	**(314)**	**(5)**	**(2,113)**
Depreciation	-	(14)	(13)	(41)	(12)	-	(80)
Accumulated depreciation on deletions**	-	7	5	27	7	-	46
Translation difference	-	1	-	-	(1)	-	-
Accumulated depreciation as at December 31, 2023	**-**	**(578)**	**(491)**	**(753)**	**(320)**	**(5)**	**(2,147)**
Capital work-in progress as at October 1, 2023							77
Carrying value as at October 1, 2023	**172**	**816**	**140**	**284**	**97**	**1**	**1,587**
Capital work-in progress as at December 31, 2023							86
Carrying value as at December 31, 2023	**172**	**803**	**131**	**268**	**86**	**1**	**1,547**

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

(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 October 1, 2022							59
Carrying value as at October 1, 2022	**176**	**863**	**146**	**312**	**91**	**-**	**1,647**
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**

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

(Dollars in millions)

Particulars	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at April 1, 2023	**174**	**1,407**	**625**	**1,037**	**409**	**6**	**3,658**
Additions	-	2	18	71	14	-	105
Deletions**	-	(7)	(14)	(75)	(13)	-	(109)
Translation difference	(2)	(21)	(7)	(12)	(4)	-	(46)
Gross carrying value as at December 31, 2023	**172**	**1,381**	**622**	**1,021**	**406**	**6**	**3,608**
Accumulated depreciation as at April 1, 2023	**-**	**(552)**	**(468)**	**(709)**	**(300)**	**(5)**	**(2,034)**
Depreciation	-	(41)	(42)	(127)	(36)	-	(246)
Accumulated depreciation on deletions**	-	7	13	75	12	-	107
Translation difference	-	8	6	8	4	-	26
Accumulated depreciation as at December 31, 2023	**-**	**(578)**	**(491)**	**(753)**	**(320)**	**(5)**	**(2,147)**
Capital work-in progress as at April 1, 2023							55
Carrying value as at April 1, 2023	**174**	**855**	**157**	**328**	**109**	**1**	**1,679**
Capital work-in progress as at December 31, 2023							86
Carrying value as at December 31, 2023	**172**	**803**	**131**	**268**	**86**	**1**	**1,547**

** During each of the three months ended and nine months ended December 31, 2023, certain assets which were not in use having gross book value of $16 million (net book value: Nil) and $71 million (net book value: Nil) respectively, were retired.

The changes in the carrying value of property, plant and equipment for the nine months ended December 30, 2022 are as follows:

(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	-	-	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 April 1, 2022							67
Carrying value as at April 1, 2022	**188**	**940**	**169**	**329**	**99**	**1**	**1,793**
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**

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

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

Repairs and maintenance costs are recognized in the interim condensed consolidated statement of comprehensive income when incurred.

The Group had contractual commitments for capital expenditure primarily comprising of commitments for infrastructure facilities and computer equipments aggregating to $87 million and $117 million as at December 31, 2023 and March 31, 2023, 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 Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

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, 2023:

(Dollars in millions)

Particulars	**Category of ROU asset**				**Total**
	Land	**Buildings**	**Vehicles**	**Computers**	
Balance as of October 1, 2023	**74**	**459**	**2**	**302**	**837**
Additions*	-	1	-	63	64
Deletions	(1)	(6)	-	(16)	(23)
Depreciation	-	(22)	-	(27)	(49)
Impairment#	-	(10)	-	-	(10)
Translation difference	-	2	-	7	9
Balance as of December 31, 2023	**73**	**424**	**2**	**329**	**828**

* *Net of adjustments on account of modifications*

\# *included under other expenses. Refer note 2.19*

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**				**Total**
	Land	**Buildings**	**Vehicles**	**Computers**	
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 nine months ended December 31, 2023:

(Dollars in millions)

Particulars	**Category of ROU asset**				**Total**
	Land	**Buildings**	**Vehicles**	**Computers**	
Balance as of April 1, 2023	**76**	**474**	**2**	**285**	**837**
Additions*	-	39	1	181	221
Deletions	(1)	(11)	-	(65)	(77)
Impairment#	-	(10)	-	-	(10)
Depreciation	-	(66)	(1)	(75)	(142)
Translation difference	(2)	(2)	-	3	(1)
Balance as of December 31, 2023	**73**	**424**	**2**	**329**	**828**

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

 # included under other expenses. Refer note 2.19

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**				**Total**
	Land	**Buildings**	**Vehicles**	**Computers**	
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*

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

The following is the break-up of current and non-current lease liabilities as of December 31, 2023 and March 31, 2023:

(Dollars in millions)

Particulars	**As at**	
	December 31, 2023	**March 31, 2023**
Current lease liabilities	249	151
Non-current lease liabilities	802	859
Total	**1,051**	**1,010**

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.

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

(Dollars in millions)

Particulars	As at	
	December 31, 2023	March 31, 2023
Carrying value at the beginning	**882**	**817**
Goodwill on acquisitions	-	79
Translation differences	12	(14)
Carrying value at the end	**894**	**882**

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 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 finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

Proposed acquisition

On January 11, 2024, Infosys Limited entered into a definitive agreement to acquire 100% of the equity share capital in InSemi Technology Services Private Limited, a semiconductor design services company headquartered in India, for a consideration including earn-outs, and management incentives and retention bonuses totalling up to ₹280 crore (approximately $34 million) , subject to customary closing adjustments.

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 interim 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 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 Stock Incentive Compensation 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). These instruments will generally vest over a period of 4 years The plan numbers mentioned above are further adjusted with 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 11,249,465 and 12,172,119 shares as at December 31, 2023 and March 31, 2023, 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, 2023 and March 31, 2023, respectively.

The following is the summary of grants made during three months and nine months ended December 31, 2023 and December 31, 2022:

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,	
	2023	2022	2023	2022	2023	2022	2023	2022
Equity settled RSUs								
Key Management Personnel (KMP)	35,990	-	114,271	176,893	88,040	-	421,636	287,325
Employees other than KMP	464,260	3,814	464,260	374,774	1,169,660	48,050	1,197,940	48,050
	500,250	**3,814**	**578,531**	**551,667**	**1,257,700**	**48,050**	**1,619,576**	**335,375**
Cash settled RSUs								
Key Management Personnel (KMP)	-	-	-	-	-	-	-	-
Employees other than KMP	-	-	-	-	7,950	-	7,950	-
	-	**-**	**-**	**-**	**7,950**	**-**	**7,950**	**-**
Total Grants	**500,250**	**3,814**	**578,531**	**551,667**	**1,265,650**	**48,050**	**1,627,526**	**335,375**

Notes on grants to KMP:

CEO & MD

Under the 2015 plan:

The Board, on April 13, 2023, 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 ₹34.75 crore for fiscal 2024 under the 2015 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 2,72,026 performance based RSU's were granted effective May 2, 2023.

The Board, on April 13, 2023, based on the recommendations of the Nomination and Remuneration Committee, approved the performance-based grant of RSUs (Annual performance equity ESG grant) of fair value of ₹2 crore for fiscal 2024 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, 15,656 performance based RSU's were granted effective May 2, 2023.

The Board, on April 13, 2023, based on the recommendations of the Nomination and Remuneration Committee, approved the performance-based grant of RSUs (Annual performance Equity TSR grant) of fair value of ₹5 crore for fiscal 2024 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, 39,140 performance based RSU's were granted effective May 2, 2023.

Though the annual time based grants and annual performance equity TSR grant for the remaining employment term ending on March 31, 2027 have not been granted as of December 31, 2023, since the service commencement date precedes the grant date, the company has recorded employment stock compensation expense in accordance with IFRS 2, Share based payment. The grant date for this purpose in accordance with IFRS 2, Share based payment is July 1, 2022.

Under the 2019 plan:

The Board, on April 13, 2023, based on the recommendations of the Nomination and Remuneration Committee, approved performance-based grant of RSUs amounting to ₹10 crore for fiscal 2024 under the 2019 Plan. These RSUs will vest based on achievement of certain performance targets. Accordingly, 78,281 performance based RSU's were granted effective May 2, 2023.

Other KMP

Under the 2015 plan:

During the nine months ended December 31, 2023, based on recommendations of Nomination and Remuneration Committee, the Board approved 88,040 time based RSUs and 6,774 performance based RSUs to other KMP under the 2015 plan. The time based RSUs will vest over three years and performance based RSUs will vest over three years based on certain performance targets.

Under the 2019 plan:

During the nine months ended December 31, 2023, based on recommendations of Nomination and Remuneration Committee, the Board approved performance based grants of 35,990 RSUs to other KMP under the 2019 plan. 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:

(Dollars in millions)

Particulars	Three months ended December 31,		Nine months ended December 31,	
	2023	**2022**	**2023**	**2022**
Granted to:				
KMP	2	-	6	5
Employees other than KMP	16	14	46	43
Total [(1)]	**18**	**14**	**52**	**48**
[(1)] *Cash settled stock compensation expense included in the above*	-	1	1	-

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 2024-Equity Shares-RSU	**Fiscal 2024-ADS-RSU**	**Fiscal 2023-Equity Shares-RSU**	**Fiscal 2023-ADS-RSU**
Weighted average share price (₹) / ($ ADS)	1,321	16.41	1,525	18.08
Exercise price (₹)/ ($ ADS)	5.00	0.07	5.00	0.07
Expected volatility (%)	23-31	25-33	23-32	27-34
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 (%)	7	4-5	5-7	2-5
Weighted average fair value as on grant date (₹) / ($ ADS)	1,151	14.31	1,210	13.69

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; deferred tax assets and deferred 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 interim condensed consolidated statement of comprehensive income comprises:

(Dollars in millions)

Particulars	Three months ended December 31,		Nine months ended December 31,	
	2023	2022	2023	2022
Current taxes				
Domestic taxes	223	194	644	642
Foreign taxes	67	73	229	236
	290	**267**	**873**	**878**
Deferred taxes				
Domestic taxes	21	29	66	33
Foreign taxes	(10)	(11)	(35)	(52)
	11	**18**	**31**	**(19)**
Income tax expense	**301**	**285**	**904**	**859**

Income tax expense for the three months ended December 31, 2023 and December 31, 2022 includes reversal (net of provisions) of $8 million and $9 million, respectively. Income tax expense for the nine months ended December 31, 2023 and December 31, 2022 includes reversal (net of provisions) of $16 million and $4 million, respectively. These 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, 2023 and December 31, 2022 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, 2023, claims against the Group not acknowledged as debts from the Income tax authorities amounted to $518 million (₹4,307 crore). As at March 31, 2023, claims against the Group not acknowledged as debts from the Income tax authorities amounted to $494 million (₹4,062 crore).

Amount paid to statutory authorities against the tax claims amounted to $754 million (₹6,275 crore) and $794 million (₹6,528 crore) as at December 31, 2023 and March 31, 2023 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 Income Tax Authorities and the Management including the Company's 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.

2.14 Related party transactions

Refer Note 2.20 "Related party transactions" in the Company's 2023 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, 2023, the following are the changes in the subsidiaries.

- Infosys Americas Inc., (Infosys Americas) a Wholly-owned subsidiary of Infosys Limited is liquidated effective July 14, 2023.
- oddity GmbH renamed as WongDoody GmbH
- On September 29, 2023, oddity space GmbH, oddity waves GmbH, oddity jungle GmbH, oddity group services GmbH and oddity code GmbH merged into WongDoody GmbH and oddity code d.o.o which was formerly a subsidiary of oddity code Gmbh has become a subsidiary of Wongdoody Gmbh (formerly known as oddity GmbH).
- On September 1, 2023 Infosys Ltd. acquired 100% of voting interests in Danske IT and Support Services India Private Limited ("Danske IT").
- Infosys BPM Canada Inc, a Wholly-owned subsidiary of Infosys BPM Limited was incorporated on August 11, 2023.
- Kaleidoscope Prototyping LLC, a Wholly-owned subsidiary of Kaleidoscope Animations is liquidated effective November 1, 2023.
- oddity Code d.o.o renamed as WongDoody d.o.o
- On November 24, 2023 Stater Participations B.V (Wholly-owned subsidiary of Stater N.V) merged with Stater N.V and Stater Belgium N.V./S.A which was formerly a wholly owned subsidiary of Stater Participations B.V. became a wholly owned subsidiary of Stater N.V.

Changes in key management personnel

The following are the changes in the key management personnel:

Independent directors:

- Helene Auriol Potier (appointed as independent director effective May 26, 2023)
- Nitin Paranjpe (appointed as an additional and independent director effective January 1, 2024)

Executive Officers:

- Mohit Joshi (resigned as President effective March 11, 2023 and was on leave till June 9, 2023 which was his last date with the company)
- Nilanjan Roy (resigned as Chief Financial Officer of the Company effective March 31, 2024)
- Jayesh Sanghrajka (appointed as Chief Financial Officer effective April 1, 2024)

Transactions with key management personnel

The table below describes the related party transactions with key management personnel which comprise directors and executive officers:

(Dollars in millions)

Particulars	Three months ended December 31,		Nine months ended December 31,	
	2023	**2022**	**2023**	**2022**
Salaries and other short term employee benefits to whole-time directors and executive officers[(1)(2)]	3	2	10	11
Commission and other benefits to non-executive/ independent directors	-	1	1	2
Total	**3**	**3**	**11**	**13**

(1) Total employee stock compensation expense for the three months ended December 31, 2023 and December 31, 2022 includes a charge of $2 million and less than a million respectively, towards key management personnel. For the nine months ended December 31, 2023 and December 31, 2022, includes a charge of $6 million and $5 million respectively, towards key management personnel. (Refer note 2.11).

(2) Does not include post-employment benefits and other long-term benefits, based on actuarial valuation as these are 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 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.

2.15.1 Business segments

For the three months ended December 31, 2023 and December 31, 2022

(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**
Revenue	1,295	679	531	614	696	358	355	135	4,663
	1,366	*667*	*573*	*603*	*619*	*376*	*328*	*127*	*4,659*
Identifiable operating expenses	781	357	334	330	455	210	205	81	2,753
	796	*345*	*348*	*315*	*390*	*217*	*192*	*91*	*2,694*
Allocated expenses	243	115	94	110	107	58	58	28	813
	244	*122*	*98*	*111*	*104*	*60*	*53*	*35*	*827*
Segment Profit	**271**	**207**	**103**	**174**	**134**	**90**	**92**	**26**	**1,097**
	326	*200*	*127*	*177*	*125*	*99*	*83*	*1*	*1,138*
Unallocable expenses									141
									137
Operating profit									956
									1,001
Other income, net *(Refer to note 2.19)*									95
									94
Finance Cost									16
									10
Profit before income taxes									**1,035**
									1,085
Income tax expense									301
									285
Net profit									**734**
									800
Depreciation and amortization									**141**
									137
Non-cash expenses other than depreciation and amortization									-
									-

For the nine months ended December 31, 2023 and December 31, 2022

(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
Revenue	3,888	2,066	1,611	1,807	2,024	1,099	1,058	444	13,997
	4,118	*1,958*	*1,710*	*1,713*	*1,739*	*1,109*	*925*	*385*	*13,657*
Identifiable operating expenses	2,266	1,102	972	982	1,323	633	614	277	8,169
	2,353	*1,002*	*1,062*	*913*	*1,156*	*653*	*540*	*263*	*7,942*
Allocated expenses	729	356	291	333	321	183	170	103	2,486
	735	*361*	*298*	*320*	*312*	*181*	*153*	*99*	*2,459*
Segment Profit	**893**	**608**	**348**	**492**	**380**	**283**	**274**	**64**	**3,342**
	1,030	*595*	*350*	*480*	*271*	*275*	*232*	*23*	*3,256*
Unallocable expenses									425
									388
Operating profit									2,917
									2,868
Other income, net *(Refer to note 2.19)*									239
									254
Finance Cost									43
									25
Profit before income taxes									**3,113**
									3,097
Income tax expense									904
									859
Net profit									**2,209**
									2,238
Depreciation and amortization									**425**
									388
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*

* Includes impact on account of McCamish cybersecurity incident.Refer note 2.6.2.

2.15.2 Significant clients

No client individually accounted for more than 10% of the Revenue for the three months and nine months ended December 31, 2023 and December 31, 2022, 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, 2023 and December 31, 2022 is as follows:

(Dollars in millions)

Particulars	**Three months ended December 31,**		**Nine months ended December 31,**	
	2023	**2022**	**2023**	**2022**
Revenue from software services	4,416	4,362	13,208	12,790
Revenue from products and platforms	247	297	789	867
Total revenue from operations	**4,663**	**4,659**	**13,997**	**13,657**

Products & platforms

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

Disaggregated revenue information

Revenue disaggregation by business segments has been included in segment information (Refer note 2.15). The table below presents disaggregated revenues from contracts with customers by geography and contract type. 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 and nine months ended December 31, 2023 and December 31, 2022

(Dollars in millions)

Particulars	**Three months ended December 31,**		**Nine months ended December 31,**	
	2023	**2022**	**2023**	**2022**
Revenues by Geography*				
North America	2,752	2,889	8,442	8,482
Europe	1,313	1,202	3,797	3,443
India	111	113	369	360
Rest of the world	487	455	1,389	1,372
Total	**4,663**	**4,659**	**13,997**	**13,657**

* *Geographical revenues are based on the domicile of customer.*

The percentage of revenue from fixed-price contracts for the three months ended December 31, 2023 and December 31, 2022 is 55% and 53%, respectively. The percentage of revenue from fixed-price contracts for the nine months ended December 31, 2023 and December 31, 2022 is 53% and 52%, respectively.

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 balance sheet.

2.17 Unbilled Revenue

(Dollars in millions)

Particulars	**As at**	
	December 31, 2023	**March 31, 2023**
Unbilled financial asset [(1)]	1,058	1,157
Unbilled non financial asset [(2)]	733	880
Total	**1,791**	**2,037**

[(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 of equity shares has been classified as share premium. Additionally, share-based compensation recognized in net profit in the interim 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 / retained earnings.

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.

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, 2023, 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.

The amount of per share dividend recognized as distribution to equity shareholders in accordance with Companies Act 2013 is as follows:

Particulars	Nine months ended December 31, 2023		Nine months ended December 31, 2022	
	in ₹	in US Dollars	in ₹	in US Dollars
Interim dividend for fiscal 2024	18.00	0.22	-	-
Final dividend for fiscal 2023	17.50	0.21	-	-
Interim dividend for fiscal 2023	-	-	16.50	0.20
Final dividend for fiscal 2022	-	-	16.00	0.21

The Board of Directors in their meeting held on April 13, 2023 recommended a final dividend of ₹17.50/- per equity share (approximately $0.21 per equity share) for the financial year ended March 31, 2023. The same was approved by the shareholders at the Annual General Meeting (AGM) of the Company held on June 28, 2023 which resulted in a net cash outflow of $882 million (excluding dividend paid on treasury shares).

The Board of Directors in their meeting held on October 12, 2023 declared an interim dividend of ₹18/- (approximately $0.22 per equity share) per equity share which resulted in a net cash outflow of $895 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. 11,249,465 shares and 12,172,119 shares were held by controlled trust, as at December 31, 2023 and March 31, 2023, 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. The defined benefit plans require contributions which are based on a percentage of salary that varies depending on the age of the respective employees.

Liabilities with regard to these defined benefit plans are determined by actuarial valuation, performed by an independent 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, 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 consolidated statement of comprehensive income.

2.19.2 Superannuation

Certain employees of Infosys, Infosys BPM and EdgeVerve 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.

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 and presentation currency

The functional currency of Infosys, Infosys BPM, EdgeVerve, Skava, Infosys Green Forum, Danske IT 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) to facilitate the investors' ability to evaluate Infosys' performance and financial position in comparison to similar companies domiciled in other geographic locations.

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 interim 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 shall 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 December 31,		Nine months ended December 31,	
	2023	2022	2023	2022
Employee benefit costs	2,237	2,236	6,784	6,583
Depreciation and amortization	141	137	425	388
Travelling costs	34	31	111	97
Cost of technical sub-contractors	368	407	1,120	1,371
Cost of software packages for own use	65	60	182	170
Third party items bought for service delivery to clients	379	312	995	819
Consultancy and professional charges	15	4	22	12
Communication costs	10	10	32	34
Repairs and maintenance	12	13	40	39
Provision for post-sales client support	4	16	25	24
Others	9	4	19	7
Total	**3,274**	**3,230**	**9,755**	**9,544**

Selling and marketing expenses

(Dollars in millions)

Particulars	Three months ended December 31,		Nine months ended December 31,	
	2023	2022	2023	2022
Employee benefit costs	163	154	499	447
Travelling costs	8	8	27	25
Branding and marketing	26	27	87	79
Consultancy and professional charges	4	4	13	11
Communication costs	-	-	1	1
Others	3	3	6	11
Total	**204**	**196**	**633**	**574**

Administrative expenses

(Dollars in millions)

Particulars	Three months ended December 31,		Nine months ended December 31,	
	2023	2022	2023	2022
Employee benefit costs	81	76	244	229
Consultancy and professional charges	41	41	114	139
Repairs and maintenance	30	30	91	85
Power and fuel	6	6	18	16
Communication costs	10	12	31	33
Travelling costs	5	5	18	15
Rates and taxes	10	9	29	28
Insurance charges	6	5	19	16
Commission to non-whole time directors	-	-	1	1
Impairment loss recognized/(reversed) under expected credit loss model	1	13	27	25
Contribution towards Corporate Social Responsibility	16	18	42	40
Others	23	17	58	44
Total	**229**	**232**	**692**	**671**

Other income for the three months and nine months ended December 31, 2023 and December 31, 2022 is as follows:

(Dollars in millions)

Particulars	Three months ended December 31,		Nine months ended December 31,	
	2023	2022	2023	2022
Interest income on financial assets carried at amortized cost	31	26	98	83
Interest income on financial assets carried at fair value through other comprehensive income	28	29	83	91
Gain/(loss) on investments carried at fair value through profit or loss	12	6	24	11
Exchange gains / (losses) on forward and options contracts	(18)	(44)	(11)	(98)
Exchange gains / (losses) on translation of other assets and liabilities	27	67	25	143
Others	15	10	20	24
Total	**95**	**94**	**239**	**254**

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

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

Bobby Parikh
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
January 11, 2024

Deloitte Haskins & Sells LLP

Chartered Accountants
Prestige Trade Tower, Level 19
46, Palace Road, High Grounds
Bengaluru-560 001
Karnataka, India

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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, 2023, 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, 2023, its consolidated profit and its consolidated total comprehensive income for the three months and nine months ended on that date, its 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.

Emphasis of Matter

As described in note 2.6.2 to the interim condensed consolidated financial statements, certain costs relating to possible damages or claims relating to a cybersecurity incident in a subsidiary are indeterminable as at the date of this report because of reasons stated in the note. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance 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

Regd. Office: One International Center, Tower 3, 27th-32nd Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai-400 013, Maharashtra, India.
(LLP Identification No. AAB-8737)

in accordance with IAS 34 as issued by the IASB. The respective Boards of Directors/Trustees of the entities 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/Trustees of the entities 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 have no realistic alternative but to do so.

The respective Boards of Directors/Trustees of the entities 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 such 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 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 11, 2024

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, 2023

Index **Page No.**

Infosys Limited and subsidiaries

(In ₹ crore except equity share data)

Condensed Consolidated Balance Sheet as at	Note	December 31, 2023	March 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents	2.1	13,645	12,173
Current investments	2.2	7,974	6,909
Trade receivables		30,618	25,424
Unbilled revenue	2.17	13,227	15,289
Prepayments and other current assets	2.4	11,609	10,979
Income tax assets	2.12	173	6
Derivative financial instruments	2.3	75	101
Total current assets		**77,321**	**70,881**
Non-current assets			
Property, plant and equipment	2.7	12,870	13,793
Right-of-use assets	2.8	6,892	6,882
Goodwill	2.9	7,435	7,248
Intangible assets		1,508	1,749
Non-current investments	2.2	11,270	12,569
Unbilled revenue	2.17	1,677	1,449
Deferred income tax assets	2.12	702	1,245
Income tax assets	2.12	6,851	6,453
Other non-current assets	2.4	3,340	3,547
Total non-current assets		**52,545**	**54,935**
Total assets		**129,866**	**125,816**
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables		3,825	3,865
Lease liabilities	2.8	2,074	1,242
Derivative financial instruments	2.3	144	78
Current income tax liabilities	2.12	4,019	3,384
Unearned revenue		7,674	7,163
Employee benefit obligations		2,717	2,399
Provisions	2.6	1,827	1,307
Other current liabilities	2.5	16,649	19,748
Total current liabilities		**38,929**	**39,186**
Non-current liabilities			
Lease liabilities	2.8	6,670	7,057
Deferred income tax liabilities	2.12	942	1,220
Employee benefit obligations		90	83
Other non-current liabilities	2.5	2,785	2,475
Total non-current liabilities		**10,487**	**10,835**
Total liabilities		**49,416**	**50,021**
Equity			
Share capital - ₹5 par value 4,800,000,000 (4,800,000,000) equity shares authorized, issued and outstanding 4,139,198,089 (4,136,387,925) equity shares fully paid up, net of 11,249,465 (12,172,119) treasury shares as at December 31, 2023 (March 31, 2023)	2.18	2,070	2,069
Share premium		1,453	1,065
Retained earnings		61,826	60,063
Cash flow hedge reserves		(22)	(5)
Other reserves		11,855	10,014
Capital redemption reserve		169	169
Other components of equity		2,719	2,032
Total equity attributable to equity holders of the Company		**80,070**	**75,407**
Non-controlling interests		380	388
Total equity		**80,450**	**75,795**
Total liabilities and equity		**129,866**	**125,816**

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

Bobby Parikh
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
January 11, 2024

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,	
		2023	2022	2023	2022
Revenues	2.16	**38,821**	**38,318**	**115,748**	**109,326**
Cost of sales	2.19	27,253	26,561	80,666	76,342
Gross profit		**11,568**	**11,757**	**35,082**	**32,984**
Operating expenses					
Selling and marketing expenses	2.19	1,700	1,611	5,238	4,591
Administrative expenses	2.19	1,907	1,904	5,718	5,365
Total operating expenses		3,607	3,515	10,956	9,956
Operating profit		**7,961**	**8,242**	**24,126**	**23,028**
Other income, net	2.19	789	769	1,982	2,030
Finance cost		131	80	360	202
Profit before income taxes		**8,619**	**8,931**	**25,748**	**24,856**
Income tax expense	2.12	2,506	2,345	7,474	6,882
Net profit		**6,113**	**6,586**	**18,274**	**17,974**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset, net		71	29	94	(17)
Equity instruments through other comprehensive income, net	2.2	(9)	1	31	8
		62	30	125	(9)
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedge, net		(46)	(57)	(17)	(43)
Exchange differences on translation of foreign operations		436	676	457	715
Fair value changes on investments, net	2.2	52	48	107	(298)
		442	667	547	374
Total other comprehensive income/(loss), net of tax		**504**	**697**	**672**	**365**
Total comprehensive income		**6,617**	**7,283**	**18,946**	**18,339**
Profit attributable to:					
Owners of the Company		6,106	6,586	18,264	17,967
Non-controlling interests		7	-	10	7
		6,113	**6,586**	**18,274**	**17,974**
Total comprehensive income attributable to:					
Owners of the Company		6,605	7,268	18,934	18,322
Non-controlling interests		12	15	12	17
		6,617	**7,283**	**18,946**	**18,339**
Earnings per equity share					
Equity shares of par value ₹5/- each					
Basic (in ₹ per share)		14.76	15.72	44.13	42.85
Diluted (in ₹ per share)		14.74	15.70	44.08	42.79
Weighted average equity shares used in computing earnings per equity share					
Basic (in shares)	2.13	4,138,963,794	4,190,550,470	4,138,282,170	4,192,969,201
Diluted (in shares)	2.13	4,143,565,697	4,195,924,920	4,143,506,821	4,199,312,062

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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Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
January 11, 2024

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)
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
Equity instruments through other comprehensive income, net*	-	-	-	-	-	-	8	-	8	-	8
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	-	-	-	-	-
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
Transfer on account of options not exercised	-	-	(2)	2	-	-	-	-	-	-	-
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**

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, 2023	**4,136,387,925**	**2,069**	**1,065**	**60,063**	**10,014**	**169**	**2,032**	**(5)**	**75,407**	**388**	**75,795**
Changes in equity for the nine months ended December 31, 2023											
Net profit	-	-	-	18,264	-	-	-	-	18,264	10	18,274
Remeasurement of the net defined benefit liability/asset, net*	-	-	-	-	-	-	94	-	94	-	94
Equity instruments through other comprehensive income, net*	-	-	-	-	-	-	31	-	31	-	31
Fair value changes on derivatives designated as cash flow hedge, net*	-	-	-	-	-	-	-	(17)	(17)	-	(17)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	455	-	455	2	457
Fair value changes on investments, net*	-	-	-	-	-	-	107	-	107	-	107
Total comprehensive income for the period	**-**	**-**	**-**	**18,264**	**-**	**-**	**687**	**(17)**	**18,934**	**12**	**18,946**
Shares issued on exercise of employee stock options (Refer to note 2.11)	2,810,164	1	3	-	-	-	-	-	4	-	4
Transferred on account of options not exercised	-	-	(32)	32	-	-	-	-	-	-	-
Employee stock compensation expense (Refer to note 2.11)	-	-	417	-	-	-	-	-	417	-	417
Transferred to other reserves	-	-	-	(2,326)	2,326	-	-	-	-	-	-
Transferred from other reserves on utilization	-	-	-	485	(485)	-	-	-	-	-	-
Dividends paid to non controlling interest of subsidiary	-	-	-	-	-	-	-	-	-	(2)	(2)
Buyback of shares pertaining to non controlling interest of subsidiary	-	-	-	-	-	-	-	-	-	(18)	(18)
Dividends#	-	-	-	(14,692)	-	-	-	-	(14,692)	-	(14,692)
Balance as at December 31, 2023	**4,139,198,089**	**2,070**	**1,453**	**61,826**	**11,855**	**169**	**2,719**	**(22)**	**80,070**	**380**	**80,450**

** net of tax*

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

[#] *net of treasury shares*

[##] *Impact on account of adoption of amendment to Ind AS 37 Provisions, Contingent Liabilities and Contingents Assets*

(1) *excludes treasury shares of 11,249,465 as at December 31, 2023, 12,172,119 as at April 1, 2023, 12,568,222 as at December 31, 2022, and 13,725,712 as at April 1, 2022, 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

Bobby Parikh
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
January 11, 2024

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	Nine months ended December 31, 2023	2022
Operating activities:			
Net Profit		18,274	17,974
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation and amortization		3,515	3,104
Income tax expense	2.12	7,474	6,882
Finance cost		360	202
Interest income		(790)	(847)
Exchange differences on translation of assets and liabilities, net		129	373
Impairment loss recognised/(reversed) under expected credit loss model		219	197
Stock compensation expense		426	386
Provision for post sale client support		203	200
Other adjustments		1,095	489
Changes in working capital			
Trade receivables and unbilled revenue		(3,555)	(7,350)
Prepayments and other assets		(683)	(2,498)
Trade payables		(39)	644
Unearned revenue		511	789
Other liabilities and provisions		(1,513)	2,474
Cash generated from operations		**25,626**	**23,019**
Income taxes paid		(7,146)	(6,615)
Net cash generated by operating activities		**18,480**	**16,404**
Investing activities:			
Expenditure on property, plant and equipment and intangibles		(1,647)	(1,805)
Deposits placed with corporation		(737)	(904)
Redemption of deposits placed with corporation		628	671
Interest received		750	777
Payment for acquisition of business, net of cash acquired		-	(910)
Payment of contingent consideration pertaining to acquisition of business		(101)	(60)
Escrow and other deposits pertaining to Buyback		-	(592)
Payments to acquire Investments			
- Quoted debt securities		(337)	(1,831)
- Liquid mutual fund units		(53,255)	(54,567)
- Certificates of deposit		(4,219)	(6,794)
- Commercial paper		(4,804)	(2,338)
- Other investments		(11)	(18)
Proceeds on sale of investments			
- Other investments		18	99
- Quoted debt securities		1,429	2,190
- Liquid mutual fund units		52,238	53,546
- Certificates of deposit		5,981	7,605
- Commercial paper		3,599	1,300
Other receipts		128	57
Net cash (used)/generated in investing activities		**(340)**	**(3,574)**
Financing activities:			
Payment of lease liabilities		(1,448)	(866)
Payment of dividends		(14,695)	(13,633)
Payment of dividends to non-controlling interests of subsidiary		(2)	(22)
Other payments		(528)	(360)
Other receipts		2	121
Payment towards buyback of shares pertaining to non controlling interest of subsidiary		(18)	-
Buyback of equity shares including transaction costs and tax on buyback		-	(3,928)
Shares issued on exercise of employee stock options		4	23
Net cash used in financing activities		**(16,685)**	**(18,665)**
Net increase/(decrease) in cash and cash equivalents		1,455	(5,835)
Effect of exchange rate changes on cash and cash equivalents		17	(50)
Cash and cash equivalents at the beginning of the period	2.1	12,173	17,472
Cash and cash equivalents at the end of the period	2.1	**13,645**	**11,587**
Supplementary information:			
Restricted cash balance	2.1	376	384

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

Bobby Parikh
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and
Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
January 11, 2024

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 11, 2024.

1.2 Basis of preparation of financial statements

These interim consolidated financial statements have been prepared in compliance with IAS 34, Interim Financial Reporting as issued by International Accounting Standards Board, ("IASB") 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, 2023. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The material accounting policy information used in preparation of the audited condensed consolidated interim financial statements have been discussed in the respective notes.

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 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 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 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 the 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 a 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 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, 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 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 fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. These valuations are conducted by external valuation experts. Estimates are required to be made in determining the value of contingent consideration, value of option arrangements and intangible assets. 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 and 2.9.2).

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)

1.6 Recent accounting pronouncements

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

Amendments to IFRS 16 Leases	Lease Liability in a Sale and Leaseback
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments	Disclosure regarding supplier finance arrangements
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates	Lack of Exchangeability

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 does not expect this amendment to have any significant impact in its financial statements.

Amendments to IAS 7 and IFRS 7

On May 25, 2023 IASB has issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosure which requires entities to disclose information that enables users of financial statement to assess how supplier finance arrangements affect its liabilities and cash flows and to understand the effect of supplier finance arrangements on an entity’s exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.

The effective date for adoption of this amendment is annual periods beginning on or after January 1, 2024, although early adoption is permitted. The Group is in the process of evaluating the impact of the amendment.

Amendments to IAS 21

On August 15, 2023, IASB has issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates, Lack of Exchangeability that will require companies to provide more useful information in their financial statements when a currency cannot be exchanged into another currency. These amendments specify when a currency is exchangeable into another currency and when it is not and specify how an entity determines the exchange rate to apply when a currency is not exchangeable.

The effective date for adoption of this amendment is annual periods beginning on or after January 1, 2025, although early adoption is permitted. The Group is in the process of evaluating the impact of the amendment.

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, 2023	March 31, 2023
Cash and bank deposits	13,645	10,026
Deposits with financial institutions	-	2,147
Total Cash and cash equivalents	**13,645**	**12,173**

Cash and cash equivalents as at December 31, 2023 and March 31, 2023 include restricted cash and bank balances of ₹376 crore and ₹362 crore, respectively. The restrictions are primarily on account of bank balances held by irrevocable trusts controlled by the Company.

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 investments are as follows:

(In ₹ crore)

Particulars	As at	
	December 31, 2023	March 31, 2023
(i) Current Investments		
Amortized Cost		
Quoted debt securities	-	150
Fair Value through profit or loss		
Liquid mutual fund units	2,138	975
Fair Value through other comprehensive income		
Quoted Debt Securities	1,882	1,468
Commercial Papers	2,045	742
Certificate of Deposit	1,909	3,574
Total current investments	**7,974**	**6,909**
(ii) Non-current Investments		
Amortized Cost		
Quoted debt securities	1,762	1,770
Fair Value through other comprehensive income		
Quoted debt securities	8,673	10,032
Quoted equity securities	137	-
Unquoted equity and preference securities	81	196
Fair Value through profit or loss		
Target maturity fund units	422	402
Others[(1)]	195	169
Total non-current investments	**11,270**	**12,569**
Total investments	**19,244**	**19,478**
Investments carried at amortized cost	1,762	1,920
Investments carried at fair value through other comprehensive income	14,727	16,012
Investments carried at fair value through profit or loss	2,755	1,546

(1) Uncalled capital commitments outstanding as at December 31, 2023 and March 31, 2023 was ₹81 crore and ₹92 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, 2023	March 31, 2023
Liquid mutual fund units - carried at fair value through profit or loss	Quoted price	2,138	975
Target maturity fund units - carried at fair value through profit or loss	Quoted price	422	402
Quoted debt securities- carried at amortized cost	Quoted price and market observable inputs	1,947	2,148
Quoted debt securities- carried at fair value through other comprehensive income	Quoted price and market observable inputs	10,555	11,500
Commercial papers- carried at fair value through other comprehensive income	Market observable inputs	2,045	742
Certificates of deposit- carried at fair value through other comprehensive income	Market observable inputs	1,909	3,574
Quoted equity securities carried at fair value through other comprehensive income	Quoted price	137	-
Unquoted equity and preference securities - carried at fair value through other comprehensive income	Discounted cash flows method, Market multiples method, Option pricing model	81	196
Others - carried at fair value through profit or loss	Discounted cash flows method, Market multiples method, Option pricing model	195	169
Total		**19,429**	**19,706**

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 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 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 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 interim 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 interim 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 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 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 ECL (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 loss or gain in the interim consolidated statement of comprehensive income.

Financial instruments by category

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

(In ₹ crore)

Particulars	Amortized cost	Financial assets / liabilities at fair value through profit or loss		Financial assets / liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer to note 2.1)	13,645	-	-	-	-	13,645	13,645
Investments (Refer to note 2.2)							
Liquid mutual fund units	-	-	2,138	-	-	2,138	2,138
Target maturity fund units	-	-	422	-	-	422	422
Quoted debt securities	1,762	-	-	-	10,555	12,317	12,502 [1]
Commercial Papers	-	-	-	-	2,045	2,045	2,045
Certificates of deposit	-	-	-	-	1,909	1,909	1,909
Unquoted equity and preference securities	-	-	-	81	-	81	81
Quoted equity securities	-	-	-	137	-	137	137
Unquoted investment others	-	-	195	-	-	195	195
Trade receivables	30,618	-	-	-	-	30,618	30,618
Unbilled revenues (Refer to note 2.17)[3]	8,807	-	-	-	-	8,807	8,807
Prepayments and other assets (Refer to note 2.4)	5,525	-	-	-	-	5,525	5,470 [2]
Derivative financial instruments	-	-	62	-	13	75	75
Total	**60,357**	**-**	**2,817**	**218**	**14,522**	**77,914**	**78,044**
Liabilities:							
Trade payables	3,825	-	-	-	-	3,825	3,825
Lease liabilities (Refer to note 2.8)	8,744	-	-	-	-	8,744	8,744
Derivative financial instruments	-	-	114	-	30	144	144
Financial liability under option arrangements (Refer to note 2.5)	-	-	648	-	-	648	648
Other liabilities including contingent consideration (Refer to note 2.5)	14,892	-	-	-	-	14,892	14,892
Total	**27,461**	**-**	**762**	**-**	**30**	**28,253**	**28,253**

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

[2] *Excludes interest accrued on quoted debt securities carried at amortized cost of ₹55 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, 2023 were as follows:

(In ₹ crore)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer to note 2.1)	12,173	-	-	-	-	12,173	12,173
Investments (Refer to note 2.2)							
Liquid mutual fund units	-	-	975	-	-	975	975
Target maturity fund units	-	-	402	-	-	402	402
Quoted debt securities	1,920	-	-	-	11,500	13,420	13,648 [1]
Commercial Paper	-	-	-	-	742	742	742
Certificates of deposit	-	-	-	-	3,574	3,574	3,574
Unquoted equity and preference securities	-	-	-	196	-	196	196
Unquoted investments others	-	-	169	-	-	169	169
Trade receivables	25,424	-	-	-	-	25,424	25,424
Unbilled revenue (Refer to note 2.17)[3]	9,502	-	-	-	-	9,502	9,502
Prepayments and other assets (Refer to note 2.4)	5,127	-	-	-	-	5,127	5,043 [2]
Derivative financial instruments	-	-	69	-	32	101	101
Total	**54,146**	**-**	**1,615**	**196**	**15,848**	**71,805**	**71,949**
Liabilities:							
Trade payables	3,865	-	-	-	-	3,865	3,865
Lease liabilities (Refer to note 2.8)	8,299	-	-	-	-	8,299	8,299
Derivative financial instruments	-	-	64	-	14	78	78
Financial liability under option arrangements (Refer to note 2.5)	-	-	600	-	-	600	600
Other liabilities including contingent consideration (Refer to note 2.5)	17,359	-	97	-	-	17,456	17,456
Total	**29,523**	**-**	**761**	**-**	**14**	**30,298**	**30,298**

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

[2] *Excludes interest accrued on quoted debt securities carried at amortized cost of ₹84 crore*

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

For trade receivables, 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 fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at December 31, 2023 is as follows:

(In ₹ crore)

Particulars	As at December 31, 2023	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments (Refer to note 2.2)				
Investments in liquid mutual fund units	2,138	2,138	-	-
Investments in target maturity fund units	422	422	-	-
Investments in quoted debt securities	12,502	11,460	1,042	-
Investments in unquoted equity and preference securities	81	-	-	81
Investments in quoted equity securities	137	137	-	-
Investments in certificates of deposit	1,909	-	1,909	-
Investments in commercial papers	2,045	-	2,045	-
Investments in unquoted investments others	195	-	-	195
Others				
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts	75	-	75	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts	144	-	144	-
Financial liability under option arrangements (Refer to note 2.5)(1)	648	-	-	648

(1) *Discount rate ranges from 10% to 17%*

During the nine months ended December 31, 2023, quoted debt securities of ₹1,679 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 ₹147 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, 2023 was as follows:

(In ₹ crore)

Particulars	As at March 31, 2023	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments (Refer to note 2.2)				
Investments in liquid mutual fund units	975	975	-	-
Investments in target maturity fund units	402	402	-	-
Investments in quoted debt securities	13,648	10,701	2,947	-
Investments in unquoted equity and preference securities	196	-	-	196
Investments in certificates of deposit	3,574	-	3,574	-
Investments in commercial papers	742	-	742	-
Investments in unquoted investments others	169	-	-	169
Others				
Derivative financial instruments- gain on outstanding foreign exchange forward and option contracts	101	-	101	-
Liabilities				
Derivative financial instruments- loss on outstanding foreign exchange forward and option contracts	78	-	78	-
Financial liability under option arrangements (Refer to note 2.5)(1)	600	-	-	600
Liability towards contingent consideration (Refer to note 2.5)(1)	97	-	-	97

(1) *Discount rate ranges from 10% to 15%*

During the year ended March 31, 2023, quoted debt securities of ₹383 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 ₹1,611 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, target maturity 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.

2.4 Prepayments and other assets

Prepayments and other assets consist of the following:

(In ₹ crore)

Particulars	As at	
	December 31, 2023	March 31, 2023
Current		
Rental deposits[1]	57	32
Security deposits[1]	11	10
Loans to employees[1]	238	289
Prepaid expenses[2]	3,630	2,745
Interest accrued and not due[1]	383	488
Withholding taxes and others[2]	2,961	3,268
Advance payments to vendors for supply of goods[2]	78	202
Deposit with corporations[1][3]	2,535	2,348
Deferred contract cost[2]		
Cost of obtaining a contract [2][4]	256	853
Cost of fulfillment [2]	331	175
Net investment in sublease of right of use asset[1]	6	53
Other non financial assets [2]	221	261
Other financial assets[1]	902	255
Total Current prepayment and other assets	**11,609**	**10,979**
Non-current		
Loans to employees[1]	35	39
Deposit with corporations[1][3]	18	96
Rental deposits[1]	224	240
Security deposits[1]	47	47
Withholding taxes and others[2]	685	684
Deferred contract cost[2]		
Cost of obtaining a contract [2][4]	147	191
Cost of fulfillment [2]	717	652
Prepaid expenses[2]	346	332
Net investment in sublease of right of use asset[1]	4	305
Defined benefit plan assets[2]	32	36
Other non financial assets[2]	20	-
Other financial assets[1]	1,065	925
Total Non- current prepayment and other assets	**3,340**	**3,547**
Total prepayment and other assets	**14,949**	**14,526**
[1] Financial assets carried at amortized cost	**5,525**	**5,127**

[2] *Non financial assets*

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

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

[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, 2023, the financial liability pertaining to such arrangements amounts to ₹356 crore. (Refer to note 2.5)

2.5 Other liabilities

Other liabilities comprise the following:

(In ₹ crore)

Particulars	As at	
	December 31, 2023	March 31, 2023
Current		
Accrued compensation to employees(1)	3,774	4,174
Accrued expenses(1)	7,763	7,802
Withholding taxes and others(3)	3,506	3,632
Retention money(1)	19	20
Liabilities of controlled trusts(1)	211	211
Deferred income - government grants(3)	6	29
Accrued defined benefit liability (3)	5	4
Liability towards contingent consideration(2)	-	97
Capital Creditors(1)	221	674
Other non-financial liabilities (3)	-	2
Other financial liabilities(1)(4)	593	2,503
Financial liability under option arrangements(2)#	551	600
Total current other liabilities	**16,649**	**19,748**
Non-current		
Accrued expenses(1)	2,204	1,628
Accrued defined benefit liability (3)	296	445
Accrued compensation to employees(1)	13	5
Deferred income - government grants(3)	69	43
Deferred income(3)	5	6
Other financial liabilities(1)(4)	94	342
Financial liability under option arrangements(2)#	97	-
Other non-financial liabilities(3)	7	6
Total non-current other liabilities	**2,785**	**2,475**
Total other liabilities	**19,434**	**22,223**
(1) Financial liability carried at amortized cost	14,892	17,359
(2) Financial liability carried at fair value through profit or loss	648	697

(3) Non financial liabilities

(4) 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, 2023, the financial liability pertaining to such arrangements amounts to ₹356 crore.

Represents liability related to options issued by the Group over the non-controlling interests in its subsidiaries

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 and cost of third party software and hardware.

2.6 Provisions and other contingencies

Accounting Policy

2.6.1 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.

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 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.

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, 2023	**March 31, 2023**
Post sales client support and other provisions	1,827	1,307
Total provisions	**1,827**	**1,307**

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 interim consolidated statement of comprehensive income.

As at December 31, 2023 and March 31, 2023 claims against the Group, not acknowledged as debts, (excluding demands from income tax authorities - Refer to note 2.12) amounted to ₹759 crore and ₹700 crore, respectively.

2.6.2 McCamish Cybersecurity incident

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

Loss of contracted revenues and costs incurred with respect to remediations, restoration, communication efforts and others amounted to approximately ₹250 crore ($30 million).

Actions taken by McCamish included investigative analysis conducted by a third-party cybersecurity firm to determine, among other things, whether and the extent to which company or customer data was subject to unauthorized access or exfiltration. On the basis of analysis conducted by the cybersecurity firm, McCamish believes that certain data was exfiltrated by unauthorized third parties during the incident and this exfiltrated data included certain customer data. McCamish has engaged a third-party e- discovery vendor in assessing the extent and nature of such data. This review process is ongoing. McCamish may incur additional costs including indemnities or damages/claims, which are indeterminable at this time.

Infosys had previously communicated the occurence of this cybersecurity incident to BSE Limited, National Stock Exchange of India Limited, New York Stock Exchange and to United States Securities and Exchange Commission on November 3, 2023.

2.6.3 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 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:

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 25 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. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset.

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 interim condensed consolidated 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 consolidated 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.

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

(In ₹ crore)

Particulars	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at October 1, 2023	**1,429**	**11,527**	**5,201**	**8,496**	**3,421**	**45**	**30,119**
Additions	1	4	40	203	7	1	256
Deletions**	-	(55)	(43)	(222)	(65)	(1)	(386)
Translation difference	-	22	5	20	15	-	62
Gross carrying value as at December 31, 2023	**1,430**	**11,498**	**5,203**	**8,497**	**3,378**	**45**	**30,051**
Accumulated depreciation as at October 1, 2023	**-**	**(4,749)**	**(4,040)**	**(6,132)**	**(2,614)**	**(42)**	**(17,577)**
Depreciation	-	(114)	(114)	(340)	(97)	(1)	(666)
Accumulated depreciation on deletions**	-	55	43	218	64	1	381
Translation difference	-	(6)	(4)	(13)	(13)	-	(36)
Accumulated depreciation as at December 31, 2023	**-**	**(4,814)**	**(4,115)**	**(6,267)**	**(2,660)**	**(42)**	**(17,898)**
Capital work-in progress as at October 1, 2023							637
Carrying value as at October 1, 2023	**1,429**	**6,778**	**1,161**	**2,364**	**807**	**3**	**13,179**
Capital work-in progress as at December 31, 2023							717
Carrying value as at December 31, 2023	**1,430**	**6,684**	**1,088**	**2,230**	**718**	**3**	**12,870**

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	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**

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

(In ₹ crore)

Particulars	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at April 1, 2023	**1,429**	**11,562**	**5,169**	**8,519**	**3,365**	**45**	**30,089**
Additions	1	13	148	586	118	1	867
Deletions**	-	(55)	(113)	(622)	(111)	(1)	(902)
Translation difference	-	(22)	(1)	14	6	-	(3)
Gross carrying value as at December 31, 2023	**1,430**	**11,498**	**5,203**	**8,497**	**3,378**	**45**	**30,051**
Accumulated depreciation as at April 1, 2023	**-**	**(4,535)**	**(3,877)**	**(5,826)**	**(2,465)**	**(40)**	**(16,743)**
Depreciation	-	(339)	(349)	(1,051)	(297)	(3)	(2,039)
Accumulated depreciation on deletions**	-	55	112	617	107	1	892
Translation difference	-	5	(1)	(7)	(5)	-	(8)
Accumulated depreciation as at December 31, 2023	**-**	**(4,814)**	**(4,115)**	**(6,267)**	**(2,660)**	**(42)**	**(17,898)**
Capital work-in progress as at April 1, 2023							447
Carrying value as at April 1, 2023	**1,429**	**7,027**	**1,292**	**2,693**	**900**	**5**	**13,793**
Capital work-in progress as at December 31, 2023							717
Carrying value as at December 31, 2023	**1,430**	**6,684**	**1,088**	**2,230**	**718**	**3**	**12,870**

** During the three months and nine months ended December 31, 2023, certain assets which were not in use having gross book value of ₹137 crore (net book value: Nil) and ₹594 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 30, 2022 are as follows:

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

Repairs and maintenance costs are recognized in the interim condensed consolidated statement of comprehensive income when incurred.

The Group had contractual commitments for capital expenditure primarily comprising of commitments for infrastructure facilities and computer equipment aggregating to ₹727 crore and ₹959 crore as at December 31, 2023 and March 31, 2023, 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 Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

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, 2023:

(In ₹ crore)

Particulars	**Category of ROU asset**				**Total**
	Land	**Buildings**	**Vehicles**	**Computers**	
Balance as of October 1, 2023	**616**	**3,811**	**15**	**2,508**	**6,950**
Additions*	-	7	5	521	533
Deletions	(10)	(49)	(1)	(133)	(193)
Impairment[#]	-	(88)	-	-	(88)
Depreciation	(1)	(180)	(2)	(223)	(406)
Translation difference	2	26	1	67	96
Balance as of December 31, 2023	**607**	**3,527**	**18**	**2,740**	**6,892**

** Net of adjustments on account of modifications*

 # included under other expenses. Refer note 2.19

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*	-	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**

** 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, 2023:

(In ₹ crore)

Particulars	Category of ROU asset				Total
	Land	Buildings	Vehicles	Computers	
Balance as of April 1, 2023	**623**	**3,896**	**15**	**2,348**	**6,882**
Additions*	-	333	10	1,496	1,839
Deletions	(10)	(89)	(1)	(540)	(640)
Impairment#		(88)	-	-	(88)
Depreciation	(5)	(543)	(7)	(617)	(1,172)
Translation difference	(1)	18	1	53	71
Balance as of December 31, 2023	**607**	**3,527**	**18**	**2,740**	**6,892**

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

 # included under other expenses. Refer note 2.19

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*	-	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**

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

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

The following is the break-up of current and non-current lease liabilities as of December 31, 2023 and March 31, 2023:

(In ₹ crore)

Particulars	As at	
	December 31, 2023	March 31, 2023
Current lease liabilities	2,074	1,242
Non-current lease liabilities	6,670	7,057
Total	**8,744**	**8,299**

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.

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

(In ₹ crore)

Particulars	As at	
	December 31, 2023	**March 31, 2023**
Carrying value at the beginning	**7,248**	**6,195**
Goodwill on acquisitions	-	630
Translation differences	187	423
Carrying value at the end	**7,435**	**7,248**

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 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 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 Interim 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.

Proposed acquisition

On January 11, 2024, Infosys Limited entered into a definitive agreement to acquire 100% of the equity share capital in InSemi Technology Services Private Limited, a semiconductor design services company headquartered in India, for a consideration including earn-outs, and management incentives and retention bonuses totalling up to ₹280 crore (approximately $34 million) , subject to customary closing adjustments.

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 interim 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 Stock Incentive Compensation 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). These instruments will generally vest over a period of 4 years. The plan numbers mentioned above are further adjusted with 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 11,249,465 and 12,172,119 shares as at December 31, 2023 and March 31, 2023, respectively under the 2015 plan, out of which 200,000 equity shares each have been earmarked for welfare activities of the employees as at December 31, 2023 and March 31, 2023.

The following is the summary of grants made during the three months and nine months ended December 31, 2023 and December 31, 2022:

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,	
	2023	2022	2023	2022	2023	2022	2023	2022
Equity settled RSUs								
Key Management Personnel (KMP)	35,990	-	114,271	176,893	88,040	-	421,636	287,325
Employees other than KMP	464,260	3,814	464,260	374,774	1,169,660	48,050	1,197,940	48,050
	500,250	**3,814**	**578,531**	**551,667**	**1,257,700**	**48,050**	**1,619,576**	**335,375**
Cash settled RSUs								
Key Management Personnel (KMP)	-	-	-	-	-	-	-	-
Employees other than KMP	-	-	-	-	7,950	-	7,950	-
	-	**-**	**-**	**-**	**7,950**	**-**	**7,950**	**-**
Total Grants	**500,250**	**3,814**	**578,531**	**551,667**	**1,265,650**	**48,050**	**1,627,526**	**335,375**

Notes on grants to KMP:

CEO & MD

Under the 2015 plan:

The Board, on April 13, 2023, 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 ₹34.75 crore for fiscal 2024 under the 2015 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 2,72,026 performance based RSU’s were granted effective May 2, 2023.

The Board, on April 13, 2023, based on the recommendations of the Nomination and Remuneration Committee, approved the performance-based grant of RSUs (Annual performance equity ESG grant) of fair value of ₹2 crore for fiscal 2024 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, 15,656 performance based RSU’s were granted effective May 2, 2023.

The Board, on April 13, 2023, based on the recommendations of the Nomination and Remuneration Committee, approved the performance-based grant of RSUs (Annual performance Equity TSR grant) of fair value of ₹5 crore for fiscal 2024 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, 39,140 performance based RSU’s were granted effective May 2, 2023.

Though the annual time based grants and annual performance equity TSR grant for the remaining employment term ending on March 31, 2027 have not been granted as of December 31, 2023, since the service commencement date precedes the grant date, the company has recorded employment stock compensation expense in accordance with IFRS 2, Share based payments. The grant date for this purpose in accordance with IFRS 2, Share based payments is July 1, 2022.

Under the 2019 plan:

The Board, on April 13, 2023, based on the recommendations of the Nomination and Remuneration Committee, approved performance-based grant of RSUs amounting to ₹10 crore for fiscal 2024 under the 2019 Plan. These RSUs will vest based on achievement of certain performance targets. Accordingly, 78,281 performance based RSU’s were granted effective May 2, 2023.

Other KMP

Under the 2015 plan:

During the nine months ended December 31, 2023, based on recommendations of Nomination and Remuneration Committee, the Board approved 88,040 time based RSUs and 6,774 performance based RSUs to other KMP under the 2015 plan. The time based RSUs will vest over three years and performance based RSUs will vest over three years based on certain performance targets.

Under the 2019 plan:

During the nine months ended December 31, 2023, based on recommendations of Nomination and Remuneration Committee, the Board approved performance based grants of 35,990 RSUs to other KMP under the 2019 plan. 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,	
	2023	**2022**	**2023**	**2022**
Granted to:				
KMP	14	-	51	41
Employees other than KMP	133	117	375	345
Total [(1)]	**147**	**117**	**426**	**386**
[(1)] *Cash settled stock compensation expense included in the above*	2	5	9	4

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 2024- Equity Shares-RSU	**Fiscal 2024- ADS-RSU**	**Fiscal 2023- Equity Shares-RSU**	**Fiscal 2023- ADS-RSU**
Weighted average share price (₹) / ($ ADS)	1,321	16.41	1,525	18.08
Exercise price (₹)/ ($ ADS)	5.00	0.07	5.00	0.07
Expected volatility (%)	23-31	25-33	23-32	27-34
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 (%)	7	4-5	5-7	2-5
Weighted average fair value as on grant date (₹) / ($ ADS)	1,151	14.31	1,210	13.69

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/Stock option.

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 Interim Condensed 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; deferred tax assets and deferred 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 interim consolidated statement of comprehensive income comprises:

(In ₹ crore)

Particulars	Three months ended December 31,		Nine months ended December 31,	
	2023	2022	2023	2022
Current taxes				
Domestic taxes	1,858	1,598	5,325	5,142
Foreign taxes	561	597	1,891	1,885
	2,419	**2,195**	**7,216**	**7,027**
Deferred taxes				
Domestic taxes	174	242	548	267
Foreign taxes	(87)	(92)	(290)	(412)
	87	**150**	**258**	**(145)**
Income tax expense	**2,506**	**2,345**	**7,474**	**6,882**

Income tax expense for the three months ended December 31, 2023 and December 31, 2022 includes reversal (net of provisions) of ₹64 crores and ₹76 crores, respectively. Income tax expense for the nine months ended December 31, 2023 and December 31, 2022 includes reversal (net of provisions) of ₹136 crores and ₹36 crores, respectively. These 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, 2023 and December 31, 2022 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, 2023, claims against the Group not acknowledged as debts from the Income tax authorities amounted to ₹4,307 crore. As at March 31, 2023, claims against the Group not acknowledged as debts from the Income tax authorities amounted to ₹4,062 crore.

The amount paid to statutory authorities against the tax claims amounted to ₹6,275 crore and ₹6,528 crore as at December 31, 2023 and March 31, 2023, 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 Income Tax 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 2023 Consolidated financial statements under IFRS in Indian rupee for the full names and other details of the Company's subsidiaries and controlled trusts.

During the nine months ended December 31, 2023, the following are the changes in the subsidiaries.

- Infosys Americas Inc., (Infosys Americas) a Wholly-owned subsidiary of Infosys Limited is liquidated effective July 14, 2023.
- oddity GmbH renamed as WongDoody GmbH.
- On September 29, 2023, oddity space GmbH, oddity waves GmbH, oddity jungle GmbH, oddity group services GmbH and oddity code GmbH merged into WongDoody GmbH and oddity code d.o.o which was formerly a subsidiary of oddity code Gmbh has become a subsidiary of Wongdoody Gmbh (formerly known as oddity GmbH).
- On September 1, 2023 Infosys Ltd. acquired 100% of voting interests in Danske IT and Support Services India Private Limited ("Danske IT").
- Infosys BPM Canada Inc, a Wholly-owned subsidiary of Infosys BPM Limited was incorporated on August 11, 2023.
- Kaleidoscope Prototyping LLC, a Wholly-owned subsidiary of Kaleidoscope Animations is liquidated effective November 1, 2023.
- oddity Code d.o.o renamed as WongDoody d.o.o
- On November 24, 2023 Stater Participations B.V (Wholly-owned subsidiary of Stater N.V) merged with Stater N.V and Stater Belgium N.V./S.A which was formerly a wholly owned subsidiary of Stater Participations B.V. became a wholly owned subsidiary of Stater N.V.

Change in key management personnel

The following are the changes in the key management personnel:

Independent directors:

- Helene Auriol Potier (appointed as independent director effective May 26, 2023)
- Nitin Paranjpe (appointed as an additional and independent director effective January 1, 2024)

Executive Officers:

- Mohit Joshi (resigned as President effective March 11, 2023 and was on leave till June 9, 2023 which was his last date with the company)
- Nilanjan Roy (resigned as Chief Financial Officer of the Company effective March 31, 2024)
- Jayesh Sanghrajka (appointed as Chief Financial Officer effective April 1, 2024)

Transactions with key management personnel

The table below describes the related party transactions with key management personnel which comprise directors and executive officers:

(In ₹ crore)

Particulars	Three months ended December 31,		Nine months ended December 31,	
	2023	2022	2023	2022
Salaries and other short term employee benefits to whole-time directors and executive officers[(1)(2)]	24	12	82	86
Commission and other benefits to non-executive/ independent directors	4	5	12	12
Total	**28**	**17**	**94**	**98**

[(1)] Total employee stock compensation expense for the three months ended December 31, 2023 and December 31, 2022, includes a charge of ₹14 crore and less than a crore respectively, towards key management personnel. For the nine months ended December 31, 2023 and December 31, 2022, includes a charge of ₹51 crore and ₹41 crore respectively, towards key management personnel. (Refer to note 2.11).

[(2)] Does not include post-employment benefits and other long-term benefits based on actuarial valuation as these are 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. 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.

2.15.1 Business segments

Three months ended December 31, 2023 and December 31, 2022

(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	10,783	5,649	4,421	5,121	5,786	2,985	2,954	1,122	38,821
	11,235	*5,480*	*4,710*	*4,957*	*5,099*	*3,095*	*2,695*	*1,047*	*38,318*
Identifiable operating expenses	6,504	2,974	2,781	2,751	3,787	1,745	1,703	675	22,920
	6,549	*2,837*	*2,858*	*2,594*	*3,206*	*1,786*	*1,580*	*746*	*22,156*
Allocated expenses	2,019	960	780	920	889	482	485	229	6,764
	2,008	*997*	*810*	*906*	*858*	*496*	*431*	*289*	*6,795*
Segment Profit	**2,260**	**1,715**	**860**	**1,450**	**1,110**	**758**	**766**	**218**	**9,137**
	2,678	*1,646*	*1,042*	*1,457*	*1,035*	*813*	*684*	*12*	*9,367*
Unallocable expenses									1,176
									1,125
Operating profit									7,961
									8,242
Other income, net *(Refer to note 2.19)*									789
									769
Finance cost									131
									80
Profit before income taxes									**8,619**
									8,931
Income tax expense									2,506
									2,345
Net profit									**6,113**
									6,586
Depreciation and amortization									**1,176**
									1,125
Non-cash expenses other than depreciation and amortization									**-**
									-

Nine months ended December 31, 2023 and December 31, 2022

(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	32,149	17,075	13,325	14,966	16,710	9,095	8,753	3,675	115,748
	32,945	*15,667*	*13,675*	*13,714*	*13,957*	*8,878*	*7,404*	*3,086*	*109,326*
Identifiable operating expenses	18,740	9,113	8,038	8,121	10,941	5,237	5,077	2,286	67,553
	18,829	*8,023*	*8,488*	*7,309*	*9,245*	*5,225*	*4,320*	*2,100*	*63,539*
Allocated expenses	6,025	2,944	2,408	2,754	2,653	1,509	1,410	851	20,554
	5,873	*2,883*	*2,386*	*2,552*	*2,500*	*1,444*	*1,223*	*794*	*19,655*
Segment Profit	**7,384**	**5,018**	**2,879**	**4,091**	**3,116**	**2,349**	**2,266**	**538**	**27,641**
	8,243	*4,761*	*2,801*	*3,853*	*2,212*	*2,209*	*1,861*	*192*	*26,132*
Unallocable expenses									3,515
									3,104
Operating profit									24,126
									23,028
Other income, net *(Refer to note 2.19)*									1,982
									2,030
Finance cost									360
									202
Profit before income taxes									**25,748**
									24,856
Income tax expense									7,474
									6,882
Net profit									**18,274**
									17,974
Depreciation and amortization									**3,515**
									3,104
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*

* Includes impact on account of McCamish cybersecurity incident.Refer note 2.6.2.

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, 2023 and December 31, 2022, 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 Interim Condensed Consolidated Statement of Comprehensive Income.

Revenues for the three months and nine months ended December 31, 2023 and December 31, 2022 is as follows:

(In ₹ crore)

Particulars	Three months ended December 31,		Nine months ended December 31,	
	2023	2022	2023	2022
Revenue from software services	36,767	35,870	109,221	102,375
Revenue from products and platforms	2,054	2,448	6,527	6,951
Total revenue from operations	**38,821**	**38,318**	**115,748**	**109,326**

Products & platforms

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

Disaggregated revenue information

Revenue disaggregation by business segments has been included in segment information (Refer note 2.15). The table below presents disaggregated revenues from contracts with customers by geography and contract type. 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.

For the three months and nine months ended December 31, 2023 and December 31, 2022

(In ₹ crore)

Particulars	Three months ended December 31,		Nine months ended December 31,	
	2023	2022	2023	2022
Revenues by Geography*				
North America	22,911	23,756	69,805	67,881
Europe	10,934	9,895	31,407	27,587
India	920	927	3,048	2,880
Rest of the world	4,056	3,740	11,488	10,978
Total	**38,821**	**38,318**	**115,748**	**109,326**

* *Geographical revenues are based on the domicile of customer.*

The percentage of revenue from fixed-price contracts for the three months ended December 31, 2023 and December 31, 2022 is 55% and 53%, respectively. The percentage of revenue from fixed-price contracts for the nine months ended December 31, 2023 and December 31, 2022 is 53% and 52%, respectively.

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 balance sheet.

2.17 Unbilled Revenue

(In ₹ crore)

Particulars	As at	
	December 31, 2023	March 31, 2023
Unbilled financial asset [(1)]	8,807	9,502
Unbilled non financial asset [(2)]	6,097	7,236
Total	**14,904**	**16,738**

[(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 of equity shares has been classified as share premium. Additionally, share-based compensation recognized in net profit in the interim 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 / retained earnings.

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 interim 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.

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,	
	2023	2022	2023	2022
Interim dividend for fiscal 2024	18.00	-	18.00	-
Final dividend for fiscal 2023	-	-	17.50	-
Interim dividend for fiscal 2023	-	16.50	-	16.50
Final dividend for fiscal 2022	-	-	-	16.00

The Board of Directors in their meeting held on April 13, 2023 recommended a final dividend of ₹17.50/- per equity share for the financial year ended March 31, 2023. The same was approved by the shareholders at the Annual General Meeting (AGM) of the Company held on June 28, 2023 which resulted in a net cash outflow of ₹7,242 crore (excluding dividend paid on treasury shares).

The Board of Directors in their meeting held on October 12, 2023 declared an interim dividend of ₹18/- per equity share which resulted in a net cash outflow of ₹7,450 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.

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, 2023, 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. 11,249,465 shares and 12,172,119 shares were held by controlled trust, as at December 31, 2023 and March 31, 2023, 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 a lumpsum payment as set out in rules of each fund and includes death and disability benefits. The defined benefit plans require contributions which are based on a percentage of salary that varies depending on the age of the respective employees.

Liabilities with regard to these defined benefit plans are determined by actuarial valuation, performed by an independent 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, 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 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, Infosys BPM and EdgeVerve 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.

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, Skava, Infosys Green Forum, Danske IT 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 Interim 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,	
	2023	2022	2023	2022
Employee benefit costs	18,621	18,383	56,088	52,649
Depreciation and amortization	1,176	1,125	3,515	3,104
Travelling costs	283	257	915	776
Cost of technical sub-contractors	3,064	3,343	9,261	10,944
Cost of software packages for own use	540	495	1,504	1,357
Third party items bought for service delivery to clients	3,152	2,567	8,238	6,575
Consultancy and professional charges	124	32	187	96
Communication costs	85	86	262	271
Repairs and maintenance	103	107	333	310
Provision for post-sales client support	35	130	203	200
Others	70	36	160	60
Total	**27,253**	**26,561**	**80,666**	**76,342**

Selling and marketing expenses

(In ₹ crore)

Particulars	Three months ended December 31,		Nine months ended December 31,	
	2023	2022	2023	2022
Employee benefit costs	1,358	1,264	4,125	3,570
Travelling costs	64	64	228	200
Branding and marketing	219	226	717	633
Communication costs	3	3	10	10
Consultancy and professional charges	36	30	106	89
Others	20	24	52	89
Total	**1,700**	**1,611**	**5,238**	**4,591**

Administrative expenses

(In ₹ crore)

Particulars	Three months ended December 31,		Nine months ended December 31,	
	2023	2022	2023	2022
Employee benefit costs	672	625	2,015	1,829
Consultancy and professional charges	344	339	944	1,111
Repairs and maintenance	248	243	747	677
Power and fuel	49	47	150	129
Communication costs	81	94	259	261
Travelling costs	40	39	145	123
Impairment loss recognized/(reversed) under expected credit loss model	13	106	219	197
Rates and taxes	80	74	241	220
Insurance	49	43	155	129
Commission to non-whole time directors	4	4	11	11
Contribution towards Corporate Social Responsibility	137	146	351	320
Others	190	144	481	358
Total	**1,907**	**1,904**	**5,718**	**5,365**

c. Other income

(In ₹ crore)

Particulars	Three months ended December 31,		Nine months ended December 31,	
	2023	2022	2023	2022
Interest income on financial assets carried at amortized cost	258	212	807	664
Interest income on financial assets carried at fair value through other comprehensive income	232	241	689	724
Gain/(loss) on investments carried at fair value through profit or loss	97	46	197	87
Gain/(loss) on investments carried at fair value through other comprehensive income	-	-	-	1
Exchange gains / (losses) on forward and options contracts	(152)	(363)	(89)	(789)
Exchange gains / (losses) on translation of other assets and liabilities	230	552	210	1,153
Others	124	81	168	190
Total	**789**	**769**	**1,982**	**2,030**

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

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer
and Managing Director

Bobby Parikh
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and
Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
January 11, 2024

Deloitte Haskins & Sells LLP

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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, 2023, 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, 2023 its 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.

Responsibilities of Management and Those Charged with Governance 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, 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 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 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 such 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 11, 2024

INFOSYS LIMITED

Condensed Standalone Financial Statements under Indian Accounting Standards (Ind AS) for the three months and nine months ended December 31, 2023

INFOSYS LIMITED

(In ₹ crore)

Condensed Balance Sheet as at	Note No.	December 31, 2023	March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	10,635	11,656
Right-of-use assets	2.3	3,487	3,561
Capital work-in-progress		530	275
Goodwill	2.2	211	211
Other intangible assets		-	3
Financial assets			
Investments	2.4	22,927	23,686
Loans	2.5	35	39
Other financial assets	2.6	1,386	1,341
Deferred tax assets (net)		246	779
Income tax assets (net)		6,307	5,916
Other non-current assets	2.9	1,924	1,788
Total non - current assets		**47,688**	**49,255**
Current assets			
Financial assets			
Investments	2.4	6,057	4,476
Trade receivables	2.7	25,434	20,773
Cash and cash equivalents	2.8	7,210	6,534
Loans	2.5	198	291
Other financial assets	2.6	9,482	9,088
Other current assets	2.9	9,900	10,920
Total current assets		**58,281**	**52,082**
Total assets		**105,969**	**101,337**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.11	2,075	2,074
Other equity		70,310	65,671
Total equity		**72,385**	**67,745**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	2.3	3,423	3,553
Other financial liabilities	2.12	1,968	1,317
Deferred tax liabilities (net)		638	866
Other non-current liabilities	2.14	290	414
Total non - current liabilities		**6,319**	**6,150**
Current liabilities			
Financial liabilities			
Lease liabilities	2.3	794	713
Trade payables	2.13		
Total outstanding dues of micro enterprises and small enterprises		17	97
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,399	2,329
Other financial liabilities	2.12	10,733	12,697
Other current liabilities	2.14	8,426	7,609
Provisions	2.15	1,510	1,163
Income tax liabilities (net)		3,386	2,834
Total current liabilities		**27,265**	**27,442**
Total equity and liabilities		**105,969**	**101,337**

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

Bobby Parikh
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
January 11, 2024

(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,	
		2023	2022	2023	2022
Revenue from operations	2.17	32,491	32,389	96,932	93,483
Other income, net	2.18	1,582	1,177	3,934	3,093
Total income		**34,073**	**33,566**	**100,866**	**96,576**
Expenses					
Employee benefit expenses	2.19	16,304	16,395	49,092	47,182
Cost of technical sub-contractors		4,670	4,720	13,991	14,545
Travel expenses		296	284	1,001	892
Cost of software packages and others	2.19	1,811	1,728	4,793	4,339
Communication expenses		119	132	379	386
Consultancy and professional charges		282	280	772	975
Depreciation and amortization expenses		738	713	2,222	2,039
Finance cost		82	41	215	115
Other expenses	2.19	895	978	2,862	2,417
Total expenses		**25,197**	**25,271**	**75,327**	**72,890**
Profit before tax		**8,876**	**8,295**	**25,539**	**23,686**
Tax expense:					
Current tax	2.16	2,231	1,916	6,476	6,261
Deferred tax	2.16	93	169	309	61
Profit for the period		**6,552**	**6,210**	**18,754**	**17,364**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset, net		73	28	92	(28)
Equity instruments through other comprehensive income, net		(9)	2	31	9
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedge, net		(46)	(57)	(17)	(43)
Fair value changes on investments, net		49	42	95	(275)
Total other comprehensive income/ (loss), net of tax		**67**	**15**	**201**	**(337)**
Total comprehensive income for the period		**6,619**	**6,225**	**18,955**	**17,027**
Earnings per equity share					
Equity shares of par value ₹5/- each					
Basic (in ₹ per share)		15.79	14.77	45.19	41.28
Diluted (in ₹ per share)		15.78	14.76	45.15	41.24
Weighted average equity shares used in computing earnings per equity share					
Basic (in shares)	2.20	4,150,398,147	4,203,307,369	4,149,948,587	4,206,048,595
Diluted (in shares)	2.20	4,153,337,842	4,206,813,168	4,153,265,047	4,210,104,735

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

Bobby Parikh
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and
Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
January 11, 2024

INFOSYS LIMITED

Condensed Statement of Changes in Equity *(In ₹ crore)*

Particulars		**Other Equity**											
		Reserves & Surplus								**Other comprehensive income**			
	Equity Share Capital	**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)**	**Total equity attributable to equity holders of the Company**
		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 nine months 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**
Transferred to Special Economic Zone Re-investment reserve	-	-	-	-	-	(2,562)	-	-	2,562	-	-	-	-
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 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**

INFOSYS LIMITED

Condensed Statement of Changes in Equity (contd.) *(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, 2023	**2,074**	**54**	**2,862**	**169**	**133**	**52,183**	**2**	**878**	**9,654**	**260**	**(5)**	**(519)**	**67,745**
Changes in equity for the nine months ended December 31, 2023													
Profit for the period	-	-	-	-	-	18,754	-	-	-	-	-	-	18,754
Remeasurement of the net defined benefit liability/asset, net*	-	-	-	-	-	-	-	-	-	-	-	92	92
Equity instruments through other comprehensive income, net*	-	-	-	-	-	-	-	-	-	31	-	-	31
Fair value changes on derivatives designated as cash flow hedge, net*	-	-	-	-	-	-	-	-	-	-	(17)	-	(17)
Fair value changes on investments, net*	-	-	-	-	-	-	-	-	-	-	-	95	95
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**18,754**	**-**	**-**	**-**	**31**	**(17)**	**187**	**18,955**
Transferred to Special Economic Zone Re-investment reserve	-	-	-	-	-	(2,326)	-	-	2,326	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	-	-	-	461	-	-	(461)	-	-	-	-
Transferred on account of exercise of stock options (Refer to note 2.11)	-	-	-	-	351	-	-	(351)	-	-	-	-	-
Transferred on account of options not exercised	-	-	-	-	-	-	32	(32)	-	-	-	-	-
Shares issued on exercise of employee stock options (Refer to note 2.11)	1	-	-	-	-	-	-	-	-	-	-	-	1
Employee stock compensation expense (Refer to note 2.11)	-	-	-	-	-	-	-	417	-	-	-	-	417
Dividends	-	-	-	-	-	(14,733)	-	-	-	-	-	-	(14,733)
Balance as at December 31, 2023	**2,075**	**54**	**2,862**	**169**	**484**	**54,339**	**34**	**912**	**11,519**	**291**	**(22)**	**(332)**	**72,385**

**net of tax*

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

[#] *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.*

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

Bobby Parikh
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
January 11, 2024

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, 2023	2022
Cash flow from operating activities:			
Profit for the period		18,754	17,364
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation and Amortization		2,222	2,039
Income tax expense	2.16	6,785	6,322
Impairment loss recognized / (reversed) under expected credit loss model		194	112
Finance cost		215	115
Interest and dividend income		(3,325)	(2,401)
Stock compensation expense		378	343
Provision for post sale client support		205	201
Other adjustments		162	40
Exchange differences on translation of assets and liabilities, net		48	98
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(3,459)	(6,476)
Loans, other financial assets and other assets		(1,016)	(873)
Trade payables		(10)	408
Other financial liabilities, other liabilities and provisions		(170)	2,410
Cash generated from operations		**20,983**	**19,702**
Income taxes paid		(6,313)	(5,791)
Net cash generated by operating activities		**14,670**	**13,911**
Cash flow from investing activities:			
Expenditure on property, plant and equipment		(1,373)	(1,475)
Deposits placed with corporation		(625)	(569)
Redemption of deposits placed with corporation		459	417
Interest and dividend received		1,252	1,090
Dividend received from subsidiary		2,118	1,187
Loan given to subsidiaries		-	(427)
Loan repaid by subsidiaries		4	393
Investment in subsidiaries		(63)	(1,530)
Proceeds from liquidation of a subsidiary		80	-
Escrow and other deposits pertaining to Buyback		-	(592)
Other receipts		123	47
Payments to acquire investments			
Liquid mutual fund units		(46,790)	(48,592)
Commercial papers		(4,270)	(2,116)
Certificates of deposit		(3,169)	(5,912)
Government Securities		-	(1,370)
Non-convertible debentures		(337)	-
Other investments		(2)	(4)
Proceeds on sale of investments			
Tax free bonds and government bonds		150	13
Liquid mutual fund units		45,744	47,770
Non-convertible debentures		800	220
Certificates of deposit		4,387	7,155
Commercial papers		3,045	1,100
Government Securities		5	1,532
Other investments		13	99
Net cash (used in) / generated from investing activities		**1,551**	**(1,564)**

Cash flow from financing activities:			
Buyback of equity shares including transaction costs and tax on buyback		-	(3,928)
Payment of lease liabilities		(624)	(494)
Shares issued on exercise of employee stock options		1	18
Other receipts		-	57
Other payments		(158)	(61)
Payment of dividends		(14,736)	(13,676)
Net cash used in financing activities		**(15,517)**	**(18,084)**
Net increase / (decrease) in cash and cash equivalents		704	(5,737)
Effect of exchange differences on translation of foreign currency cash and cash equivalents		(28)	(59)
Cash and cash equivalents at the beginning of the period	2.8	6,534	12,270
Cash and cash equivalents at the end of the period	2.8	**7,210**	**6,474**
Supplementary information:			
Restricted cash balance	2.8	54	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
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

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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 11, 2024

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 11, 2024.

1.2 Basis of preparation of financial statements

These interim condensed standalone financial statements are prepared in compliance 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") 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, 2023. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

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

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 interim condensed standalone 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 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 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)

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)*	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.

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. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset.

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 condensed 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 condensed 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, 2023 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, 2023	**1,429**	**10,454**	**3,160**	**1,333**	**7,211**	**2,163**	**1,021**	**45**	**26,816**
Additions	1	4	9	28	168	-	4	1	215
Deletions**	-	(55)	(15)	(7)	(139)	(22)	(48)	(1)	(287)
Gross carrying value as at December 31, 2023	**1,430**	**10,403**	**3,154**	**1,354**	**7,240**	**2,141**	**977**	**45**	**26,744**
Accumulated depreciation as at October 1, 2023	**-**	**(4,427)**	**(2,654)**	**(1,101)**	**(5,230)**	**(1,643)**	**(727)**	**(42)**	**(15,824)**
Depreciation	-	(103)	(55)	(29)	(282)	(57)	(43)	(1)	(570)
Accumulated depreciation on deletions**	-	55	15	7	139	20	48	1	285
Accumulated depreciation as at December 31, 2023	**-**	**(4,475)**	**(2,694)**	**(1,123)**	**(5,373)**	**(1,680)**	**(722)**	**(42)**	**(16,109)**
Carrying value as at October 1, 2023	**1,429**	**6,027**	**506**	**232**	**1,981**	**520**	**294**	**3**	**10,992**
Carrying value as at December 31, 2023	**1,430**	**5,928**	**460**	**231**	**1,867**	**461**	**255**	**3**	**10,635**

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 nine months ended December 31, 2023 are as follows:

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, 2023	**1,429**	**10,445**	**3,144**	**1,314**	**7,235**	**2,129**	**968**	**45**	**26,709**
Additions	1	13	43	61	467	52	54	1	692
Additions through business transfer *(Refer to note 2.4)*	-	-	-	2	12	8	12	-	34
Deletions**	-	(55)	(33)	(23)	(474)	(48)	(57)	(1)	(691)
Gross carrying value as at December 31, 2023	**1,430**	**10,403**	**3,154**	**1,354**	**7,240**	**2,141**	**977**	**45**	**26,744**
Accumulated depreciation as at April 1, 2023	**-**	**(4,223)**	**(2,558)**	**(1,060)**	**(4,977)**	**(1,549)**	**(646)**	**(40)**	**(15,053)**
Depreciation	-	(307)	(169)	(86)	(867)	(177)	(132)	(3)	(1,741)
Accumulated depreciation on deletions**	-	55	33	23	471	46	56	1	685
Accumulated depreciation as at December 31, 2023	**-**	**(4,475)**	**(2,694)**	**(1,123)**	**(5,373)**	**(1,680)**	**(722)**	**(42)**	**(16,109)**
Carrying value as at April 1, 2023	**1,429**	**6,222**	**586**	**254**	**2,258**	**580**	**322**	**5**	**11,656**
Carrying value as at December 31, 2023	**1,430**	**5,928**	**460**	**231**	**1,867**	**461**	**255**	**3**	**10,635**

** During the three months and nine months ended December 31, 2023, certain assets which were old having gross book value of ₹129 crore (net book value: Nil) and ₹490 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, 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 the three months and nine months ended December 31, 2022, certain assets which were old having gross book value of ₹252 crore (net book value: Nil) and ₹401 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 statement of Profit and Loss.

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

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, 2023	March 31, 2023
Carrying value at the beginning	211	211
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 primarily 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 the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

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

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

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

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

The 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, 2023:

(In ₹ crore)

Particulars	Category of ROU asset			Total
	Land	Buildings	Computers	
Balance as at October 1, 2023	546	2,689	433	3,668
Additions*	-	2	145	147
Deletions	(10)	(47)	(13)	(70)
Impairment#	-	(88)	-	(88)
Depreciation	(1)	(121)	(48)	(170)
Balance as at December 31, 2023	**535**	**2,435**	**517**	**3,487**

** Net of adjustments on account of modifications*

** included under other expenses. Refer note 2.19*

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*	-	23	160	183
Deletions	-	(2)	(16)	(18)
Depreciation	(1)	(111)	(33)	(145)
Balance as at December 31, 2022	**549**	**2,700**	**289**	**3,538**

** 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, 2023:

(In ₹ crore)

Particulars	Category of ROU asset			Total
	Land	Buildings	Computers	
Balance as at April 1, 2023	548	2,669	344	3,561
Additions*	-	290	370	660
Deletions	(10)	(77)	(76)	(163)
Impairment#	-	(88)	-	(88)
Depreciation	(3)	(359)	(121)	(483)
Balance as at December 31, 2023	**535**	**2,435**	**517**	**3,487**

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

** included under other expenses. Refer note 2.19*

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*	-	411	266	677
Deletions	-	(3)	(50)	(53)
Depreciation	(3)	(329)	(65)	(397)
Balance as at December 31, 2022	**549**	**2,700**	**289**	**3,538**

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

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, 2023 and March 31, 2023:

(In ₹ crore)

Particulars	As at	
	December 31, 2023	March 31, 2023
Current lease liabilities	794	713
Non-current lease liabilities	3,423	3,553
Total	**4,217**	**4,266**

2.4 INVESTMENTS

(In ₹ crore)

Particulars	As at December 31, 2023	As at March 31, 2023
Non-current investments		
Equity instruments of subsidiaries	9,145	9,078
Redeemable Preference shares of subsidiary	2,831	2,831
Preference securities and equity securities	218	196
Target maturity fund units	422	402
Others	95	82
Tax free bonds	1,733	1,742
Government bonds	15	14
Non-convertible debentures	1,818	2,490
Government Securities	6,650	6,851
Total non-current investments	**22,927**	**23,686**
Current investments		
Liquid mutual fund units	1,418	260
Commercial Papers	1,725	420
Certificates of deposit	1,613	2,765
Tax free bonds	-	150
Government Securities	201	5
Non-convertible debentures	1,100	876
Total current investments	**6,057**	**4,476**
Total carrying value	**28,984**	**28,162**

(In ₹ crore, except as otherwise stated)

Particulars	As at December 31, 2023	As at March 31, 2023
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
Nil (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 Singapore 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
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.	26	17
30,000 (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 Consulting S.R.L. (Romania)	34	34
99,183 (99,183) shares of RON 100 per share, fully paid up		
Infosys Limited Bulgaria EOOD	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 Turkey Bilgi Teknolojileri Limited Sirketi	48	7
1,508,060 (1,30,842) share Turkish Liras 100 (10,000) per share, fully paid up		
Infosys Consulting S.R.L. (Argentina)	2	2
2,94,500 (2,94,500) shares AR$ 100 per share, fully paid up		
Infosys Business Solutions LLC	8	8
10,000 (10,000) shares USD 100 per share, fully paid up		
Danske IT and Support Services India Private Limited	77	-
3,27,789 (Nil) shared ₹ 10 per share fully paid up		
Investments in Redeemable Preference shares of subsidiary		
Infosys Singapore Pte Ltd	2,831	2,831
45,62,00,000 (45,62,00,000) shares of SGD 1 per share, fully paid up		
40,000,000 (40,000,000) shares of USD 1 per share, fully paid up		
	11,976	**11,909**

(In ₹ crore, except as otherwise stated)

Particulars	As at	
	December 31, 2023	March 31, 2023
Investments carried at fair value through profit or loss		
Target maturity fund units	422	402
Others [(1)]	95	82
	517	**484**
Investments carried at fair value through other comprehensive income		
Preference securities	79	193
Equity securities	2	3
	81	**196**
Quoted		
Investments carried at amortized cost		
Tax free bonds	1,733	1,742
Government bonds	15	14
	1,748	**1,756**
Investments carried at fair value through other comprehensive income		
Non-convertible debentures	1,818	2,490
Equity Securities	137	-
Government Securities	6,650	6,851
	8,605	**9,341**
Total non-current investments	**22,927**	**23,686**
Current investments		
Unquoted		
Investments carried at fair value through profit or loss		
Liquid mutual fund units	1,418	260
	1,418	**260**
Investments carried at fair value through other comprehensive income		
Commercial Papers	1,725	420
Certificates of deposit	1,613	2,765
	3,338	**3,185**
Quoted		
Investments carried at amortized cost		
Tax free bonds	-	150
	-	**150**
Investments carried at fair value through other comprehensive income		
Government Securities	201	5
Non-convertible debentures	1,100	876
	1,301	**881**
Total current investments	**6,057**	**4,476**
Total investments	**28,984**	**28,162**
Aggregate amount of quoted investments	11,654	12,128
Market value of quoted investments (including interest accrued), current	1,302	1,050
Market value of quoted investments (including interest accrued), non-current	10,542	11,336
Aggregate amount of unquoted investments	17,330	16,034
[#] 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	11,976	11,909
Investments carried at amortized cost	1,748	1,906
Investments carried at fair value through other comprehensive income	13,325	13,603
Investments carried at fair value through profit or loss	1,935	744

[(1)] *Uncalled capital commitments outstanding as of December 31, 2023 and March 31, 2023 was ₹5 crore and ₹8 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, 2023	March 31, 2023
Liquid mutual fund units - carried at fair value through profit or loss	Quoted price	1,418	260
Target maturity fund units - carried at fair value through profit or loss	Quoted price	422	402
Tax free bonds and government bonds - carried at amortized cost	Quoted price and market observable inputs	1,933	2,134
Non-convertible debentures - carried at fair value through other comprehensive income	Quoted price and market observable inputs	2,918	3,366
Government securities - carried at fair value through other comprehensive income	Quoted price and market observable inputs	6,851	6,856
Commercial Papers - carried at fair value through other comprehensive income	Market observable inputs	1,725	420
Certificates of deposit - carried at fair value through other comprehensive income	Market observable inputs	1,613	2,765
Quoted Equity Securities - carried at fair value through other comprehensive income	Quoted price	137	-
Unquoted equity and preference securities - carried at fair value through other comprehensive income	Discounted cash flows method, Market multiples method, Option pricing model	81	196
Others - carried at fair value through profit or loss	Discounted cash flows method, Market multiples method, Option pricing model	95	82
Total		**17,193**	**16,481**

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

Danske IT and Support Services India Private Limited

On September 1, 2023, Infosys acquired 100% of the voting interests in Danske IT and Support Services India Private Limited, which is Danske Bank's IT center in India. The acquisition was conducted by entering into a share purchase agreement. The estimated consideration is approximately DKK 63 million (approximately ₹77 crore) which may be subjected to a further adjustment on finalization of the opening net assets value as agreed in the Share Purchase Agreement.

Proposed acquisition

On January 11, 2024, Infosys Limited entered into a definitive agreement to acquire 100% of the equity share capital in InSemi Technology Services Private Limited, a semiconductor design services company headquartered in India, for a consideration including earn-outs, and management incentives and retention bonuses totalling up to ₹280 crore (approximately $34 million) , subject to customary closing adjustments.

2.5 LOANS

(In ₹ crore)

Particulars	As at December 31, 2023	As at March 31, 2023
Non- Current		
Loans considered good - Unsecured		
Other Loans		
Loans to employees	35	39
	35	**39**
Loans credit impaired - Unsecured		
Other Loans		
Loans to employees	-	-
Less: Allowance for credit impairment	-	-
	-	**-**
Total non - current loans	**35**	**39**
Current		
Loans considered good - Unsecured		
Loans to subsidiaries	-	43
Other Loans		
Loans to employees	198	248
Total current loans	**198**	**291**
Total Loans	**233**	**330**

2.6 OTHER FINANCIAL ASSETS

(In ₹ crore)

Particulars	As at December 31, 2023	As at March 31, 2023
Non-current		
Security deposits (1)	43	43
Net investment in Sublease of right of use asset (1)	-	298
Rental deposits (1)	163	183
Unbilled revenues (1)(5)#	956	686
Others(1)	224	131
Total non-current other financial assets	**1,386**	**1,341**
Current		
Security deposits (1)	1	1
Rental deposits (1)	29	5
Restricted deposits (1)*	2,283	2,116
Unbilled revenues (1)(5)#	4,489	5,166
Interest accrued but not due (1)	329	441
Foreign currency forward and options contracts (2)(3)	31	79
Net investment in Sublease of right-of-use asset (1)	-	48
Others (1)(4)	2,320	1,232
Total current other financial assets	**9,482**	**9,088**
Total other financial assets	**10,868**	**10,429**
(1) Financial assets carried at amortized cost	10,837	10,350
(2) Financial assets carried at fair value through other comprehensive income	13	32
(3) Financial assets carried at fair value through Profit or Loss	18	47
(4) *Includes dues from subsidiaries*	2,081	1,051
(5) *Includes dues from subsidiaries*	141	290

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

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

2.7 TRADE RECEIVABLES

(In ₹ crore)

Particulars	As at December 31, 2023	As at March 31, 2023
Current		
Trade Receivable considered good - Unsecured (1)	25,907	21,202
Less: Allowance for expected credit loss	473	429
Trade Receivable considered good - Unsecured	25,434	20,773
Trade Receivable - credit impaired - Unsecured	157	106
Less: Allowance for credit impairment	157	106
Trade Receivable - credit impaired - Unsecured	-	-
Total trade receivables (2)	**25,434**	**20,773**
(1) *Includes dues from subsidiaries*	322	611
(2) *Includes dues from companies where directors are interested*	-	-

2.8 CASH AND CASH EQUIVALENTS

(In ₹ crore)

Particulars	As at	
	December 31, 2023	March 31, 2023
Balances with banks		
In current and deposit accounts	7,210	4,864
Cash on hand	-	-
Others		
Deposits with financial institutions	-	1,670
Total Cash and cash equivalents	**7,210**	**6,534**
Balances with banks in unpaid dividend accounts	34	37
Deposit with more than 12 months maturity	-	700

Cash and cash equivalents as at December 31, 2023 and March 31, 2023 include restricted cash and bank balances of ₹54 crore and ₹46 crore, respectively.

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, 2023	March 31, 2023
Non-current		
Capital advances	119	141
Advances other than capital advances		
Others		
Prepaid expenses	49	63
Defined benefit plan assets	9	9
Deferred contract cost		
Cost of obtaining a contract(3)	103	139
Cost of fulfillment	666	601
Other receivables	20	-
Unbilled revenues(2)	290	167
Withholding taxes and others	668	668
Total non-current other assets	**1,924**	**1,788**
Current		
Advances other than capital advances		
Payment to vendors for supply of goods	38	171
Others		
Prepaid expenses (1)	2,122	1,705
Unbilled revenues(2)	5,251	6,365
Deferred contract cost		
Cost of obtaining a contract(3)	188	400
Cost of fulfillment	234	109
Withholding taxes and others	2,055	2,047
Other receivables	12	123
Total current other assets	**9,900**	**10,920**
Total other assets	**11,824**	**12,708**
(1) *Includes dues from subsidiaries*	174	198

(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. As at December 31, 2023, the financial liability pertaining to such arrangements amounts to ₹63 crore. (Refer to note 2.12)*

Withholding taxes and others primarily consist of input tax credits and Cenvat/ VAT 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 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 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 carried 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, carried 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 condensed 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, option pricing model, market multiples, 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 loss or gain 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, 2023 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)	7,210	-	-	-	-	7,210	7,210
Investments (Refer to note 2.4)							
Preference securities, Equity securities and others	-	-	95	218	-	313	313
Tax free bonds and government bonds	1,748	-	-	-	-	1,748	1,933 [1]
Liquid mutual fund units	-	-	1,418	-	-	1,418	1,418
Target maturity fund units	-	-	422	-	-	422	422
Commercial Papers	-	-	-	-	1,725	1,725	1,725
Certificates of deposit	-	-	-	-	1,613	1,613	1,613
Non convertible debentures	-	-	-	-	2,918	2,918	2,918
Government Securities	-	-	-	-	6,851	6,851	6,851
Trade receivables (Refer to note 2.7)	25,434	-	-	-	-	25,434	25,434
Loans (Refer to note 2.5)	233	-	-	-	-	233	233
Other financial assets (Refer to note 2.6) [3]	10,837	-	18	-	13	10,868	10,813 [2]
Total	**45,462**	**-**	**1,953**	**218**	**13,120**	**60,753**	**60,883**
Liabilities:							
Trade payables (Refer to note 2.13)	2,416	-	-	-	-	2,416	2,416
Lease liabilities (Refer to note 2.3)	4,217	-	-	-	-	4,217	4,217
Other financial liabilities (Refer to note 2.12)	10,308	-	112	-	30	10,450	10,450
Total	**16,941**	**-**	**112**	**-**	**30**	**17,083**	**17,083**

[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 ₹55 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, 2023 were as follows:

(In ₹ crore)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer to note 2.8)	6,534	-	-	-	-	6,534	6,534
Investments (Refer to note 2.4)							
Preference securities, Equity securities and others	-	-	82	196	-	278	278
Tax free bonds and government bonds	1,906	-	-	-	-	1,906	2,134 [1]
Target maturity fund units		-	402	-	-	402	402
Liquid mutual fund units	-	-	260	-	-	260	260
Commercial Papers	-	-	-	-	420	420	420
Certificates of deposit	-	-	-	-	2,765	2,765	2,765
Non convertible debentures	-	-	-	-	3,366	3,366	3,366
Government Securities	-	-	-	-	6,856	6,856	6,856
Trade receivables (Refer to note 2.7)	20,773	-	-	-	-	20,773	20,773
Loans (Refer to note 2.5)	330	-	-	-	-	330	330
Other financial assets (Refer to note 2.6)[3]	10,350	-	47	-	32	10,429	10,345 [2]
Total	**39,893**	**-**	**791**	**196**	**13,439**	**54,319**	**54,463**
Liabilities:							
Trade payables (Refer to note 2.13)	2,426	-	-	-	-	2,426	2,426
Lease Liabilities (Refer to note 2.3)	4,266	-	-	-	-	4,266	4,266
Other financial liabilities (Refer to note 2.12)	11,989	-	42	-	14	12,045	12,045
Total	**18,681**	**-**	**42**	**-**	**14**	**18,737**	**18,737**

[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 ₹84 crore*

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

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

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

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

(In ₹ crore)

Particulars	**As at December 31, 2023**	**Fair value measurement at end of the reporting period using**		
		Level 1	**Level 2**	**Level 3**
Assets				
Investments (Refer to note 2.4)				
Investments in tax free bonds	1,918	1,692	226	-
Investments in government bonds	15	15	-	-
Investments in liquid mutual fund units	1,418	1,418	-	-
Investments in target maturity fund units	422	422	-	-
Investments in certificates of deposit	1,613	-	1,613	-
Investments in commercial papers	1,725	-	1,725	-
Investments in non convertible debentures	2,918	2,248	670	-
Investments in government securities	6,851	6,851	-	-
Investments in equity securities	139	137	-	2
Investments in preference securities	79	-	-	79
Other investments	95	-	-	95
Others				
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts (Refer to note 2.6)	31	-	31	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts (Refer to note 2.12)	142	-	142	-

During the nine months ended December 31, 2023, tax free bonds and non-convertible debentures of ₹1,525 crore were transferred from Level 2 to Level 1 of fair value hierarchy since these were valued based on quoted price.

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

(In ₹ crore)

Particulars	**As at March 31, 2023**	**Fair value measurement at end of the reporting period using**		
		Level 1	**Level 2**	**Level 3**
Assets				
Investments (Refer to note 2.4)				
Investments in tax free bonds	2,120	1,331	789	-
Investments in target maturity fund units	402	402	-	-
Investments in government bonds	14	14	-	-
Investments in liquid mutual fund units	260	260	-	-
Investments in certificates of deposit	2,765	-	2,765	-
Investments in commercial papers	420	-	420	-
Investments in non convertible debentures	3,366	1,364	2,002	-
Investments in government securities	6,856	6,856	-	-
Investments in equity securities	3	-	-	3
Investments in preference securities	193	-	-	193
Other investments	82	-	-	82
Others				
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts (Refer to note 2.6)	79	-	79	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts (Refer note 2.12)	56	-	56	-

During the year ended March 31, 2023, tax free bonds and government securities of ₹383 crore were transferred from Level 2 to Level 1 of fair value hierarchy since these were valued based on quoted price. Further non-convertible debentures of ₹1,611 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, target maturity fund units, tax free bonds, certificates of deposit, commercial papers, 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

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, 2023	March 31, 2023
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)]	2,075	2,074
4,15,04,47,554 (4,14,85,60,044) equity shares fully paid-up		
	2,075	**2,074**

[(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, 2023 and March 31, 2023 is set out below:

(in ₹ crore, except as stated otherwise)

Particulars	As at December 31, 2023		As at March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
As at the beginning of the period	**4,14,85,60,044**	**2,074**	**4,20,67,38,641**	**2,103**
Add: Shares issued on exercise of employee stock options	1,887,510	1	2,247,751	1
Less: Shares bought back	-	-	60,426,348	30
As at the end of the period	**4,15,04,47,554**	**2,075**	**4,14,85,60,044**	**2,074**

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.

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, 2023, 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,	
	2023	2022	2023	2022
Interim dividend for fiscal 2024	18.00	-	18.00	-
Final dividend for fiscal 2023	-	-	17.50	-
Interim dividend for fiscal 2023	-	16.50	-	16.50
Final dividend for fiscal 2022	-	-	-	16.00

The Board of Directors in their meeting held on April 13, 2023 recommended a final dividend of ₹17.50/- per equity share for the financial year ended March 31, 2023. The same was approved by the shareholders at the Annual General Meeting (AGM) of the Company held on June 28, 2023 which resulted a net cash outflow of ₹7,262 crore.

The Board of Directors in their meeting held on October 12, 2023 declared an interim dividend of ₹18/- per equity share which resulted in a net cash outflow of ₹7,471 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 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). These instruments will generally vest over a period of 4 years. The plan numbers mentioned above are further adjusted with 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 11,249,465 shares and 12,172,119 shares as at December 31, 2023 and March 31, 2023, 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, 2023 and March 31, 2023.

The following is the summary of grants during the three months and nine months ended December 31, 2023 and December 31, 2022:

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,	
	2023	2022	2023	2022	2023	2022	2023	2022
Equity settled RSUs								
Key Management Personnel (KMP)	35,990	-	114,271	176,893	88,040	-	421,636	287,325
Employees other than KMP	464,260	3,814	464,260	374,774	1,169,660	48,050	1,197,940	48,050
	500,250	**3,814**	**578,531**	**551,667**	**1,257,700**	**48,050**	**1,619,576**	**335,375**
Cash settled RSUs								
Key Management Personnel (KMP)	-	-	-	-	-	-	-	-
Employees other than KMP	-	-	-	-	7,950	-	7,950	-
	-	**-**	**-**	**-**	**7,950**	**-**	**7,950**	**-**
Total Grants	**500,250**	**3,814**	**578,531**	**551,667**	**1,265,650**	**48,050**	**1,627,526**	**335,375**

Notes on grants to KMP:

CEO & MD

Under the 2015 plan:

The Board, on April 13, 2023, 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 ₹34.75 crore for fiscal 2024 under the 2015 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 2,72,026 performance based RSU's were granted effective May 2, 2023.

The Board, on April 13, 2023, based on the recommendations of the Nomination and Remuneration Committee, approved the performance-based grant of RSUs (Annual performance equity ESG grant) of fair value of ₹2 crore for fiscal 2024 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, 15,656 performance based RSU's were granted effective May 2, 2023.

The Board, on April 13, 2023, based on the recommendations of the Nomination and Remuneration Committee, approved the performance-based grant of RSUs (Annual performance Equity TSR grant) of fair value of ₹5 crore for fiscal 2024 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, 39,140 performance based RSU's were granted effective May 2, 2023.

Though the annual time based grants and annual performance equity TSR grant for the remaining employment term ending on March 31, 2027 have not been granted as of December 31, 2023, since the service commencement date precedes the grant date, the company has recorded employment stock compensation expense in accordance with Ind AS 102, Share based payment. The grant date for this purpose in accordance with Ind AS 102, Share based payment is July 1, 2022.

Under the 2019 plan:

The Board, on April 13, 2023, based on the recommendations of the Nomination and Remuneration Committee, approved performance-based grant of RSUs amounting to ₹10 crore for fiscal 2024 under the 2019 Plan. These RSUs will vest based on achievement of certain performance targets. Accordingly, 78,281 performance based RSU's were granted effective May 2, 2023.

Other KMP

Under the 2015 plan:

During the nine months ended December 31, 2023, based on recommendations of Nomination and Remuneration Committee, the Board approved 88,040 time based RSUs and 6,774 performance based RSUs to other KMP under the 2015 plan. The time based RSUs will vest over three years and performance based RSUs will vest over three years based on certain performance targets.

Under the 2019 plan:

During the nine months ended December 31, 2023, based on recommendations of Nomination and Remuneration Committee, the Board approved performance based grants of 35,990 RSUs to other KMP under the 2019 plan. 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,	
	2023	2022	2023	2022
Granted to:				
KMP	14	-	51	41
Employees other than KMP	117	101	327	302
Total [(1)]	**131**	**101**	**378**	**343**
[(1)] *Cash settled stock compensation expense included in the above*	-	2	3	-

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 2024- Equity Shares-RSU	Fiscal 2024- ADR-RSU	Fiscal 2023- Equity Shares-RSU	Fiscal 2023- ADS-RSU
Weighted average share price (₹) / ($ ADS)	1,321	16.41	1,525	18.08
Exercise price (₹) / ($ ADS)	5.00	0.07	5.00	0.07
Expected volatility (%)	23-31	25-33	23-32	27-34
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 (%)	7	4-5	5-7	2-5
Weighted average fair value as on grant date (₹) / ($ ADS)	1,151	14.31	1,210	13.69

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, 2023	March 31, 2023
Non-current		
Others		
Compensated absences	83	76
Accrued compensation to employees [1]	13	5
Accrued expenses [1]	1,866	1,184
Other payables [1][6]	6	52
Total non-current other financial liabilities	**1,968**	**1,317**
Current		
Unpaid dividends [1]	34	37
Others		
Accrued compensation to employees [1]	2,796	3,072
Accrued expenses [1][4]	4,506	4,430
Retention monies [1]	13	17
Capital creditors [1]	208	652
Compensated absences	2,168	1,893
Other payables [1][5][6]	866	2,540
Foreign currency forward and options contracts [2][3]	142	56
Total current other financial liabilities	**10,733**	**12,697**
Total other financial liabilities	**12,701**	**14,014**
[1] *Financial liability carried at amortized cost*	10,308	11,989
[2] *Financial liability carried at fair value through profit or loss*	112	42
[3] *Financial liability carried at fair value through other comprehensive income*	30	14
[4] *Includes dues to subsidiaries*	29	30
[5] *Includes dues to subsidiaries*	381	422

[6] *Deferred contract cost (Refer to note 2.10) 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. As at December 31, 2023, the financial liability pertaining to such arrangements amounts to ₹ 63 crore.*

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

2.13 TRADE PAYABLES

(In ₹ crore)

Particulars	As at	
	December 31, 2023	March 31, 2023
Outstanding dues of micro enterprises and small enterprises	17	97
Outstanding dues of creditors other than micro enterprises and small enterprises[1]	2,399	2,329
Total trade payables	**2,416**	**2,426**
[1] *Includes dues to subsidiaries*	*725*	*653*

2.14 OTHER LIABILITIES

(In ₹ crore)

Particulars	As at	
	December 31, 2023	March 31, 2023
Non-current		
Accrued defined benefit liability	260	412
Others		
Deferred income	2	2
Deferred income - government grants	28	-
Total non - current other liabilities	**290**	**414**
Current		
Accrued defined benefit liability	2	2
Unearned revenue	6,210	5,491
Others		
Deferred income - government grants	5	28
Withholding taxes and others	2,209	2,088
Total current other liabilities	**8,426**	**7,609**
Total other liabilities	**8,716**	**8,023**

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, 2023	**March 31, 2023**
Current		
Others		
Post-sales client support and other provisions	1,510	1,163
Total provisions	**1,510**	**1,163**

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; deferred tax assets and deferred 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,	
	2023	**2022**	**2023**	**2022**
Current taxes	2,231	1,916	6,476	6,261
Deferred taxes	93	169	309	61
Income tax expense	**2,324**	**2,085**	**6,785**	**6,322**

Income tax expense for the three months ended December 31, 2023 and December 31, 2022 includes reversal (net of provisions) of ₹71 crore and ₹79 crore, respectively. Income tax expense for the nine months ended December 31, 2023 and December 31, 2022 includes reversal (net of provisions) of ₹151 crore and ₹65 crore, respectively. These 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, 2023 and December 31, 2022 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, 2023 and December 31, 2022 is as follows:

(In ₹ crore)

Particulars	Three months ended December 31,		Nine months ended December 31,	
	2023	**2022**	**2023**	**2022**
Revenue from software services	32,405	32,328	96,697	93,312
Revenue from products and platforms	86	61	235	171
Total revenue from operations	**32,491**	**32,389**	**96,932**	**93,483**

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.

The percentage of revenue from fixed-price contracts for the three months ended December 31, 2023 and December 31, 2022 is 58% and 55%, respectively. The percentage of revenue from fixed-price contracts for the nine months ended December 31, 2023 and December 31, 2022 is 56% and 54%, respectively.

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 shall 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, 2023 and December 31, 2022 is as follows:

(In ₹ crore)

Particulars	**Three months ended December 31,**		**Nine months ended December 31,**	
	2023	**2022**	**2023**	**2022**
Interest income on financial assets carried at amortized cost				
Tax free bonds and government bonds	33	38	101	113
Deposit with Bank and others	159	136	505	451
Interest income on financial assets carried at fair value through other comprehensive income				
Non-convertible debentures, commercial papers, certificates of deposit and government securities	208	215	601	650
Income on investments carried at fair value through other comprehensive income	-	-	-	1
Income on investments carried at fair value through profit or loss				
Gain / (loss) on liquid mutual funds and other investments	81	63	160	107
Dividend received from subsidiary	927	494	2,118	1,187
Exchange gains/(losses) on foreign currency forward and options contracts	(202)	(413)	(103)	(673)
Exchange gains/(losses) on translation of other assets and liabilities	289	562	340	1,073
Miscellaneous income, net	87	82	212	184
Total other income	**1,582**	**1,177**	**3,934**	**3,093**

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. The defined benefit plans require contributions which are based on a percentage of salary that varies depending on the age of the respective employees

Liabilities with regard to these defined benefit plans are determined by actuarial valuation, performed by an independent 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, 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.

(In ₹ crore)

Particulars	Three months ended December 31,		Nine months ended December 31,	
	2023	**2022**	**2023**	**2022**
Employee benefit expenses				
Salaries including bonus	15,569	15,757	47,033	45,248
Contribution to provident and other funds	511	499	1,502	1,425
Share based payments to employees (Refer to note 2.11)	131	101	378	343
Staff welfare	93	38	179	166
	16,304	**16,395**	**49,092**	**47,182**
Cost of software packages and others				
For own use	429	379	1,215	1,082
Third party items bought for service delivery to clients	1,382	1,349	3,578	3,257
	1,811	**1,728**	**4,793**	**4,339**
Other expenses				
Power and fuel	44	40	130	113
Brand and Marketing	182	184	601	526
Rates and taxes	58	54	188	157
Repairs and Maintenance	233	237	719	670
Consumables	7	5	18	18
Insurance	41	35	128	106
Provision for post-sales client support and others	31	132	205	201
Commission to non-whole time directors	4	4	11	11
Impairment loss recognized / (reversed) under expected credit loss model	10	59	194	112
Auditor's remuneration				
Statutory audit fees	1	1	5	5
Tax matters	-	-	-	-
Other services	-	-	-	-
Contributions towards Corporate Social Responsibility	125	132	315	289
Others	159	95	348	209
	895	**978**	**2,862**	**2,417**

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, 2023	March 31, 2023
Contingent liabilities:		
Claims against the Company, not acknowledged as debts[1]	4,490	4,316
[Amount paid to statutory authorities ₹5,900 crore (₹6,115 crore)]		
Commitments:		
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)[2]	637	824
Other Commitments*	5	8

** Uncalled capital pertaining to investments*

[1] As at December 31, 2023 and March 31, 2023, claims against the Company not acknowledged as debts in respect of income tax matters amounted to ₹4,083 crore and ₹3,953 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 Income Tax 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 ₹5,890 crore and ₹6,105 crore as at December 31, 2023 and March 31, 2023, 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, 2023 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, 2023, the following are the changes in the subsidiaries.

- Infosys Americas Inc., (Infosys Americas) a Wholly-owned subsidiary of Infosys Limited is liquidated effective July 14, 2023.
- oddity GmbH renamed as WongDoody GmbH.
- On September 29, 2023, oddity space GmbH, oddity waves GmbH, oddity jungle GmbH, oddity group services GmbH and oddity code GmbH merged into WongDoody GmbH and oddity code d.o.o which was formerly a subsidiary of oddity code Gmbh has become a subsidiary of Wongdoody Gmbh (formerly known as oddity GmbH).
- On September 1, 2023 Infosys Ltd. acquired 100% of voting interests in Danske IT and Support Services India Private Limited (“Danske IT”).
- Infosys BPM Canada Inc, a Wholly-owned subsidiary of Infosys BPM Limited was incorporated on August 11, 2023.
- Kaleidoscope Prototyping LLC, a Wholly-owned subsidiary of Kaleidoscope Animations is liquidated effective November 1, 2023.
- oddity Code d.o.o renamed as WongDoody d.o.o
- On November 24, 2023 Stater Participations B.V (Wholly-owned subsidiary of Stater N.V) merged with Stater N.V and Stater Belgium N.V./S.A which was formerly a wholly owned subsidiary of Stater Participations B.V. became a wholly owned subsidiary of Stater N.V.

The Company’s related party transactions during the three months and nine months ended December 31, 2023 and December 31, 2022 and outstanding balances as at December 31, 2023 and March 31, 2023 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:

Independent directors:

- Helene Auriol Potier (appointed as independent director effective May 26, 2023)
- Nitin Paranjpe (appointed as an additional and independent director effective January 1, 2024)

Executive Officers:

- Mohit Joshi (resigned as President effective March 11, 2023 and was on leave till June 9, 2023 which was his last date with the company)
- Nilanjan Roy (resigned as Chief Financial Officer of the Company effective March 31, 2024)
- Jayesh Sanghrajka (appointed as Chief Financial Officer effective April 1, 2024)

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,	
	2023	2022	2023	2022
Salaries and other short term employee benefits to whole-time directors and executive officers[(1)(2)]	24	12	82	86
Commission and other benefits to non-executive / independent directors	4	5	12	12
Total	**28**	**17**	**94**	**98**

[1] Total employee stock compensation expense for the three months ended December 31, 2023 and December 31, 2022 includes a charge of ₹14 crore and less than a crore, respectively, towards key management personnel. For the nine months ended December 31, 2023 and December 31, 2022, includes a charge of ₹51 crore and ₹41 crore respectively, towards key management personnel. (Refer to note 2.11).

[2] Does not include post-employment benefits and other long-term benefits based on actuarial valuation as these are 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*	Bobby Parikh *Director*
Nilanjan Roy *Chief Financial Officer*	Jayesh Sanghrajka *Executive Vice President and* *Deputy Chief Financial Officer*	A.G.S. Manikantha *Company Secretary*

Bengaluru
January 11, 2024

Deloitte Haskins & Sells LLP

Chartered Accountants
Prestige Trade Tower, Level 19
46, Palace Road, High Grounds
Bengaluru-560 001
Karnataka, India

Tel: +91 80 6188 6000
Fax: +91 80 6188 6011

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, 2023, 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, 2023, its consolidated profit and its consolidated total comprehensive income for the three months and nine months ended on that date, its 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) 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.

Emphasis of Matter

As described in note 2.21.3 to the interim condensed consolidated financial statements, certain costs relating to possible damages or claims relating to a cybersecurity incident in a subsidiary are indeterminable as at the date of this report because of reasons stated in the note. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance 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/Trustees of the entities included in the Group are responsible for maintenance of the adequate accounting records 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/Trustees of the entities 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/Trustees of the entities 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 such 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 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 11, 2024

INFOSYS LIMITED AND SUBSIDIARIES

Condensed Consolidated Financial Statements under Indian Accounting Standards (Ind AS) for the three months and nine months ended December 31, 2023

Index **Page No.**

INFOSYS LIMITED AND SUBSIDIARIES

(In ₹ crore)

Condensed Consolidated Balance Sheets as at	Note No.	December 31, 2023	March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	2.2	12,153	13,346
Right-of-use assets	2.19	6,892	6,882
Capital work-in-progress		595	288
Goodwill	2.3	7,435	7,248
Other intangible assets		1,508	1,749
Financial assets			
Investments	2.4	11,270	12,569
Loans	2.5	35	39
Other financial assets	2.6	2,701	2,798
Deferred tax assets (net)		702	1,245
Income tax assets (net)		6,851	6,453
Other non-current assets	2.9	2,403	2,318
Total non-current assets		**52,545**	**54,935**
Current assets			
Financial assets			
Investments	2.4	7,974	6,909
Trade receivables	2.7	30,618	25,424
Cash and cash equivalents	2.8	13,645	12,173
Loans	2.5	238	289
Other financial assets	2.6	11,433	11,604
Income tax assets (net)		173	6
Other current assets	2.9	13,240	14,476
Total current assets		**77,321**	**70,881**
Total assets		**129,866**	**125,816**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.11	2,070	2,069
Other equity		78,000	73,338
Total equity attributable to equity holders of the Company		**80,070**	**75,407**
Non-controlling interests		380	388
Total equity		**80,450**	**75,795**
Liabilities			
Non-current liabilities			
Financial Liabilities			
Lease liabilities	2.19	6,670	7,057
Other financial liabilities	2.12	2,498	2,058
Deferred tax liabilities (net)		942	1,220
Other non-current liabilities	2.13	377	500
Total non-current liabilities		**10,487**	**10,835**
Current liabilities			
Financial Liabilities			
Lease liabilities	2.19	2,074	1,242
Trade payables		3,825	3,865
Other financial liabilities	2.12	15,993	18,558
Other current liabilities	2.13	11,191	10,830
Provisions	2.14	1,827	1,307
Income tax liabilities (net)		4,019	3,384
Total current liabilities		**38,929**	**39,186**
Total equity and liabilities		**129,866**	**125,816**

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

Bobby Parikh
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and
Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
January 11, 2024

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,	
		2023	**2022**	**2023**	**2022**
Revenue from operations	2.16	38,821	38,318	115,748	109,326
Other income, net	2.17	789	769	1,982	2,030
Total income		**39,610**	**39,087**	**117,730**	**111,356**
Expenses					
Employee benefit expenses	2.18	20,651	20,272	62,228	58,048
Cost of technical sub-contractors		3,066	3,343	9,264	10,946
Travel expenses		387	360	1,288	1,099
Cost of software packages and others	2.18	3,722	3,085	9,828	8,017
Communication expenses		169	183	531	542
Consultancy and professional charges		504	401	1,237	1,296
Depreciation and amortization expenses		1,176	1,125	3,515	3,104
Finance cost		131	80	360	202
Other expenses	2.18	1,185	1,307	3,731	3,246
Total expenses		**30,991**	**30,156**	**91,982**	**86,500**
Profit before tax		**8,619**	**8,931**	**25,748**	**24,856**
Tax expense:					
Current tax	2.15	2,419	2,195	7,216	7,027
Deferred tax	2.15	87	150	258	(145)
Profit for the period		**6,113**	**6,586**	**18,274**	**17,974**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset, net		71	29	94	(17)
Equity instruments through other comprehensive income, net		(9)	1	31	8
		62	**30**	**125**	**(9)**
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedge, net		(46)	(57)	(17)	(43)
Exchange differences on translation of foreign operations		436	676	457	715
Fair value changes on investments, net		52	48	107	(298)
		442	**667**	**547**	**374**
Total other comprehensive income /(loss), net of tax		**504**	**697**	**672**	**365**
Total comprehensive income for the period		**6,617**	**7,283**	**18,946**	**18,339**
Profit attributable to:					
Owners of the Company		6,106	6,586	18,264	17,967
Non-controlling interests		7	—	10	7
		6,113	**6,586**	**18,274**	**17,974**
Total comprehensive income attributable to:					
Owners of the Company		6,605	7,268	18,934	18,322
Non-controlling interests		12	15	12	17
		6,617	**7,283**	**18,946**	**18,339**
Earnings per equity share					
Equity shares of par value ₹5/- each					
Basic (in ₹ per share)		14.76	15.72	44.13	42.85
Diluted (in ₹ per share)		14.74	15.70	44.08	42.79
Weighted average equity shares used in computing earnings per equity share					
Basic (in shares)	2.20	4,138,963,794	4,190,550,470	4,138,282,170	4,192,969,201
Diluted (in shares)	2.20	4,143,565,697	4,195,924,920	4,143,506,821	4,199,312,062

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

Bobby Parikh
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
January 11, 2024

INFOSYS LIMITED AND SUBSIDIARIES

Condensed Consolidated Statement of Changes in Equity

(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 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)	—	—	—	—	—	—	—	—	—	—
Transferred to Special Economic Zone Re-investment reserve	—	—	—	—	(2,575)	—	—	2,575	—	—	—	—	—	—	—	—
Transfer to legal reserve	—	—	—	—	(3)	—	—	—	3	—	—	—	—	—	—	—
Transferred on account of exercise of stock options *(Refer to note 2.11)*	—	—	—	191	—	—	(191)	—	—	—	—	—	—	—	—	—
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 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**

Condensed Consolidated Statement of Changes in Equity (contd.)

(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, 2023	**2,069**	**54**	**169**	**166**	**58,957**	**1,054**	**878**	**10,014**	**19**	**247**	**2,325**	**(5)**	**(540)**	**75,407**	**388**	**75,795**
Changes in equity for the nine months ended December 31, 2023																
Profit for the period	—	—	—	—	18,264	—	—	—	—	—	—	—	—	18,264	10	18,274
Remeasurement of the net defined benefit liability/asset, net*	—	—	—	—	—	—	—	—	—	—	—	—	94	94	—	94
Equity instruments through other comprehensive income, net*	—	—	—	—	—	—	—	—	—	31	—	—	—	31	—	31
Fair value changes on derivatives designated as cash flow hedge, net*	—	—	—	—	—	—	—	—	—	—	—	(17)	—	(17)	—	(17)
Exchange differences on translation of foreign operations	—	—	—	—	—	—	—	—	—	—	455	—	—	455	2	457
Fair value changes on investments, net*	—	—	—	—	—	—	—	—	—	—	—	—	107	107	—	107
Total Comprehensive income for the period	**—**	**—**	**—**	**—**	**18,264**	**—**	**—**	**—**	**—**	**31**	**455**	**(17)**	**201**	**18,934**	**12**	**18,946**
Shares issued on exercise of employee stock options *(Refer to Note 2.11)*	1	—	—	3	—	—	—	—	—	—	—	—	—	4	—	4
Employee stock compensation expense *(Refer to Note 2.11)*	—	—	—	—	—	—	417	—	—	—	—	—	—	417	—	417
Transferred on account of exercise of stock options *(Refer to note 2.11)*	—	—	—	351	—	—	(351)	—	—	—	—	—	—	—	—	—
Transferred on account of options not exercised	—	—	—	—	—	32	(32)	—	—	—	—	—	—	—	—	—
Income tax benefit arising on exercise of stock options	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Dividends [1]	—	—	—	—	(14,692)	—	—	—	—	—	—	—	—	(14,692)	—	(14,692)
Dividends paid to non controlling interest of subsidiary	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(2)	(2)
Buyback of shares pertaining to non controlling interest of subsidiary	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(18)	(18)
Transferred to Special Economic Zone Re-investment reserve	—	—	—	—	(2,326)	—	—	2,326	—	—	—	—	—	—	—	—
Transferred from Special Economic Zone Re-investment reserve on utilization	—	—	—	—	485	—	—	(485)	—	—	—	—	—	—	—	—
Balance as at December 31, 2023	**2,070**	**54**	**169**	**520**	**60,688**	**1,086**	**912**	**11,855**	**19**	**278**	**2,780**	**(22)**	**(339)**	**80,070**	**380**	**80,450**

** Net of tax*

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

 # 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

Bobby Parikh
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and
Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
January 11, 2024

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,	
		2023	2022
Cash flow from operating activities			
Profit for the period		18,274	17,974
Adjustments to reconcile net profit to net cash provided by operating activities:			
Income tax expense	2.15	7,474	6,882
Depreciation and amortization		3,515	3,104
Interest and dividend income		(1,495)	(1,388)
Finance cost		360	202
Impairment loss recognized / (reversed) under expected credit loss model		219	197
Exchange differences on translation of assets and liabilities, net		129	373
Stock compensation expense		426	386
Provision for post sale client support		203	200
Other adjustments		1,089	477
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(3,555)	(7,350)
Loans, other financial assets and other assets		(738)	(2,435)
Trade payables		(39)	644
Other financial liabilities, other liabilities and provisions		(1,002)	3,263
Cash generated from operations		**24,860**	**22,529**
Income taxes paid		(7,146)	(6,615)
Net cash generated by operating activities		**17,714**	**15,914**
Cash flows from investing activities			
Expenditure on property, plant and equipment and intangibles		(1,647)	(1,805)
Deposits placed with corporation		(737)	(904)
Redemption of deposits placed with Corporation		628	671
Interest and dividend received		1,516	1,267
Payment towards acquisition of business, net of cash acquired	2.1	—	(910)
Payment of contingent consideration pertaining to acquisition of business		(101)	(60)
Escrow and other deposists pertaining to Buyback		—	(592)
Other receipts		128	57
Payments to acquire Investments			
Liquid mutual fund units		(53,255)	(54,567)
Certificates of deposit		(4,219)	(6,794)
Commercial Papers		(4,804)	(2,338)
Non-convertible debentures		(337)	(249)
Tax free bonds		—	(13)
Government securities		—	(1,569)
Other Investments		(11)	(18)
Proceeds on sale of Investments			
Tax free bonds and government bonds		150	13
Liquid mutual funds units		52,238	53,546
Certificates of deposit		5,981	7,605
Commercial Papers		3,599	1,300
Non-convertible debentures		975	295
Government securities		304	1,882
Equity and preference securities		18	99
Net cash generated / (used in) from investing activities		**426**	**(3,084)**

Cash flows from financing activities			
Payment of lease liabilities		(1,448)	(866)
Payment of dividends		(14,695)	(13,633)
Payment of dividend to non-controlling interest of subsidiary		(2)	(22)
Payment towards buyback of shares pertaining to non controlling interest of subsidiary		(18)	—
Shares issued on exercise of employee stock options		4	23
Other receipts		2	121
Other payments		(528)	(360)
Buyback of equity shares including transaction cost and tax on buyback		-	(3,928)
Net cash used in financing activities		**(16,685)**	**(18,665)**
Net increase / (decrease) in cash and cash equivalents		1,455	(5,835)
Effect of exchange rate changes on cash and cash equivalents		17	(50)
Cash and cash equivalents at the beginning of the period	2.8	12,173	17,472
Cash and cash equivalents at the end of the period	2.8	**13,645**	**11,587**
Supplementary information:			
Restricted cash balance	2.8	376	384

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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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 11, 2024

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 11, 2024.

1.2 Basis of preparation of financial statements

These interim condensed consolidated financial statements are prepared in compliance 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') 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, 2023. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

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

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 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 interim condensed consolidated 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 judgment.

Fixed price maintenance revenue is recognized ratably on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period. Revenue from fixed price maintenance contract is recognized ratably using a percentage of completion method when the pattern of benefits from the services rendered to the customer and the 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).*

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 fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. These valuations are conducted by external valuation experts. Estimates are required to be made in determining the value of contingent consideration, value of option arrangements and intangible assets. 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 2.3.1).*

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.

Proposed acquisition

On January 11, 2024, Infosys Limited entered into a definitive agreement to acquire 100% of the equity share capital in InSemi Technology Services Private Limited, a semiconductor design services company headquartered in India, for a consideration including earn-outs, and management incentives and retention bonuses totalling up to ₹280 crore (approximately $34 million) , subject to customary closing adjustments.

2.2 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the Management. The 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 25 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. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset.

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, 2023 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, 2023	**1,431**	**11,527**	**3,307**	**1,487**	**8,496**	**2,331**	**1,495**	**45**	**30,119**
Additions	1	4	12	30	203	—	5	1	256
Deletions**	—	(55)	(16)	(10)	(222)	(28)	(54)	(1)	(386)
Translation difference	—	22	2	3	20	5	10	—	62
Gross carrying value as at December 31, 2023	**1,432**	**11,498**	**3,305**	**1,510**	**8,497**	**2,308**	**1,456**	**45**	**30,051**
Accumulated depreciation as at October 1, 2023	**—**	**(4,749)**	**(2,534)**	**(1,228)**	**(6,132)**	**(1,768)**	**(1,124)**	**(42)**	**(17,577)**
Depreciation	—	(114)	(64)	(33)	(340)	(62)	(52)	(1)	(666)
Accumulated depreciation on deletions**	—	55	16	10	218	27	54	1	381
Translation difference	—	(6)	(2)	(2)	(13)	(4)	(9)	—	(36)
Accumulated depreciation as at December 31, 2023	—	**(4,814)**	**(2,584)**	**(1,253)**	**(6,267)**	**(1,807)**	**(1,131)**	**(42)**	**(17,898)**
Carrying value as at October 1, 2023	**1,431**	**6,778**	**773**	**259**	**2,364**	**563**	**371**	**3**	**12,542**
Carrying value as at December 31, 2023	**1,432**	**6,684**	**721**	**257**	**2,230**	**501**	**325**	**3**	**12,153**

The changes in the carrying value of property, plant and equipment for the three months ended December 31, 2022 were 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	—	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 nine months ended December 31, 2023 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, 2023	**1,431**	**11,562**	**3,302**	**1,482**	**8,519**	**2,303**	**1,445**	**45**	**30,089**
Additions	1	13	53	73	586	67	73	1	867
Deletions**	—	(55)	(48)	(46)	(622)	(65)	(65)	(1)	(902)
Translation difference	—	(22)	(2)	1	14	3	3	—	(3)
Gross carrying value as at December 31, 2023	**1,432**	**11,498**	**3,305**	**1,510**	**8,497**	**2,308**	**1,456**	**45**	**30,051**
Accumulated depreciation as at April 1, 2023	**—**	**(4,535)**	**(2,437)**	**(1,198)**	**(5,826)**	**(1,675)**	**(1,032)**	**(40)**	**(16,743)**
Depreciation	—	(339)	(196)	(98)	(1,051)	(192)	(160)	(3)	(2,039)
Accumulated depreciation on deletions**	—	55	48	45	617	63	63	1	892
Translation difference	—	5	1	(2)	(7)	(3)	(2)	—	(8)
Accumulated depreciation as at December 31, 2023	**—**	**(4,814)**	**(2,584)**	**(1,253)**	**(6,267)**	**(1,807)**	**(1,131)**	**(42)**	**(17,898)**
Carrying value as at April 1, 2023	**1,431**	**7,027**	**865**	**284**	**2,693**	**628**	**413**	**5**	**13,346**
Carrying value as at December 31, 2023	**1,432**	**6,684**	**721**	**257**	**2,230**	**501**	**325**	**3**	**12,153**

** During the three months and nine months ended December 31, 2023, certain assets which were not in use having gross book value of ₹137 crore (net book value: Nil) and ₹594 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, 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.

(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.

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

2.3 GOODWILL AND OTHER 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.

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

(In ₹ crore)

Particulars	As at	
	December 31, 2023	March 31, 2023
Carrying value at the beginning	**7,248**	**6,195**
Goodwill on acquisitions	—	630
Translation differences	187	423
Carrying value at the end	**7,435**	**7,248**

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, 2023	March 31, 2023
Non-current Investments		
Unquoted		
Investments carried at fair value through other comprehensive income		
Preference securities	79	193
Equity securities	2	3
	81	**196**
Investments carried at fair value through profit or loss		
Target maturity fund units	422	402
Others [(1)]	195	169
	617	**571**
Quoted		
Investments carried at amortized cost		
Government bonds	29	28
Tax free bonds	1,733	1,742
	1,762	**1,770**
Investments carried at fair value through other comprehensive income		
Non convertible debentures	1,818	2,713
Equity securities	137	—
Government securities	6,855	7,319
	8,810	**10,032**
Total non-current investments	**11,270**	**12,569**
Current Investments		
Unquoted		
Investments carried at fair value through profit or loss		
Liquid mutual fund units	2,138	975
	2,138	**975**
Investments carried at fair value through other comprehensive income		
Commercial Papers	2,045	742
Certificates of deposit	1,909	3,574
	3,954	**4,316**
Quoted		
Investments carried at amortized cost		
Tax free bonds	—	150
	—	**150**
Investments carried at fair value through other comprehensive income		
Non convertible debentures	1,425	1,155
Government securities	457	313
	1,882	**1,468**
Total current investments	**7,974**	**6,909**
Total investments	**19,244**	**19,478**
Aggregate amount of quoted investments	12,454	13,420
Market value of quoted investments (including interest accrued), current	1,884	1,637
Market value of quoted investments (including interest accrued), non current	10,761	12,042
Aggregate amount of unquoted investments	6,790	6,058
Investments carried at amortized cost	1,762	1,920
Investments carried at fair value through other comprehensive income	14,727	16,012
Investments carried at fair value through profit or loss	2,755	1,546

[(1)] Uncalled capital commitments outstanding as at December 31, 2023 and March 31, 2023 was ₹81 crore and ₹92 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, 2023	March 31, 2023
Liquid mutual fund units - carried at fair value through profit or loss	Quoted price	2,138	975
Target maturity fund units - carried at fair value through profit or loss	Quoted price	422	402
Tax free bonds and government bonds - carried at amortized cost	Quoted price and market observable inputs	1,947	2,148
Non-convertible debentures - carried at fair value through other comprehensive income	Quoted price and market observable inputs	3,243	3,868
Government securities - carried at fair value through other comprehensive income	Quoted price and market observable inputs	7,312	7,632
Commercial Papers - carried at fair value through other comprehensive income	Market observable inputs	2,045	742
Certificates of deposit - carried at fair value through other comprehensive income	Market observable inputs	1,909	3,574
Quoted Equity securities - carried at fair value through other comprehensive income	Quoted price	137	—
Unquoted equity and preference securities - carried at fair value through other comprehensive income	Discounted cash flows method, Market multiples method, Option pricing model	81	196
Others - carried at fair value through profit or loss	Discounted cash flows method, Market multiples method, Option pricing model	195	169
Total		**19,429**	**19,706**

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, 2023	March 31, 2023
Non Current		
Loans considered good - Unsecured		
Other loans		
Loans to employees	35	39
	35	**39**
Loans credit impaired - Unsecured		
Other loans		
Loans to employees	2	2
Less: Allowance for credit impairment	(2)	(2)
	—	—
Total non-current loans	**35**	**39**
Current		
Loans considered good - Unsecured		
Other loans		
Loans to employees	238	289
Total current loans	**238**	**289**
Total loans	**273**	**328**

2.6 OTHER FINANCIAL ASSETS

(In ₹ crore)

Particulars	As at	
	December 31, 2023	March 31, 2023
Non Current		
Security deposits (1)	47	47
Rental deposits (1)	224	240
Unbilled revenues (1)#	1,343	1,185
Net investment in sublease of right-of-use asset (1)	4	305
Restricted deposits (1)*	18	96
Others (1)	1,065	925
Total non-current other financial assets	**2,701**	**2,798**
Current		
Security deposits (1)	11	10
Rental deposits (1)	57	32
Restricted deposits (1)*	2,535	2,348
Unbilled revenues (1)#	7,464	8,317
Interest accrued but not due (1)	383	488
Foreign currency forward and options contracts (2) (3)	75	101
Net investment in sublease of right of-use-asset (1)	6	53
Others (1)	902	255
Total current other financial assets	**11,433**	**11,604**
Total other financial assets	**14,134**	**14,402**
(1) Financial assets carried at amortized cost	14,059	14,301
(2) Financial assets carried at fair value through other comprehensive income	13	32
(3) Financial assets carried at fair value through profit or loss	62	69

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

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

2.7 TRADE RECEIVABLES

(In ₹ crore)

Particulars	As at	
	December 31, 2023	March 31, 2023
Current		
Trade Receivable considered good - Unsecured	31,196	25,965
Less: Allowance for expected credit loss	578	541
Trade Receivable considered good - Unsecured	30,618	25,424
Trade Receivable - credit impaired - Unsecured	198	142
Less: Allowance for credit impairment	198	142
Trade Receivable - credit impaired - Unsecured	—	—
Total trade receivables	**30,618**	**25,424**

2.8 CASH AND CASH EQUIVALENTS

(In ₹ crore)

Particulars	As at	
	December 31, 2023	March 31, 2023
Balances with banks		
In current and deposit accounts	13,645	10,026
Cash on hand	—	—
Others		
Deposits with financial institutions	—	2,147
Total cash and cash equivalents	**13,645**	**12,173**
Balances with banks in unpaid dividend accounts	34	37
Deposit with more than 12 months maturity	142	833

Cash and cash equivalents as at December 31, 2023 and March 31, 2023 include restricted cash and bank balances of ₹376 crore and ₹362 crore respectively. The restrictions are primarily on account of bank balances held by irrevocable trusts controlled by the company.

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, 2023	March 31, 2023
Non-current		
Capital advances	122	159
Advances other than capital advances		
Others		
Withholding taxes and others	685	684
Unbilled revenues [#]	334	264
Defined benefit plan assets	32	36
Prepaid expenses	346	332
Deferred Contract Cost		
Cost of obtaining a contract *	147	191
Cost of fulfillment	717	652
Other receivables	20	—
Total non-current other assets	**2,403**	**2,318**
Current		
Advances other than capital advances		
Payment to vendors for supply of goods	78	202
Others		
Unbilled revenues [#]	5,763	6,972
Withholding taxes and others	2,961	3,268
Prepaid expenses	3,630	2,745
Deferred Contract Cost		
Cost of obtaining a contract *	256	853
Cost of fulfillment	331	175
Other receivables	221	261
Total current other assets	**13,240**	**14,476**
Total other assets	**15,643**	**16,794**

[#] 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, 2023, the financial liability pertaining to such arrangements amounts to ₹356 crore. (Refer to Note 2.13)

Withholding taxes and others primarily consist of input tax credits and Cenvat/VAT 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, option pricing model, market multiples, 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 ECL (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 loss or gain 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, 2023 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)*	13,645	—	—	—	—	13,645	13,645
Investments *(Refer to Note 2.4)*							
Equity and preference securities	—	—	—	218	—	218	218
Tax free bonds and government bonds	1,762	—	—	—	—	1,762	1,947 [1]
Liquid mutual fund units	—	—	2,138	—	—	2,138	2,138
Target maturity fund units	—	—	422	—	—	422	422
Non convertible debentures	—	—	—	—	3,243	3,243	3,243
Government securities	—	—	—	—	7,312	7,312	7,312
Commercial papers	—	—	—	—	2,045	2,045	2,045
Certificates of deposit	—	—	—	—	1,909	1,909	1,909
Other investments	—	—	195	—	—	195	195
Trade receivables *(Refer to Note 2.7)*	30,618	—	—	—	—	30,618	30,618
Loans *(Refer to Note 2.5)*	273	—	—	—	—	273	273
Other financials assets *(Refer to Note 2.6)* [3]	14,059	—	62	—	13	14,134	14,079 [2]
Total	**60,357**	**—**	**2,817**	**218**	**14,522**	**77,914**	**78,044**
Liabilities:							
Trade payables	3,825	—	—	—	—	3,825	3,825
Lease liabilities *(Refer to Note 2.19)*	8,744	—	—	—	—	8,744	8,744
Financial Liability under option arrangements *(Refer to Note 2.12)*	—	—	648	—	—	648	648
Other financial liabilities *(Refer to Note 2.12)*	14,892	—	114	—	30	15,036	15,036
Total	**27,461**	**—**	**762**	**—**	**30**	**28,253**	**28,253**

[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 ₹55 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, 2023 were as follows:

(In ₹ crore)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents *(Refer to Note 2.8)*	12,173	—	—	—	—	12,173	12,173
Investments *(Refer to Note 2.4)*							
Equity and preference securities	—	—	—	196	—	196	196
Tax free bonds and government bonds	1,920	—	—	—	—	1,920	2,148 [1]
Liquid mutual fund units	—	—	975	—	—	975	975
Target maturity fund units	—	—	402	—	—	402	402
Non convertible debentures	—	—	—	—	3,868	3,868	3,868
Government securities	—	—	—	—	7,632	7,632	7,632
Commercial papers	—	—	—	—	742	742	742
Certificates of deposit	—	—	—	—	3,574	3,574	3,574
Other investments	—	—	169	—	—	169	169
Trade receivables *(Refer to Note 2.7)*	25,424	—	—	—	—	25,424	25,424
Loans *(Refer to Note 2.5)*	328	—	—	—	—	328	328
Other financials assets *(Refer to Note 2.6)* [3]	14,301	—	69	—	32	14,402	14,318 [2]
Total	**54,146**	**—**	**1,615**	**196**	**15,848**	**71,805**	**71,949**
Liabilities:							
Trade payables	3,865	—	—	—	—	3,865	3,865
Lease liabilities *(Refer to Note 2.19)*	8,299	—	—	—	—	8,299	8,299
Financial Liability under option arrangements *(Refer to Note 2.12)*	—	—	600	—	—	600	600
Other financial liabilities *(Refer to Note 2.12)*	17,359	—	161	—	14	17,534	17,534
Total	**29,523**	**—**	**761**	**—**	**14**	**30,298**	**30,298**

[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 ₹84 crore*

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

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

Fair value hierarchy

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

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

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

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

(In ₹ crore)

Particulars	As at December 31, 2023	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments *(Refer to note 2.4)*				
Investments in liquid mutual funds	2,138	2,138	—	—
Investments in target maturity fund units	422	422	—	—
Investments in tax free bonds	1,918	1,692	226	—
Investments in government bonds	29	29	—	—
Investments in non convertible debentures	3,243	2,426	817	—
Investment in government securities	7,312	7,312	—	—
Investments in equity securities	139	137	—	2
Investments in preference securities	79	—	—	79
Investments in commercial papers	2,045	—	2,045	—
Investments in certificates of deposit	1,909	—	1,909	—
Other investments	195	—	—	195
Others				
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts *(Refer to Note 2.6)*	75	—	75	—
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts *(Refer to Note 2.12)*	144	—	144	—
Financial liability under option arrangements *(Refer to Note 2.12)* [1]	648	—	—	648
Liability towards contingent consideration *(Refer to Note 2.12)* [1]	—	—	—	—

[1] *Discount rate ranges from 10% to 17%*

During the nine months ended December 31, 2023, non-convertible debentures , government securities and tax free bonds of ₹1679 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 of ₹ 147 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, 2023 was as follows:

(In ₹ crore)

Particulars	**As at March 31, 2023**	**Fair value measurement at end of the reporting period using**		
		Level 1	**Level 2**	**Level 3**
Assets				
Investments ***(Refer to note 2.4)***				
Investments in liquid mutual funds	975	975	—	—
Investments in target maturity fund units	402	402	—	—
Investments in tax free bonds	2,120	1,331	789	—
Investments in government bonds	28	28	—	—
Investments in non convertible debentures	3,868	1,793	2,075	—
Investment in government securities	7,632	7,549	83	—
Investments in equity securities	3	—	—	3
Investments in preference securities	193	—	—	193
Investments in commercial papers	742	—	742	—
Investments in certificates of deposit	3,574	—	3,574	—
Other investments	169	—	—	169
Others				
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts *(Refer to Note 2.6)*	101	—	101	—
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts *(Refer to Note 2.12)*	78	—	78	—
Financial liability under option arrangements *(Refer to Note 2.12)* [(1)]	600	—	—	600
Liability towards contingent consideration *(Refer to Note 2.12)* [(1)]	97	—	—	97

[(1)] *Discount rate ranges from 10% to 15%*

During the year ended March 31, 2023, government securities and tax free bonds of ₹383 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 of ₹1,611 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, target maturity fund units, tax free bonds, certificates of deposit, commercial papers, 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

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

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 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 interim condensed 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, 2023	**March 31, 2023**
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)]	2,070	2,069
4,13,91,98,089 (4,13,63,87,925) equity shares fully paid-up[(2)]		
	2,070	**2,069**

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 1,12,49,465 (1,21,72,119)*

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, 2023 and March 31, 2023 are as follows:

(In ₹ crore, except as stated otherwise)

Particulars	As at December 31, 2023		As at March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
As at the beginning of the period	**413,63,87,925**	**2,069**	**419,30,12,929**	**2,098**
Add: Shares issued on exercise of employee stock options	28,10,164	1	38,01,344	1
Less: Shares bought back	—	—	6,04,26,348	30
As at the end of the period	**413,91,98,089**	**2,070**	**413,63,87,925**	**2,069**

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.

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, 2023, 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,	
	2023	2022	2023	2022
Interim dividend for fiscal 2024	18.00	—	18.00	—
Final dividend for fiscal 2023	—	—	17.50	—
Interim dividend for fiscal 2023	—	16.50	—	16.50
Final dividend for fiscal 2022	—	—	—	16.00

The Board of Directors in their meeting held on April 13, 2023 recommended a final dividend of ₹17.50/- per equity share for the financial year ended March 31, 2023. The same was approved by the shareholders at the Annual General Meeting (AGM) of the Company held on June 28, 2023 which resulted in a net cash outflow of ₹7,242 crore (excluding dividend paid on treasury shares).

The Board of Directors in their meeting held on October 12, 2023 declared an interim dividend of ₹18/- per equity share which resulted in a net cash outflow of ₹7,450 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 Stock Incentive Compensation 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). These instruments will generally vest over a period of 4 years. The plan numbers mentioned above are further adjusted with 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 1,12,49,465 and 1,21,72,119 shares as at December 31, 2023 and March 31, 2023, 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, 2023 and March 31, 2023.

The following is the summary of grants made during the three months and nine months ended December 31, 2023 and December 31, 2022:

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,	
	2023	2022	2023	2022	2023	2022	2023	2022
Equity Settled RSUs								
Key Management Personnel (KMP)	35,990	-	114,271	176,893	88,040	-	421,636	287,325
Employees other than KMP	464,260	3,814	464,260	374,774	1,169,660	48,050	1,197,940	48,050
	500,250	**3,814**	**578,531**	**551,667**	**1,257,700**	**48,050**	**1,619,576**	**335,375**
Cash settled RSU								
Key Management Personnel (KMP)	-	-	-	-	-	-	-	-
Employees other than KMP	-	-	-	-	7,950	-	7,950	-
	-	**-**	**-**	**-**	**7,950**	**-**	**7,950**	**-**
Total Grants	**500,250**	**3,814**	**578,531**	**551,667**	**1,265,650**	**48,050**	**1,627,526**	**335,375**

Notes on grants to KMP:

CEO & MD

Under the 2015 Plan:

The Board, on April 13, 2023, 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 ₹34.75 crore for fiscal 2024 under the 2015 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 2,72,026 performance based RSU’s were granted effective May 2, 2023.

The Board, on April 13, 2023, based on the recommendations of the Nomination and Remuneration Committee, approved the performance-based grant of RSUs (Annual performance equity ESG grant) of fair value of ₹2 crore for fiscal 2024 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, 15,656 performance based RSU’s were granted effective May 2, 2023.

The Board, on April 13, 2023, based on the recommendations of the Nomination and Remuneration Committee, approved the performance-based grant of RSUs (Annual performance Equity TSR grant) of fair value of ₹5 crore for fiscal 2024 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, 39,140 performance based RSU’s were granted effective May 2, 2023.

Though the annual time based grants and annual performance equity TSR grant for the remaining employment term ending on March 31, 2027 have not been granted as of December 31, 2023, since the service commencement date precedes the grant date, the company has recorded employment stock compensation expense in accordance with Ind AS 102, Share based payment. The grant date for this purpose in accordance with Ind AS 102, Share based payment is July 1, 2022.

Under the 2019 Plan:

The Board, on April 13, 2023, based on the recommendations of the Nomination and Remuneration Committee, approved performance-based grant of RSUs amounting to ₹10 crore for fiscal 2024 under the 2019 Plan. These RSUs will vest based on achievement of certain performance targets. Accordingly, 78,281 performance based RSU’s were granted effective May 2, 2023.

Other KMP

Under the 2015 Plan:

During the nine months ended December 31, 2023, based on recommendations of Nomination and Remuneration Committee, the Board approved 88,040 time based RSUs and 6,774 performance based RSUs to other KMP under the 2015 plan. The time based RSUs will vest over three years and performance based RSUs will vest over three years based on certain performance targets.

Under the 2019 Plan:

During the nine months ended December 31, 2023, based on recommendations of Nomination and Remuneration Committee, the Board approved performance based grants of 35,990 RSUs to other KMP under the 2019 plan. 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,	
	2023	2022	2023	2022
Granted to:				
KMP	14	-	51	41
Employees other than KMP	133	117	375	345
Total [(1)]	**147**	**117**	**426**	**386**
[(1)] *Cash-settled stock compensation expense included in the above*	2	5	9	4

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 2024-Equity Shares-RSU	Fiscal 2024-ADS-RSU	Fiscal 2023-Equity Shares-RSU	Fiscal 2023-ADS-RSU
Weighted average share price (₹) / ($ ADS)	1,321	16.41	1,525	18.08
Exercise price (₹) / ($ ADS)	5.00	0.07	5.00	0.07
Expected volatility (%)	23-31	25-33	23-32	27-34
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 (%)	7	4-5	5-7	2-5
Weighted average fair value as on grant date (₹) / ($ ADS)	1,151	14.31	1,210	13.69

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, 2023	March 31, 2023
Non-current		
Others		
Accrued compensation to employees [1]	13	5
Accrued expenses [1]	2,204	1,628
Compensated absences	90	83
Financial liability under option arrangements [2] #	97	—
Other Payables [1][4]	94	342
Total non-current other financial liabilities	**2,498**	**2,058**
Current		
Unpaid dividends [1]	34	37
Others		
Accrued compensation to employees [1]	3,774	4,174
Accrued expenses [1]	7,763	7,802
Retention monies [1]	19	20
Payable for acquisition of business - Contingent consideration [2]	—	97
Payable by controlled trusts [1]	211	211
Compensated absences	2,717	2,399
Financial liability under option arrangements [2] #	551	600
Foreign currency forward and options contracts [2] [3]	144	78
Capital creditors [1]	221	674
Other payables [1][4]	559	2,466
Total current other financial liabilities	**15,993**	**18,558**
Total other financial liabilities	**18,491**	**20,616**
[1] Financial liability carried at amortized cost	14,892	17,359
[2] Financial liability carried at fair value through profit or loss	762	761
[3] Financial liability carried at fair value through other comprehensive income	30	14

[4] 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, 2023, the financial liability pertaining to such arrangements amounts to ₹356 crore.

Represents liability related to options issued by the Group over the non-controlling interests in its subsidiaries

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

2.13 OTHER LIABILITIES

(In ₹ crore)

Particulars	As at	
	December 31, 2023	March 31, 2023
Non-current		
Others		
Deferred income - government grants	69	43
Accrued defined benefit liability	296	445
Deferred income	5	6
Others	7	6
Total non-current other liabilities	**377**	**500**
Current		
Unearned revenue	7,674	7,163
Others		
Withholding taxes and others	3,506	3,632
Accrued defined benefit liability	5	4
Deferred income - government grants	6	29
Others	—	2
Total current other liabilities	**11,191**	**10,830**
Total other liabilities	**11,568**	**11,330**

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, 2023	**March 31, 2023**
Current		
Others		
Post-sales client support and other provisions	1,827	1,307
Total provisions	**1,827**	**1,307**

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.

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

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; deferred tax assets and deferred 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,**	
	2023	**2022**	**2023**	**2022**
Current taxes	2,419	2,195	7,216	7,027
Deferred taxes	87	150	258	(145)
Income tax expense	**2,506**	**2,345**	**7,474**	**6,882**

Income tax expense for the three months ended December 31, 2023 and December 31, 2022 includes reversal (net of provisions) of ₹64 crore and ₹76 crore, respectively. Income tax expense for the nine months ended December 31, 2023 and December 31, 2022 includes reversal (net of provisions) of ₹136 crore and ₹36 crore, respectively. These 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, 2023 and December 31, 2022 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, 2023 and December 31, 2022 are as follows:

(In ₹ crore)

Particulars	**Three months ended December 31,**		**Nine months ended December 31,**	
	2023	**2022**	**2023**	**2022**
Revenue from software services	36,767	35,870	109,221	102,375
Revenue from products and platforms	2,054	2,448	6,527	6,951
Total revenue from operations	**38,821**	**38,318**	**115,748**	**109,326**

Products & platforms

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

Disaggregated revenue information

Revenue disaggregation by business segments has been included in segment information *(Refer to Note 2.23)*. The table below presents disaggregated revenues from contracts with customers by geography and contract type. 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.

For the three months and nine months ended December 31, 2023 and December 31, 2022:

(In ₹ crore)

Particulars	**Three months ended December 31,**		**Nine months ended December 31,**	
	2023	**2022**	**2023**	**2022**
Revenues by Geography*				
North America	22,911	23,756	69,805	67,881
Europe	10,934	9,895	31,407	27,587
India	920	927	3,048	2,880
Rest of the world	4,056	3,740	11,488	10,978
Total	**38,821**	**38,318**	**115,748**	**109,326**

* *Geographical revenues is based on the domicile of customer.*

The percentage of revenue from fixed-price contracts for the three months ended December 31, 2023 and December 31, 2022 is 55% and 53%, respectively. The percentage of revenue from fixed-price contracts for the nine months ended December 31, 2023 and December 31, 2022 is 53% and 52%, respectively.

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, Infosys Green Forum, Danske IT 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 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 ended December 31, 2023 and December 31, 2022 is as follows:

(In ₹ crore)

Particulars	**Three months ended December 31,**		**Nine months ended December 31,**	
	2023	**2022**	**2023**	**2022**
Interest income on financial assets carried at amortized cost				
Tax free bonds and Government bonds	33	38	101	113
Deposit with Bank and others	225	174	706	551
Interest income on financial assets carried at fair value through other comprehensive income				
Non-convertible debentures, commercial papers, certificates of deposit and government securities	232	241	689	724
Income on investments carried at fair value through profit or loss				
Gain / (loss) on liquid mutual funds and other investments	97	46	197	87
Income on investments carried at fair value through other comprehensive income	—	—	—	1
Exchange gains / (losses) on forward and options contracts	(152)	(363)	(89)	(789)
Exchange gains / (losses) on translation of other assets and liabilities	230	552	210	1,153
Miscellaneous income, net	124	81	168	190
Total other income	**789**	**769**	**1,982**	**2,030**

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. The defined benefit plans require contributions which are based on a percentage of salary that varies depending on the age of the respective employees.

Liabilities with regard to these defined benefit plans are determined by actuarial valuation, performed by an independent 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, 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, Infosys BPM and EdgeVerve 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.

(In ₹ crore)

Particulars	Three months ended December 31,		Nine months ended December 31,	
	2023	2022	2023	2022
Employee benefit expenses				
Salaries including bonus	19,799	19,467	59,789	55,712
Contribution to provident and other funds	571	559	1,684	1,596
Share based payments to employees *(Refer to Note 2.11)*	147	117	426	386
Staff welfare	134	129	329	354
	20,651	**20,272**	**62,228**	**58,048**
Cost of software packages and others				
For own use	570	518	1,590	1,442
Third party items bought for service delivery to clients	3,152	2,567	8,238	6,575
	3,722	**3,085**	**9,828**	**8,017**
Other expenses				
Repairs and maintenance	314	312	962	876
Power and fuel	49	47	151	130
Brand and marketing	220	228	722	640
Rates and taxes	80	75	241	221
Consumables	40	39	122	118
Insurance	50	44	158	131
Provision for post-sales client support and others	35	130	203	200
Commission to non-whole time directors	4	4	11	11
Impairment loss recognized / (reversed) under expected credit loss model	13	106	219	197
Contributions towards Corporate Social Responsibility	137	146	351	320
Others	243	176	591	402
	1,185	**1,307**	**3,731**	**3,246**

2.19 Leases

Accounting Policy

The Group as a lessee

The Group's lease asset classes 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 Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

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, 2023:

(In ₹ crore)

Particulars	Category of ROU asset				
	Land	Buildings	Vehicles	Computers	Total
Balance as of October 1, 2023	**616**	**3,811**	**15**	**2,508**	**6,950**
Additions*	—	7	5	521	533
Deletions	(10)	(49)	(1)	(133)	(193)
Impairment#	—	(88)	—	—	(88)
Depreciation	(1)	(180)	(2)	(223)	(406)
Translation difference	2	26	1	67	96
Balance as of December 31, 2023	**607**	**3,527**	**18**	**2,740**	**6,892**

* *Net of adjustments on account of modifications*

\# *included under other expenses. Refer note 2.18*

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*	—	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**

* *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, 2023:

(In ₹ crore)

Particulars	Category of ROU asset				Total
	Land	Buildings	Vehicles	Computers	
Balance as of April 1, 2023	**623**	**3,896**	**15**	**2,348**	**6,882**
Additions*	—	333	10	1,496	1,839
Deletions	(10)	(89)	(1)	(540)	(640)
Impairment #	—	(88)	—	—	(88)
Depreciation	(5)	(543)	(7)	(617)	(1,172)
Translation difference	(1)	18	1	53	71
Balance as of December 31, 2023	**607**	**3,527**	**18**	**2,740**	**6,892**

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

 # included under other expenses. Refer note 2.18

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*	—	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**

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

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, 2023 and March 31, 2023:

(In ₹ crore)

Particulars	As at	
	December 31, 2023	March 31, 2023
Current lease liabilities	2,074	1,242
Non-current lease liabilities	6,670	7,057
Total	**8,744**	**8,299**

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.

2.21.1 Contingent liability

(In ₹ crore)

Particulars	As at	
	December 31, 2023	**March 31, 2023**
Contingent liabilities :		
Claims against the Group, not acknowledged as debts[(1)]	5,066	4,762
[Amount paid to statutory authorities ₹6,286 crore *(₹6,539 crore)*]		

[(1)] As at December 31, 2023 and March 31, 2023, claims against the Group not acknowledged as debts in respect of income tax matters amounted to ₹4,307 crore and ₹4,062 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 Income Tax 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 ₹6,275 crore and ₹6,528 crore as at December 31, 2023 and March 31, 2023, respectively.

2.21.2 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.

2.21.3 McCamish Cybersecurity incident

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

Loss of contracted revenues and costs incurred with respect to remediations, restoration, communication efforts and others amounted to approximately ₹250 crore ($30 million).

Actions taken by McCamish included investigative analysis conducted by a third-party cybersecurity firm to determine, among other things, whether and the extent to which company or customer data was subject to unauthorized access or exfiltration. On the basis of analysis conducted by the cybersecurity firm, McCamish believes that certain data was exfiltrated by unauthorized third parties during the incident and this exfiltrated data included certain customer data. McCamish has engaged a third-party e- discovery vendor in assessing the extent and nature of such data. This review process is ongoing. McCamish may incur additional costs including indemnities or damages/claims, which are indeterminable at this time.

Infosys had previously communicated the occurence of this cybersecurity incident to BSE Limited, National Stock Exchange of India Limited, New York Stock Exchange and to United States Securities and Exchange Commission on November 3, 2023.

2.21.4 Commitments

(In ₹ crore)

Particulars	As at	
	December 31, 2023	March 31, 2023
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)[(1)]	727	959
Other commitments*	81	92

[(1)] Capital contracts primarily comprises of commitments for infrastructure facilities and computer equipment.

** Uncalled capital pertaining to investments*

2.22 RELATED PARTY TRANSACTIONS

Refer to the Company's Annual Report for the year ended March 31, 2023 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, 2023, the following are the changes in the subsidiaries.

- Infosys Americas Inc., (Infosys Americas) a Wholly-owned subsidiary of Infosys Limited is liquidated effective July 14, 2023.
- oddity GmbH renamed as WongDoody GmbH
- On September 29, 2023, oddity space GmbH, oddity waves GmbH, oddity jungle GmbH, oddity group services GmbH and oddity code GmbH merged into WongDoody GmbH and oddity code d.o.o which was formerly a subsidiary of oddity code Gmbh has become a subsidiary of Wongdoody Gmbh (formerly known as oddity GmbH).
- On September 1, 2023 Infosys Ltd. acquired 100% of voting interests in Danske IT and Support Services India Private Limited ("Danske IT").
- Infosys BPM Canada Inc, a Wholly-owned subsidiary of Infosys BPM Limited was incorporated on August 11, 2023.
- Kaleidoscope Prototyping LLC, a Wholly-owned subsidiary of Kaleidoscope Animations is liquidated effective November 1, 2023.
- oddity Code d.o.o renamed as WongDoody d.o.o
- On November 24, 2023 Stater Participations B.V (Wholly-owned subsidiary of Stater N.V) merged with Stater N.V and Stater Belgium N.V./S.A which was formerly a wholly owned subsidiary of Stater Participations B.V. became a wholly owned subsidiary of Stater N.V.

Changes in key management personnel

The following are the changes in the key management personnel:

Independent directors:

- Helene Auriol Potier (appointed as independent director effective May 26, 2023)
- Nitin Paranjpe (appointed as an additional and independent director effective January 1, 2024)

Executive Officers:

- Mohit Joshi (resigned as President effective March 11, 2023 and was on leave till June 9, 2023 which was his last date with the company)
- Nilanjan Roy (resigned as Chief Financial Officer of the Company effective March 31, 2024)
- Jayesh Sanghrajka (appointed as Chief Financial Officer effective April 1, 2024)

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,	
	2023	2022	2023	2022
Salaries and other short term employee benefits to whole-time directors and executive officers (1)(2)	24	12	82	86
Commission and other benefits to non-executive/independent directors	4	5	12	12
Total	**28**	**17**	**94**	**98**

(1) Total employee stock compensation expense for the three months ended December 31, 2023 and December 31, 2022 includes a charge of ₹14 crore and less than a crore, respectively, towards key management personnel. For the nine months ended December 31, 2023 and December 31, 2022 includes a charge of ₹51 crore and ₹41 crore, respectively, towards key management personnel (Refer to Note 2.11).

(2) Does not include post-employment benefits and other long-term benefits based on actuarial valuation as these are 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, 2023 and December 31, 2022:

(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	10,783	5,649	4,421	5,121	5,786	2,985	2,954	1,122	38,821
	11,235	*5,480*	*4,710*	*4,957*	*5,099*	*3,095*	*2,695*	*1,047*	*38,318*
Identifiable operating expenses	6,504	2,974	2,781	2,751	3,787	1,745	1,703	675	22,920
	6,549	*2,837*	*2,858*	*2,594*	*3,206*	*1,786*	*1,580*	*746*	*22,156*
Allocated expenses	2,019	960	780	920	889	482	485	229	6,764
	2,008	*997*	*810*	*906*	*858*	*496*	*431*	*289*	*6,795*
Segment operating income	**2,260**	**1,715**	**860**	**1,450**	**1,110**	**758**	**766**	**218**	**9,137**
	2,678	*1,646*	*1,042*	*1,457*	*1,035*	*813*	*684*	*12*	*9,367*
Unallocable expenses									1,176
									1,125
Other income, net *(Refer to Note 2.17)*									789
									769
Finance cost									131
									80
Profit before tax									**8,619**
									8,931
Income tax expense									2,506
									2,345
Net Profit									**6,113**
									6,586
Depreciation and amortization									1,176
									1,125
Non-cash expenses other than depreciation and amortization									—
									—

Nine months ended December 31, 2023 and December 31, 2022:

(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	32,149	17,075	13,325	14,966	16,710	9,095	8,753	3,675	115,748
	32,945	*15,667*	*13,675*	*13,714*	*13,957*	*8,878*	*7,404*	*3,086*	*109,326*
Identifiable operating expenses	18,740	9,113	8,038	8,121	10,941	5,237	5,077	2,286	67,553
	18,829	*8,023*	*8,488*	*7,309*	*9,245*	*5,225*	*4,320*	*2,100*	*63,539*
Allocated expenses	6,025	2,944	2,408	2,754	2,653	1,509	1,410	851	20,554
	5,873	*2,883*	*2,386*	*2,552*	*2,500*	*1,444*	*1,223*	*794*	*19,655*
Segment operating income	**7,384**	**5,018**	**2,879**	**4,091**	**3,116**	**2,349**	**2,266**	**538**	**27,641**
	8,243	*4,761*	*2,801*	*3,853*	*2,212*	*2,209*	*1,861*	*192*	*26,132*
Unallocable expenses									3,515
									3,104
Other income, net *(Refer to Note 2.17)*									1,982
									2,030
Finance cost									360
									202
Profit before tax									**25,748**
									24,856
Income tax expense									7,474
									6,882
Net Profit									**18,274**
									17,974
Depreciation and amortization expense									3,515
									3,104
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*

* Includes impact on account of McCamish cybersecurity incident. Refer note 2.21.3.

Significant clients

No client individually accounted for more than 10% of the revenues for the three months and nine months ended December 31, 2023 and December 31, 2022, 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,	
		2023	**2022**	**2023**	**2022**
Revenue from operations	2.16	38,821	38,318	115,748	109,326
Cost of Sales		27,253	26,561	80,666	76,342
Gross profit		**11,568**	**11,757**	**35,082**	**32,984**
Operating expenses					
Selling and marketing expenses		1,700	1,611	5,238	4,591
General and administration expenses		1,907	1,904	5,718	5,365
Total operating expenses		**3,607**	**3,515**	**10,956**	**9,956**
Operating profit		**7,961**	**8,242**	**24,126**	**23,028**
Other income, net	2.17	789	769	1,982	2,030
Finance cost		131	80	360	202
Profit before tax		**8,619**	**8,931**	**25,748**	**24,856**
Tax expense:					
Current tax	2.15	2,419	2,195	7,216	7,027
Deferred tax	2.15	87	150	258	(145)
Profit for the period		**6,113**	**6,586**	**18,274**	**17,974**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset, net		71	29	94	(17)
Equity instruments through other comprehensive income, net		(9)	1	31	8
		62	**30**	**125**	**(9)**
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedge, net		(46)	(57)	(17)	(43)
Exchange differences on translation of foreign operations		436	676	457	715
Fair value changes on investments, net		52	48	107	(298)
		442	**667**	**547**	**374**
Total other comprehensive income / (loss), net of tax		**504**	**697**	**672**	**365**
Total comprehensive income for the period		**6,617**	**7,283**	**18,946**	**18,339**
Profit attributable to:					
Owners of the Company		6,106	6,586	18,264	17,967
Non-controlling interests		7	—	10	7
		6,113	**6,586**	**18,274**	**17,974**
Total comprehensive income attributable to:					
Owners of the Company		6,605	7,268	18,934	18,322
Non-controlling interests		12	15	12	17
		6,617	**7,283**	**18,946**	**18,339**

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

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

Bobby Parikh
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
January 11, 2024