TO ALL STOCK EXCHANGES

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

October 12, 2023

Dear Sir/ Madam,

Sub: Outcome of Board meeting

This has reference to our letter dated September 14, 2023, regarding the captioned subject. The Board, at their meeting held on October 11-12, 2023, 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 half year ending September 30, 2023;

2. Approved the audited standalone financial results of the Company as per INDAS for the quarter and half year ending September 30, 2023

3. Approved the audited financial statements of the Company and its subsidiaries as per INDAS and IFRS for the quarter and half year ending September 30, 2023;

Dividend:

4. Declared an interim dividend of ₹ 18/- per equity share.

5. Fixed October 25, 2023 as record date for interim dividend and November 6, 2023 as payout date.

Appointment of an independent director

6. Based on the recommendation of the Nomination and Remuneration Committee, considered and approved the appointment of Nitin Paranjpe (DIN - 00045204), as an additional & independent director effective January 1, 2024 for a period of 5 (Five) years, subject to the approval of shareholders.

   In this regard, a press release including his brief profile is enclosed herewith as Annexure 1.

   It may be noted that Nitin Paranjpe 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 he 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.

Extension of Joint Venture Agreement

7. Based on the recommendation of the Audit Committee, considered and approved a five-year extension of its successful joint venture collaboration with Temasek, a global investment firm headquartered in Singapore.

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investors@infosys.com
www.infosys.com

In this regard, a press release including disclosure as required under Regulation 30 is enclosed as Annexure 2. Disclosure under SEBI Listing Regulation is enclosed as Annexure 2(a).

Stock grants

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

   One time grant of 1,231,260 RSUs under the 2015 Stock Incentive Compensation Plan (2015 Plan) and 500,250 PSUs under the Expanded Stock Ownership Program 2019 (2019 Plan) to Senior Management Personnel including Key management personnel as defined under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and other Senior leaders.

   The grants made under the 2015 Plan would vest over a period of three years and the grants made under the 2019 Plan would vest over a period of three years subject to Company's achievement of performance parameters as defined in the 2019 Plan. The RSUs and PSUs will be granted w.e.f November 1, 2023 and the exercise price will be equal to the par value of the share.

   Further, the Board on October 12, 2023, based on the recommendations of the Nomination and Remuneration Committee, approved the grant of 34,390 RSUs to few new hires under the 2015 plan w.e.f November 1, 2023. The RSUs will vest over a period of three to four years.

Policies

9. Based on the recommendation of the Nomination and Remuneration Committee, considered and approved adoption of the Compensation recovery policy as required under Section 10D of the U.S. Securities Exchange Act of 1934 (the "Exchange Act"), with Exchange Act Rule 10D-1 and with the listing standards of the New York Stock Exchange.

   Copy of the policy will be made available on the website of the Company under the following link: https://www.infosys.com/investors.html.

The Board meeting was held on October 11 and October 12, 2023. The Board meeting on October 12, 2023 commenced at 12.30 p.m. IST and concluded at 3.40 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: 2023.10.12 15:55:26 +05'30'

Manikantha A.G.S.
Company Secretary

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Fact Sheet

Consolidated Financial Data - Second Quarter, Fiscal 2024

2.5% YoY 2.3% QoQ CC Revenue Growth	21.2 % Operating margin	$7.7 bn Large deal TCV	4.6% YoY Increase in EPS (₹ terms)

Revenue Growth- Q2 24

	Reported	CC
QoQ growth (%)	2.2%	2.3%
YoY growth (%)	3.6%	2.5%

Revenues by Business Segments

(in %)

	Quarter ended			YoY Growth	
	Sep 30, 2023	Jun 30, 2023	Sep 30, 2022	Reported	CC
Financial services	27.5	28.1	30.5	(6.8)	(7.3)
Retail	15.2	14.5	14.2	10.7	9.2
Communication	11.4	11.7	12.3	(3.8)	(4.3)
Energy, Utilities, Resources & Services	12.7	12.9	12.3	6.7	5.1
Manufacturing	14.3	14.1	12.8	15.9	12.6
Hi-Tech	7.8	8.1	8.2	(0.4)	(0.6)
Life Sciences	7.8	7.2	6.7	20.7	18.4
Others	3.3	3.4	3.0	12.8	15.3
Total	**100.0**	**100.0**	**100.0**	**3.6**	**2.5**

Revenues by Client Geography

(in %)

	Quarter ended			YoY Growth	
	Sep 30, 2023	Jun 30, 2023	Sep 30, 2022	Reported	CC
North America	61.1	60.8	62.5	1.2	1.0
Europe	26.5	26.8	24.7	10.9	5.4
Rest of the world	9.6	9.7	9.9	1.2	3.9
India	2.8	2.7	2.9	0.4	2.6
Total	**100.0**	**100.0**	**100.0**	**3.6**	**2.5**

Client Data

	Quarter ended		
	Sep 30, 2023	Jun 30, 2023	Sep 30, 2022
Number of Clients			
Active	1,884	1,883	1,779
Added during the period (gross)	100	99	103
Number of Million dollar clients*			
1 Million dollar +	951	940	895
10 Million dollar +	312	312	281
50 Million dollar +	80	79	77
100 Million dollar +	39	38	39
Client contribution to revenues			
Top 5 clients	13.3%	13.4%	12.6%
Top 10 clients	19.9%	20.4%	20.2%
Top 25 clients	34.1%	34.6%	35.3%
Days Sales Outstanding*	67	63	65

**LTM (Last twelve months) Revenues*

Effort and Utilization - Consolidated IT Services

(in %)

	Quarter ended		
	Sep 30, 2023	Jun 30, 2023	Sep 30, 2022
Effort			
Onsite	24.6	24.7	24.4
Offshore	75.4	75.3	75.6
Utilization			
Including trainees	80.4	78.9	76.6
Excluding trainees	81.8	81.1	83.6

Employee Metrics

(Nos.)

	Quarter ended		
	Sep 30, 2023	Jun 30, 2023	Sep 30, 2022
Total employees	3,28,764	3,36,294	3,45,218
S/W professionals	3,10,375	3,17,611	3,28,146
Sales & Support	18,389	18,683	17,072
Voluntary Attrition % (LTM - IT Services)	14.6%	17.3%	27.1%
% of Women Employees	39.4%	39.5%	39.3%

Cash Flow

In US $ million

	Quarter ended		
	Sep 30, 2023	Jun 30, 2023	Sep 30, 2022
Free cash flow (1)	670	699	589
Consolidated cash and investments (2)	4,170	3,593 (3)	4,785

In ₹ *crore*

	Quarter ended		
	Sep 30, 2023	Jun 30, 2023	Sep 30, 2022
Free cash flow (1)	5,536	5,749	4,752
Consolidated cash and investments (2)	34,635	29,469 (3)	38,921

(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)

(3) Cash balances excludes earmarked bank balances for dividend - $885 Mn (₹7,262 Crores). Payment date for the dividend was Jul 3, 2023.

Consolidated statement of Comprehensive Income for three months ended,

(Extracted from IFRS Financial Statement)

In US $ million, except per equity share data

Particulars	Sep 30, 2023	Sep 30, 2022	Growth % Q2 24 over Q2 23	Jun 30, 2023	Growth % Q2 24 over Q1 24
Revenues	**4,718**	**4,555**	**3.6**	**4,617**	**2.2**
Cost of sales	3,271	3,170	3.2	3,211	1.9
Gross Profit	**1,447**	**1,385**	**4.5**	**1,406**	**2.9**
Operating Expenses:					
Selling and marketing expenses	213	185	15.1	217	(1.8)
Administrative expenses	234	221	5.9	228	2.6
Total Operating Expenses	**447**	**406**	**10.1**	**445**	**0.4**
Operating Profit	**1,000**	**979**	**2.2**	**961**	**4.1**
Operating Margin %	***21.2***	***21.5***	***(0.3)***	***20.8***	***0.4***
Other Income, net(1)	60	65	(7.7)	57	5.3
Profit before income taxes	**1,060**	**1,044**	**1.5**	**1,018**	**4.1**
Income tax expense	309	295	4.7	294	5.1
Net Profit (before minority interest)	**751**	**749**	**0.3**	**724**	**3.8**
Net Profit (after minority interest)	**751**	**748**	**0.3**	**724**	**3.7**
Basic EPS ($)	**0.18**	**0.18**	**1.7**	**0.17**	**3.7**
Diluted EPS ($)	**0.18**	**0.18**	**1.7**	**0.17**	**3.7**
Dividend Per Share ($)(2)	**0.22**	**0.20**	**9.1**	-	-

Consolidated statement of Comprehensive Income for six months ended,

(Extracted from IFRS Financial Statement)

In US $ million, except per equity share data

Particulars	Sep 30, 2023	Sep 30, 2022	Growth %
Revenues	**9,334**	**8,999**	**3.7**
Cost of sales	6,481	6,315	2.6
Gross Profit	**2,853**	**2,684**	**6.3**
Operating Expenses:			
Selling and marketing expenses	429	378	13.5
Administrative expenses	463	439	5.5
Total Operating Expenses	**892**	**817**	**9.2**
Operating Profit	**1,961**	**1,867**	**5.0**
Operating Margin %	***21.0***	***20.7***	***0.3***
Other Income, net(1)	117	145	(19.3)
Profit before income taxes	**2,078**	**2,012**	**3.3**
Income tax expense	603	574	5.1
Net Profit (before minority interest)	**1,475**	**1,438**	**2.6**
Net Profit (after minority interest)	**1,475**	**1,437**	**2.6**
Basic EPS ($)	**0.36**	**0.34**	**4.0**
Diluted EPS ($)	**0.36**	**0.34**	**4.0**
Dividend Per Share ($)(2)	**0.22**	**0.20**	**9.1**

(1) *Other income is net of Finance Cost*
(2) *USD/INR exchange rate of 82.50 considered for Q2'24*

Consolidated statement of Comprehensive Income for three months ended,

(Extracted from IFRS Financial Statement)

In ₹crore, except per equity share data

Particulars	Sep 30, 2023	Sep 30, 2022	Growth % Q2 24 over Q2 23	Jun 30, 2023	Growth % Q2 24 over Q1 24
Revenues	**38,994**	**36,538**	**6.7**	**37,933**	**2.8**
Cost of sales	27,031	25,412	6.4	26,382	2.5
Gross Profit	**11,963**	**11,126**	**7.5**	**11,551**	**3.6**
Operating Expenses:					
Selling and marketing expenses	1,754	1,486	18.0	1,783	(1.6)
Administrative expenses	1,935	1,767	9.5	1,877	3.1
Total Operating Expenses	**3,689**	**3,253**	**13.4**	**3,660**	**0.8**
Operating Profit	**8,274**	**7,873**	**5.1**	**7,891**	**4.8**
Operating Margin %	***21.2***	***21.5***	***(0.3)***	***20.8***	***0.4***
Other Income, net(1)	494	518	(4.6)	471	4.9
Profit before income taxes	**8,768**	**8,391**	**4.5**	**8,362**	**4.9**
Income tax expense	2,553	2,365	7.9	2,417	5.6
Net Profit (before minority interest)	**6,215**	**6,026**	**3.1**	**5,945**	**4.5**
Net Profit (after minority interest)	**6,212**	**6,021**	**3.2**	**5,945**	**4.5**
Basic EPS (₹)	**15.01**	**14.35**	**4.6**	**14.37**	**4.5**
Diluted EPS (₹)	**14.99**	**14.34**	**4.6**	**14.35**	**4.5**
Dividend Per Share (₹)	**18.00**	**16.50**	**9.1**	**-**	**-**

Consolidated statement of Comprehensive Income for six months ended,

(Extracted from IFRS Financial Statement)

In ₹crore, except per equity share data

Particulars	Sep 30, 2023	Sep 30, 2022	Growth %
Revenues	**76,927**	**71,008**	**8.3**
Cost of sales	53,412	49,781	7.3
Gross Profit	**23,515**	**21,227**	**10.8**
Operating Expenses:			
Selling and marketing expenses	3,538	2,979	18.8
Administrative expenses	3,812	3,462	10.1
Total Operating Expenses	**7,350**	**6,441**	**14.1**
Operating Profit	**16,165**	**14,786**	**9.3**
Operating Margin %	***21.0***	***20.8***	***0.2***
Other Income, net(1)	965	1,139	(15.3)
Profit before income taxes	**17,130**	**15,925**	**7.6**
Income tax expense	4,970	4,537	9.5
Net Profit (before minority interest)	**12,160**	**11,388**	**6.8**
Net Profit (after minority interest)	**12,157**	**11,381**	**6.8**
Basic EPS (₹)	**29.38**	**27.13**	**8.3**
Diluted EPS (₹)	**29.34**	**27.10**	**8.3**
Dividend Per Share (₹)	**18.00**	**16.50**	**9.1**

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

As the quarter and six 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 six 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 half year ended September 30, 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 half year ended September 30, 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 half year ended September 30, 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 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 six months ended September 30, 2023. This responsibility includes the preparation and presentation of these consolidated financial results that give a true and fair view of the consolidated net profit and consolidated other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in the Ind AS 34, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Boards of Directors of the Companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Company, as aforesaid.

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

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

Auditor's Responsibilities for Audit of the Consolidated Financial Results

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

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

- Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a

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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: October 12, 2023

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.
52. Stater Belgium N.V./S.A.
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 (under liquidation)
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. 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. incorporated on December 15, 2022
98. Infosys Norway, a wholly owned subsidiary of Infosys Singapore Pte. Ltd. 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

b.

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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 half year ended September 30, 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 half year ended September 30, 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 half year ended September 30, 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 six months ended September 30, 2023. This responsibility includes the preparation and presentation of the standalone financial results for the quarter and half year ended September 30, 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: October 12, 2023

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Financial
Results

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Statement of Consolidated Audited Results of Infosys Limited and its subsidiaries for the quarter and half-year ended September 30, 2023 prepared in compliance with the Indian Accounting Standards (Ind-AS)

(in ₹ crore, except per equity share data)

Particulars	Quarter ended September 30,	Quarter ended June 30,	Quarter ended September 30,	Half-year ended September 30,		Year ended March 31,
	2023	2023	2022	2023	2022	2023
	Audited	Audited	Audited	Audited	Audited	Audited
Revenue from operations	38,994	37,933	36,538	76,927	71,008	146,767
Other income, net	632	561	584	1,193	1,260	2,701
Total Income	**39,626**	**38,494**	**37,122**	**78,120**	**72,268**	**149,468**
Expenses						
Employee benefit expenses	20,796	20,781	19,438	41,577	37,776	78,359
Cost of technical sub-contractors	3,074	3,124	3,694	6,198	7,603	14,062
Travel expenses	439	462	363	901	739	1,525
Cost of software packages and others	3,387	2,720	2,512	6,106	4,932	10,902
Communication expenses	179	182	189	361	359	713
Consultancy and professional charges	387	346	439	734	895	1,684
Depreciation and amortisation expenses	1,166	1,173	1,029	2,339	1,979	4,225
Finance cost	138	90	66	228	121	284
Other expenses	1,292	1,254	1,001	2,546	1,939	4,392
Total expenses	**30,858**	**30,132**	**28,731**	**60,990**	**56,343**	**116,146**
Profit before tax	**8,768**	**8,362**	**8,391**	**17,130**	**15,925**	**33,322**
Tax expense:						
Current tax	2,491	2,307	2,482	4,798	4,832	9,287
Deferred tax	62	110	(117)	172	(295)	(73)
Profit for the period	**6,215**	**5,945**	**6,026**	**12,160**	**11,388**	**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	(64)	87	40	23	(46)	8
Equity instruments through other comprehensive income, net	40	1	4	40	7	(7)
Items that will be reclassified subsequently to profit or loss						
Fair value changes on derivatives designated as cash flow hedges, net	23	6	(12)	29	14	(7)
Exchange differences on translation of foreign operations	5	15	(14)	21	39	776
Fair value changes on investments, net	(20)	75	26	55	(346)	(256)
Total other comprehensive income/(loss), net of tax	**(16)**	**184**	**44**	**168**	**(332)**	**514**
Total comprehensive income for the period	**6,199**	**6,129**	**6,070**	**12,328**	**11,056**	**24,622**
Profit attributable to:						
Owners of the company	6,212	5,945	6,021	12,157	11,381	24,095
Non-controlling interest	3	-	5	3	7	13
	6,215	**5,945**	**6,026**	**12,160**	**11,388**	**24,108**
Total comprehensive income attributable to:						
Owners of the company	6,196	6,132	6,068	12,328	11,054	24,598
Non-controlling interest	3	(3)	2	-	2	24
	6,199	**6,129**	**6,070**	**12,328**	**11,056**	**24,622**
Paid up share capital (par value ₹5/- each, fully paid)	2,070	2,070	2,099	2,070	2,099	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)	15.01	14.37	14.35	29.38	27.13	57.63
Diluted (in ₹ per share)	14.99	14.35	14.34	29.34	27.10	57.54

* *Balances for the quarter and half year ended September 30, 2023 and quarter ended June 30, 2023 represent balances as per the audited Balance Sheet as at March 31, 2023 and balances for the quarter and half year ended September 30, 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 half year ended September 30, 2023, quarter ended June 30, 2023 and quarter and half year ended September 30, 2022.*
# *Excludes non-controlling interest*

1. Notes pertaining to the current quarter

a) The audited interim condensed consolidated financial statements for the quarter and half-year ended September 30, 2023 have been taken on record by the Board of Directors at its meeting held on October 12, 2023. **The statutory auditors, Deloitte Haskins & Sells LLP have expressed an unmodified audit opinion.** The information presented above is extracted from the audited interim condensed consolidated financial statements. These interim condensed consolidated financial statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.

b) Appointment of Independent Director

Based on the recommendation of the Nomination and Remuneration Committee, the Board considered and approved the appointment of Nitin Paranjpe (DIN - 00045204), as an Additional & Independent Director effective January 1, 2024 for a period of 5 (Five) years, subject to the approval of the shareholders.

c) Update on Investment

On September 1, 2023, Infosys entered into a share purchase agreement to acquire 100% of the voting interests in Danske IT and Support Services India Private Limited, which is Danske Bank's IT center in India. 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.

d) Update on employee stock grants

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

One time grant of 1,231,260 RSUs under the 2015 Stock Incentive Compensation Plan (2015 Plan) and 500,250 PSUs under the Expanded Stock Ownership Program 2019 (2019 Plan) to Senior Management Personnel including Key management personnel as defined under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and other Senior leaders.

The grants made under the 2015 Plan would vest over a period of three years and the grants made under the 2019 Plan would vest over a period of three years subject to Company's achievement of performance parameters as defined in the 2019 Plan. The RSUs and PSUs will be granted w.e.f November 1, 2023 and the exercise price will be equal to the par value of the share.

Further, the Board on October 12, 2023, based on the recommendations of the Nomination and Remuneration Committee, approved the grant of 34,390 RSUs to few new hires under the 2015 plan w.e.f November 1, 2023. The RSUs will vest over a period of three to four years.

2. Information on dividends for the quarter and half year ended September 30, 2023

The Board of Directors declared an interim dividend of ₹18/- per equity share. The record date for the payment is October 25, 2023.The interim dividend will be paid on November 6, 2023. The interim dividend declared in the previous year was ₹16.50/- per equity share.

(in ₹)

Particulars	Quarter ended September 30,	Quarter ended June 30,	Quarter ended September 30,	Half-year ended September 30,		Year ended March 31,
	2023	2023	2022	2023	2022	2023
Dividend per share (par value ₹5/- each)						
Interim dividend	18.00	-	16.50	18.00	16.50	16.50
Final dividend	-	-	-	-	-	17.50

3. Audited Consolidated Balance Sheet

(in ₹ crore)

Particulars	As at	
	September 30, 2023	March 31, 2023
ASSETS		
Non-current assets		
Property, plant and equipment	12,542	13,346
Right of use assets	6,950	6,882
Capital work-in-progress	497	288
Goodwill	7,240	7,248
Other Intangible assets	1,547	1,749
Financial assets		
Investments	11,744	12,569
Loans	38	39
Other financial assets	2,343	2,798
Deferred tax assets (net)	868	1,245
Income tax assets (net)	6,945	6,453
Other non-current assets	2,518	2,318
Total non-current assets	**53,232**	**54,935**
Current assets		
Financial assets		
Investments	7,579	6,909
Trade receivables	28,261	25,424
Cash and cash equivalents	15,713	12,173
Loans	252	289
Other financial assets	11,650	11,604
Income tax assets (net)	42	6
Other current assets	13,570	14,476
Total current assets	**77,067**	**70,881**
Total Assets	**130,299**	**125,816**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	2,070	2,069
Other equity	78,698	73,338
Total equity attributable to equity holders of the Company	**80,768**	**75,407**
Non-controlling interests	386	388
Total equity	**81,154**	**75,795**
Liabilities		
Non-current liabilities		
Financial liabilities		
Lease liabilities	6,626	7,057
Other financial liabilities	2,162	2,058
Deferred tax liabilities (net)	1,028	1,220
Other non-current liabilities	472	500
Total non-current liabilities	**10,288**	**10,835**
Current liabilities		
Financial liabilities		
Lease liabilities	1,920	1,242
Trade payables	3,203	3,865
Other financial liabilities	17,566	18,558
Other Current Liabilities	10,278	10,830
Provisions	1,702	1,307
Income tax liabilities (net)	4,188	3,384
Total current liabilities	**38,857**	**39,186**
Total equity and liabilities	**130,299**	**125,816**

The disclosure is an extract of the audited Consolidated Balance Sheet as at September 30, 2023 and March 31, 2023 prepared in compliance with the Indian Accounting Standards (Ind-AS).

4. Audited Consolidated Statement of Cash Flows

(in ₹ crore)

Particulars	Half-year ended September 30, 2023	2022
Cash flow from operating activities		
Profit for the period	12,160	11,388
Adjustments to reconcile net profit to net cash provided by operating activities:		
Income tax expense	4,970	4,537
Depreciation and amortization	2,339	1,979
Interest and dividend income	(1,006)	(947)
Finance cost	228	121
Impairment loss recognized / (reversed) under expected credit loss model	206	91
Exchange differences on translation of assets and liabilities, net	(1)	131
Stock compensation expense	279	269
Other adjustments	900	283
Changes in assets and liabilities		
Trade receivables and unbilled revenue	(1,751)	(4,864)
Loans, other financial assets and other assets	(251)	(1,205)
Trade payables	(661)	(9)
Other financial liabilities, other liabilities and provisions	(768)	3,213
Cash generated from operations	**16,644**	**14,987**
Income taxes paid	(4,538)	(4,227)
Net cash generated by operating activities	**12,106**	**10,760**
Cash flows from investing activities		
Expenditure on property, plant and equipment and intangibles	(1,299)	(1,234)
Deposits placed with corporation	(636)	(564)
Redemption of deposits placed with corporation	439	384
Interest and dividend received	973	846
Payment towards acquisition of business, net of cash acquired	-	(904)
Payment of contingent consideration pertaining to acquisition of business	(59)	(60)
Other receipts	127	40
Payments to acquire Investments		
Liquid mutual funds and fixed maturity plan securities	(33,038)	(36,310)
Certificates of deposit	(2,179)	(5,024)
Commercial Paper	(2,903)	(482)
Non-convertible debentures	(104)	(249)
Tax free bonds	-	(13)
Government securities	-	(1,569)
Other investments	(5)	(18)
Proceeds on sale of Investments		
Other investments	-	99
Liquid mutual funds	31,292	34,336
Certificates of deposit	4,912	3,138
Commercial Paper	1,254	200
Non-convertible debentures	875	295
Government securities	299	1,332
Net cash (used in) / generated from investing activities	**(52)**	**(5,757)**
Cash flows from financing activities:		
Payment of lease liabilities	(920)	(527)
Payment of dividends	(7,246)	(6,711)
Payment of dividend to non-controlling interest of subsidiary	(2)	(22)
Shares issued on exercise of employee stock options	3	7
Other receipts	20	84
Other payments	(334)	(220)
Net cash used in financing activities	**(8,479)**	**(7,389)**
Net increase / (decrease) in cash and cash equivalents	3,575	(2,386)
Effect of exchange rate changes on cash and cash equivalents	(35)	(217)
Cash and cash equivalents at the beginning of the period	12,173	17,472
Cash and cash equivalents at the end of the period	**15,713**	**14,869**
Supplementary information:		
Restricted cash balance	365	465

The disclosure is an extract of the audited Consolidated Statement of Cash flows for the half year ended September 30, 2023 and September 30, 2022 prepared in compliance with Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting.

5. Segment reporting (Consolidated - Audited)

(in ₹ crore)

Particulars	Quarter ended September 30,	Quarter ended June 30,	Quarter ended September 30,	Half-year ended September 30,		Year ended March 31,
	2023	2023	2022	2023	2022	2023
Revenue by business segment						
Financial Services [1]	10,705	10,661	11,148	21,366	21,710	43,763
Retail [2]	5,913	5,513	5,183	11,426	10,187	21,204
Communication [3]	4,463	4,441	4,501	8,904	8,965	18,086
Energy, Utilities, Resources and Services	4,957	4,889	4,498	9,846	8,757	18,539
Manufacturing	5,574	5,350	4,686	10,924	8,858	19,035
Hi-Tech	3,053	3,056	2,971	6,109	5,783	11,867
Life Sciences [4]	3,050	2,749	2,452	5,799	4,709	10,085
All other segments [5]	1,279	1,274	1,099	2,553	2,039	4,188
Total	**38,994**	**37,933**	**36,538**	**76,927**	**71,008**	**146,767**
Less: Inter-segment revenue	-	-	-	-	-	-
Net revenue from operations	**38,994**	**37,933**	**36,538**	**76,927**	**71,008**	**146,767**
Segment profit before tax, depreciation and non-controlling interests:						
Financial Services [1]	2,579	2,545	2,811	5,124	5,565	10,843
Retail [2]	1,674	1,629	1,578	3,303	3,115	6,396
Communication [3]	1,035	984	965	2,019	1,759	3,759
Energy, Utilities , Resources and Services	1,352	1,290	1,251	2,642	2,396	5,155
Manufacturing	1,033	972	792	2,005	1,177	3,113
Hi-Tech	788	802	724	1,590	1,396	2,959
Life Sciences [4]	799	702	642	1,501	1,177	2,566
All other segments [5]	180	140	139	320	180	339
Total	**9,440**	**9,064**	**8,902**	**18,504**	**16,765**	**35,130**
Less: Other Unallocable expenditure	1,166	1,173	1,029	2,339	1,979	4,225
Add: Unallocable other income	632	561	584	1,193	1,260	2,701
Less: Finance cost	138	90	66	228	121	284
Profit before tax and non-controlling interests	**8,768**	**8,362**	**8,391**	**17,130**	**15,925**	**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

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.

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

(in ₹ crore)

Particulars	Quarter ended September 30,	Quarter ended June 30,	Quarter ended September 30,	Half-year ended September 30,		Year ended March 31,
	2023	2023	2022	2023	2022	2023
Revenue from operations	32,629	31,811	31,567	64,440	61,094	124,014
Profit before tax	8,517	8,146	8,488	16,663	15,391	31,643
Profit for the period	6,245	5,956	6,253	12,202	11,154	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
October 12, 2023

The Board has also taken on record the condensed consolidated results of Infosys Limited and its subsidiaries for the quarter and half-year ended September 30, 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 September 30,	Quarter ended June 30,	Quarter ended September 30,	Half-year ended September 30,		Year ended March 31,
	2023	2023	2022	2023	2022	2023
	Audited	Audited	Audited	Audited	Audited	Audited
Revenues	4,718	4,617	4,555	9,334	8,999	18,212
Cost of sales	3,271	3,211	3,170	6,481	6,315	12,709
Gross profit	**1,447**	**1,406**	**1,385**	**2,853**	**2,684**	**5,503**
Operating expenses	447	445	406	892	817	1,678
Operating profit	**1,000**	**961**	**979**	**1,961**	**1,867**	**3,825**
Other income, net	77	68	73	145	160	335
Finance cost	17	11	8	28	15	35
Profit before income taxes	**1,060**	**1,018**	**1,044**	**2,078**	**2,012**	**4,125**
Income tax expense	309	294	295	603	574	1,142
Net profit	**751**	**724**	**749**	**1,475**	**1,438**	**2,983**
Earnings per equity share *						
Basic (in $ per share)	0.18	0.17	0.18	0.36	0.34	0.71
Diluted (in $ per share)	0.18	0.17	0.18	0.36	0.34	0.71
Total assets	15,689	16,007	15,640	15,689	15,640	15,312
Cash and cash equivalents and current investments	2,805	2,176	3,276	2,805	3,276	2,322

** EPS is not annualized for the quarter and half year ended September 30, 2023, quarter ended June 30, 2023 and quarter and half year ended September 30, 2022.*

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

Q2 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 half-year ended September 30, 2023 prepared in compliance with the Indian Accounting Standards (Ind-AS)

(in ₹ crore, except per equity share data)

Particulars	Quarter ended September 30,	Quarter ended June 30,	Quarter ended September 30,	Half-year ended September 30,		Year ended March 31,
	2023	2023	2022	2023	2022	2023
	Audited	Audited	Audited	Audited	Audited	Audited
Revenue from operations	32,629	31,811	31,567	64,440	61,094	124,014
Other income, net	1,350	1,001	1,267	2,352	1,916	3,859
Total income	**33,979**	**32,812**	**32,834**	**66,792**	**63,010**	**127,873**
Expenses						
Employee benefit expenses	16,435	16,353	15,873	32,788	30,787	62,764
Cost of technical sub-contractors	4,645	4,676	4,815	9,321	9,825	19,096
Travel expenses	345	359	293	705	608	1,227
Cost of software packages and others	1,809	1,174	1,428	2,982	2,611	5,214
Communication expenses	131	129	135	260	254	502
Consultancy and professional charges	275	215	333	490	696	1,236
Depreciation and amortisation expense	738	746	682	1,484	1,326	2,753
Finance cost	89	43	40	132	73	157
Other expenses	995	971	747	1,967	1,439	3,281
Total expenses	**25,462**	**24,666**	**24,346**	**50,129**	**47,619**	**96,230**
Profit before tax	**8,517**	**8,146**	**8,488**	**16,663**	**15,391**	**31,643**
Tax expense:						
Current tax	2,180	2,065	2,312	4,245	4,345	8,167
Deferred tax	92	125	(77)	216	(108)	208
Profit for the period	**6,245**	**5,956**	**6,253**	**12,202**	**11,154**	**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	(68)	87	40	19	(56)	(19)
Equity instruments through other comprehensive income, net	40	1	4	40	7	(6)
Items that will be reclassified subsequently to profit or loss						
Fair value changes on derivatives designated as cash flow hedges, net	23	6	(12)	29	14	(7)
Fair value changes on investments, net	(22)	68	27	46	(317)	(236)
Total other comprehensive income/ (loss), net of tax	**(27)**	**162**	**59**	**134**	**(352)**	**(268)**
Total comprehensive income for the period	**6,218**	**6,118**	**6,312**	**12,336**	**10,802**	**23,000**
Paid-up share capital (par value ₹5/- each fully paid)	2,075	2,075	2,104	2,075	2,104	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)	15.05	14.36	14.86	29.40	26.51	55.48
Diluted (in ₹ per share)	15.04	14.34	14.85	29.38	26.49	55.42

** Balances for the quarter and half year ended September 30, 2023 and quarter ended June 30, 2023 represent balances as per the audited Balance Sheet as at March 31, 2023 and balances for the quarter and half year ended September 30, 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 half year ended September 30, 2023, quarter ended June 30, 2023 and quarter and half year ended September 30, 2022.*

1. Notes pertaining to the current quarter

a) The audited interim condensed standalone financial statements for the quarter and half-year ended September 30, 2023 have been taken on record by the Board of Directors at its meeting held on October 12, 2023. **The statutory auditors, Deloitte Haskins & Sells LLP have expressed an unmodified audit opinion.** The information presented above is extracted from the audited interim condensed standalone financial statements. These interim condensed standalone financial statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.

b) Appointment of Independent Director

Based on the recommendation of the Nomination and Remuneration Committee, the Board considered and approved the appointment of Nitin Paranjpe (DIN - 00045204), as an Additional & Independent Director effective January 1, 2024 for a period of 5 (Five) years, subject to the approval of the shareholders.

c) Update on Investment

On September 1, 2023, Infosys entered into a share purchase agreement to acquire 100% of the voting interests in Danske IT and Support Services India Private Limited, which is Danske Bank's IT center in India. 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.

d) Update on employee stock grants

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

One time grant of 1,231,260 RSUs under the 2015 Stock Incentive Compensation Plan (2015 Plan) and 500,250 PSUs under the Expanded Stock Ownership Program 2019 (2019 Plan) to Senior Management Personnel including Key management personnel as defined under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and other Senior leaders.

The grants made under the 2015 Plan would vest over a period of three years and the grants made under the 2019 Plan would vest over a period of three years subject to Company's achievement of performance parameters as defined in the 2019 Plan. The RSUs and PSUs will be granted w.e.f November 1, 2023 and the exercise price will be equal to the par value of the share.

Further, the Board on October 12, 2023, based on the recommendations of the Nomination and Remuneration Committee, approved the grant of 34,390 RSUs to few new hires under the 2015 plan w.e.f November 1, 2023. The RSUs will vest over a period of three to four years.

2. Information on dividends for the quarter and half-year ended September 30, 2023

The Board of Directors declared an interim dividend of ₹18/- per equity share. The record date for the payment is October 25, 2023.The interim dividend will be paid on November 6, 2023. The interim dividend declared in the previous year was ₹16.50/- per equity share.

(in ₹)

Particulars	Quarter ended September 30,	Quarter ended June 30,	Quarter ended September 30,	Half-year ended September 30,		Year ended March 31,
	2023	2023	2022	2023	2022	2023
Dividend per share (par value ₹5/- each)						
Interim dividend	18.00	-	16.50	18.00	16.50	16.50
Final dividend	-	-	-	-	-	17.50

3. Audited Standalone Balance Sheet

(In ₹ crore)

Particulars	As at	
	September 30, 2023	March 31, 2023
ASSETS		
Non-current assets		
Property, plant and equipment	10,992	11,656
Right of use assets	3,668	3,561
Capital work-in-progress	452	275
Goodwill	211	211
Other Intangible assets	-	3
Financial assets		
Investments	23,031	23,686
Loans	37	39
Other financial assets	1,044	1,341
Deferred tax assets (net)	402	779
Income tax assets (net)	6,342	5,916
Other non-current assets	1,984	1,788
Total non-current assets	**48,163**	**49,255**
Current assets		
Financial assets		
Investments	5,806	4,476
Trade receivables	23,237	20,773
Cash and cash equivalents	9,964	6,534
Loans	258	291
Other financial assets	9,289	9,088
Other current assets	10,119	10,920
Total current assets	**58,673**	**52,082**
Total assets	**106,836**	**101,337**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	2,075	2,074
Other equity	71,017	65,671
Total equity	**73,092**	**67,745**
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Lease liabilities	3,470	3,553
Other financial liabilities	1,600	1,317
Deferred tax liabilities (net)	716	866
Other non-current liabilities	388	414
Total non - current liabilities	**6,174**	**6,150**
Current liabilities		
Financial liabilities		
Lease liabilities	786	713
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	9	97
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,085	2,329
Other financial liabilities	12,132	12,697
Other current liabilities	7,636	7,609
Provisions	1,510	1,163
Income tax liabilities (net)	3,412	2,834
Total current liabilities	**27,570**	**27,442**
Total equity and liabilities	**106,836**	**101,337**

The disclosure is an extract of the audited Balance Sheet as at September 30, 2023 and March 31, 2023 prepared in compliance with the Indian Accounting Standards (Ind-AS).

4. Audited Standalone Statement of Cash flows

(In ₹ crore)

Particulars	Half-year ended September 30,	
	2023	2022
Cash flow from operating activities:		
Profit for the period	12,202	11,154
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and Amortization	1,484	1,326
Income tax expense	4,461	4,237
Impairment loss recognized / (reversed) under expected credit loss model	184	54
Finance cost	132	73
Interest and dividend income	(1,999)	(1,521)
Stock compensation expense	246	242
Other adjustments	343	38
Exchange differences on translation of assets and liabilities, net	40	59
Changes in assets and liabilities		
Trade receivables and unbilled revenue	(1,688)	(4,166)
Loans, other financial assets and other assets	(359)	(363)
Trade payables	(332)	(13)
Other financial liabilities, other liabilities and provisions	142	2,271
Cash generated from operations	**14,856**	**13,391**
Income taxes paid	(4,108)	(3,669)
Net cash generated by operating activities	**10,748**	**9,722**
Cash flow from investing activities:		
Expenditure on property, plant and equipment	(1,101)	(997)
Deposits placed with corporation	(555)	(390)
Redemption of deposits with corporation	389	238
Interest and dividend received	809	734
Dividend received from subsidiary	1,192	693
Loan given to subsidiaries	-	(427)
Loan repaid by subsidiaries	3	393
Investment in subsidiaries	(63)	(1,201)
Proceeds from liquidation of a subsidiary	80	-
Other receipts	123	32
Payments to acquire investments		
Liquid mutual fund units	(29,092)	(32,064)
Commercial papers	(2,419)	(259)
Certificates of deposits	(1,252)	(4,481)
Government Securities	-	(1,370)
Non-convertible debentures	(104)	-
Other investments	(2)	(3)
Proceeds on sale of investments		
Liquid mutual fund units	27,279	30,167
Non-convertible debentures	775	220
Certificates of deposit	3,662	3,038
Commercial papers	700	-
Government Securities	-	1,132
Other investments	-	99
Net cash (used in) / from investing activities	**424**	**(4,446)**
Cash flow from financing activities:		
Payment of lease liabilities	(362)	(324)
Shares issued on exercise of employee stock options	1	5
Other receipts	-	57
Other payments	(93)	(24)
Payment of dividends	(7,266)	(6,732)
Net cash used in financing activities	**(7,720)**	**(7,018)**
Net increase / (decrease) in cash and cash equivalents	3,452	(1,742)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(22)	(30)
Cash and cash equivalents at the beginning of the period	6,534	12,270
Cash and cash equivalents at the end of the period	**9,964**	**10,498**
Supplementary information:		
Restricted cash balance	58	74

The disclosure is an extract of the audited Statement of Cash flows for the half year ended September 30, 2023 and September 30, 2022 prepared in compliance with Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting.

5. 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 half-year ended September 30, 2023.

By order of the Board
for Infosys Limited

Bengaluru, India
October 12, 2023

Salil Parekh
Chief Executive Officer and Managing Director

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

Infosys® Navigate your next

IFRS – INR

Press Release

Highest ever large and mega deal wins with TCV of $7.7 billion lay solid foundation for future

Q2 growth at 2.3% sequentially with resilient margins of 21.2%. Revenue guidance revised to 1.0%- 2.5%

Bengaluru, India – October 12, 2023: Infosys (NSE, BSE, NYSE: INFY), a global leader in next-generation digital services and consulting, delivered $4,718 million in Q2 revenues with year-on-year growth of 2.5% and sequential growth of 2.3% in constant currency. Large deal TCV for the quarter was $7.7 billion, with net new of 48%. Operating margin for the quarter increased by 40 bps sequentially to 21.2%. Attrition declined further to 14.6%. FY24 revenue guidance revised to 1.0%-2.5% and operating margin guidance retained at 20%-22%.

"We had our highest large deals value at $7.7 billion in Q2 spread across all verticals and geographies. This, in an uncertain macro-environment, is a testament to our ability to pivot and stay relevant to the evolving client needs, by delivering the benefits of transformation as well as productivity and cost savings at scale", said **Salil Parekh, CEO and MD.** "Strong H1 performance with significant large deal wins, builds a solid foundation for the future. The growing adoption of our Generative AI offering, Topaz, is helping us deliver consistent value and expand market share", he added.

2.5% YoY **2.3% QoQ** CC Revenue growth	**21.2%** Operating margin	**$7.7 bn** Large deal TCV	**4.6% YoY** Increase in EPS (₹ terms)

Guidance for FY24:

- Revenue growth of 1.0%-2.5% in constant currency
- Operating margin of 20.0%-22.0%

1. Key highlights:

For the quarter ended September 30, 2023

- Revenues in CC terms grew by 2.5% YoY and 2.3% QoQ
- Reported revenues at ₹38,994 crore, growth of 6.7% YoY
- Operating margin at 21.2%, decline of 0.3% YoY and increase of 0.4% QoQ
- Basic EPS at ₹15.01, growth of 4.6% YoY
- FCF at ₹5,536 crore, growth of 16.5% YoY; FCF conversion at 89.1% of net profit

For six months ended September 30, 2023

- Revenues in CC terms grew by 3.3% YoY
- Reported revenues at ₹76,927 crore, growth of 8.3% YoY
- Operating margin at 21.0%, growth of 0.2% YoY
- Basic EPS at ₹29.38, growth of 8.3% YoY
- FCF at ₹11,285 crore, growth of 14.5% YoY; FCF conversion at 92.8% of net profit

"Our Q2 operating margin of 21.2% demonstrates the early benefits of recently unveiled margin improvement plan and is a clear reflection of our ability to continuously identify opportunities for improving operational efficiencies", said **Nilanjan Roy, CFO.** "In line with our capital allocation policy, the Board has announced an interim dividend of ₹ 18 per share, an increase of 9.1% over last year", he added.

2. Client wins & testimonials

- Infosys extended collaboration with Liberty Global to help evolve and scale Liberty Global's digital entertainment and connectivity platforms leveraging Infosys Topaz. **Mike Fries, CEO, Liberty Global**, said, "Strengthening and expanding our collaboration with Infosys gives our best-in-class solutions new scale with the ability to reach many more markets and bring positive experiences to more customers. And while it produces substantial central cost savings over time, it also provides excellent opportunities for our talent to grow their specialist skills and nurture impactful careers with Infosys. We look forward to working together to accelerate innovation and make our entertainment solutions even more powerful and engaging as new generations of digital-first customers continue to demand more from us all."
- Infosys collaborated with Microsoft to accelerate and democratize industry-wide adoption of generative AI. **Nicole Dezen, Chief Partner Officer, Microsoft Corp**, said, "We're pleased to expand our collaboration with Infosys to deliver innovative solutions, utilizing Azure OpenAI Service and Azure Cognitive Services, that will help customers develop new business models, and realize new revenue streams. By harnessing the power of generative AI, Infosys will help customers accelerate growth and innovation."
- Infosys and NVIDIA collaborated to help enterprises boost productivity with generative AI. "Generative AI will drive the next wave of enterprise productivity gains," said, **Jensen Huang, Founder and CEO, NVIDIA**. "The NVIDIA AI Enterprise ecosystem is ramping quickly to provide the platform for generative AI. Together, NVIDIA and Infosys will create an expert workforce to help businesses use this platform to build custom applications and solutions."
- Infosys announced a strategic multi-year collaboration with STARK Group to drive technological advancements and provide seamless services to STARK Group's offices across Europe, leveraging Infosys Topaz. **Pernille Geneser, Group CIO, STARK Group**, commented, "We at STARK Group are excited to announce our collaboration with Infosys as we embark on a transformation journey to deliver state-of-the-art and future-fit IT services to our colleagues in the Nordics, Austria, Germany and UK. With Infosys' expertise, we look forward to enhancing the quality of our offerings and kickstarting many new innovations."
- Infosys together with Microsoft recently executed a strategic Enterprise Resource Planning (ERP) transformation program to help accelerate Talking Rain Beverage Company's journey towards enhancing their core business capabilities and achieving business transformation. "By partnering with Microsoft and Infosys, we are aligning ourselves with leading technology and expertise in the industry," said, **Luke Fisher, Chief Financial Officer, Talking Rain Beverage Company**. "This collaboration ensures we can continually enhance our capabilities and drive our business forward. The new ERP system takes our organization to a whole new level, enabling us to access real-time data, make smarter decisions and scale effectively for years to come."
- Rich Products Corporation (RPC) selected Infosys for a key strategic transformation program to deploy SAP's S/4HANA solution to simplify and harmonize their business processes, digitally upskill associates, and improve experience for associates and customers. **Yexi Liu, Global CIO, RPC,** said, "We are looking at this S/4 HANA based transformation to reimagine the way Rich's operates its business and create unique and distinctive customer value. Our strong collaboration with Infosys will aim to help accelerate our business transformation, reduce technical debt and help shape industry standard business processes to drive operational excellence."
- Infosys recently launched the Infosys Cobalt Airline Cloud (ICAC), a first-of-its-kind industry cloud offering designed for commercial airlines to help them accelerate their digital transformation journey. **Fernando Rocha, CIO, Aeroméxico Airline**, said, "We are excited to collaborate with Infosys to leverage the solutions, reference architectures and blueprints of the Infosys Cobalt

Airline Cloud. We believe that this platform will enable us to quickly adapt to changing market dynamics, enhance customer experiences, and drive profitable growth.

- Guaranty Trust Bank selected Infosys Finacle's Digital Banking Suite for its multi-country digital banking transformation program. **Segun Agbaje, Group Chief Executive Officer, Guaranty Trust Holding Company Plc**, said, "We are delighted to be working with Infosys Finacle to create a superior, agile, and scalable core banking system that supports our vision of delivering seamless and connected experiences across every customer touchpoint. As an organization, we have always held that the future of banking is digital, largely driven by technology and customers' preference for secure, convenient, and reliable channels. This is the thinking behind our innovation drive and history of firsts, offering best-in-class financial services across Africa. Infosys Finacle's digital solutions will significantly transform our operations and facilitate our push towards more innovative, responsive banking."
- Infosys Public Services announced the opening of its new subsidiary in Canada to help accelerate digital transformation for public sector organizations across the country and provide them access to top tier IT talent and innovative solutions for better delivery of government services to Canadian citizens and businesses. **Franco Chirichella, President and CEO, Innovapost**, said, "As one of Innovapost's key strategic partners, Infosys Public Services Canada has helped us successfully deliver IT initiatives to meet the demands of the evolving mail, courier and logistics industry. IPS Canada does a great job of bringing the breadth and depth of their global and Canadian capabilities to Innovapost to support us in meeting our business and technical needs."
- Infosys transformed Bendigo and Adelaide Bank's customer and employee experience by helping the bank democratize data, improve data governance, and deliver better banking experience. **Nathalie Moss, Practice Lead, Lending Technology at Bendigo and Adelaide Bank**, said, "Our employees are now able to service customers faster and more easily due to the centralized document storage and common searchable access approach. The key to the program led by Infosys is findability. The faster we can find all relevant customer documents, the more deeply we understand the customer and the more personalized the service we offer becomes, every time we interact. Better operational flow equals more effective and empowered staff and builds on the award-winning customer experience our Bank consistently offers."

3. Recognition

- Featured in TIME's World's Best Companies 2023 list - Infosys was among the top 3 global professional services firms and the only brand from India in the Top 100 global rankings
- Ranked as one of the Top 3 brands in Kantar BrandZ Most Valuable Indian Brand Rankings 2023
- Recognized as one of India's Best Workplaces™ for Women 2023 (Top 50 Large Organizations) by the Great Place to Work™ Institute
- Ranked among the Top 10 Best Companies for Women in India (BCWI) in 2023 for the fourth year in a row, and as the 'Champion of Inclusion' in the Most Inclusive Companies Index (MICI) for the second year in a row, by Avtar and Seramount
- Honored with the Mahatma Award under the 'ESG Excellence' category
- Infosys Crescent campus in Bengaluru, India, has been recognized as one of the '100 Iconic Sustainable Buildings' by The Bureau of Energy Efficiency, Ministry of Power, Government of India
- Positioned as a leader in the 2023 Magic Quadrant for Public Cloud IT Transformation Services by Gartner

- Recognized as a leader in Net Zero Consulting Services PEAK Matrix® Assessment 2023 by Everest
- Recognized as a leader in Cloud Services PEAK Matrix® Assessment 2023 – North America by Everest
- Recognized as a leader in Network Transformation and Managed Services PEAK Matrix® Assessment – System Integrators (SIs) 2023 by Everest
- Recognized as a leader in Data and Analytics (D&A) Services PEAK Matrix® Assessment 2023 by Everest
- Recognized as a Leader in the IDC MarketScape: Worldwide Finance and Accounting Business Process Services in the Cloud Vendor Assessment 2023
- Positioned as a leader in HFS Horizons: Cards & Payments Services Providers 2023 report
- Positioned as a leader in HFS Horizons: Travel, Hospitality, and Logistics Service Providers, 2023 report
- Positioned as a leader in HFS Horizons: Enterprise Blockchain Services, 2023 report
- Positioned as a leader in Automation in Banking NEAT 2023 by NelsonHall
- Featured in the Constellation ShortList 2023: Customer Experience (CX) Operations Services: Global
- Featured in the Constellation ShortList 2023: Digital Transformation Services (DTX): Global
- Featured in the Constellation ShortList 2023: Public Cloud Transformation Services: Global
- Featured in the Constellation ShortList 2023: AI Services: Global
- Recognized as 2023 Google Cloud Industry Solution Services Partner of the Year - Supply Chain & Logistics and Google Cloud Specialization Partner of the Year for Application Development
- Received the Salesforce 2023 Partner Innovation Award in the industry solution awards category
- Infosys Finacle recognized as the Best Real Time Payments Provider at the MEA Finance Leaders in Payments Conference & Awards 2023
- Infosys Finacle recognized as the Best SaaS Provider of the Year (Software) and as Outstanding Wealth Management Solution by a Vendor at the Global BankTech Awards 2023
- Infosys recognized as a leader in Cyber Security - Solutions and Services 2023 ISG Provider Lens™ study in US, US Public Sector, Australia, and Nordics regions
- Infosys recognized as a leader in Private Hybrid Cloud - Solutions and Services 2023 ISG Provider Lens™ study in US and Australia
- Infosys recognized as a leader in IoT - Services and Solution 2023 ISG Provider Lens™ study in US
- Infosys recognized as a Leader in ISG Provider Lens™ Retail & CPG Services reports – Managed Services in the US and Europe 2023
- Rated as a leader in Avasant's Digital Masters 2023 RadarView™
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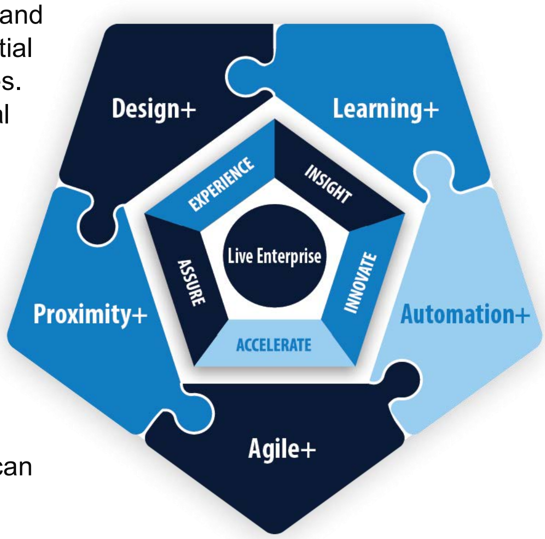
About Infosys

DIGITAL NAVIGATION FRAMEWORK



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, 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.

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Infosys Limited and subsidiaries

Extracted from the Condensed Consolidated Balance Sheet under IFRS as at:

(in ₹ crore)

	September 30, 2023	March 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	15,713	12,173
Current investments	7,579	6,909
Trade receivables	28,261	25,424
Unbilled revenue	14,054	15,289
Other Current assets	11,460	11,086
Total current assets	**77,067**	**70,881**
Non-current assets		
Property, plant and equipment and Right-of-use assets	20,129	20,675
Goodwill and other Intangible assets	8,787	8,997
Non-current investments	11,744	12,569
Unbilled revenue	1,419	1,449
Other non-current assets	11,153	11,245
Total non-current assets	**53,232**	**54,935**
Total assets	**130,299**	**125,816**
LIABILITIES AND EQUITY		
Current liabilities		
Trade payables	3,203	3,865
Unearned revenue	7,011	7,163
Employee benefit obligations	2,613	2,399
Other current liabilities and provisions	26,030	25,759
Total current liabilities	**38,857**	**39,186**
Non-current liabilities		
Lease liabilities	6,626	7,057
Other non-current liabilities	3,662	3,778
Total non-current liabilities	**10,288**	**10,835**
Total liabilities	**49,145**	**50,021**
Total equity attributable to equity holders of the company	**80,768**	**75,407**
Non-controlling interests	386	388
Total equity	**81,154**	**75,795**
Total liabilities and equity	**130,299**	**125,816**

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

(in ₹ crore except per equity share data)

	3 months ended September 30, 2023	3 months ended September 30, 2022	6 months ended September 30, 2023	6 months ended September 30, 2022
Revenues	**38,994**	**36,538**	**76,927**	**71,008**
Cost of sales	27,031	25,412	53,412	49,781
Gross profit	**11,963**	**11,126**	**23,515**	**21,227**
Operating expenses:				
Selling and marketing expenses	1,754	1,486	3,538	2,979
Administrative expenses	1,935	1,767	3,812	3,462
Total operating expenses	3,689	3,253	7,350	6,441
Operating profit	**8,274**	**7,873**	**16,165**	**14,786**
Other income, net (3)	494	518	965	1,139
Profit before income taxes	**8,768**	**8,391**	**17,130**	**15,925**
Income tax expense	2,553	2,365	4,970	4,537
Net profit (before minority interest)	**6,215**	**6,026**	**12,160**	**11,388**
Net profit (after minority interest)	6,212	6,021	12,157	11,381
Basic EPS (₹)	15.01	14.35	29.38	27.13
Diluted EPS (₹)	14.99	14.34	29.34	27.10

NOTES:

1. *The above information is extracted from the audited condensed consolidated Balance sheet and Statement of Comprehensive Income for the quarter and six months ended September 30, 2023, which have been taken on record at the Board meeting held on October 12, 2023.*

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

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

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

Infosys®
Navigate your next

IFRS – USD

Press Release

Highest ever large and mega deal wins with TCV of $7.7 billion lay solid foundation for future

Q2 growth at 2.3% sequentially with resilient margins of 21.2%. Revenue guidance revised to 1.0%- 2.5%

Bengaluru, India – October 12, 2023: Infosys (NSE, BSE, NYSE: INFY), a global leader in next-generation digital services and consulting, delivered $4,718 million in Q2 revenues with year-on-year growth of 2.5% and sequential growth of 2.3% in constant currency. Large deal TCV for the quarter was $7.7 billion, with net new of 48%. Operating margin for the quarter increased by 40 bps sequentially to 21.2%. Attrition declined further to 14.6%. FY24 revenue guidance revised to 1.0%-2.5% and operating margin guidance retained at 20%-22%.

"We had our highest large deals value at $7.7 billion in Q2 spread across all verticals and geographies. This, in an uncertain macro-environment, is a testament to our ability to pivot and stay relevant to the evolving client needs, by delivering the benefits of transformation as well as productivity and cost savings at scale", said **Salil Parekh, CEO and MD.** "Strong H1 performance with significant large deal wins, builds a solid foundation for the future. The growing adoption of our Generative AI offering, Topaz, is helping us deliver consistent value and expand market share", he added.

2.5% YoY **2.3% QoQ** CC Revenue growth	**21.2%** Operating margin	**$7.7 bn** Large deal TCV	**4.6% YoY** Increase in EPS (₹ terms)

Guidance for FY24:

- Revenue growth of 1.0%-2.5% in constant currency
- Operating margin of 20.0%-22.0%

1. Key highlights:

For the quarter ended September 30, 2023

- Revenues in CC terms grew by 2.5% YoY and 2.3% QoQ
- Reported revenues at $4,718 million, growth of 3.6% YoY
- Operating margin at 21.2%, decline of 0.3% YoY and increase of 0.4% QoQ
- Basic EPS at $0.18, growth of 1.7% YoY
- FCF at $670 million, growth of 13.8% YoY; FCF conversion at 89.2% of net profit

For six months ended September 30, 2023

- Revenues in CC terms grew by 3.3% YoY
- Reported revenues at $9,334 million, growth of 3.7% YoY
- Operating margin at 21.0%, growth of 0.3% YoY
- Basic EPS at $0.36, growth of 4.0% YoY
- FCF at $1,369 million, growth of 10.0% YoY; FCF conversion at 92.8% of net profit

"Our Q2 operating margin of 21.2% demonstrates the early benefits of recently unveiled margin improvement plan and is a clear reflection of our ability to continuously identify opportunities for improving operational efficiencies", said **Nilanjan Roy, CFO.** "In line with our capital allocation policy, the Board has announced an interim dividend of ₹ 18 per share, an increase of 9.1% over last year", he added.

2. Client wins & testimonials

- Infosys extended collaboration with Liberty Global to help evolve and scale Liberty Global's digital entertainment and connectivity platforms leveraging Infosys Topaz. **Mike Fries, CEO, Liberty Global**, said, "Strengthening and expanding our collaboration with Infosys gives our best-in-class solutions new scale with the ability to reach many more markets and bring positive experiences to more customers. And while it produces substantial central cost savings over time, it also provides excellent opportunities for our talent to grow their specialist skills and nurture impactful careers with Infosys. We look forward to working together to accelerate innovation and make our entertainment solutions even more powerful and engaging as new generations of digital-first customers continue to demand more from us all."

- Infosys collaborated with Microsoft to accelerate and democratize industry-wide adoption of generative AI. **Nicole Dezen, Chief Partner Officer, Microsoft Corp**, said, "We're pleased to expand our collaboration with Infosys to deliver innovative solutions, utilizing Azure OpenAI Service and Azure Cognitive Services, that will help customers develop new business models, and realize new revenue streams. By harnessing the power of generative AI, Infosys will help customers accelerate growth and innovation."

- Infosys and NVIDIA collaborated to help enterprises boost productivity with generative AI. "Generative AI will drive the next wave of enterprise productivity gains," said, **Jensen Huang, Founder and CEO, NVIDIA**. "The NVIDIA AI Enterprise ecosystem is ramping quickly to provide the platform for generative AI. Together, NVIDIA and Infosys will create an expert workforce to help businesses use this platform to build custom applications and solutions."

- Infosys announced a strategic multi-year collaboration with STARK Group to drive technological advancements and provide seamless services to STARK Group's offices across Europe, leveraging Infosys Topaz. **Pernille Geneser, Group CIO, STARK Group**, commented, "We at STARK Group are excited to announce our collaboration with Infosys as we embark on a transformation journey to deliver state-of-the-art and future-fit IT services to our colleagues in the Nordics, Austria, Germany and UK. With Infosys' expertise, we look forward to enhancing the quality of our offerings and kickstarting many new innovations."

- Infosys together with Microsoft recently executed a strategic Enterprise Resource Planning (ERP) transformation program to help accelerate Talking Rain Beverage Company's journey towards enhancing their core business capabilities and achieving business transformation. "By partnering with Microsoft and Infosys, we are aligning ourselves with leading technology and expertise in the industry," said, **Luke Fisher, Chief Financial Officer, Talking Rain Beverage Company**. "This collaboration ensures we can continually enhance our capabilities and drive our business forward. The new ERP system takes our organization to a whole new level, enabling us to access real-time data, make smarter decisions and scale effectively for years to come."

- Rich Products Corporation (RPC) selected Infosys for a key strategic transformation program to deploy SAP's S/4HANA solution to simplify and harmonize their business processes, digitally upskill associates, and improve experience for associates and customers. **Yexi Liu, Global CIO, RPC,** said, "We are looking at this S/4 HANA based transformation to reimagine the way Rich's operates its business and create unique and distinctive customer value. Our strong collaboration with Infosys will aim to help accelerate our business transformation, reduce technical debt and help shape industry standard business processes to drive operational excellence."

- Infosys recently launched the Infosys Cobalt Airline Cloud (ICAC), a first-of-its-kind industry cloud offering designed for commercial airlines to help them accelerate their digital transformation journey. **Fernando Rocha, CIO, Aeroméxico Airline**, said, "We are excited to collaborate with Infosys to leverage the solutions, reference architectures and blueprints of the Infosys Cobalt

Airline Cloud. We believe that this platform will enable us to quickly adapt to changing market dynamics, enhance customer experiences, and drive profitable growth.

- Guaranty Trust Bank selected Infosys Finacle's Digital Banking Suite for its multi-country digital banking transformation program. **Segun Agbaje, Group Chief Executive Officer, Guaranty Trust Holding Company Plc**, said, "We are delighted to be working with Infosys Finacle to create a superior, agile, and scalable core banking system that supports our vision of delivering seamless and connected experiences across every customer touchpoint. As an organization, we have always held that the future of banking is digital, largely driven by technology and customers' preference for secure, convenient, and reliable channels. This is the thinking behind our innovation drive and history of firsts, offering best-in-class financial services across Africa. Infosys Finacle's digital solutions will significantly transform our operations and facilitate our push towards more innovative, responsive banking."
- Infosys Public Services announced the opening of its new subsidiary in Canada to help accelerate digital transformation for public sector organizations across the country and provide them access to top tier IT talent and innovative solutions for better delivery of government services to Canadian citizens and businesses. **Franco Chirichella, President and CEO, Innovapost**, said, "As one of Innovapost's key strategic partners, Infosys Public Services Canada has helped us successfully deliver IT initiatives to meet the demands of the evolving mail, courier and logistics industry. IPS Canada does a great job of bringing the breadth and depth of their global and Canadian capabilities to Innovapost to support us in meeting our business and technical needs."
- Infosys transformed Bendigo and Adelaide Bank's customer and employee experience by helping the bank democratize data, improve data governance, and deliver better banking experience. **Nathalie Moss, Practice Lead, Lending Technology at Bendigo and Adelaide Bank**, said, "Our employees are now able to service customers faster and more easily due to the centralized document storage and common searchable access approach. The key to the program led by Infosys is findability. The faster we can find all relevant customer documents, the more deeply we understand the customer and the more personalized the service we offer becomes, every time we interact. Better operational flow equals more effective and empowered staff and builds on the award-winning customer experience our Bank consistently offers."

3. Recognition

- Featured in TIME's World's Best Companies 2023 list - Infosys was among the top 3 global professional services firms and the only brand from India in the Top 100 global rankings
- Ranked as one of the Top 3 brands in Kantar BrandZ Most Valuable Indian Brand Rankings 2023
- Recognized as one of India's Best Workplaces™ for Women 2023 (Top 50 Large Organizations) by the Great Place to Work™ Institute
- Ranked among the Top 10 Best Companies for Women in India (BCWI) in 2023 for the fourth year in a row, and as the 'Champion of Inclusion' in the Most Inclusive Companies Index (MICI) for the second year in a row, by Avtar and Seramount
- Honored with the Mahatma Award under the 'ESG Excellence' category
- Infosys Crescent campus in Bengaluru, India, has been recognized as one of the '100 Iconic Sustainable Buildings' by The Bureau of Energy Efficiency, Ministry of Power, Government of India
- Positioned as a leader in the 2023 Magic Quadrant for Public Cloud IT Transformation Services by Gartner

- Recognized as a leader in Net Zero Consulting Services PEAK Matrix® Assessment 2023 by Everest
- Recognized as a leader in Cloud Services PEAK Matrix® Assessment 2023 – North America by Everest
- Recognized as a leader in Network Transformation and Managed Services PEAK Matrix® Assessment – System Integrators (SIs) 2023 by Everest
- Recognized as a leader in Data and Analytics (D&A) Services PEAK Matrix® Assessment 2023 by Everest
- Recognized as a Leader in the IDC MarketScape: Worldwide Finance and Accounting Business Process Services in the Cloud Vendor Assessment 2023
- Positioned as a leader in HFS Horizons: Cards & Payments Services Providers 2023 report
- Positioned as a leader in HFS Horizons: Travel, Hospitality, and Logistics Service Providers, 2023 report
- Positioned as a leader in HFS Horizons: Enterprise Blockchain Services, 2023 report
- Positioned as a leader in Automation in Banking NEAT 2023 by NelsonHall
- Featured in the Constellation ShortList 2023: Customer Experience (CX) Operations Services: Global
- Featured in the Constellation ShortList 2023: Digital Transformation Services (DTX): Global
- Featured in the Constellation ShortList 2023: Public Cloud Transformation Services: Global
- Featured in the Constellation ShortList 2023: AI Services: Global
- Recognized as 2023 Google Cloud Industry Solution Services Partner of the Year - Supply Chain & Logistics and Google Cloud Specialization Partner of the Year for Application Development
- Received the Salesforce 2023 Partner Innovation Award in the industry solution awards category
- Infosys Finacle recognized as the Best Real Time Payments Provider at the MEA Finance Leaders in Payments Conference & Awards 2023
- Infosys Finacle recognized as the Best SaaS Provider of the Year (Software) and as Outstanding Wealth Management Solution by a Vendor at the Global BankTech Awards 2023
- Infosys recognized as a leader in Cyber Security - Solutions and Services 2023 ISG Provider Lens™ study in US, US Public Sector, Australia, and Nordics regions
- Infosys recognized as a leader in Private Hybrid Cloud - Solutions and Services 2023 ISG Provider Lens™ study in US and Australia
- Infosys recognized as a leader in IoT - Services and Solution 2023 ISG Provider Lens™ study in US
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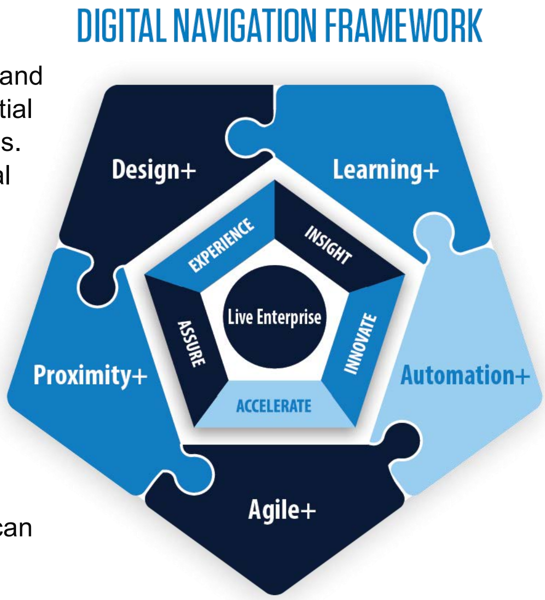

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Infosys Limited and subsidiaries

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

	September 30, 2023	March 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	1,892	1,481
Current investments	913	841
Trade receivables	3,403	3,094
Unbilled revenue	1,692	1,861
Other Current assets	1,379	1,349
Total current assets	**9,279**	**8,626**
Non-current assets		
Property, plant and equipment and Right-of-use assets	2,424	2,516
Goodwill and other Intangible assets	1,058	1,095
Non-current investments	1,414	1,530
Unbilled revenue	171	176
Other non-current assets	1,343	1,369
Total non-current assets	**6,410**	**6,686**
Total assets	**15,689**	**15,312**
LIABILITIES AND EQUITY		
Current liabilities		
Trade payables	386	470
Unearned revenue	844	872
Employee benefit obligations	315	292
Other current liabilities and provisions	3,134	3,135
Total current liabilities	**4,679**	**4,769**
Non-current liabilities		
Lease liabilities	798	859
Other non-current liabilities	441	460
Total non-current liabilities	**1,239**	**1,319**
Total liabilities	**5,918**	**6,088**
Total equity attributable to equity holders of the company	**9,720**	**9,172**
Non-controlling interests	51	52
Total equity	**9,771**	**9,224**
Total liabilities and equity	**15,689**	**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 September 30, 2023	3 months ended September 30, 2022	6 months ended September 30, 2023	6 months ended September 30, 2022
Revenues	**4,718**	**4,555**	**9,334**	**8,999**
Cost of sales	3,271	3,170	6,481	6,315
Gross profit	**1,447**	**1,385**	**2,853**	**2,684**
Operating expenses:				
Selling and marketing expenses	213	185	429	378
Administrative expenses	234	221	463	439
Total operating expenses	447	406	892	817
Operating profit	**1,000**	**979**	**1,961**	**1,867**
Other income, net [3]	60	65	117	145
Profit before income taxes	**1,060**	**1,044**	**2,078**	**2,012**
Income tax expense	309	295	603	574
Net profit (before minority interest)	**751**	**749**	**1,475**	**1,438**
Net profit (after minority interest)	751	748	1,475	1,437
Basic EPS ($)	0.18	0.18	0.36	0.34
Diluted EPS ($)	0.18	0.18	0.36	0.34

NOTES:

1. *The above information is extracted from the audited condensed consolidated Balance sheet and Statement of Comprehensive Income for the quarter and six months ended September 30, 2023, which have been taken on record at the Board meeting held on October 12, 2023.*

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

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

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

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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 September 30, 2023, the Condensed Consolidated Statement of Comprehensive Income for the three months and six months ended on that date, the Condensed Consolidated Statement of Changes in Equity and the Condensed Consolidated Statement of Cash Flows for the six 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 September 30, 2023, their consolidated profit and their consolidated total comprehensive income for the three months and six months ended on that date, their consolidated changes in equity and their consolidated cash flows for the six 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.

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 IAS 34 as issued by the IASB. The respective Boards of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records for safeguarding assets of the Group and for preventing and detecting frauds and other

1.

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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the interim condensed consolidated financial statements by the Directors of the Company, as aforesaid.

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

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

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

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

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

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of 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 the financial statements of such entities included in the interim condensed consolidated financial statements of which we are the independent auditors.

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

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

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

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

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

Place: Bengaluru
Date: October 12, 2023

INFOSYS LIMITED AND SUBSIDIARIES

Condensed Consolidated Financial Statements under International Financial Reporting Standards (IFRS) in US Dollars for the three months and six months ended September 30, 2023

Index	**Page No.**

Infosys Limited and subsidiaries

(Dollars in millions except equity share data)

Condensed Consolidated Balance Sheet as at	Note	September 30, 2023	March 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents	2.1	1,892	1,481
Current investments	2.2	913	841
Trade receivables		3,403	3,094
Unbilled revenue	2.17	1,692	1,861
Prepayments and other current assets	2.4	1,354	1,336
Income tax assets	2.12	5	1
Derivative financial instruments	2.3	20	12
Total current assets		**9,279**	**8,626**
Non-current assets			
Property, plant and equipment	2.7	1,587	1,679
Right-of-use assets	2.8	837	837
Goodwill	2.9	872	882
Intangible assets		186	213
Non-current investments	2.2	1,414	1,530
Unbilled revenue	2.17	171	176
Deferred income tax assets	2.12	105	152
Income tax assets	2.12	836	785
Other non-current assets	2.4	402	432
Total non-current assets		**6,410**	**6,686**
Total assets		**15,689**	**15,312**
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables		386	470
Lease liabilities	2.8	231	151
Derivative financial instruments	2.3	9	10
Current income tax liabilities	2.12	504	412
Unearned revenue		844	872
Employee benefit obligations		315	292
Provisions	2.6	205	159
Other current liabilities	2.5	2,185	2,403
Total current liabilities		**4,679**	**4,769**
Non-current liabilities			
Lease liabilities	2.8	798	859
Deferred income tax liabilities	2.12	124	149
Employee benefit obligations		10	10
Other non-current liabilities	2.5	307	301
Total non-current liabilities		**1,239**	**1,319**
Total liabilities		**5,918**	**6,088**
Equity			
Share capital - ₹5 ($0.16) par value 4,800,000,000 (4,800,000,000) equity shares authorized, issued and outstanding 4,138,825,258 (4,136,387,925) equity shares fully paid up, net of 11,558,862 (12,172,119) treasury shares as at September 30, 2023 (March 31, 2023)	2.18	325	325
Share premium		398	366
Retained earnings		11,850	11,401
Cash flow hedge reserves		4	-
Other reserves		1,515	1,370
Capital redemption reserve		24	24
Other components of equity		(4,396)	(4,314)
Total equity attributable to equity holders of the Company		**9,720**	**9,172**
Non-controlling interests		51	52
Total equity		**9,771**	**9,224**
Total liabilities and equity		**15,689**	**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
October 12, 2023

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		Six months ended	
		September 30, 2023	**September 30, 2022**	**September 30, 2023**	**September 30, 2022**
Revenues	2.16	**4,718**	**4,555**	**9,334**	**8,999**
Cost of sales	2.19	3,271	3,170	6,481	6,315
Gross profit		**1,447**	**1,385**	**2,853**	**2,684**
Operating expenses:					
Selling and marketing expenses	2.19	213	185	429	378
Administrative expenses	2.19	234	221	463	439
Total operating expenses		**447**	**406**	**892**	**817**
Operating profit		**1,000**	**979**	**1,961**	**1,867**
Other income, net	2.19	77	73	145	160
Finance cost		17	8	28	15
Profit before income taxes		**1,060**	**1,044**	**2,078**	**2,012**
Income tax expense	2.12	309	295	603	574
Net profit		**751**	**749**	**1,475**	**1,438**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset, net		(8)	6	3	(4)
Equity instruments through other comprehensive income, net		5	-	5	(1)
		(3)	6	8	(5)
Items that will be reclassified subsequently to profit or loss					
Fair value changes on investments, net		(3)	6	6	(40)
Fair value changes on derivatives designated as cash flow hedge, net		3	(1)	4	2
Exchange differences on translation of foreign operations		(113)	(288)	(97)	(689)
		(113)	(283)	(87)	(727)
Total other comprehensive income/(loss), net of tax		**(116)**	**(277)**	**(79)**	**(732)**
Total comprehensive income		**635**	**472**	**1,396**	**706**
Profit attributable to:					
Owners of the Company		751	748	1,475	1,437
Non-controlling interests		-	1	-	1
		751	**749**	**1,475**	**1,438**
Total comprehensive income attributable to:					
Owners of the Company		635	472	1,397	707
Non-controlling interests		-	-	(1)	(1)
		635	**472**	**1,396**	**706**
Earnings per equity share					
Basic (in $ per share)		0.18	0.18	0.36	0.34
Diluted (in $ per share)		0.18	0.18	0.36	0.34
Weighted average equity shares used in computing earnings per equity share					
Basic (in shares)	2.13	4,138,636,582	4,194,617,942	4,137,939,496	4,194,185,175
Diluted (in shares)	2.13	4,142,819,712	4,199,829,557	4,142,711,523	4,200,026,950

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

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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
October 12, 2023

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 six months ended September 30, 2022											
Net profit	-	-	-	1,437	-	-	-	-	1,437	1	1,438
Remeasurement of the net defined benefit liability/asset, 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	-	-	-	-	-	-	-	(687)	(687)	(2)	(689)
Equity instruments through other comprehensive income, net*	-	-	-	-	-	-	-	(1)	(1)	-	(1)
Fair value changes on investments, net*	-	-	-	-	-	-	-	(40)	(40)	-	(40)
Total comprehensive income for the period	**-**	**-**	**-**	**1,437**	**-**	**-**	**2**	**(732)**	**707**	**(1)**	**706**
Shares issued on exercise of employee stock options (Refer to note 2.11)	1,898,833	-	1	-	-	-	-	-	1	-	1
Employee stock compensation expense (Refer to note 2.11)	-	-	34	-	-	-	-	-	34	-	34
Income tax benefit arising on exercise of stock options	-	-	3	-	-	-	-	-	3	-	3
Transferred from other reserves on utilization	-	-	-	72	(72)	-	-	-	-	-	-
Dividends paid to non controlling interest of subsidiary	-	-	-	-	-	-	-	-	-	(3)	(3)
Dividends#	-	-	-	(856)	-	-	-	-	(856)	-	(856)
Balance as at September 30, 2022	**4,194,911,762**	**328**	**375**	**12,323**	**1,098**	**21**	**3**	**(4,320)**	**9,828**	**49**	**9,877**

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 six months ended September 30, 2023											
Net profit	-	-	-	1,475	-	-	-	-	1,475	-	1,475
Remeasurement of the net defined benefit liability/asset, net*	-	-	-	-	-	-	-	3	3	-	3
Equity instruments through other comprehensive income, net*	-	-	-	-	-	-	-	5	5	-	5
Fair value changes on derivatives designated as cash flow hedge, net*	-	-	-	-	-	-	4	-	4	-	4
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	(96)	(96)	(1)	(97)
Fair value changes on investments, net*	-	-	-	-	-	-	-	6	6	-	6
Total comprehensive income for the period	**-**	**-**	**-**	**1,475**	**-**	**-**	**4**	**(82)**	**1,397**	**(1)**	**1,396**
Shares issued on exercise of employee stock options (Refer to note 2.11)	2,437,333	-	-	-	-	-	-	-	-	-	-
Transferred on account of options not exercised	-	-	(1)	1	-	-	-	-	-	-	-
Employee stock compensation expense (Refer to note 2.11)	-	-	33	-	-	-	-	-	33	-	33
Transferred to other reserves	-	-	-	(184)	184	-	-	-	-	-	-
Transferred from other reserves on utilization	-	-	-	39	(39)	-	-	-	-	-	-
Dividends[#]	-	-	-	(882)	-	-	-	-	(882)	-	(882)
Balance as at September 30, 2023	**4,138,825,258**	**325**	**398**	**11,850**	**1,515**	**24**	**4**	**(4,396)**	**9,720**	**51**	**9,771**

** net of tax*

 # 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 11,558,862 as at September 30, 2023, 12,172,119 as at April 1, 2023, 12,915,777 as at September 30, 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

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
October 12, 2023

Infosys Limited and subsidiaries

Condensed Consolidated Statement of Cash Flows

Accounting Policy

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and 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	Six months ended September 30, 2023	2022
Operating activities:			
Net Profit		1,475	1,438
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation and amortization		284	251
Interest and dividend income		(64)	(71)
Finance cost		28	15
Income tax expense	2.12	603	574
Exchange differences on translation of assets and liabilities, net		-	14
Impairment loss recognized/(reversed) under expected credit loss model		25	12
Stock compensation expense		34	34
Other adjustments		111	36
Changes in working capital			
Trade receivables and unbilled revenue		(213)	(614)
Prepayments and other assets		(33)	(159)
Trade payables		(80)	(1)
Unearned revenue		(18)	79
Other liabilities and provisions		(75)	327
Cash generated from operations		**2,077**	**1,935**
Income taxes paid		(550)	(534)
Net cash generated by operating activities		**1,527**	**1,401**
Investing activities:			
Expenditure on property, plant and equipment and intangibles		(158)	(156)
Deposits placed with Corporation		(77)	(71)
Redemption of deposits placed with Corporation		53	48
Interest and dividend received		59	65
Payment for acquisition of business, net of cash acquired		-	(112)
Payment of contingent consideration pertaining to acquisition of business		(7)	(8)
Payments to acquire Investments			
Liquid mutual funds units		(4,007)	(4,583)
Certificates of deposit		(264)	(634)
Quoted debt securities		(13)	(231)
Commercial paper		(352)	(61)
Other investments		(1)	(2)
Proceeds on sale of investments			
Quoted debt securities		142	205
Certificates of deposit		596	396
Commercial paper		152	25
Liquid mutual funds units		3,796	4,335
Other investments		-	12
Other receipts		16	5
Net cash used in investing activities		**(65)**	**(767)**
Financing activities:			
Payment of lease liabilities		(112)	(67)
Payment of dividends		(883)	(856)
Payment of dividends to non-controlling interests of subsidiary		-	(3)
Shares issued on exercise of employee stock options		-	1
Other payments		(40)	(28)
Other receipts		3	11
Net cash used in financing activities		**(1,032)**	**(942)**
Net increase/(decrease) in cash and cash equivalents		430	(308)
Effect of exchange rate changes on cash and cash equivalents		(19)	(169)
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	**1,892**	**1,828**
Supplementary information:			
Restricted cash balance	2.1	44	57

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

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A.G.S. Manikantha
Company Secretary

Bengaluru
October 12, 2023

INFOSYS LIMITED AND SUBSIDIARIES

Overview and Notes to the Interim Condensed Consolidated Financial Statements

1. Overview

1.1 Company overview

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

Infosys together with its subsidiaries and controlled trusts is 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 October 12, 2023.

1.2 Basis of preparation of financial statements

The interim condensed consolidated financial statements have been prepared in compliance with IAS 34, Interim Financial Reporting as issued by International Accounting Standards Board ("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	
	September 30, 2023	March 31, 2023
Cash and bank deposits	1,891	1,220
Deposits with financial institutions	1	261
Total Cash and cash equivalents	**1,892**	**1,481**

Cash and cash equivalents as at September 30, 2023 and March 31, 2023 include restricted cash and bank balances of $44 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	
	September 30, 2023	March 31, 2023
(i) Current Investments		
Amortized Cost		
Quoted debt securities	18	18
Fair Value through profit or loss		
Liquid mutual fund units	338	119
Fair Value through other comprehensive income		
Quoted Debt Securities	152	179
Certificates of deposits	110	435
Commercial Paper	295	90
Total current investments	**913**	**841**
(ii) Non-current Investments		
Amortized Cost		
Quoted debt securities	212	215
Fair Value through other comprehensive income		
Quoted debt securities	1,103	1,221
Quoted Equity Securities	18	-
Unquoted equity and preference securities	10	24
Fair Value through profit or loss		
Target maturity fund units	50	49
Others[(1)]	21	21
Total non-current investments	**1,414**	**1,530**
Total investments	**2,327**	**2,371**
Investments carried at amortized cost	230	233
Investments carried at fair value through other comprehensive income	1,688	1,949
Investments carried at fair value through profit or loss	409	189

[(1)] *Uncalled capital commitments outstanding as on September 30, 2023 and March 31, 2023 was $11 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	
		September 30, 2023	March 31, 2023
Liquid mutual fund units - carried at fair value through profit or loss	Quoted price	338	119
Target maturity fund units - carried at fair value through profit or loss	Quoted price	50	49
Quoted debt securities- carried at amortized cost	Quoted price and market observable inputs	255	261
Quoted debt securities- carried at fair value through other comprehensive income	Quoted price and market observable inputs	1,255	1,400
Commercial paper - carried at fair value through other comprehensive income	Market observable inputs	295	90
Certificates of deposit - carried at fair value through other comprehensive income	Market observable inputs	110	435
Quoted Equity Securities	Quoted price	18	-
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	21	21
Total		**2,352**	**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 September 30, 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)	1,892	-	-	-	-	1,892	1,892
Investments (Refer to note 2.2)							
Liquid mutual fund units	-	-	338	-	-	338	338
Target maturity fund units	-	-	50	-	-	50	50
Quoted debt securities	230	-	-	-	1,255	1,485	1,510 [(1)]
Certificates of deposit	-	-	-	-	110	110	110
Commercial Papers	-	-	-	-	295	295	295
Quoted equity securities	-	-	-	18	-	18	18
Unquoted equity and preference securities	-	-	-	10	-	10	10
Unquoted investment others	-	-	21	-	-	21	21
Trade receivables	3,403	-	-	-	-	3,403	3,403
Unbilled revenues (Refer to note 2.17)[(3)]	1,040	-	-	-	-	1,040	1,040
Prepayments and other assets (Refer to note 2.4)	660	-	-	-	-	660	652 [(2)]
Derivative financial instruments	-	-	15	-	5	20	20
Total	**7,225**	**-**	**424**	**28**	**1,665**	**9,342**	**9,359**
Liabilities:							
Trade payables	386	-	-	-	-	386	386
Lease liabilities (Refer to note 2.8)	1,029	-	-	-	-	1,029	1,029
Derivative financial instruments	-	-	9	-	-	9	9
Financial liability under option arrangements (Refer to note 2.5)	-	-	75	-	-	75	75
Other liabilities including contingent consideration (Refer to note 2.5)	1,961	-	5	-	-	1,966	1,966
Total	**3,376**	**-**	**89**	**-**	**-**	**3,465**	**3,465**

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

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

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

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 September 30, 2023 is as follows:

(Dollars in millions)

Particulars	As at September 30, 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	338	338	-	-
Investments in target maturity fund units	50	50	-	-
Investments in quoted debt securities	1,510	1,453	57	-
Investments in certificates of deposit	110	-	110	-
Investments in commercial paper	295	-	295	-
Quoted equity securities	18	18	-	-
Investments in unquoted equity and preference securities	10	-	-	10
Investments in unquoted investments others	21	-	-	21
Others				
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts	20	-	20	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts	9	-	9	-
Financial liability under option arrangements (Refer to note 2.5)(1)	75	-	-	75
Liability towards contingent consideration (Refer to note 2.5)(1)	5	-	-	5

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

During the six months ended September 30, 2023, quoted debt securities of $280 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 $9 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	
	September 30, 2023	March 31, 2023
Current		
Rental deposits[1]	4	4
Security deposits[1]	1	1
Loans to employees[1]	30	35
Prepaid expenses[2]	387	334
Interest accrued and not due[1]	56	59
Withholding taxes and others[2]	348	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]	57	104
Cost of fulfillment[2]	30	21
Net investment in sublease of right-of-use asset[1]	1	6
Other non financial assets[2]	25	32
Other financial assets[1]	101	31
Total Current prepayment and other assets	**1,354**	**1,336**
Non-current		
Loans to employees[1]	5	5
Security deposits[1]	6	6
Deposit with corporations[1][3]	13	12
Defined benefit plan assets[2]	4	4
Prepaid expenses[2]	41	41
Deferred contract cost[2]		
Cost of obtaining a contract [2][4]	20	23
Cost of fulfillment[2]	91	79
Withholding taxes and others[2]	82	83
Net investment in sublease of right-of-use asset[1]	1	37
Rental deposits[1]	29	29
Other non financial assets[2]	2	-
Other financial assets[1]	108	113
Total Non- current prepayment and other assets	**402**	**432**
Total prepayment and other assets	**1,756**	**1,768**
[1] Financial assets carried at amortized cost	660	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 September 30, 2023, the financial liability pertaining to such arrangements amounts to $64 million. (Refer to note 2.5)

2.5 Other liabilities

Other liabilities comprise the following:

(Dollars in millions)

Particulars	As at	
	September 30, 2023	March 31, 2023
Current		
Accrued compensation to employees[(1)]	549	508
Accrued expenses[(1)]	921	949
Accrued defined benefit liability[(3)]	1	-
Withholding taxes and others[(3)]	391	442
Retention money[(1)]	2	2
Liabilities of controlled trusts[(1)]	26	26
Deferred income - government grants[(3)]	1	4
Liability towards contingent consideration[(2)]	5	12
Capital Creditors[(1)]	25	82
Financial liability under option arrangements[(2)#]	75	73
Other financial liabilities[(1)(4)]	189	305
Total current other liabilities	**2,185**	**2,403**
Non-current		
Accrued compensation to employees[(1)]	1	1
Accrued expenses[(1)]	229	198
Accrued defined benefit liability [(3)]	48	54
Deferred income - government grants[(3)]	8	5
Deferred income[(3)]	1	1
Other non-financial liabilities[(3)]	1	1
Other financial liabilities[(1)(4)]	19	41
Total non-current other liabilities	**307**	**301**
Total other liabilities	**2,492**	**2,704**
[(1)] Financial liability carried at amortized cost	1,961	2,112
[(2)] Financial liability carried at fair value through profit or loss	80	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 September 30, 2023, the financial liability pertaining to such arrangements amounts to $64 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

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	
	September 30, 2023	**March 31, 2023**
Post sales client support and other provisions	205	159
Total provisions	**205**	**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 September 30, 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 $89 million (₹736 crore) and $85 million (₹700 crore), respectively.

Legal proceedings

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

2.7 Property, plant and equipment

Accounting Policy

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

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

(1) *Includes solar plant with a useful life of 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 September 30, 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 July 1, 2023	**174**	**1,403**	**627**	**1,033**	**411**	**5**	**3,653**
Additions	-	-	7	19	8	-	34
Deletions*	-	-	(2)	(16)	(2)	-	(20)
Translation difference	(2)	(15)	(9)	(13)	(6)	1	(44)
Gross carrying value as at September 30, 2023	**172**	**1,388**	**623**	**1,023**	**411**	**6**	**3,623**
Accumulated depreciation as at July 1, 2023	**-**	**(564)**	**(477)**	**(722)**	**(308)**	**(5)**	**(2,076)**
Depreciation	-	(14)	(15)	(42)	(12)	-	(83)
Accumulated depreciation on deletions*	-	-	2	16	2	-	20
Translation difference	-	6	7	9	4	-	26
Accumulated depreciation as at September 30, 2023	**-**	**(572)**	**(483)**	**(739)**	**(314)**	**(5)**	**(2,113)**
Capital work-in progress as at July 1, 2023							61
Carrying value as at July 1, 2023	**174**	**839**	**150**	**311**	**103**	**-**	**1,638**
Capital work-in progress as at September 30, 2023							77
Carrying value as at September 30, 2023	**172**	**816**	**140**	**284**	**97**	**1**	**1,587**

The changes in the carrying value of property, plant and equipment for the three months ended September 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 July 1, 2022	**181**	**1,436**	**634**	**1,113**	**414**	**6**	**3,784**
Additions - Business Combination	-	-	-	1	-	-	1
Additions	-	1	6	42	9	-	58
Deletions*	-	-	(2)	(27)	(1)	-	(30)
Translation difference	(5)	(44)	(20)	(35)	(13)	(1)	(118)
Gross carrying value as at September 30, 2022	**176**	**1,393**	**618**	**1,094**	**409**	**5**	**3,695**
Accumulated depreciation as at July 1, 2022	**-**	**(532)**	**(474)**	**(793)**	**(318)**	**(5)**	**(2,122)**
Depreciation	-	(14)	(16)	(40)	(11)	-	(81)
Accumulated depreciation on deletions*	-	-	2	27	1	-	30
Translation difference	-	16	16	24	10	-	66
Accumulated depreciation as at September 30, 2022	**-**	**(530)**	**(472)**	**(782)**	**(318)**	**(5)**	**(2,107)**
Capital work-in progress as at July 1, 2022							-
Carrying value as at July 1, 2022	**181**	**904**	**160**	**320**	**96**	**1**	**1,662**
Capital work-in progress as at September 30, 2022							59
Carrying value as at September 30, 2022	**176**	**863**	**146**	**312**	**91**	**-**	**1,647**

The changes in the carrying value of property, plant and equipment for the six months ended September 30, 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	-	1	14	46	13	-	74
Deletions*	-	-	(8)	(48)	(6)	-	(62)
Translation difference	(2)	(20)	(8)	(12)	(5)	-	(47)
Gross carrying value as at September 30, 2023	**172**	**1,388**	**623**	**1,023**	**411**	**6**	**3,623**
Accumulated depreciation as at April 1, 2023	**-**	**(552)**	**(468)**	**(709)**	**(300)**	**(5)**	**(2,034)**
Depreciation	-	(27)	(29)	(86)	(24)	-	(166)
Accumulated depreciation on deletions*	-	-	8	48	5	-	61
Translation difference	-	7	6	8	5	-	26
Accumulated depreciation as at September 30, 2023	**-**	**(572)**	**(483)**	**(739)**	**(314)**	**(5)**	**(2,113)**
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 September 30, 2023							77
Carrying value as at September 30, 2023	**172**	**816**	**140**	**284**	**97**	**1**	**1,587**

* During each of the three months ended and six months ended September 30, 2023, certain assets which were not in use having gross book value of $16 million (net book value: Nil) and $55 million (net book value: Nil) respectively, were retired.

The changes in the carrying value of property, plant and equipment for the six months ended September 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	-	18	17	85	21	-	141
Additions - Business Combination	-	-	1	1	-	-	2
Deletions*	-	-	(5)	(36)	(4)	-	(45)
Translation difference	(12)	(106)	(48)	(81)	(31)	(1)	(279)
Gross carrying value as at September 30, 2022	**176**	**1,393**	**618**	**1,094**	**409**	**5**	**3,695**
Accumulated depreciation as at April 1, 2022	**-**	**(541)**	**(484)**	**(796)**	**(324)**	**(5)**	**(2,150)**
Depreciation	-	(28)	(30)	(79)	(22)	-	(159)
Accumulated depreciation on deletions*	-	-	5	36	4	-	45
Translation difference	-	39	37	57	24	-	157
Accumulated depreciation as at September 30, 2022	**-**	**(530)**	**(472)**	**(782)**	**(318)**	**(5)**	**(2,107)**
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 September 30, 2022							59
Carrying value as at September 30, 2022	**176**	**863**	**146**	**312**	**91**	**-**	**1,647**

* During each of the three months ended and six months ended September 30, 2022, certain assets which were not in use having gross book value of $11 million (net book value: Nil) and $29 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 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 $84 million and $117 million as at September 30, 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 September 30, 2023:

(Dollars in millions)

Particulars	**Category of ROU asset**				**Total**
	Land	**Buildings**	**Vehicles**	**Computers**	
Balance as of July 1, 2023	**75**	**481**	**2**	**301**	**859**
Additions*	-	8	1	50	59
Deletions	-	(4)	-	(21)	(25)
Depreciation	-	(22)	(1)	(24)	(47)
Translation difference	(1)	(4)	-	(4)	(9)
Balance as of September 30, 2023	**74**	**459**	**2**	**302**	**837**

* *Net of adjustments on account of modifications*

Following are the changes in the carrying value of right-of-use assets for the three months ended September 30, 2022:

(Dollars in millions)

Particulars	**Category of ROU asset**				**Total**
	Land	**Buildings**	**Vehicles**	**Computers**	
Balance as of July 1, 2022	**79**	**501**	**2**	**87**	**669**
Additions*	-	8	1	80	89
Deletions	-	-	-	(10)	(10)
Depreciation	-	(21)	(1)	(12)	(34)
Translation difference	(2)	(16)	-	(4)	(22)
Balance as of September 30, 2022	**77**	**472**	**2**	**141**	**692**

* *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 six months ended September 30, 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*	-	38	1	118	157
Deletions	-	(5)	-	(49)	(54)
Depreciation	-	(44)	(1)	(48)	(93)
Translation difference	(2)	(4)	-	(4)	(10)
Balance as of September 30, 2023	**74**	**459**	**2**	**302**	**837**

* *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 six months ended September 30, 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*	-	62	1	126	189
Deletions	-	-	-	(20)	(20)
Depreciation	-	(42)	(1)	(20)	(63)
Translation difference	(6)	(37)	-	(7)	(50)
Balance as of September 30, 2022	**77**	**472**	**2**	**141**	**692**

* *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 September 30, 2023 and March 31, 2023:

(Dollars in millions)

Particulars	As at	
	September 30, 2023	March 31, 2023
Current lease liabilities	231	151
Non-current lease liabilities	798	859
Total	**1,029**	**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	
	September 30, 2023	**March 31, 2023**
Carrying value at the beginning	**882**	**817**
Goodwill on acquisitions	-	79
Translation differences	(10)	(14)
Carrying value at the end	**872**	**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.

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 11,558,862 and 12,172,119 shares as at September 30, 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 September 30, 2023 and March 31, 2023, respectively.

The following is the summary of grants during three months and six months ended September 30, 2023 and September 30, 2022:

Particulars	2019 Plan				2015 Plan			
	Three months ended September 30,		Six months ended September 30,		Three months ended September 30,		Six months ended September 30,	
	2023	2022	2023	2022	2023	2022	2023	2022
Equity settled RSUs								
Key Management Personnel (KMP)	-	-	78,281	176,893	-	185,358	333,596	287,325
Employees other than KMP	-	-	-	370,960	23,780	-	28,280	-
Total Grants	**-**	**-**	**78,281**	**547,853**	**23,780**	**185,358**	**361,876**	**287,325**

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 September 30, 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 six months ended September 30, 2023, based on recommendations of Nomination and Remuneration Committee, the Board approved 6,774 performance based RSUs to a KMP under the 2015 plan. The performance based RSUs will vest over three years based on certain performance targets.

The break-up of employee stock compensation expense is as follows:

(Dollars in millions)

Particulars	Three months ended September 30,		Six months ended September 30,	
	2023	2022	2023	2022
Granted to:				
KMP	2	3	4	5
Employees other than KMP	14	14	30	29
Total [(1)]	**16**	**17**	**34**	**34**
[(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)	1,278	16.80	1,525	18.08
Exercise price (₹)/ ($ ADS)	5.00	0.07	5.00	0.07
Expected volatility (%)	23-31	26-33	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)	1,114	15.51	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 September 30,		Six months ended September 30,	
	2023	**2022**	**2023**	**2022**
Current taxes				
Domestic taxes	213	233	421	448
Foreign taxes	88	76	161	163
	301	**309**	**582**	**611**
Deferred taxes				
Domestic taxes	22	-	45	3
Foreign taxes	(14)	(14)	(24)	(40)
	8	**(14)**	**21**	**(37)**
Income tax expense	**309**	**295**	**603**	**574**

Income tax expense for the three months ended September 30, 2023 and September 30, 2022 includes reversals (net of provisions) of $7 million and provisions (net of reversals) of $1 million, respectively. Income tax expense for the six months ended September 30, 2023 and September 30, 2022 includes reversals (net of provisions) of $9 million and provisions (net of reversals) of $5 million, respectively. These provisions and reversals pertaining to prior periods are primarily on account of adjudication of certain disputed matters, upon filing of tax return and completion of assessments, across various jurisdictions.

Deferred income tax for the three months and six months ended September 30, 2023 and September 30, 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 September 30, 2023, claims against the Group not acknowledged as debts from the Income tax authorities amounted to $520 million (₹4,317 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 $798 million (₹6,627 crore) and $794 million (₹6,528 crore) as at September 30, 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 six months ended September 30, 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.
- Kaleidoscope Prototyping LLC, a Wholly-owned subsidiary of Kaleidoscope Animations, Inc. is under liquidation.
- oddity GmbH renamed as WongDoody GmbH (formerly known as oddity 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.

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)

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)

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 September 30		Six months ended September 30	
	2023	2022	2023	2022
Salaries and other short term employee benefits to whole-time directors and executive officers[(1)(2)]	3	5	7	9
Commission and other benefits to non-executive/ independent directors	1	1	1	1
Total	**4**	**6**	**8**	**10**

[(1)] Total employee stock compensation expense for the three months ended September 30, 2023 and September 30, 2022 includes a charge of $2 million and $3 million respectively, towards key management personnel. For the six months ended September 30, 2023 and September 30, 2022, includes a charge of $4 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 September 30, 2023 and September 30, 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	716	540	598	676	369	369	155	4,718
	1,390	*647*	*561*	*561*	*583*	*370*	*306*	*137*	*4,555*
Identifiable operating expenses	737	396	317	324	439	211	216	96	2,736
	801	*332*	*345*	*304*	*382*	*220*	*176*	*87*	*2,647*
Allocated expenses	246	117	98	112	111	63	57	37	841
	239	*118*	*97*	*101*	*103*	*60*	*50*	*33*	*801*
Segment Profit	**312**	**203**	**125**	**162**	**126**	**95**	**96**	**22**	**1,141**
	350	*197*	*119*	*156*	*98*	*90*	*80*	*17*	*1,107*
Unallocable expenses									141
									128
Operating profit									1,000
									979
Other income, net *(Refer to note 2.19)*									77
									73
Finance Cost									17
									8
Profit before income taxes									**1,060**
									1,044
Income tax expense									309
									295
Net profit									**751**
									749
Depreciation and amortization									**141**
									128
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*

For the six months ended September 30, 2023 and September 30, 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	2,593	1,387	1,080	1,193	1,327	741	703	310	9,334
	2,752	*1,292*	*1,137*	*1,110*	*1,120*	*733*	*597*	*258*	*8,999*
Identifiable operating expenses	1,485	745	638	651	868	424	409	195	5,415
	1,557	*658*	*715*	*598*	*765*	*436*	*348*	*172*	*5,249*
Allocated expenses	486	241	197	223	214	125	112	76	1,674
	491	*240*	*200*	*209*	*208*	*120*	*100*	*64*	*1,632*
Segment Profit	**622**	**401**	**245**	**319**	**245**	**192**	**182**	**39**	**2,245**
	704	*394*	*222*	*303*	*147*	*177*	*149*	*22*	*2,118*
Unallocable expenses									284
									251
Operating profit									1,961
									1,867
Other income, net *(Refer to note 2.19)*									145
									160
Finance Cost									28
									15
Profit before income taxes									**2,078**
									2,012
Income tax expense									603
									574
Net profit									**1,475**
									1,438
Depreciation and amortization									**284**
									251
Non-cash expenses other than depreciation and amortization									**-**
									-

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

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

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

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

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

2.15.2 Significant clients

No client individually accounted for more than 10% of the Revenue for the three months and six months ended September 30, 2023 and September 30, 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 six months ended September 30, 2023 and September 30, 2022 is as follows:

(Dollars in millions)

Particulars	Three months ended September 30,		Six months ended September 30,	
	2023	2022	2023	2022
Revenue from software services	4,443	4,267	8,792	8,429
Revenue from products and platforms	275	288	542	570
Total revenue from operations	**4,718**	**4,555**	**9,334**	**8,999**

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 six months ended September 30, 2023 and September 30, 2022

(Dollars in millions)

Particulars	Three months ended September 30,		Six months ended September 30,	
	2023	2022	2023	2022
Revenues by Geography*				
North America	2,881	2,847	5,690	5,594
Europe	1,249	1,127	2,484	2,241
India	134	133	258	247
Rest of the world	454	448	902	917
Total	**4,718**	**4,555**	**9,334**	**8,999**

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

The percentage of revenue from fixed-price contracts for the quarter ended September 30, 2023 and September 30, 2022 is 53% and 52%, respectively. The percentage of revenue from fixed-price contracts for each of the six months ended September 30, 2023 and September 30, 2022 is 52%.

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	
	September 30, 2023	March 31, 2023
Unbilled financial asset [(1)]	1,040	1,157
Unbilled non financial asset [(2)]	823	880
Total	**1,863**	**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 September 30, 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	Six months ended September 30, 2023		Six months ended September 30, 2022	
	in ₹	in US Dollars	in ₹	in US Dollars
Final dividend for fiscal 2022	-	-	16.00	0.21
Final dividend for fiscal 2023	17.50	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/- per equity share (approximately $0.22 per equity share) which would result in a net cash outflow of approximately ₹7,450 crore ($897 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 11,558,862 shares and 12,172,119 shares were held by controlled trust, as at September 30, 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 September 30		Six months ended September 30	
	2023	2022	2023	2022
Employee benefit costs	2,267	2,202	4,547	4,347
Depreciation and amortization	141	128	284	251
Travelling costs	38	33	77	66
Cost of technical sub-contractors	372	461	752	965
Cost of software packages for own use	60	57	117	109
Third party items bought for service delivery to clients	345	253	617	507
Short-term leases (Refer to note 2.8)	1	1	2	2
Consultancy and professional charges	4	4	8	8
Communication costs	11	12	21	24
Repairs and maintenance	14	11	28	26
Provision for post-sales client support	14	7	20	9
Others	4	1	8	1
Total	**3,271**	**3,170**	**6,481**	**6,315**

Selling and marketing expenses

(Dollars in millions)

Particulars	Three months ended September 30		Six months ended September 30	
	2023	2022	2023	2022
Employee benefit costs	168	147	336	293
Travelling costs	9	8	20	17
Branding and marketing	28	23	60	51
Consultancy and professional charges	5	4	8	8
Communication costs	1	-	1	1
Others	2	3	4	8
Total	**213**	**185**	**429**	**378**

Administrative expenses

(Dollars in millions)

Particulars	Three months ended September 30		Six months ended September 30	
	2023	2022	2023	2022
Employee benefit costs	82	77	163	153
Consultancy and professional charges	38	47	73	98
Repairs and maintenance	30	27	60	55
Power and fuel	6	5	12	10
Communication costs	11	11	22	21
Travelling costs	6	5	13	11
Rates and taxes	8	9	20	18
Short-term leases (Refer to note 2.8)	2	1	3	3
Insurance charges	7	6	13	11
Commission to non-whole time directors	1	1	1	1
Impairment loss recognized/(reversed) under expected credit loss model	14	6	25	12
Contribution towards Corporate Social Responsibility	17	14	26	22
Others	12	12	32	24
Total	**234**	**221**	**463**	**439**

Other income for the three months and six months ended September 30, 2023 and September 30, 2022 is as follows:

(Dollars in millions)

Particulars	Three months ended September 30		Six months ended September 30	
	2023	2022	2023	2022
Interest income on financial assets carried at amortized cost	33	27	67	59
Interest income on financial assets carried at fair value through other comprehensive income	26	30	55	61
Gain/(loss) on investments carried at fair value through profit or loss	6	4	12	5
Exchange gains / (losses) on forward and options contracts	(9)	(17)	8	(54)
Exchange gains / (losses) on translation of other assets and liabilities	15	23	(2)	76
Others	6	6	5	13
Total	**77**	**73**	**145**	**160**

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
October 12, 2023

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 September 30, 2023, the Condensed Consolidated Statement of Comprehensive Income for the three months and six months ended on that date, the Condensed Consolidated Statement of Changes in Equity and the Condensed Consolidated Statement of Cash Flows for the six 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 September 30, 2023, their consolidated profit and their consolidated total comprehensive income for the three months and six months ended on that date, their consolidated changes in equity and their consolidated cash flows for the six 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.

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

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

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

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

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

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

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of 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 the financial statements of such entities included in the interim condensed consolidated financial statements of which we are the independent auditors.

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

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

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

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

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

Place: Bengaluru
Date: October 12, 2023

INFOSYS LIMITED AND SUBSIDIARIES

Condensed Consolidated Financial Statements under International Financial Reporting Standards (IFRS) in Indian Rupee for the three months and six months ended September 30, 2023

Index — **Page No.**

Infosys Limited and subsidiaries

(In ₹ crore except equity share data)

Condensed Consolidated Balance Sheet as at	Note	September 30, 2023	March 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents	2.1	15,713	12,173
Current investments	2.2	7,579	6,909
Trade receivables		28,261	25,424
Unbilled revenue	2.17	14,054	15,289
Prepayments and other current assets	2.4	11,247	10,979
Income tax assets	2.12	42	6
Derivative financial instruments	2.3	171	101
Total current assets		**77,067**	**70,881**
Non-current assets			
Property, plant and equipment	2.7	13,179	13,793
Right-of-use assets	2.8	6,950	6,882
Goodwill	2.9	7,240	7,248
Intangible assets		1,547	1,749
Non-current investments	2.2	11,744	12,569
Unbilled revenue	2.17	1,419	1,449
Deferred income tax assets	2.12	868	1,245
Income tax assets	2.12	6,945	6,453
Other non-current assets	2.4	3,340	3,547
Total non-current assets		**53,232**	**54,935**
Total assets		**130,299**	**125,816**
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables		3,203	3,865
Lease liabilities	2.8	1,920	1,242
Derivative financial instruments	2.3	77	78
Current income tax liabilities	2.12	4,188	3,384
Unearned revenue		7,011	7,163
Employee benefit obligations		2,613	2,399
Provisions	2.6	1,702	1,307
Other current liabilities	2.5	18,143	19,748
Total current liabilities		**38,857**	**39,186**
Non-current liabilities			
Lease liabilities	2.8	6,626	7,057
Deferred income tax liabilities	2.12	1,028	1,220
Employee benefit obligations		82	83
Other non-current liabilities	2.5	2,552	2,475
Total non-current liabilities		**10,288**	**10,835**
Total liabilities		**49,145**	**50,021**
Equity			
Share capital - ₹5 par value 4,800,000,000 (4,800,000,000) equity shares authorized, issued and outstanding 4,138,825,258 (4,136,387,925) equity shares fully paid up, net of 11,558,862 (12,172,119) treasury shares as at September 30, 2023 (March 31, 2023)	2.18	2,070	2,069
Share premium		1,333	1,065
Retained earnings		63,789	60,063
Cash flow hedge reserves		24	(5)
Other reserves		11,209	10,014
Capital redemption reserve		169	169
Other components of equity		2,174	2,032
Total equity attributable to equity holders of the Company		**80,768**	**75,407**
Non-controlling interests		386	388
Total equity		**81,154**	**75,795**
Total liabilities and equity		**130,299**	**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
October 12, 2023

Infosys Limited and subsidiaries

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

Condensed Consolidated Statement of Comprehensive Income for the	Note	Three months ended September 30,		Six months ended September 30,	
		2023	2022	2023	2022
Revenues	2.16	**38,994**	**36,538**	**76,927**	**71,008**
Cost of sales	2.19	27,031	25,412	53,412	49,781
Gross profit		**11,963**	**11,126**	**23,515**	**21,227**
Operating expenses					
Selling and marketing expenses	2.19	1,754	1,486	3,538	2,979
Administrative expenses	2.19	1,935	1,767	3,812	3,462
Total operating expenses		3,689	3,253	7,350	6,441
Operating profit		**8,274**	**7,873**	**16,165**	**14,786**
Other income, net	2.19	632	584	1,193	1,260
Finance cost		138	66	228	121
Profit before income taxes		**8,768**	**8,391**	**17,130**	**15,925**
Income tax expense	2.12	2,553	2,365	4,970	4,537
Net profit		**6,215**	**6,026**	**12,160**	**11,388**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset, net		(64)	40	23	(46)
Equity instruments through other comprehensive income, net	2.2	40	4	40	7
		(24)	44	63	(39)
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedge, net		23	(12)	29	14
Exchange differences on translation of foreign operations		5	(14)	21	39
Fair value changes on investments, net	2.2	(20)	26	55	(346)
		8	-	105	(293)
Total other comprehensive income/(loss), net of tax		**(16)**	**44**	**168**	**(332)**
Total comprehensive income		**6,199**	**6,070**	**12,328**	**11,056**
Profit attributable to:					
Owners of the Company		6,212	6,021	12,157	11,381
Non-controlling interests		3	5	3	7
		6,215	**6,026**	**12,160**	**11,388**
Total comprehensive income attributable to:					
Owners of the Company		6,196	6,068	12,328	11,054
Non-controlling interests		3	2	-	2
		6,199	**6,070**	**12,328**	**11,056**
Earnings per equity share					
Equity shares of par value ₹5/- each					
Basic (in ₹ per share)		15.01	14.35	29.38	27.13
Diluted (in ₹ per share)		14.99	14.34	29.34	27.10
Weighted average equity shares used in computing earnings per equity share					
Basic (in shares)	2.13	4,138,636,582	4,194,617,942	4,137,939,496	4,194,185,175
Diluted (in shares)	2.13	4,142,819,712	4,199,829,557	4,142,711,523	4,200,026,950

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

As per our report of even date attached

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

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

Sanjiv V. Pilgaonkar
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Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
October 12, 2023

Infosys Limited and subsidiaries

(In ₹ crore except equity share data)

Condensed Consolidated Statement of Changes in Equity	**Number of Shares(1)**	**Share capital**	**Share premium**	**Retained earnings**	**Other reserves(2)**	**Capital redemption reserve**	**Other components of equity**	**Cash flow hedge reserve**	**Total equity attributable to equity holders of the Company**	**Non-controlling interest**	**Total equity**
Balance as at April 1, 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**
Net profit	-	-	-	11,381	-	-	-	-	11,381	7	11,388
Remeasurement of the net defined benefit liability/asset, net*	-	-	-	-	-	-	(46)	-	(46)	-	(46)
Fair value changes on derivatives designated as Cash flow hedge, net*	-	-	-	-	-	-	-	14	14	-	14
Exchange differences on translation of foreign operations	-	-	-	-	-	-	44	-	44	(5)	39
Equity instruments through other comprehensive income, net*	-	-	-	-	-	-	7	-	7	-	7
Fair value changes on investments, net*	-	-	-	-	-	-	(346)	-	(346)	-	(346)
Total comprehensive income for the period	**-**	**-**	**-**	**11,381**	**-**	**-**	**(341)**	**14**	**11,054**	**2**	**11,056**
Shares issued on exercise of employee stock options (Refer to note 2.11)	1,898,833	1	6	-	-	-	-	-	7	-	7
Employee stock compensation expense (Refer to note 2.11)	-	-	270	-	-	-	-	-	270	-	270
Income tax benefit arising on exercise of stock options (Refer to note 2.12)	-	-	30	-	-	-	-	-	30	-	30
Transfer on account of options not exercised	-	-	(2)	2	-	-	-	-	-	-	-
Transferred from other reserves on utilization	-	-	-	577	(577)	-	-	-	-	-	-
Dividends paid to non controlling interest of subsidiary	-	-	-	-	-	-	-	-	-	(22)	(22)
Dividends#	-	-	-	(6,711)	-	-	-	-	(6,711)	-	(6,711)
Balance as at September 30, 2022	**4,194,911,762**	**2,099**	**1,131**	**67,653**	**7,762**	**139**	**1,181**	**16**	**79,981**	**366**	**80,347**

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 six months ended September 30, 2023											
Net profit	-	-	-	12,157	-	-	-	-	12,157	3	12,160
Remeasurement of the net defined benefit liability/asset, net*	-	-	-	-	-	-	23	-	23	-	23
Equity instruments through other comprehensive income, net*	-	-	-	-	-	-	40	-	40	-	40
Fair value changes on derivatives designated as cash flow hedge, net*	-	-	-	-	-	-	-	29	29	-	29
Exchange differences on translation of foreign operations	-	-	-	-	-	-	24	-	24	(3)	21
Fair value changes on investments, net*	-	-	-	-	-	-	55	-	55	-	55
Total comprehensive income for the period	**-**	**-**	**-**	**12,157**	**-**	**-**	**142**	**29**	**12,328**	**-**	**12,328**
Shares issued on exercise of employee stock options (Refer to note 2.11)	2,437,333	1	2	-	-	-	-	-	3	-	3
Transferred on account of options not exercised	-	-	(6)	6	-	-	-	-	-	-	-
Employee stock compensation expense (Refer to note 2.11)	-	-	272	-	-	-	-	-	272	-	272
Transferred to other reserves	-	-	-	(1,520)	1,520	-	-	-	-	-	-
Transferred from other reserves on utilization	-	-	-	325	(325)	-	-	-	-	-	-
Dividends paid to non controlling interest of subsidiary	-	-	-	-	-	-	-	-	-	(2)	(2)
Dividends[#]	-	-	-	(7,242)	-	-	-	-	(7,242)	-	(7,242)
Balance as at September 30, 2023	**4,138,825,258**	**2,070**	**1,333**	**63,789**	**11,209**	**169**	**2,174**	**24**	**80,768**	**386**	**81,154**

* *net of tax*

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

[#] *net of treasury shares*

[(1)] *excludes treasury shares of 11,558,862 as at September 30, 2023, 12,172,119 as at April 1, 2023, 12,915,777 as at September 30, 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
October 12, 2023

Infosys Limited and subsidiaries

Condensed Consolidated Statement of Cash Flows

Accounting Policy

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

(In ₹ crore)

Particulars		Six months ended September 30,	
	Note	2023	2022
Operating activities:			
Net Profit		12,160	11,388
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation and amortization		2,339	1,979
Income tax expense	2.12	4,970	4,537
Finance cost		228	121
Interest and dividend income		(526)	(564)
Exchange differences on translation of assets and liabilities, net		(1)	131
Impairment loss recognised/(reversed) under expected credit loss model		206	91
Stock compensation expense		279	269
Other adjustments		906	281
Changes in working capital			
Trade receivables and unbilled revenue		(1,751)	(4,864)
Prepayments and other assets		(259)	(1,254)
Trade payables		(661)	(9)
Unearned revenue		(152)	625
Other liabilities and provisions		(616)	2,588
Cash generated from operations		**17,122**	**15,319**
Income taxes paid		(4,538)	(4,227)
Net cash generated by operating activities		**12,584**	**11,092**
Investing activities:			
Expenditure on property, plant and equipment and intangibles		(1,299)	(1,234)
Deposits placed with corporation		(636)	(564)
Redemption of deposits placed with corporation		439	384
Interest and dividend received		495	514
Payment for acquisition of business, net of cash acquired		-	(904)
Payment of contingent consideration pertaining to acquisition of business		(59)	(60)
Payments to acquire Investments			
- Quoted debt securities		(104)	(1,831)
- Liquid mutual fund units		(33,038)	(36,310)
- Certificates of deposit		(2,179)	(5,024)
- Commercial paper		(2,903)	(482)
- Other investments		(5)	(18)
Proceeds on sale of investments			
- Other investments		-	99
- Quoted debt securities		1,174	1,627
- Liquid mutual fund units		31,292	34,336
- Certificates of deposit		4,912	3,138
- Commercial paper		1,254	200
Other receipts		127	40
Net cash (used)/generated in investing activities		**(530)**	**(6,089)**
Financing activities:			
Payment of lease liabilities		(920)	(527)
Payment of dividends		(7,246)	(6,711)
Payment of dividends to non-controlling interests of subsidiary		(2)	(22)
Other payments		(334)	(220)
Other receipts		20	84
Shares issued on exercise of employee stock options		3	7
Net cash used in financing activities		**(8,479)**	**(7,389)**
Net increase/(decrease) in cash and cash equivalents		3,575	(2,386)
Effect of exchange rate changes on cash and cash equivalents		(35)	(217)
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	**15,713**	**14,869**
Supplementary information:			
Restricted cash balance	2.1	365	465

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
October 12, 2023

INFOSYS LIMITED AND SUBSIDIARIES

Overview and Notes to the Interim Condensed Consolidated Financial Statements

1. Overview

1.1 Company overview

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

Infosys together with its subsidiaries and controlled trusts is 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 October 12, 2023.

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	
	September 30, 2023	March 31, 2023
Cash and bank deposits	15,703	10,026
Deposits with financial institutions	10	2,147
Total Cash and cash equivalents	**15,713**	**12,173**

Cash and cash equivalents as at September 30, 2023 and March 31, 2023 include restricted cash and bank balances of ₹365 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	
	September 30, 2023	March 31, 2023
(i) Current Investments		
Amortized Cost		
Quoted debt securities	150	150
Fair Value through profit or loss		
Liquid mutual fund units	2,810	975
Fair Value through other comprehensive income		
Quoted Debt Securities	1,260	1,468
Commercial Papers	2,448	742
Certificate of Deposit	911	3,574
Total current investments	**7,579**	**6,909**
(ii) Non-current Investments		
Amortized Cost		
Quoted debt securities	1,765	1,770
Fair Value through other comprehensive income		
Quoted debt securities	9,163	10,032
Quoted equity securities	148	-
Unquoted equity and preference securities	80	196
Fair Value through profit or loss		
Target maturity fund units	415	402
Others(1)	173	169
Total non-current investments	**11,744**	**12,569**
Total investments	**19,323**	**19,478**
Investments carried at amortized cost	1,915	1,920
Investments carried at fair value through other comprehensive income	14,010	16,012
Investments carried at fair value through profit or loss	3,398	1,546

(1) *Uncalled capital commitments outstanding as at September 30, 2023 and March 31, 2023 was ₹87 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	
		September 30, 2023	March 31, 2023
Liquid mutual fund units - carried at fair Value through profit or loss	Quoted price	2,810	975
Target maturity fund units - carried at fair Value through profit or loss	Quoted price	415	402
Quoted debt securities- carried at amortized cost	Quoted price and market observable inputs	2,120	2,148
Quoted debt securities- carried at fair value through other comprehensive income	Quoted price and market observable inputs	10,423	11,500
Commercial Papers- carried at fair value through other comprehensive income	Market observable inputs	2,448	742
Certificates of Deposit- carried at fair value through other comprehensive income	Market observable inputs	911	3,574
Quoted Equity securities	Quoted price	148	-
Unquoted equity and preference securities - carried at fair value through other comprehensive income	Discounted cash flows method, Market multiples method, Option pricing model	80	196
Others - carried at fair Value through profit or loss	Discounted cash flows method, Market multiples method, Option pricing model	173	169
Total		**19,528**	**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 September 30, 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)	15,713	-	-	-	-	15,713	15,713
Investments (Refer to note 2.2)							
Liquid mutual fund units	-	-	2,810	-	-	2,810	2,810
Target maturity fund units	-	-	415	-	-	415	415
Quoted debt securities	1,915	-	-	-	10,423	12,338	12,543 [1]
Commercial Papers	-	-	-	-	2,448	2,448	2,448
Certificates of deposit	-	-	-	-	911	911	911
Unquoted equity and preference securities	-	-	-	80	-	80	80
Quoted equity securities	-	-	-	148	-	148	148
Unquoted investment others	-	-	173	-	-	173	173
Trade receivables	28,261	-	-	-	-	28,261	28,261
Unbilled revenues (Refer to note 2.17)[3]	8,638	-	-	-	-	8,638	8,638
Prepayments and other assets (Refer to note 2.4)	5,474	-	-	-	-	5,474	5,411 [2]
Derivative financial instruments	-	-	124	-	47	171	171
Total	**60,001**	**-**	**3,522**	**228**	**13,829**	**77,580**	**77,722**
Liabilities:							
Trade payables	3,203	-	-	-	-	3,203	3,203
Lease liabilities (Refer to note 2.8)	8,546	-	-	-	-	8,546	8,546
Derivative financial instruments	-	-	74	-	3	77	77
Financial liability under option arrangements (Refer to note 2.5)	-	-	622	-	-	622	622
Other liabilities including contingent consideration (Refer to note 2.5)	16,292	-	42	-	-	16,334	16,334
Total	**28,041**	**-**	**738**	**-**	**3**	**28,782**	**28,782**

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

[2] *Excludes interest accrued on quoted debt securities carried at amortized cost of ₹63 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 September 30, 2023 is as follows:

(In ₹ crore)

Particulars	**As at September 30, 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	2,810	2,810	-	-
Investments in target maturity fund units	415	415	-	-
Investments in quoted debt securities	12,543	12,065	478	-
Investments in unquoted equity and preference securities	80	-	-	80
Investments in quoted equity securities	148	148	-	-
Investments in certificates of deposit	911	-	911	-
Investments in commercial papers	2,448	-	2,448	-
Investments in unquoted investments others	173	-	-	173
Others				
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts	171	-	171	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts	77	-	77	-
Financial liability under option arrangements (Refer to note 2.5)(1)	622	-	-	622
Liability towards contingent consideration (Refer to note 2.5)(1)	42	-	-	42

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

During the six months ended September 30, 2023, quoted debt securities of ₹2,323 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 ₹73 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	
	September 30, 2023	March 31, 2023
Current		
Rental deposits[(1)]	36	32
Security deposits[(1)]	11	10
Loans to employees[(1)]	252	289
Prepaid expenses[(2)]	3,213	2,745
Interest accrued and not due[(1)]	460	488
Withholding taxes and others[(2)]	2,890	3,268
Advance payments to vendors for supply of goods[(2)]	77	202
Deposit with corporations[(1)(3)]	2,532	2,348
Deferred contract cost[(2)]		
Cost of obtaining a contract [(2)(4)]	470	853
Cost of fulfillment [(2)]	252	175
Net investment in sublease of right of use asset[(1)]	6	53
Other non financial assets [(2)]	207	261
Other financial assets[(1)]	841	255
Total Current prepayment and other assets	**11,247**	**10,979**
Non-current		
Loans to employees[(1)]	38	39
Deposit with corporations[(1)(3)]	109	96
Rental deposits[(1)]	239	240
Security deposits[(1)]	47	47
Withholding taxes and others[(2)]	686	684
Deferred contract cost[(2)]		
Cost of obtaining a contract [(2)(4)]	166	191
Cost of fulfillment [(2)]	758	652
Prepaid expenses[(2)]	345	332
Net investment in sublease of right of use asset[(1)]	5	305
Defined benefit plan assets[(2)]	36	36
Other non financial assets[(2)]	13	-
Other financial assets[(1)]	898	925
Total Non- current prepayment and other assets	**3,340**	**3,547**
Total prepayment and other assets	**14,587**	**14,526**
[(1)] Financial assets carried at amortized cost	**5,474**	**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 September 30, 2023, the financial liability pertaining to such arrangements amounts to ₹531 crore. (Refer to note 2.5)

2.5 Other liabilities

Other liabilities comprise the following:

(In ₹ crore)

Particulars	As at	
	September 30, 2023	March 31, 2023
Current		
Accrued compensation to employees[(1)]	4,559	4,174
Accrued expenses[(1)]	7,647	7,802
Withholding taxes and others[(3)]	3,247	3,632
Retention money[(1)]	21	20
Liabilities of controlled trusts[(1)]	211	211
Deferred income - government grants[(3)]	12	29
Accrued defined benefit liability [(3)]	6	4
Liability towards contingent consideration[(2)]	42	97
Capital Creditors[(1)]	206	674
Other non-financial liabilities [(3)]	2	2
Other financial liabilities[(1)(4)]	1,568	2,503
Financial liability under option arrangements[(2)#]	622	600
Total current other liabilities	**18,143**	**19,748**
Non-current		
Accrued expenses[(1)]	1,907	1,628
Accrued defined benefit liability [(3)]	396	445
Accrued compensation to employees[(1)]	10	5
Deferred income - government grants[(3)]	64	43
Deferred income[(3)]	5	6
Other financial liabilities[(1)(4)]	163	342
Other non-financial liabilities[(3)]	7	6
Total non-current other liabilities	**2,552**	**2,475**
Total other liabilities	**20,695**	**22,223**
[(1)] Financial liability carried at amortized cost	16,292	17,359
[(2)] Financial liability carried at fair value through profit or loss	664	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 September 30, 2023, the financial liability pertaining to such arrangements amounts to ₹531 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

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	
	September 30, 2023	**March 31, 2023**
Post sales client support and other provisions	1,702	1,307
Total provisions	**1,702**	**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 September 30, 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 ₹736 crore and ₹700 crore, respectively.

Legal proceedings

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

2.7 Property, plant and equipment

Accounting Policy

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by 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 September 30, 2023 are as follows:

(In ₹ crore)

Particulars	**Land**	**Buildings**	**Plant and machinery**	**Computer equipment**	**Furniture and fixtures**	**Vehicles**	**Total**
Gross carrying value as at July 1, 2023	**1,429**	**11,514**	**5,170**	**8,471**	**3,373**	**45**	**30,002**
Additions	-	4	50	164	66	-	284
Deletions*	-	-	(19)	(134)	(17)	-	(170)
Translation difference	-	9	-	(5)	(1)	-	3
Gross carrying value as at September 30, 2023	**1,429**	**11,527**	**5,201**	**8,496**	**3,421**	**45**	**30,119**
Accumulated depreciation as at July 1, 2023	**-**	**(4,631)**	**(3,939)**	**(5,922)**	**(2,530)**	**(41)**	**(17,063)**
Depreciation	-	(116)	(118)	(349)	(100)	(1)	(684)
Accumulated depreciation on deletions*	-	-	19	134	15	-	168
Translation difference	-	(2)	(2)	5	1	-	2
Accumulated depreciation as at September 30, 2023	**-**	**(4,749)**	**(4,040)**	**(6,132)**	**(2,614)**	**(42)**	**(17,577)**
Capital work-in progress as at July 1, 2023							499
Carrying value as at July 1, 2023	**1,429**	**6,883**	**1,231**	**2,549**	**843**	**4**	**13,438**
Capital work-in progress as at September 30, 2023							637
Carrying value as at September 30, 2023	**1,429**	**6,778**	**1,161**	**2,364**	**807**	**3**	**13,179**

The changes in the carrying value of property, plant and equipment for the three months ended September 30, 2022 were as follows:

(In ₹ crore)

Particulars	**Land**	**Buildings**	**Plant and machinery**	**Computer equipment**	**Furniture and fixtures**	**Vehicles**	**Total**
Gross carrying value as at July 1, 2022	**1,429**	**11,343**	**5,017**	**8,790**	**3,271**	**44**	**29,894**
Additions - Business Combination	-	-	-	3	-	-	3
Additions	-	11	48	335	67	1	462
Deletions*	-	-	(13)	(222)	(3)	(1)	(239)
Translation difference	-	(26)	(2)	(9)	(7)	-	(44)
Gross carrying value as at September 30, 2022	**1,429**	**11,328**	**5,050**	**8,897**	**3,328**	**44**	**30,076**
Accumulated depreciation as at July 1, 2022	**-**	**(4,205)**	**(3,764)**	**(6,264)**	**(2,509)**	**(38)**	**(16,780)**
Depreciation	-	(109)	(114)	(323)	(89)	(1)	(636)
Accumulated depreciation on deletions*	-	-	12	222	3	1	238
Translation difference	-	6	2	5	8	-	21
Accumulated depreciation as at September 30, 2022	**-**	**(4,308)**	**(3,864)**	**(6,360)**	**(2,587)**	**(38)**	**(17,157)**
Capital work-in progress as at July 1, 2022							365
Carrying value as at July 1, 2022	**1,429**	**7,138**	**1,253**	**2,526**	**762**	**6**	**13,479**
Capital work-in progress as at September 30, 2022							483
Carrying value as at September 30, 2022	**1,429**	**7,020**	**1,186**	**2,537**	**741**	**6**	**13,402**

The changes in the carrying value of property, plant and equipment for the six months ended September 30, 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	-	9	108	383	111	1	612
Deletions*	-	-	(70)	(400)	(46)	(1)	(517)
Translation difference	-	(44)	(6)	(6)	(9)	-	(65)
Gross carrying value as at September 30, 2023	**1,429**	**11,527**	**5,201**	**8,496**	**3,421**	**45**	**30,119**
Accumulated depreciation as at April 1, 2023	**-**	**(4,535)**	**(3,877)**	**(5,826)**	**(2,465)**	**(40)**	**(16,743)**
Depreciation	-	(225)	(235)	(711)	(200)	(2)	(1,373)
Accumulated depreciation on deletions*	-	-	69	399	43	-	511
Translation difference	-	11	3	6	8	-	28
Accumulated depreciation as at September 30, 2023	**-**	**(4,749)**	**(4,040)**	**(6,132)**	**(2,614)**	**(42)**	**(17,577)**
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 September 30, 2023							637
Carrying value as at September 30, 2023	**1,429**	**6,778**	**1,161**	**2,364**	**807**	**3**	**13,179**

* During the three months and six months ended September 30, 2023, certain assets which were not in use having gross book value of ₹137 crore (net book value: Nil) and ₹457 crore (net book value: Nil), respectively were retired.

The changes in the carrying value of property, plant and equipment for the six months ended September 30, 2022 were 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	-	143	135	668	163	1	1,110
Deletions*	-	-	(36)	(293)	(31)	(1)	(361)
Translation difference	-	(39)	(4)	(11)	(8)	-	(62)
Gross carrying value as at September 30, 2022	**1,429**	**11,328**	**5,050**	**8,897**	**3,328**	**44**	**30,076**
Accumulated depreciation as at April 1, 2022	**-**	**(4,100)**	**(3,677)**	**(6,034)**	**(2,452)**	**(37)**	**(16,300)**
Depreciation	-	(216)	(226)	(625)	(173)	(2)	(1,242)
Accumulated depreciation on deletions*	-	-	35	293	31	1	360
Translation difference	-	8	4	6	7	-	25
Accumulated depreciation as at September 30, 2022	**-**	**(4,308)**	**(3,864)**	**(6,360)**	**(2,587)**	**(38)**	**(17,157)**
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 September 30, 2022							483
Carrying value as at September 30, 2022	**1,429**	**7,020**	**1,186**	**2,537**	**741**	**6**	**13,402**

* During the three months and six months ended September 30, 2022, certain assets which were not in use having gross book value of ₹161 crore (net book value: Nil) and ₹229 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 ₹700 crore and ₹959 crore as at September 30, 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 September 30, 2023:

(In ₹ crore)

Particulars	Category of ROU asset				Total
	Land	Buildings	Vehicles	Computers	
Balance as of July 1, 2023	**617**	**3,947**	**15**	**2,470**	**7,049**
Additions*	-	82	3	418	503
Deletions	-	(32)	-	(174)	(206)
Depreciation	(1)	(179)	(3)	(202)	(385)
Translation difference	-	(7)	-	(4)	(11)
Balance as of September 30, 2023	**616**	**3,811**	**15**	**2,508**	**6,950**

** Net of adjustments on account of modifications*

Following are the changes in the carrying value of right-of-use assets for the three months ended September 30, 2022:

(In ₹ crore)

Particulars	Category of ROU asset				Total
	Land	Buildings	Vehicles	Computers	
Balance as of July 1, 2022	**626**	**3,957**	**14**	**686**	**5,283**
Additions*	-	67	3	642	712
Deletions	-	(1)	-	(77)	(78)
Depreciation	(2)	(168)	(2)	(99)	(271)
Translation difference	(2)	(12)	(1)	(6)	(21)
Balance as of September 30, 2022	**622**	**3,843**	**14**	**1,146**	**5,625**

** 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 six months ended September 30, 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*	-	326	5	975	1,306
Deletions	-	(40)	-	(407)	(447)
Depreciation	(3)	(363)	(5)	(394)	(765)
Translation difference	(4)	(8)	-	(14)	(26)
Balance as of September 30, 2023	**616**	**3,811**	**15**	**2,508**	**6,950**

** 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 six months ended September 30, 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*	-	486	4	994	1,484
Deletions	-	(2)	-	(153)	(155)
Depreciation	(3)	(330)	(5)	(158)	(496)
Translation difference	(3)	(22)	(1)	(5)	(31)
Balance as of September 30, 2022	**622**	**3,843**	**14**	**1,146**	**5,625**

** 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 September 30, 2023 and March 31, 2023:

(In ₹ crore)

Particulars	As at	
	September 30, 2023	March 31, 2023
Current lease liabilities	1,920	1,242
Non-current lease liabilities	6,626	7,057
Total	**8,546**	**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	
	September 30, 2023	**March 31, 2023**
Carrying value at the beginning	**7,248**	**6,195**
Goodwill on acquisitions	-	630
Translation differences	(8)	423
Carrying value at the end	**7,240**	**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.

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 11,558,862 and 12,172,119 shares as at September 30, 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 September 30, 2023 and March 31, 2023.

The following is the summary of grants made during the three months and six months ended September 30, 2023 and September 30, 2022:

	2019 Plan				2015 Plan			
Particulars	Three months ended September 30,		Six months ended September 30,		Three months ended September 30,		Six months ended September 30,	
	2023	2022	2023	2022	2023	2022	2023	2022
Equity settled RSUs								
Key Management Personnel (KMP)	-	-	78,281	176,893	-	185,358	333,596	287,325
Employees other than KMP	-	-	-	370,960	23,780	-	28,280	-
Total Grants	**-**	**-**	**78,281**	**547,853**	**23,780**	**185,358**	**361,876**	**287,325**

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 September 30, 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 six months ended September 30, 2023, based on recommendations of Nomination and Remuneration Committee, the Board approved 6,774 performance based RSUs to a KMP under the 2015 plan. The performance based RSUs will vest over three years based on certain performance targets.

The break-up of employee stock compensation expense is as follows:

(in ₹ crore)

Particulars	Three months ended September 30,		Six months ended September 30,	
	2023	**2022**	**2023**	**2022**
Granted to:				
KMP	17	24	37	41
Employees other than KMP	116	113	242	228
Total [1]	**133**	**137**	**279**	**269**
[1] *Cash settled stock compensation expense included in the above*	5	1	7	(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)	1,278	16.80	1,525	18.08
Exercise price (₹)/ ($ ADS)	5.00	0.07	5.00	0.07
Expected volatility (%)	23-31	26-33	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)	1,114	15.51	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 September 30,		Six months ended September 30,	
	2023	2022	2023	2022
Current taxes				
Domestic taxes	1,759	1,874	3,467	3,544
Foreign taxes	732	608	1,331	1,288
	2,491	**2,482**	**4,798**	**4,832**
Deferred taxes				
Domestic taxes	183	(4)	375	25
Foreign taxes	(121)	(113)	(203)	(320)
	62	**(117)**	**172**	**(295)**
Income tax expense	**2,553**	**2,365**	**4,970**	**4,537**

Income tax expense for the three months ended September 30, 2023 and September 30, 2022 includes reversals (net of provisions) of ₹58 crore and provisions (net of reversals) of ₹5 crore, respectively. Income tax expense for the six months ended September 30, 2023 and September 30, 2022 includes reversals (net of provisions) of ₹73 crore and provisions (net of reversals) of ₹40 crore, respectively. These provisions and reversals pertaining to prior periods are primarily on account of adjudication of certain disputed matters, upon filing of tax return and completion of assessments, across various jurisdictions.

Deferred income tax for the three months and six months ended September 30, 2023 and September 30, 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 September 30, 2023, claims against the Group not acknowledged as debts from the Income tax authorities amounted to ₹4,317 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 ₹6,627 crore and ₹6,528 crore as at September 30, 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 six months ended September 30, 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.
- Kaleidoscope Prototyping LLC, a Wholly-owned subsidiary of Kaleidoscope Animations, Inc. is under liquidation.
- oddity GmbH renamed as WongDoody GmbH (formerly known as oddity 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.

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)

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)

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 September 30,**		**Six months ended September 30,**	
	2023	**2022**	**2023**	**2022**
Salaries and other short term employee benefits to whole-time directors and executive officers[(1)(2)]	26	43	58	75
Commission and other benefits to non-executive/ independent directors	4	3	8	7
Total	**30**	**46**	**66**	**82**

[(1)] For the three months ended September 30, 2023 and September 30, 2022, includes a charge of ₹17 crore and ₹24 crore respectively, towards key management personnel. For the six months ended September 30, 2023 and September 30, 2022, includes a charge of ₹37 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 September 30, 2023 and September 30, 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	10,705	5,913	4,463	4,957	5,574	3,053	3,050	1,279	38,994
	11,148	*5,183*	*4,501*	*4,498*	*4,686*	*2,971*	*2,452*	*1,099*	*36,538*
Identifiable operating expenses	6,089	3,270	2,616	2,680	3,631	1,749	1,781	793	22,609
	6,424	*2,661*	*2,763*	*2,439*	*3,066*	*1,764*	*1,406*	*692*	*21,215*
Allocated expenses	2,037	969	812	925	910	516	470	306	6,945
	1,913	*944*	*773*	*808*	*828*	*483*	*404*	*268*	*6,421*
Segment Profit	**2,579**	**1,674**	**1,035**	**1,352**	**1,033**	**788**	**799**	**180**	**9,440**
	2,811	*1,578*	*965*	*1,251*	*792*	*724*	*642*	*139*	*8,902*
Unallocable expenses									1,166
									1,029
Operating profit									8,274
									7,873
Other income, net *(Refer to note 2.19)*									632
									584
Finance cost									138
									66
Profit before income taxes									**8,768**
									8,391
Income tax expense									2,553
									2,365
Net profit									**6,215**
									6,026
Depreciation and amortization									**1,166**
									1,029
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*

Six months ended September 30, 2023 and September 30, 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	21,366	11,426	8,904	9,846	10,924	6,109	5,799	2,553	76,927
	21,710	*10,187*	*8,965*	*8,757*	*8,858*	*5,783*	*4,709*	*2,039*	*71,008*
Identifiable operating expenses	12,236	6,139	5,256	5,370	7,154	3,492	3,374	1,612	44,633
	12,280	*5,186*	*5,630*	*4,715*	*6,039*	*3,439*	*2,740*	*1,354*	*41,383*
Allocated expenses	4,006	1,984	1,629	1,834	1,765	1,027	924	621	13,790
	3,865	*1,886*	*1,576*	*1,646*	*1,642*	*948*	*792*	*505*	*12,860*
Segment Profit	**5,124**	**3,303**	**2,019**	**2,642**	**2,005**	**1,590**	**1,501**	**320**	**18,504**
	5,565	*3,115*	*1,759*	*2,396*	*1,177*	*1,396*	*1,177*	*180*	*16,765*
Unallocable expenses									2,339
									1,979
Operating profit									16,165
									14,786
Other income, net *(Refer to note 2.19)*									1,193
									1,260
Finance cost									228
									121
Profit before income taxes									**17,130**
									15,925
Income tax expense									4,970
									4,537
Net profit									**12,160**
									11,388
Depreciation and amortization									**2,339**
									1,979
Non-cash expenses other than depreciation and amortization									**-**
									-

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

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

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

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

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

2.15.2 Significant clients

No client individually accounted for more than 10% of the revenues for the three months and six months ended September 30, 2023 and September 30, 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 six months ended September 30, 2023

(In ₹ crore)

Particulars	**Three months ended September 30,**		**Six months ended September 30,**	
	2023	**2022**	**2023**	**2022**
Revenue from software services	36,720	34,227	72,455	66,505
Revenue from products and platforms	2,274	2,311	4,472	4,503
Total revenue from operations	**38,994**	**36,538**	**76,927**	**71,008**

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 six months ended September 30, 2023 and September 30, 2022

(In ₹ crore)

Particulars	**Three months ended September 30,**		**Six months ended September 30,**	
	2023	**2022**	**2023**	**2022**
Revenues by Geography*				
North America	23,810	22,824	46,894	44,125
Europe	10,325	9,045	20,473	17,692
India	1,108	1,072	2,128	1,953
Rest of the world	3,751	3,597	7,432	7,238
Total	**38,994**	**36,538**	**76,927**	**71,008**

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

The percentage of revenue from fixed-price contracts for the quarter ended September 30, 2023 and September 30, 2022 is 53% and 52%, respectively. The percentage of revenue from fixed-price contracts for each of the six months ended September 30, 2023 and September 30, 2022 is 52%.

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**	
	September 30, 2023	**March 31, 2023**
Unbilled financial asset (1)	8,638	9,502
Unbilled non financial asset (2)	6,835	7,236
Total	**15,473**	**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 September 30,		Six months ended September 30,	
	2023	2022	2023	2022
Final dividend for fiscal 2022	-	-	-	16.00
Final dividend for fiscal 2023	-	-	17.50	-

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 would result in a net cash outflow of approximately ₹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 September 30, 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. 11,558,862 shares and 12,172,119 shares were held by controlled trust, as at September 30, 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 September 30,		Six months ended September 30,	
	2023	2022	2023	2022
Employee benefit costs	18,732	17,644	37,468	34,265
Depreciation and amortization	1,166	1,029	2,339	1,979
Travelling costs	314	265	632	518
Cost of technical sub-contractors	3,074	3,693	6,197	7,602
Cost of software packages for own use	499	456	964	862
Third party items bought for service delivery to clients	2,856	2,032	5,086	4,007
Short-term leases (Refer to note 2.8)	11	8	21	16
Consultancy and professional charges	33	36	63	64
Communication costs	87	97	176	186
Repairs and maintenance	111	95	229	204
Provision for post-sales client support	118	57	168	69
Others	30	-	69	9
Total	**27,031**	**25,412**	**53,412**	**49,781**

Selling and marketing expenses

(In ₹ crore)

Particulars	Three months ended September 30,		Six months ended September 30,	
	2023	2022	2023	2022
Employee benefit costs	1,387	1,181	2,767	2,307
Travelling costs	75	60	164	137
Branding and marketing	234	184	498	407
Short-term leases (Refer to note 2.8)	1	2	1	3
Communication costs	3	4	7	6
Consultancy and professional charges	40	31	71	59
Others	14	24	30	60
Total	**1,754**	**1,486**	**3,538**	**2,979**

Administrative expenses

(In ₹ crore)

Particulars	Three months ended September 30,		Six months ended September 30,	
	2023	2022	2023	2022
Employee benefit costs	677	613	1,342	1,204
Consultancy and professional charges	314	372	601	772
Repairs and maintenance	250	217	499	434
Power and fuel	52	44	101	83
Communication costs	89	88	178	167
Travelling costs	50	38	105	84
Impairment loss recognized/(reversed) under expected credit loss model	115	47	206	91
Rates and taxes	67	72	161	146
Insurance charges	54	45	106	86
Short-term leases (Refer to note 2.8)	15	12	26	22
Commission to non-whole time directors	4	3	7	7
Contribution towards Corporate Social Responsibility	143	114	214	174
Others	105	102	266	192
Total	**1,935**	**1,767**	**3,812**	**3,462**

Other income for the three months and six months ended September 30, 2023 and September 30, 2022 is as follows:

(In ₹ crore)

Particulars	Three months ended September 30,		Six months ended September 30,	
	2023	2022	2023	2022
Interest income on financial assets carried at amortized cost	275	218	549	463
Interest income on financial assets carried at fair value through other comprehensive income	214	243	457	483
Gain/(loss) on investments carried at fair value through profit or loss	48	33	100	41
Gain/(loss) on investments carried at fair value through other comprehensive income	-	-	-	1
Exchange gains / (losses) on forward and options contracts	(71)	(136)	63	(426)
Exchange gains / (losses) on translation of other assets and liabilities	118	183	(19)	600
Others	48	43	43	98
Total	**632**	**584**	**1,193**	**1,260**

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
October 12, 2023

Deloitte
Haskins & Sells LLP

Chartered Accountants
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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 September 30, 2023, the Condensed Statement of Profit and Loss (including Other Comprehensive Income) for the three months and six months ended on that date, the Condensed Statement of Changes in Equity and the Condensed Statement of Cash Flows for the six 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 September 30, 2023 its profit and total comprehensive income for the three months and six months ended on that date, changes in equity and its cash flows for the six 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

1.

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, 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 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: October 12, 2023

INFOSYS LIMITED

Condensed Standalone Financial Statements under Indian Accounting Standards (Ind AS) for the three months and six months ended September 30, 2023

INFOSYS LIMITED

(In ₹ crore)

Condensed Balance Sheet as at	Note No.	September 30, 2023	March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	10,992	11,656
Right-of-use assets	2.3	3,668	3,561
Capital work-in-progress		452	275
Goodwill	2.2	211	211
Other intangible assets		-	3
Financial assets			
Investments	2.4	23,031	23,686
Loans	2.5	37	39
Other financial assets	2.6	1,044	1,341
Deferred tax assets (net)		402	779
Income tax assets (net)		6,342	5,916
Other non-current assets	2.9	1,984	1,788
Total non - current assets		**48,163**	**49,255**
Current assets			
Financial assets			
Investments	2.4	5,806	4,476
Trade receivables	2.7	23,237	20,773
Cash and cash equivalents	2.8	9,964	6,534
Loans	2.5	258	291
Other financial assets	2.6	9,289	9,088
Other current assets	2.9	10,119	10,920
Total current assets		**58,673**	**52,082**
Total assets		**106,836**	**101,337**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.11	2,075	2,074
Other equity		71,017	65,671
Total equity		**73,092**	**67,745**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	2.3	3,470	3,553
Other financial liabilities	2.12	1,600	1,317
Deferred tax liabilities (net)		716	866
Other non-current liabilities	2.14	388	414
Total non - current liabilities		**6,174**	**6,150**
Current liabilities			
Financial liabilities			
Lease liabilities	2.3	786	713
Trade payables	2.13		
Total outstanding dues of micro enterprises and small enterprises		9	97
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,085	2,329
Other financial liabilities	2.12	12,132	12,697
Other current liabilities	2.14	7,636	7,609
Provisions	2.15	1,510	1,163
Income tax liabilities (net)		3,412	2,834
Total current liabilities		**27,570**	**27,442**
Total equity and liabilities		**106,836**	**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
October 12, 2023

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

Condensed Statement of Profit and Loss for the	Note No.	Three months ended September 30,		Six months ended September 30,	
		2023	2022	2023	2022
Revenue from operations	2.17	32,629	31,567	64,440	61,094
Other income, net	2.18	1,350	1,267	2,352	1,916
Total income		**33,979**	**32,834**	**66,792**	**63,010**
Expenses					
Employee benefit expenses	2.19	16,435	15,873	32,788	30,787
Cost of technical sub-contractors		4,645	4,815	9,321	9,825
Travel expenses		345	293	705	608
Cost of software packages and others	2.19	1,809	1,428	2,982	2,611
Communication expenses		131	135	260	254
Consultancy and professional charges		275	333	490	696
Depreciation and amortization expenses		738	682	1,484	1,326
Finance cost		89	40	132	73
Other expenses	2.19	995	747	1,967	1,439
Total expenses		**25,462**	**24,346**	**50,129**	**47,619**
Profit before tax		**8,517**	**8,488**	**16,663**	**15,391**
Tax expense:					
Current tax	2.16	2,180	2,312	4,245	4,345
Deferred tax	2.16	92	(77)	216	(108)
Profit for the period		**6,245**	**6,253**	**12,202**	**11,154**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset, net		(68)	40	19	(56)
Equity instruments through other comprehensive income, net		40	4	40	7
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedge, net		23	(12)	29	14
Fair value changes on investments, net		(22)	27	46	(317)
Total other comprehensive income/ (loss), net of tax		**(27)**	**59**	**134**	**(352)**
Total comprehensive income for the period		**6,218**	**6,312**	**12,336**	**10,802**
Earnings per equity share					
Equity shares of par value ₹5/- each					
Basic (in ₹ per share)		15.05	14.86	29.40	26.51
Diluted (in ₹ per share)		15.04	14.85	29.38	26.49
Weighted average equity shares used in computing earnings per equity share					
Basic (in shares)	2.20	4,150,281,476	4,207,688,197	4,149,722,579	4,207,426,698
Diluted (in shares)	2.20	4,152,882,245	4,210,888,187	4,152,824,424	4,211,017,877

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
October 12, 2023

INFOSYS LIMITED

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

Particulars	Equity Share Capital	Other Equity											Total equity attributable to equity holders of the Company
		Reserves & Surplus								Other comprehensive income			
		Capital reserve		Capital redemption reserve	Securities Premium	Retained earnings	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve (1)	Equity Instruments through other comprehensive income	Effective portion of Cash flow hedges	Other items of other comprehensive income / (loss)	
		Capital reserve	Other reserves (2)										
Balance as at April 1, 2022	**2,103**	**54**	**2,844**	**139**	**172**	**55,449**	**9**	**606**	**7,926**	**266**	**2**	**(264)**	**69,306**
Impact on adoption of amendment to Ind AS 37#	-	-	-	-	-	(9)	-	-	-	-	-	-	(9)
	2,103	**54**	**2,844**	**139**	**172**	**55,440**	**9**	**606**	**7,926**	**266**	**2**	**(264)**	**69,297**
Changes in equity for the six months ended September 30, 2022													
Profit for the period	-	-	-	-	-	11,154	-	-	-	-	-	-	11,154
Remeasurement of the net defined benefit liability/asset, net*	-	-	-	-	-	-	-	-	-	-	-	(56)	(56)
Equity instruments through other comprehensive income, net*	-	-	-	-	-	-	-	-	-	7	-	-	7
Fair value changes on derivatives designated as cash flow hedge, net*	-	-	-	-	-	-	-	-	-	-	14	-	14
Fair value changes on investments, net*	-	-	-	-	-	-	-	-	-	-	-	(317)	(317)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**11,154**	**-**	**-**	**-**	**7**	**14**	**(373)**	**10,802**
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	-	-	-	528	-	-	(528)	-	-	-	-
Transferred on account of exercise of stock options (Refer to note 2.11)	-	-	-	-	165	-	-	(165)	-	-	-	-	-
Transferred on account of options not exercised	-	-	-	-	-	-	1	(1)	-	-	-	-	-
Shares issued on exercise of employee stock options (Refer to note 2.11)	1	-	-	-	4	-	-	-	-	-	-	-	5
Employee stock compensation expense (Refer to note 2.11)	-	-	-	-	-	-	-	270	-	-	-	-	270
Income tax benefit arising on exercise of stock options	-	-	-	-	-	-	-	30	-	-	-	-	30
Dividends	-	-	-	-	-	(6,732)	-	-	-	-	-	-	(6,732)
Balance as at September 30, 2022	**2,104**	**54**	**2,844**	**139**	**341**	**60,390**	**10**	**740**	**7,398**	**273**	**16**	**(637)**	**73,672**

INFOSYS LIMITED

Condensed Statement of Changes in Equity (contd.) *(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, 2023	**2,074**	**54**	**2,862**	**169**	**133**	**52,183**	**2**	**878**	**9,654**	**260**	**(5)**	**(519)**	**67,745**
Changes in equity for the six months ended September 30, 2023													
Profit for the period	-	-	-	-	-	12,202	-	-	-	-	-	-	12,202
Remeasurement of the net defined benefit liability/asset, net*	-	-	-	-	-	-	-	-	-	-	-	19	19
Equity instruments through other comprehensive income, net*	-	-	-	-	-	-	-	-	-	40	-	-	40
Fair value changes on derivatives designated as cash flow hedge, net*	-	-	-	-	-	-	-	-	-	-	29	-	29
Fair value changes on investments, net*	-	-	-	-	-	-	-	-	-	-	-	46	46
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**12,202**	**-**	**-**	**-**	**40**	**29**	**65**	**12,336**
Transferred to Special Economic Zone Re-investment reserve	-	-	-	-	-	(1,520)	-	-	1,520	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	-	-	-	306	-	-	(306)	-	-	-	-
Transferred on account of exercise of stock options (Refer to note 2.11)	-	-	-	-	325	-	-	(325)	-	-	-	-	-
Transferred on account of options not exercised	-	-	-	-	-	-	6	(6)	-	-	-	-	-
Shares issued on exercise of employee stock options (Refer to note 2.11)	1	-	-	-	-	-	-	-	-	-	-	-	1
Employee stock compensation expense (Refer to note 2.11)	-	-	-	-	-	-	-	272	-	-	-	-	272
Dividends	-	-	-	-	-	(7,262)	-	-	-	-	-	-	(7,262)
Balance as at September 30, 2023	**2,075**	**54**	**2,862**	**169**	**458**	**55,909**	**8**	**819**	**10,868**	**300**	**24**	**(454)**	**73,092**

**net of tax*

[#] *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
October 12, 2023

INFOSYS LIMITED

Condensed Statement of Cash Flows

Accounting Policy

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

(In ₹ crore)

Particulars	Note No.	Six months ended September 30,	
		2023	2022
Cash flow from operating activities:			
Profit for the period		12,202	11,154
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation and Amortization		1,484	1,326
Income tax expense	2.16	4,461	4,237
Impairment loss recognized / (reversed) under expected credit loss model		184	54
Finance cost		132	73
Interest and dividend income		(1,999)	(1,521)
Stock compensation expense		246	242
Other adjustments		343	38
Exchange differences on translation of assets and liabilities, net		40	59
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(1,688)	(4,166)
Loans, other financial assets and other assets		(359)	(363)
Trade payables		(332)	(13)
Other financial liabilities, other liabilities and provisions		142	2,271
Cash generated from operations		**14,856**	**13,391**
Income taxes paid		(4,108)	(3,669)
Net cash generated by operating activities		**10,748**	**9,722**
Cash flow from investing activities:			
Expenditure on property, plant and equipment		(1,101)	(997)
Deposits placed with corporation		(555)	(390)
Redemption of deposits placed with corporation		389	238
Interest and dividend received		809	734
Dividend received from subsidiary		1,192	693
Loan given to subsidiaries		-	(427)
Loan repaid by subsidiaries		3	393
Investment in subsidiaries		(63)	(1,201)
Proceeds from liquidation of a subsidiary		80	-
Other receipts		123	32
Payments to acquire investments			
Liquid mutual fund units		(29,092)	(32,064)
Commercial papers		(2,419)	(259)
Certificates of deposit		(1,252)	(4,481)
Government Securities		-	(1,370)
Non-convertible debentures		(104)	-
Other investments		(2)	(3)
Proceeds on sale of investments			
Liquid mutual fund units		27,279	30,167
Non-convertible debentures		775	220
Certificates of deposit		3,662	3,038
Commercial papers		700	-
Government Securities		-	1,132
Other investments		-	99
Net cash (used in) / generated from investing activities		**424**	**(4,446)**

Cash flow from financing activities:			
Payment of lease liabilities		(362)	(324)
Shares issued on exercise of employee stock options		1	5
Other receipts		-	57
Other payments		(93)	(24)
Payment of dividends		(7,266)	(6,732)
Net cash used in financing activities		**(7,720)**	**(7,018)**
Net increase / (decrease) in cash and cash equivalents		3,452	(1,742)
Effect of exchange differences on translation of foreign currency cash and cash equivalents		(22)	(30)
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	**9,964**	**10,498**
Supplementary information:			
Restricted cash balance	2.8	58	74

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
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Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
October 12, 2023

INFOSYS LIMITED

Overview and Notes to the Interim Condensed Standalone Financial Statements

1. Overview

1.1 Company overview

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

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

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

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 September 30, 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 July 1, 2023	**1,429**	**10,450**	**3,147**	**1,325**	**7,198**	**2,135**	**983**	**45**	**26,712**
Additions	-	4	18	12	112	29	28	-	203
Additions through business transfer *(Refer to note 2.4)*	-	-	-	2	12	8	12	-	34
Deletions**	-	-	(5)	(6)	(111)	(9)	(2)	-	(133)
Gross carrying value as at September 30, 2023	**1,429**	**10,454**	**3,160**	**1,333**	**7,211**	**2,163**	**1,021**	**45**	**26,816**
Accumulated depreciation as at July 1, 2023	**-**	**(4,321)**	**(2,602)**	**(1,079)**	**(5,054)**	**(1,591)**	**(684)**	**(41)**	**(15,372)**
Depreciation	-	(106)	(57)	(28)	(284)	(60)	(45)	(1)	(581)
Accumulated depreciation on deletions**	-	-	5	6	108	8	2	-	129
Accumulated depreciation as at September 30, 2023	**-**	**(4,427)**	**(2,654)**	**(1,101)**	**(5,230)**	**(1,643)**	**(727)**	**(42)**	**(15,824)**
Carrying value as at July 1, 2023	**1,429**	**6,129**	**545**	**246**	**2,144**	**544**	**299**	**4**	**11,340**
Carrying value as at September 30, 2023	**1,429**	**6,027**	**506**	**232**	**1,981**	**520**	**294**	**3**	**10,992**

The changes in the carrying value of property, plant and equipment for the three months ended September 30, 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 July 1, 2022	**1,429**	**10,246**	**3,098**	**1,269**	**7,450**	**2,113**	**875**	**44**	**26,524**
Additions	-	12	26	12	268	48	22	1	389
Deletions*	-	-	(2)	(9)	(193)	(3)	-	(1)	(208)
Gross carrying value as at September 30, 2022	**1,429**	**10,258**	**3,122**	**1,272**	**7,525**	**2,158**	**897**	**44**	**26,705**
Accumulated depreciation as at July 1, 2022	**-**	**(3,929)**	**(2,550)**	**(1,017)**	**(5,372)**	**(1,664)**	**(534)**	**(38)**	**(15,104)**
Depreciation	-	(98)	(59)	(27)	(264)	(51)	(41)	(1)	(541)
Accumulated depreciation on deletions*	-	-	2	8	193	2	-	1	206
Accumulated depreciation as at September 30, 2022	**-**	**(4,027)**	**(2,607)**	**(1,036)**	**(5,443)**	**(1,713)**	**(575)**	**(38)**	**(15,439)**
Carrying value as at July 1, 2022	**1,429**	**6,317**	**548**	**252**	**2,078**	**449**	**341**	**6**	**11,420**
Carrying value as at September 30, 2022	**1,429**	**6,231**	**515**	**236**	**2,082**	**445**	**322**	**6**	**11,266**

The changes in the carrying value of property, plant and equipment for the six months ended September 30, 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	-	9	34	33	299	53	50	-	478
Additions through business transfer *(Refer to note 2.4)*	-	-	-	2	12	8	12	-	34
Deletions**	-	-	(18)	(16)	(335)	(27)	(9)	-	(405)
Gross carrying value as at September 30, 2023	**1,429**	**10,454**	**3,160**	**1,333**	**7,211**	**2,163**	**1,021**	**45**	**26,816**
Accumulated depreciation as at April 1, 2023	**-**	**(4,223)**	**(2,558)**	**(1,060)**	**(4,977)**	**(1,549)**	**(646)**	**(40)**	**(15,053)**
Depreciation	-	(204)	(114)	(57)	(585)	(120)	(89)	(2)	**(1,171)**
Accumulated depreciation on deletions**	-	-	18	16	332	26	8	-	400
Accumulated depreciation as at September 30, 2023	**-**	**(4,427)**	**(2,654)**	**(1,101)**	**(5,230)**	**(1,643)**	**(727)**	**(42)**	**(15,824)**
Carrying value as at April 1, 2023	**1,429**	**6,222**	**586**	**254**	**2,258**	**580**	**322**	**5**	**11,656**
Carrying value as at September 30, 2023	**1,429**	**6,027**	**506**	**232**	**1,981**	**520**	**294**	**3**	**10,992**

** During the three months and six months ended September 30, 2023, certain assets which were not in use having gross book value of ₹111 crore and ₹361 crore (net book value: Nil) were retired.

The changes in the carrying value of property, plant and equipment for the six months ended September 30, 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	-	143	73	33	517	92	80	1	939
Deletions*	-	-	(5)	(11)	(231)	(4)	-	(1)	(252)
Gross carrying value as at September 30, 2022	**1,429**	**10,258**	**3,122**	**1,272**	**7,525**	**2,158**	**897**	**44**	**26,705**
Accumulated depreciation as at April 1, 2022	**-**	**(3,834)**	**(2,494)**	**(993)**	**(5,163)**	**(1,614)**	**(499)**	**(37)**	**(14,634)**
Depreciation	-	(193)	(118)	(53)	(511)	(102)	(76)	(2)	(1,055)
Accumulated depreciation on deletions*	-	-	5	10	231	3	-	1	250
Accumulated depreciation as at September 30, 2022	**-**	**(4,027)**	**(2,607)**	**(1,036)**	**(5,443)**	**(1,713)**	**(575)**	**(38)**	**(15,439)**
Carrying value as at April 1, 2022	**1,429**	**6,281**	**560**	**257**	**2,076**	**456**	**318**	**7**	**11,384**
Carrying value as at September 30, 2022	**1,429**	**6,231**	**515**	**236**	**2,082**	**445**	**322**	**6**	**11,266**

* During the three months and six months ended September 30, 2022, certain assets which were not in use having gross book value of ₹149 crore (net book value: Nil) 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	
	September 30, 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 September 30, 2023:

(In ₹ crore)

Particulars	Category of ROU asset			Total
	Land	Buildings	Computers	
Balance as at July 1, 2023	547	2,801	338	3,686
Additions*	-	32	153	185
Deletions	-	(28)	(17)	(45)
Depreciation	(1)	(116)	(41)	(158)
Balance as at September 30, 2023	**546**	**2,689**	**433**	**3,668**

** Net of adjustments on account of modifications*

Following are the changes in the carrying value of right of use assets for the three months ended September 30, 2022:

(In ₹ crore)

Particulars	Category of ROU asset			Total
	Land	Buildings	Computers	
Balance as at July 1, 2022	551	2,861	129	3,541
Additions*	-	40	85	125
Deletions	-	-	(17)	(17)
Depreciation	(1)	(111)	(19)	(131)
Balance as at September 30, 2022	**550**	**2,790**	**178**	**3,518**

** 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 six months ended September 30, 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*	-	288	225	513
Deletions	-	(30)	(63)	(93)
Depreciation	(2)	(238)	(73)	(313)
Balance as at September 30, 2023	**546**	**2,689**	**433**	**3,668**

** 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 six months ended September 30, 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*	-	388	106	494
Deletions	-	(1)	(34)	(35)
Depreciation	(2)	(218)	(32)	(252)
Balance as at September 30, 2022	**550**	**2,790**	**178**	**3,518**

** 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 September 30, 2023 and March 31, 2023:

(In ₹ crore)

Particulars	As at	
	September 30, 2023	March 31, 2023
Current lease liabilities	786	713
Non-current lease liabilities	3,470	3,553
Total	**4,256**	**4,266**

2.4 INVESTMENTS

(In ₹ crore)

Particulars	As at September 30, 2023	As at March 31, 2023
Non-current investments		
Equity instruments of subsidiaries	9,104	9,078
Redeemable Preference shares of subsidiary	2,831	2,831
Preference securities and equity instruments	228	196
Target maturity fund units	415	402
Others	84	82
Tax free bonds	1,737	1,742
Government bonds	14	14
Non-convertible debentures	1,977	2,490
Government Securities	6,641	6,851
Total non-current investments	**23,031**	**23,686**
Current investments		
Liquid mutual fund units	2,140	260
Commercial Papers	2,184	420
Certificates of deposit	399	2,765
Tax free bonds	150	150
Government Securities	209	5
Non-convertible debentures	724	876
Total current investments	**5,806**	**4,476**
Total carrying value	**28,837**	**28,162**

(In ₹ crore, except as otherwise stated)

Particulars	As at September 30, 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
20,000 (20,000) shares		
Infosys Austria GmbH	-	-
80,000 (80,000) shares of EUR 1 par value, fully paid up		
Infosys Consulting Brazil	337	337
27,50,71,070 (27,50,71,070) shares of BRL 1 per share, fully paid up		
Infosys 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 Germany GmbH	-	-
25,000 (25,000) shares EUR 1 per share, fully paid up		
Infosys Turkey Bilgi Teknolojileri Limited Sirketi	7	7
1,30,842 (1) share Turkish Liras 100 (10,000) per share, fully paid up		
Infosys Consulting S.R.L. (Argentina)	2	2
2,94,500 (Nil) shares AR$ 100 per share, fully paid up		
Infosys Business Solutions LLC	8	8
10,000 (Nil) 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 (24,92,00,000) shares of SGD 1 per share, fully paid up		
40,000,000 (Nil) shares of USD 1 per share, fully paid up		
	11,935	**11,909**

(In ₹ crore, except as otherwise stated)

Particulars	As at	
	September 30, 2023	March 31, 2023
Investments carried at fair value through profit or loss		
Target maturity fund units	415	402
Others [1]	84	82
	499	**484**
Investments carried at fair value through other comprehensive income		
Preference securities	78	193
Equity instruments	2	3
	80	**196**
Quoted		
Investments carried at amortized cost		
Tax free bonds	1,737	1,742
Government bonds	14	14
	1,751	**1,756**
Investments carried at fair value through other comprehensive income		
Non-convertible debentures	1,977	2,490
Equity Securities	148	-
Government Securities	6,641	6,851
	8,766	**9,341**
Total non-current investments	**23,031**	**23,686**
Current investments		
Unquoted		
Investments carried at fair value through profit or loss		
Liquid mutual fund units	2,140	260
	2,140	**260**
Investments carried at fair value through other comprehensive income		
Commercial Papers	2,184	420
Certificates of deposit	399	2,765
	2,583	**3,185**
Quoted		
Investments carried at amortized cost		
Tax free bonds	150	150
	150	**150**
Investments carried at fair value through other comprehensive income		
Government Securities	209	5
Non-convertible debentures	724	876
	933	**881**
Total current investments	**5,806**	**4,476**
Total investments	**28,837**	**28,162**
Aggregate amount of quoted investments	11,600	12,128
Market value of quoted investments (including interest accrued), current	1,108	1,050
Market value of quoted investments (including interest accrued), non-current	10,719	11,336
Aggregate amount of unquoted investments	17,237	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	11,935	11,909
Investments carried at amortized cost	1,901	1,906
Investments carried at fair value through other comprehensive income	12,362	13,603
Investments carried at fair value through profit or loss	2,639	744

[1] *Uncalled capital commitments outstanding as of September 30, 2023 and March 31, 2023 was ₹6 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	
		September 30, 2023	March 31, 2023
Liquid mutual fund units - carried at fair value through profit or loss	Quoted price	2,140	260
Target maturity fund units - carried at fair value through profit or loss	Quoted price	415	402
Tax free bonds and government bonds - carried at amortized cost	Quoted price and market observable inputs	2,106	2,134
Non-convertible debentures - carried at fair value through other comprehensive income	Quoted price and market observable inputs	2,701	3,366
Government securities - carried at fair value through other comprehensive income	Quoted price and market observable inputs	6,850	6,856
Commercial Papers - carried at fair value through other comprehensive income	Market observable inputs	2,184	420
Certificates of deposit - carried at fair value through other comprehensive income	Market observable inputs	399	2,765
Quoted Equity Securities - carried at fair value through other comprehensive income	Quoted price	148	-
Unquoted equity and preference securities - carried at fair value through other comprehensive income	Discounted cash flows method, Market multiples method, Option pricing model	80	196
Others - carried at fair value through profit or loss	Discounted cash flows method, Market multiples method, Option pricing model	84	82
Total		**17,107**	**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.

2.5 LOANS

(In ₹ crore)

Particulars	As at September 30, 2023	As at March 31, 2023
Non- Current		
Loans considered good - Unsecured		
Other Loans		
Loans to employees	37	39
Total non - current loans	**37**	**39**
Current		
Loans considered good - Unsecured		
Loans to subsidiaries	42	43
Other Loans		
Loans to employees	216	248
Total current loans	**258**	**291**
Total Loans	**295**	**330**

2.6 OTHER FINANCIAL ASSETS

(In ₹ crore)

Particulars	As at September 30, 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)	183	183
Unbilled revenues (1)(5)#	666	686
Others(1)	152	131
Total non-current other financial assets	**1,044**	**1,341**
Current		
Security deposits (1)	1	1
Rental deposits (1)	10	5
Restricted deposits (1)*	2,283	2,116
Unbilled revenues (1)(5)#	4,559	5,166
Interest accrued but not due (1)	400	441
Foreign currency forward and options contracts (2)(3)	160	79
Net investment in Sublease of right-of-use asset (1)	-	48
Others (1)(4)	1,876	1,232
Total current other financial assets	**9,289**	**9,088**
Total other financial assets	**10,333**	**10,429**
(1) Financial assets carried at amortized cost	10,173	10,350
(2) Financial assets carried at fair value through other comprehensive income	47	32
(3) Financial assets carried at fair value through Profit or Loss	113	47
(4) *Includes dues from subsidiaries*	1,602	1,051
(5) *Includes dues from subsidiaries*	139	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 September 30, 2023	As at March 31, 2023
Current		
Trade Receivable considered good - Unsecured (1)	23,742	21,202
Less: Allowance for expected credit loss	505	429
Trade Receivable considered good - Unsecured	23,237	20,773
Trade Receivable - credit impaired - Unsecured	153	106
Less: Allowance for credit impairment	153	106
Trade Receivable - credit impaired - Unsecured	-	-
Total trade receivables (2)	**23,237**	**20,773**
(1) *Includes dues from subsidiaries*	321	611
(2) *Includes dues from companies where directors are interested*	-	-

2.8 CASH AND CASH EQUIVALENTS

(In ₹ crore)

Particulars	As at	
	September 30, 2023	March 31, 2023
Balances with banks		
In current and deposit accounts	9,964	4,864
Cash on hand	-	-
Others		
Deposits with financial institutions	-	1,670
Total Cash and cash equivalents	**9,964**	**6,534**
Balances with banks in unpaid dividend accounts	33	37
Deposit with more than 12 months maturity	-	700

Cash and cash equivalents as at September 30, 2023 and March 31, 2023 include restricted cash and bank balances of ₹58 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	
	September 30, 2023	March 31, 2023
Non-current		
Capital advances	132	141
Advances other than capital advances		
Others		
Prepaid expenses	55	63
Defined benefit plan assets	10	9
Deferred contract cost		
Cost of obtaining a contract[3]	107	139
Cost of fulfillment	696	601
Other receivables	13	-
Unbilled revenues[2]	303	167
Withholding taxes and others	668	668
Total non-current other assets	**1,984**	**1,788**
Current		
Advances other than capital advances		
Payment to vendors for supply of goods	29	171
Others		
Prepaid expenses [1]	1,787	1,705
Unbilled revenues[2]	5,897	6,365
Deferred contract cost		
Cost of obtaining a contract[3]	224	400
Cost of fulfillment	175	109
Withholding taxes and others	1,990	2,047
Other receivables	17	123
Total current other assets	**10,119**	**10,920**
Total other assets	**12,103**	**12,708**
[1] *Includes dues from subsidiaries*	186	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 September 30, 2023, the financial liability pertaining to such arrangements amounts to ₹75 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 September 30, 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)	9,964	-	-	-	-	9,964	9,964
Investments (Refer to note 2.4)							
Preference securities, Equity instruments and others	-	-	84	228	-	312	312
Tax free bonds and government bonds	1,901	-	-	-	-	1,901	2,106 [1]
Liquid mutual fund units	-	-	2,140	-	-	2,140	2,140
Target maturity fund units	-	-	415	-	-	415	415
Commercial Papers	-	-	-	-	2,184	2,184	2,184
Certificates of deposit	-	-	-	-	399	399	399
Non convertible debentures	-	-	-	-	2,701	2,701	2,701
Government Securities	-	-	-	-	6,850	6,850	6,850
Trade receivables (Refer to note 2.7)	23,237	-	-	-	-	23,237	23,237
Loans (Refer to note 2.5)	295	-	-	-	-	295	295
Other financial assets (Refer to note 2.6) [3]	10,173	-	113	-	47	10,333	10,270 [2]
Total	**45,570**	**-**	**2,752**	**228**	**12,181**	**60,731**	**60,873**
Liabilities:							
Trade payables (Refer to note 2.13)	2,094	-	-	-	-	2,094	2,094
Lease liabilities (Refer to note 2.3)	4,256	-	-	-	-	4,256	4,256
Other financial liabilities (Refer to note 2.12)	11,528	-	45	-	3	11,576	11,576
Total	**17,878**	**-**	**45**	**-**	**3**	**17,926**	**17,926**

[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 ₹63 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 instruments 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 September 30, 2023 is as follows:

(In ₹ crore)

Particulars	**As at September 30, 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	2,092	1,934	158	-
Investments in government bonds	14	14	-	-
Investments in liquid mutual fund units	2,140	2,140	-	-
Investments in target maturity fund units	415	415	-	-
Investments in certificates of deposit	399	-	399	-
Investments in commercial papers	2,184	-	2,184	-
Investments in non convertible debentures	2,701	2,454	247	-
Investments in government securities	6,850	6,778	72	-
Investments in equity instruments	150	148	-	2
Investments in preference securities	78	-	-	78
Other investments	84	-	-	84
Others				
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts (Refer to note 2.6)	160	-	160	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts (Refer to note 2.12)	48	-	48	-

During the six months ended September 30, 2023, tax free bonds and non-convertible debentures of ₹2,164 crore were transferred from Level 2 to Level 1 of fair value hierarchy since these were valued based on quoted price. Further government securities of ₹73 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 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 instruments	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	
	September 30, 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
4,15,03,84,120 (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 September 30, 2023 and March 31, 2023 is set out below:

(in ₹ crore, except as stated otherwise)

Particulars	As at September 30, 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	1,824,076	1	2,247,751	1
Less: Shares bought back	-	-	60,426,348	30
As at the end of the period	**4,15,03,84,120**	**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 September 30, 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 September 30,		Six months ended September 30,	
	2023	2022	2023	2022
Final dividend for fiscal 2022	-	-	-	16.00
Final dividend for fiscal 2023	-	-	17.50	-

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 would result in a net cash outflow of approximately ₹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 11,558,862 shares and 12,172,119 shares as at September 30, 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 September 30, 2023 and March 31, 2023.

The following is the summary of grants during the three months and six months ended September 30, 2023 and September 30, 2022:

Particulars	2019 Plan				2015 Plan			
	Three months ended September 30,		Six months ended September 30,		Three months ended September 30,		Six months ended September 30,	
	2023	2022	2023	2022	2023	2022	2023	2022
Equity settled RSUs								
Key Management Personnel (KMP)	-	-	78,281	176,893	-	185,358	333,596	287,325
Employees other than KMP	-	-	-	370,960	23,780	-	28,280	-
Total Grants	**-**	**-**	**78,281**	**547,853**	**23,780**	**185,358**	**361,876**	**287,325**

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 September 30, 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 six months ended September 30, 2023, based on recommendations of Nomination and Remuneration Committee, the Board approved 6,774 performance based RSUs to a KMP under the 2015 plan. The performance based RSUs will vest over three years based on certain performance targets.

The break-up of employee stock compensation expense is as follows:

(in ₹ crore)

Particulars	Three months ended September 30,		Six months ended September 30,	
	2023	2022	2023	2022
Granted to:				
KMP	17	24	37	41
Employees other than KMP	97	100	209	201
Total [(1)]	**114**	**124**	**246**	**242**
[(1)] *Cash settled stock compensation expense included in the above*	2	-	3	(2)

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)	1,278	16.80	1,525	18.08
Exercise price (₹) / ($ ADS)	5.00	0.07	5.00	0.07
Expected volatility (%)	23-31	26-33	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)	1,114	15.51	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	
	September 30, 2023	March 31, 2023
Non-current		
Others		
Compensated absences	75	76
Accrued compensation to employees [1]	10	5
Accrued expenses [1]	1,494	1,184
Other payables [1][6]	21	52
Total non-current other financial liabilities	**1,600**	**1,317**
Current		
Unpaid dividends [1]	33	37
Others		
Accrued compensation to employees [1]	3,506	3,072
Accrued expenses [1][4]	4,583	4,430
Retention monies [1]	15	17
Capital creditors [1]	198	652
Compensated absences	2,081	1,893
Other payables [1][5][6]	1,668	2,540
Foreign currency forward and options contracts [2][3]	48	56
Total current other financial liabilities	**12,132**	**12,697**
Total other financial liabilities	**13,732**	**14,014**
[1] *Financial liability carried at amortized cost*	11,528	11,989
[2] *Financial liability carried at fair value through profit or loss*	45	42
[3] *Financial liability carried at fair value through other comprehensive income*	3	14
[4] *Includes dues to subsidiaries*	30	30
[5] *Includes dues to subsidiaries*	339	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 September 30, 2023, the financial liability pertaining to such arrangements amounts to ₹75 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	
	September 30, 2023	March 31, 2023
Outstanding dues of micro enterprises and small enterprises	9	97
Outstanding dues of creditors other than micro enterprises and small enterprises[1]	2,085	2,329
Total trade payables	**2,094**	**2,426**
[1] *Includes dues to subsidiaries*	*797*	*653*

2.14 OTHER LIABILITIES

(In ₹ crore)

Particulars	As at	
	September 30, 2023	March 31, 2023
Non-current		
Accrued defined benefit liability	363	412
Others		
Deferred income	2	2
Deferred income - government grants	23	-
Total non - current other liabilities	**388**	**414**
Current		
Accrued defined benefit liability	2	2
Unearned revenue	5,520	5,491
Others		
Deferred income - government grants	10	28
Withholding taxes and others	2,104	2,088
Total current other liabilities	**7,636**	**7,609**
Total other liabilities	**8,024**	**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	
	September 30, 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 September 30,		Six months ended September 30,	
	2023	**2022**	**2023**	**2022**
Current taxes	2,180	2,312	4,245	4,345
Deferred taxes	92	(77)	216	(108)
Income tax expense	**2,272**	**2,235**	**4,461**	**4,237**

Income tax expense for the three months ended September 30, 2023 and September 30, 2022 includes reversal (net of provisions) of ₹35 crore and ₹5 crore, respectively. Income tax expense for the six months ended September 30, 2023 and September 30, 2022 includes reversal (net of provisions) of ₹80 crore and provisions (net of reversal) of ₹14 crore, respectively. These provisions and reversals pertaining to prior periods are primarily on account of adjudication of certain disputed matters, upon filing of tax return and completion of assessments, across various jurisdictions.

Deferred income tax for the three months and six months ended September 30, 2023 and September 30, 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 six months ended September 30, 2023 and September 30, 2022 is as follows:

(In ₹ crore)

Particulars	**Three months ended September 30,**		**Six months ended September 30,**	
	2023	**2022**	**2023**	**2022**
Revenue from software services	32,544	31,497	64,292	60,984
Revenue from products and platforms	85	70	148	110
Total revenue from operations	**32,629**	**31,567**	**64,440**	**61,094**

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 September 30, 2023 and September 30, 2022 is 55% and 54%, respectively. The percentage of revenue from fixed-price contracts for the six months ended September 30, 2023 is 55% and September 30, 2022 is 54%.

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 six months ended September 30, 2023 and September 30, 2022 is as follows:

(In ₹ crore)

Particulars	**Three months ended September 30,**		**Six months ended September 30,**	
	2023	**2022**	**2023**	**2022**
Interest income on financial assets carried at amortized cost				
Tax free bonds and government bonds	34	38	68	75
Deposit with Bank and others	168	148	347	318
Interest income on financial assets carried at fair value through other comprehensive income				
Non-convertible debentures, commercial papers, certificates of deposit and government securities	188	217	392	435
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	37	25	78	44
Dividend received from subsidiary	792	693	1,192	693
Exchange gains/(losses) on foreign currency forward and options contracts	(36)	(64)	99	(260)
Exchange gains/(losses) on translation of other assets and liabilities	116	176	50	511
Miscellaneous income, net	51	34	126	99
Total other income	**1,350**	**1,267**	**2,352**	**1,916**

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 September 30,		Six months ended September 30,	
	2023	2022	2023	2022
Employee benefit expenses				
Salaries including bonus	15,756	15,230	31,464	29,491
Contribution to provident and other funds	493	482	992	926
Share based payments to employees (Refer to note 2.11)	114	124	246	242
Staff welfare	72	37	86	128
	16,435	**15,873**	**32,788**	**30,787**
Cost of software packages and others				
For own use	408	365	786	702
Third party items bought for service delivery to clients	1,401	1,063	2,196	1,909
	1,809	**1,428**	**2,982**	**2,611**
Other expenses				
Power and fuel	43	38	87	73
Brand and Marketing	195	151	419	342
Short-term leases	6	4	6	7
Rates and taxes	55	48	131	102
Repairs and Maintenance	243	212	485	433
Consumables	4	5	11	13
Insurance	45	37	87	71
Provision for post-sales client support and others	120	53	174	69
Commission to non-whole time directors	4	3	7	7
Impairment loss recognized / (reversed) under expected credit loss model	98	26	184	54
Auditor's remuneration				
Statutory audit fees	2	1	3	3
Tax matters	-	-	-	-
Other services	-	-	-	-
Contributions towards Corporate Social Responsibility	130	106	190	158
Others	50	63	183	107
	995	**747**	**1,967**	**1,439**

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	
	September 30, 2023	March 31, 2023
Contingent liabilities:		
Claims against the Company, not acknowledged as debts[1]	4,551	4,316
[Amount paid to statutory authorities ₹6,303 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]	644	824
Other Commitments*	6	8

** Uncalled capital pertaining to investments*

[1] As at September 30, 2023 and March 31, 2023, claims against the Company not acknowledged as debts in respect of income tax matters amounted to ₹4,162 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 ₹6,293 crore and ₹6,105 crore as at September 30, 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 six months ended September 30, 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.
- Kaleidoscope Prototyping LLC, a Wholly-owned subsidiary of Kaleidoscope Animations, Inc. is under liquidation.
- oddity GmbH renamed as WongDoody GmbH (formerly known as oddity 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.

The Company's related party transactions during the three months and six months ended September 30, 2023 and September 30, 2022 and outstanding balances as at September 30, 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)

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)

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 September 30,		Six months ended September 30,	
	2023	2022	2023	2022
Salaries and other short term employee benefits to whole-time directors and executive officers[(1)(2)]	26	43	58	75
Commission and other benefits to non-executive / independent directors	4	3	8	7
Total	**30**	**46**	**66**	**82**

[1] Total employee stock compensation expense for the three months ended September 30, 2023 and September 30, 2022 includes a charge of ₹17 crore and ₹24 crore, respectively, towards key management personnel. For the six months ended September 30, 2023 and September 30, 2022, includes a charge of ₹37 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.

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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
October 12, 2023

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 September 30, 2023, the Condensed Consolidated Statement of Profit and Loss (including Other Comprehensive Income) for the three months and six months ended on that date, the Condensed Consolidated Statement of Changes in Equity and the Condensed Consolidated Statement of Cash Flows for the six 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 September 30, 2023, their consolidated profit and their consolidated total comprehensive income for the three months and six months ended on that date, their consolidated changes in equity and their consolidated cash flows for the six 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.

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 of the companies

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

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

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

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

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

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

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

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of 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: October 12, 2023

INFOSYS LIMITED AND SUBSIDIARIES

Condensed Consolidated Financial Statements under Indian Accounting Standards (Ind AS) for the three months and six months ended September 30, 2023

Index	**Page No.**

INFOSYS LIMITED AND SUBSIDIARIES

(In ₹ crore)

Condensed Consolidated Balance Sheets as at	Note No.	September 30, 2023	March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	2.2	12,542	13,346
Right-of-use assets	2.19	6,950	6,882
Capital work-in-progress		497	288
Goodwill	2.3	7,240	7,248
Other intangible assets		1,547	1,749
Financial assets			
Investments	2.4	11,744	12,569
Loans	2.5	38	39
Other financial assets	2.6	2,343	2,798
Deferred tax assets (net)		868	1,245
Income tax assets (net)		6,945	6,453
Other non-current assets	2.9	2,518	2,318
Total non-current assets		**53,232**	**54,935**
Current assets			
Financial assets			
Investments	2.4	7,579	6,909
Trade receivables	2.7	28,261	25,424
Cash and cash equivalents	2.8	15,713	12,173
Loans	2.5	252	289
Other financial assets	2.6	11,650	11,604
Income tax assets (net)		42	6
Other current assets	2.9	13,570	14,476
Total current assets		**77,067**	**70,881**
Total assets		**130,299**	**125,816**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.11	2,070	2,069
Other equity		78,698	73,338
Total equity attributable to equity holders of the Company		**80,768**	**75,407**
Non-controlling interests		386	388
Total equity		**81,154**	**75,795**
Liabilities			
Non-current liabilities			
Financial Liabilities			
Lease liabilities	2.19	6,626	7,057
Other financial liabilities	2.12	2,162	2,058
Deferred tax liabilities (net)		1,028	1,220
Other non-current liabilities	2.13	472	500
Total non-current liabilities		**10,288**	**10,835**
Current liabilities			
Financial Liabilities			
Lease liabilities	2.19	1,920	1,242
Trade payables		3,203	3,865
Other financial liabilities	2.12	17,566	18,558
Other current liabilities	2.13	10,278	10,830
Provisions	2.14	1,702	1,307
Income tax liabilities (net)		4,188	3,384
Total current liabilities		**38,857**	**39,186**
Total equity and liabilities		**130,299**	**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
October 12, 2023

INFOSYS LIMITED AND SUBSIDIARIES

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

Condensed Consolidated Statement of Profit and Loss for the	Note No.	Three months ended September 30,		Six months ended September 30,	
		2023	2022	2023	2022
Revenue from operations	2.16	38,994	36,538	76,927	71,008
Other income, net	2.17	632	584	1,193	1,260
Total income		**39,626**	**37,122**	**78,120**	**72,268**
Expenses					
Employee benefit expenses	2.18	20,796	19,438	41,577	37,776
Cost of technical sub-contractors		3,074	3,694	6,198	7,603
Travel expenses		439	363	901	739
Cost of software packages and others	2.18	3,387	2,512	6,106	4,932
Communication expenses		179	189	361	359
Consultancy and professional charges		387	439	734	895
Depreciation and amortization expenses		1,166	1,029	2,339	1,979
Finance cost		138	66	228	121
Other expenses	2.18	1,292	1,001	2,546	1,939
Total expenses		**30,858**	**28,731**	**60,990**	**56,343**
Profit before tax		**8,768**	**8,391**	**17,130**	**15,925**
Tax expense:					
Current tax	2.15	2,491	2,482	4,798	4,832
Deferred tax	2.15	62	(117)	172	(295)
Profit for the period		**6,215**	**6,026**	**12,160**	**11,388**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset, net		(64)	40	23	(46)
Equity instruments through other comprehensive income, net		40	4	40	7
		(24)	**44**	**63**	**(39)**
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedge, net		23	(12)	29	14
Exchange differences on translation of foreign operations		5	(14)	21	39
Fair value changes on investments, net		(20)	26	55	(346)
		8	**—**	**105**	**(293)**
Total other comprehensive income /(loss), net of tax		**(16)**	**44**	**168**	**(332)**
Total comprehensive income for the period		**6,199**	**6,070**	**12,328**	**11,056**
Profit attributable to:					
Owners of the Company		6,212	6,021	12,157	11,381
Non-controlling interests		3	5	3	7
		6,215	**6,026**	**12,160**	**11,388**
Total comprehensive income attributable to:					
Owners of the Company		6,196	6,068	12,328	11,054
Non-controlling interests		3	2	—	2
		6,199	**6,070**	**12,328**	**11,056**
Earnings per equity share					
Equity shares of par value ₹5/- each					
Basic (in ₹ per share)		15.01	14.35	29.38	27.13
Diluted (in ₹ per share)		14.99	14.34	29.34	27.10
Weighted average equity shares used in computing earnings per equity share					
Basic (in shares)	2.20	4,138,636,582	4,194,617,942	4,137,939,496	4,194,185,175
Diluted (in shares)	2.20	4,142,819,712	4,199,829,557	4,142,711,523	4,200,026,950

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
October 12, 2023

INFOSYS LIMITED AND SUBSIDIARIES

Condensed Consolidated Statement of Changes in Equity

(In ₹ crore)

Particulars	Equity Share capital [1]	OTHER EQUITY: Reserves & Surplus								Other comprehensive income				Total equity attributable to equity holders of the Company	Non-controlling interest	Total equity
		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)			
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 six months ended September 30, 2022																
Profit for the period	—	—	—	—	11,381	—	—	—	—	—	—	—	—	11,381	7	11,388
Remeasurement of the net defined benefit liability/asset, net*	—	—	—	—	—	—	—	—	—	—	—	—	(46)	(46)	—	(46)
Equity instruments through other comprehensive income, net*	—	—	—	—	—	—	—	—	—	7	—	—	—	7	—	7
Fair value changes on derivatives designated as cash flow hedge, net*	—	—	—	—	—	—	—	—	—	—	—	14	—	14	—	14
Exchange differences on translation of foreign operations	—	—	—	—	—	—	—	—	—	—	44	—	—	44	(5)	39
Fair value changes on investments, net*	—	—	—	—	—	—	—	—	—	—	—	—	(346)	(346)	—	(346)
Total Comprehensive income for the period	**—**	**—**	**—**	**—**	**11,381**	**—**	**—**	**—**	**—**	**7**	**44**	**14**	**(392)**	**11,054**	**2**	**11,056**
Shares issued on exercise of employee stock options *(Refer to Note 2.11)*	1	—	—	6	—	—	—	—	—	—	—	—	—	7	—	7
Employee stock compensation expense *(Refer to Note 2.11)*	—	—	—	—	—	—	270	—	—	—	—	—	—	270	—	270
Transfer on account of options not exercised	—	—	—	—	—	1	(1)	—	—	—	—	—	—	—	—	—
Transfer to legal reserve	—	—	—	—	(3)	—	—	—	3	—	—	—	—	—	—	—
Transferred on account of exercise of stock options *(Refer to note 2.11)*	—	—	—	165	—	—	(165)	—	—	—	—	—	—	—	—	—
Income tax benefit arising on exercise of stock options	—	—	—	—	—	—	30	—	—	—	—	—	—	30	—	30
Dividends [1]	—	—	—	—	(6,711)	—	—	—	—	—	—	—	—	(6,711)	—	(6,711)
Dividends paid to non controlling interest of subsidiary	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(22)	(22)
Transferred from Special Economic Zone Re-investment reserve on utilization	—	—	—	—	577	—	—	(577)	—	—	—	—	—	—	—	—
Balance as at September 30, 2022	**2,099**	**54**	**139**	**371**	**66,538**	**1,062**	**740**	**7,762**	**19**	**261**	**1,604**	**16**	**(684)**	**79,981**	**366**	**80,347**

Condensed Consolidated Statement of Changes in Equity (contd.)

(In ₹ crore)

Particulars		OTHER EQUITY												Total equity attributable to equity holders of the Company	Non-controlling interest	Total 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)			
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 six months ended September 30, 2023																
Profit for the period	—	—	—	—	12,157	—	—	—	—	—	—	—	—	12,157	3	12,160
Remeasurement of the net defined benefit liability/asset, net*	—	—	—	—	—	—	—	—	—	—	—	—	23	23	—	23
Equity instruments through other comprehensive income, net*	—	—	—	—	—	—	—	—	—	40	—	—	—	40	—	40
Fair value changes on derivatives designated as cash flow hedge, net*	—	—	—	—	—	—	—	—	—	—	—	29	—	29	—	29
Exchange differences on translation of foreign operations	—	—	—	—	—	—	—	—	—	—	24	—	—	24	(3)	21
Fair value changes on investments, net*	—	—	—	—	—	—	—	—	—	—	—	—	55	55	—	55
Total Comprehensive income for the period	**—**	**—**	**—**	**—**	**12,157**	**—**	**—**	**—**	**—**	**40**	**24**	**29**	**78**	**12,328**	**—**	**12,328**
Shares issued on exercise of employee stock options *(Refer to Note 2.11)*	1	—	—	2	—	—	—	—	—	—	—	—	—	3	—	3
Employee stock compensation expense *(Refer to Note 2.11)*	—	—	—	—	—	—	272	—	—	—	—	—	—	272	—	272
Transferred on account of exercise of stock options *(Refer to note 2.11)*	—	—	—	325	—	—	(325)	—	—	—	—	—	—	—	—	—
Transferred on account of options not exercised	—	—	—	—	—	6	(6)	—	—	—	—	—	—	—	—	—
Income tax benefit arising on exercise of stock options	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Dividends [1]	—	—	—	—	(7,242)	—	—	—	—	—	—	—	—	(7,242)	—	(7,242)
Dividends paid to non controlling interest of subsidiary	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(2)	(2)
Transferred to Special Economic Zone Re-investment reserve	—	—	—	—	(1,520)	—	—	1,520	—	—	—	—	—	—	—	—
Transferred from Special Economic Zone Re-investment reserve on utilization	—	—	—	—	325	—	—	(325)	—	—	—	—	—	—	—	—
Balance as at September 30, 2023	**2,070**	**54**	**169**	**493**	**62,677**	**1,060**	**819**	**11,209**	**19**	**287**	**2,349**	**24**	**(462)**	**80,768**	**386**	**81,154**

** Net of tax*

 # 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
October 12, 2023

INFOSYS LIMITED AND SUBSIDIARIES

Condensed Consolidated Statement of Cash Flows

Accounting policy

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

(In ₹ crore)

Particulars	Note No.	Six months ended September 30,	
		2023	2022
Cash flow from operating activities			
Profit for the period		12,160	11,388
Adjustments to reconcile net profit to net cash provided by operating activities:			
Income tax expense	2.15	4,970	4,537
Depreciation and amortization		2,339	1,979
Interest and dividend income		(1,006)	(947)
Finance cost		228	121
Impairment loss recognized / (reversed) under expected credit loss model		206	91
Exchange differences on translation of assets and liabilities, net		(1)	131
Stock compensation expense		279	269
Other adjustments		900	283
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(1,751)	(4,864)
Loans, other financial assets and other assets		(251)	(1,205)
Trade payables		(661)	(9)
Other financial liabilities, other liabilities and provisions		(768)	3,213
Cash generated from operations		**16,644**	**14,987**
Income taxes paid		(4,538)	(4,227)
Net cash generated by operating activities		**12,106**	**10,760**
Cash flows from investing activities			
Expenditure on property, plant and equipment and intangibles		(1,299)	(1,234)
Deposits placed with corporation		(636)	(564)
Redemption of deposits placed with Corporation		439	384
Interest and dividend received		973	846
Payment towards acquisition of business, net of cash acquired	2.1	—	(904)
Payment of contingent consideration pertaining to acquisition of business		(59)	(60)
Other receipts		127	40
Payments to acquire Investments			
Liquid mutual fund units		(33,038)	(36,310)
Certificates of deposit		(2,179)	(5,024)
Commercial Papers		(2,903)	(482)
Non-convertible debentures		(104)	(249)
Tax free bonds		—	(13)
Government securities		—	(1,569)
Other Investments		(5)	(18)
Proceeds on sale of Investments			
Other Investments		-	99
Liquid mutual funds units		31,292	34,336
Certificates of deposit		4,912	3,138
Commercial Papers		1,254	200
Non-convertible debentures		875	295
Government securities		299	1,332
Net cash generated / (used in) from investing activities		**(52)**	**(5,757)**

Cash flows from financing activities			
Payment of lease liabilities		(920)	(527)
Payment of dividends		(7,246)	(6,711)
Payment of dividend to non-controlling interest of subsidiary		(2)	(22)
Shares issued on exercise of employee stock options		3	7
Other receipts		20	84
Other payments		(334)	(220)
Net cash used in financing activities		**(8,479)**	**(7,389)**
Net increase / (decrease) in cash and cash equivalents		3,575	(2,386)
Effect of exchange rate changes on cash and cash equivalents		(35)	(217)
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	**15,713**	**14,869**
Supplementary information:			
Restricted cash balance	2.8	365	465

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

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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
October 12, 2023

INFOSYS LIMITED AND SUBSIDIARIES

Overview and notes to the Interim Condensed Consolidated Financial Statements

1. Overview

1.1 Company overview

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

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

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

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

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.

2.2 PROPERTY, PLANT AND EQUIPMENT

Accounting policy

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

Buildings [(1)]	22-25 years
Plant and machinery [(1)(2)]	5 years
Office equipment	5 years
Computer equipment [(1)]	3-5 years
Furniture and fixtures [(1)]	5 years
Vehicles[(1)]	5 years
Leasehold improvements	Lower of useful life of the asset or lease term

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

[(2)] *Includes Solar plant with a useful life of 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 September 30, 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 July 1, 2023	**1,431**	**11,514**	**3,293**	**1,484**	**8,471**	**2,307**	**1,457**	**45**	**30,002**
Additions	—	4	19	17	164	39	41	—	284
Deletions**	—	—	(5)	(14)	(134)	(13)	(4)	—	(170)
Translation difference	—	9	—	—	(5)	(2)	1	—	3
Gross carrying value as at September 30, 2023	**1,431**	**11,527**	**3,307**	**1,487**	**8,496**	**2,331**	**1,495**	**45**	**30,119**
Accumulated depreciation as at July 1, 2023	**—**	**(4,631)**	**(2,472)**	**(1,208)**	**(5,922)**	**(1,716)**	**(1,073)**	**(41)**	**(17,063)**
Depreciation	—	(116)	(66)	(32)	(349)	(65)	(55)	(1)	(684)
Accumulated depreciation on deletions**	—	—	5	13	134	12	4	—	168
Translation difference	—	(2)	(1)	(1)	5	1	—	—	2
Accumulated depreciation as at September 30, 2023	—	**(4,749)**	**(2,534)**	**(1,228)**	**(6,132)**	**(1,768)**	**(1,124)**	**(42)**	**(17,577)**
Carrying value as at July 1, 2023	**1,431**	**6,883**	**821**	**276**	**2,549**	**591**	**384**	**4**	**12,939**
Carrying value as at September 30, 2023	**1,431**	**6,778**	**773**	**259**	**2,364**	**563**	**371**	**3**	**12,542**

The changes in the carrying value of property, plant and equipment for the three months ended September 30, 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 July 1, 2022	**1,431**	**11,343**	**3,253**	**1,433**	**8,790**	**2,313**	**1,287**	**44**	**29,894**
Additions - Business Combination	—	—	—	—	3	—	—	—	3
Additions	—	11	28	13	335	51	23	1	462
Deletions*	—	—	(3)	(10)	(222)	(3)	—	(1)	(239)
Translation difference	—	(26)	(2)	(1)	(9)	(2)	(4)	—	(44)
Gross carrying value as at September 30, 2022	**1,431**	**11,328**	**3,276**	**1,435**	**8,897**	**2,359**	**1,306**	**44**	**30,076**
Accumulated depreciation as at July 1, 2022	**—**	**(4,205)**	**(2,409)**	**(1,158)**	**(6,264)**	**(1,820)**	**(886)**	**(38)**	**(16,780)**
Depreciation	—	(109)	(69)	(31)	(323)	(56)	(47)	(1)	(636)
Accumulated depreciation on deletions*	—	—	3	10	222	3	—	1	239
Translation difference	—	6	2	2	5	2	3	—	20
Accumulated depreciation as at September 30, 2022	**—**	**(4,308)**	**(2,473)**	**(1,177)**	**(6,360)**	**(1,871)**	**(930)**	**(38)**	**(17,157)**
Carrying value as at July 1, 2022	**1,431**	**7,138**	**844**	**275**	**2,526**	**493**	**401**	**6**	**13,114**
Carrying value as at September 30, 2022	**1,431**	**7,020**	**803**	**258**	**2,537**	**488**	**376**	**6**	**12,919**

The changes in the carrying value of property, plant and equipment for the six months ended September 30, 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	—	9	41	43	383	67	68	—	611
Deletions**	—	—	(32)	(36)	(400)	(37)	(11)	—	(516)
Translation difference	—	(44)	(4)	(2)	(6)	(2)	(7)	—	(65)
Gross carrying value as at September 30, 2023	**1,431**	**11,527**	**3,307**	**1,487**	**8,496**	**2,331**	**1,495**	**45**	**30,119**
Accumulated depreciation as at April 1, 2023	**—**	**(4,535)**	**(2,437)**	**(1,198)**	**(5,826)**	**(1,675)**	**(1,032)**	**(40)**	**(16,743)**
Depreciation	—	(225)	(132)	(65)	(711)	(130)	(108)	(2)	(1,373)
Accumulated depreciation on deletions**	—	—	32	35	399	36	9	—	511
Translation difference	—	11	3	—	6	1	7	—	28
Accumulated depreciation as at September 30, 2023	**—**	**(4,749)**	**(2,534)**	**(1,228)**	**(6,132)**	**(1,768)**	**(1,124)**	**(42)**	**(17,577)**
Carrying value as at April 1, 2023	**1,431**	**7,027**	**865**	**284**	**2,693**	**628**	**413**	**5**	**13,346**
Carrying value as at September 30, 2023	**1,431**	**6,778**	**773**	**259**	**2,364**	**563**	**371**	**3**	**12,542**

* During the three months and six months ended September 30, 2023, certain assets which were not in use having gross book value of ₹137 crore (net book value: Nil) and ₹457 crore (net book value: Nil), respectively were retired.

The changes in the carrying value of property, plant and equipment for the six months ended September 30, 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	—	143	75	35	668	102	86	1	1,110
Deletions*	—	—	(6)	(30)	(293)	(20)	(11)	(1)	(361)
Translation difference	—	(39)	(3)	(2)	(11)	(2)	(5)	—	(62)
Gross carrying value as at September 30, 2022	**1,431**	**11,328**	**3,276**	**1,435**	**8,897**	**2,359**	**1,306**	**44**	**30,076**
Accumulated depreciation as at April 1, 2022	**—**	**(4,100)**	**(2,344)**	**(1,150)**	**(6,034)**	**(1,779)**	**(856)**	**(37)**	**(16,300)**
Depreciation	**—**	(216)	(138)	(58)	(625)	(113)	(90)	(2)	(1,242)
Accumulated depreciation on deletions*	**—**	**—**	6	30	293	20	10	1	360
Translation difference	**—**	8	3	1	6	1	6	**—**	25
Accumulated depreciation as at September 30, 2022	**—**	**(4,308)**	**(2,473)**	**(1,177)**	**(6,360)**	**(1,871)**	**(930)**	**(38)**	**(17,157)**
Carrying value as at April 1, 2022	**1,431**	**7,124**	**866**	**277**	**2,493**	**499**	**378**	**7**	**13,075**
Carrying value as at September 30, 2022	**1,431**	**7,020**	**803**	**258**	**2,537**	**488**	**376**	**6**	**12,919**

* During the three months and six months ended September 30, 2022, certain assets which were not in use having gross book value of ₹161 crore (net book value: Nil) and ₹229 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	
	September 30, 2023	March 31, 2023
Carrying value at the beginning	**7,248**	**6,195**
Goodwill on acquisitions	—	630
Translation differences	(8)	423
Carrying value at the end	**7,240**	**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	
	September 30, 2023	March 31, 2023
Non-current Investments		
Unquoted		
Investments carried at fair value through other comprehensive income		
Preference securities	78	193
Equity instruments	2	3
	80	**196**
Investments carried at fair value through profit or loss		
Target maturity fund units	415	402
Others [1]	173	169
	588	**571**
Quoted		
Investments carried at amortized cost		
Government bonds	28	28
Tax free bonds	1,737	1,742
	1,765	**1,770**
Investments carried at fair value through other comprehensive income		
Non convertible debentures	2,054	2,713
Equity instruments	148	—
Government securities	7,109	7,319
	9,311	**10,032**
Total non-current investments	**11,744**	**12,569**
Current Investments		
Unquoted		
Investments carried at fair value through profit or loss		
Liquid mutual fund units	2,810	975
	2,810	**975**
Investments carried at fair value through other comprehensive income		
Commercial Papers	2,448	742
Certificates of deposit	911	3,574
	3,359	**4,316**
Quoted		
Investments carried at amortized cost		
Tax free bonds	150	150
	150	**150**
Investments carried at fair value through other comprehensive income		
Non convertible debentures	1,051	1,155
Government securities	209	313
	1,260	**1,468**
Total current investments	**7,579**	**6,909**
Total investments	**19,323**	**19,478**
Aggregate amount of quoted investments	12,486	13,420
Market value of quoted investments (including interest accrued), current	1,436	1,637
Market value of quoted investments (including interest accrued), non current	11,276	12,042
Aggregate amount of unquoted investments	6,837	6,058
Investments carried at amortized cost	1,915	1,920
Investments carried at fair value through other comprehensive income	14,010	16,012
Investments carried at fair value through profit or loss	3,398	1,546

[1] *Uncalled capital commitments outstanding as at September 30, 2023 and March 31, 2023 was ₹87 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	
		September 30, 2023	March 31, 2023
Liquid mutual fund units - carried at fair value through profit or loss	Quoted price	2,810	975
Target maturity fund units - carried at fair value through profit or loss	Quoted price	415	402
Tax free bonds and government bonds - carried at amortized cost	Quoted price and market observable inputs	2,120	2,148
Non-convertible debentures - carried at fair value through other comprehensive income	Quoted price and market observable inputs	3,105	3,868
Government securities - carried at fair value through other comprehensive income	Quoted price and market observable inputs	7,318	7,632
Commercial Papers - carried at fair value through other comprehensive income	Market observable inputs	2,448	742
Certificates of deposit - carried at fair value through other comprehensive income	Market observable inputs	911	3,574
Quoted Equity securities - carried at fair value through other comprehensive income	Quoted price	148	—
Unquoted equity and preference securities - carried at fair value through other comprehensive income	Discounted cash flows method, Market multiples method, Option pricing model	80	196
Others - carried at fair value through profit or loss	Discounted cash flows method, Market multiples method, Option pricing model	173	169
Total		**19,528**	**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	
	September 30, 2023	**March 31, 2023**
Non Current		
Loans considered good - Unsecured		
Other loans		
Loans to employees	38	39
	38	**39**
Loans credit impaired - Unsecured		
Other loans		
Loans to employees	2	2
Less: Allowance for credit impairment	(2)	(2)
	—	—
Total non-current loans	**38**	**39**
Current		
Loans considered good - Unsecured		
Other loans		
Loans to employees	252	289
Total current loans	**252**	**289**
Total loans	**290**	**328**

2.6 OTHER FINANCIAL ASSETS

(In ₹ crore)

Particulars	As at	
	September 30, 2023	**March 31, 2023**
Non Current		
Security deposits (1)	47	47
Rental deposits (1)	239	240
Unbilled revenues (1)#	1,045	1,185
Net investment in sublease of right-of-use asset (1)	5	305
Restricted deposits (1)*	109	96
Others (1)	898	925
Total non-current other financial assets	**2,343**	**2,798**
Current		
Security deposits (1)	11	10
Rental deposits (1)	36	32
Restricted deposits (1)*	2,532	2,348
Unbilled revenues (1)#	7,593	8,317
Interest accrued but not due (1)	460	488
Foreign currency forward and options contracts (2) (3)	171	101
Net investment in sublease of right of-use-asset (1)	6	53
Others (1)	841	255
Total current other financial assets	**11,650**	**11,604**
Total other financial assets	**13,993**	**14,402**
(1) Financial assets carried at amortized cost	13,822	14,301
(2) Financial assets carried at fair value through other comprehensive income	47	32
(3) Financial assets carried at fair value through profit or loss	124	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	
	September 30, 2023	**March 31, 2023**
Current		
Trade Receivable considered good - Unsecured	28,874	25,965
Less: Allowance for expected credit loss	613	541
Trade Receivable considered good - Unsecured	28,261	25,424
Trade Receivable - credit impaired - Unsecured	193	142
Less: Allowance for credit impairment	193	142
Trade Receivable - credit impaired - Unsecured	—	—
Total trade receivables	**28,261**	**25,424**

2.8 CASH AND CASH EQUIVALENTS

(In ₹ crore)

Particulars	As at	
	September 30, 2023	March 31, 2023
Balances with banks		
In current and deposit accounts	15,703	10,026
Cash on hand	—	—
Others		
Deposits with financial institutions	10	2,147
Total cash and cash equivalents	**15,713**	**12,173**
Balances with banks in unpaid dividend accounts	33	37
Deposit with more than 12 months maturity	150	833

Cash and cash equivalents as at September 30, 2023 and March 31, 2023 include restricted cash and bank balances of ₹365 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	
	September 30, 2023	March 31, 2023
Non-current		
Capital advances	140	159
Advances other than capital advances		
Others		
Withholding taxes and others	686	684
Unbilled revenues #	374	264
Defined benefit plan assets	36	36
Prepaid expenses	345	332
Deferred Contract Cost		
Cost of obtaining a contract *	166	191
Cost of fulfillment	758	652
Other receivables	13	—
Total non-current other assets	**2,518**	**2,318**
Current		
Advances other than capital advances		
Payment to vendors for supply of goods	77	202
Others		
Unbilled revenues #	6,461	6,972
Withholding taxes and others	2,890	3,268
Prepaid expenses	3,213	2,745
Deferred Contract Cost		
Cost of obtaining a contract *	470	853
Cost of fulfillment	252	175
Other receivables	207	261
Total current other assets	**13,570**	**14,476**
Total other assets	**16,088**	**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 September 30, 2023, the financial liability pertaining to such arrangements amounts to ₹531 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 September 30, 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)*	15,713	—	—	—	—	15,713	15,713
Investments *(Refer to Note 2.4)*							
Equity and preference securities	—	—	—	228	—	228	228
Tax free bonds and government bonds	1,915	—	—	—	—	1,915	2,120 (1)
Liquid mutual fund units	—	—	2,810	—	—	2,810	2,810
Target maturity fund units	—	—	415	—	—	415	415
Non convertible debentures	—	—	—	—	3,105	3,105	3,105
Government securities	—	—	—	—	7,318	7,318	7,318
Commercial papers	—	—	—	—	2,448	2,448	2,448
Certificates of deposit	—	—	—	—	911	911	911
Other investments	—	—	173	—	—	173	173
Trade receivables *(Refer to Note 2.7)*	28,261	—	—	—	—	28,261	28,261
Loans *(Refer to Note 2.5)*	290	—	—	—	—	290	290
Other financials assets *(Refer to Note 2.6)* (3)	13,822	—	124	—	47	13,993	13,930 (2)
Total	**60,001**	**—**	**3,522**	**228**	**13,829**	**77,580**	**77,722**
Liabilities:							
Trade payables	3,203	—	—	—	—	3,203	3,203
Lease liabilities *(Refer to Note 2.19)*	8,546	—	—	—	—	8,546	8,546
Financial Liability under option arrangements *(Refer to Note 2.12)*	—	—	622	—	—	622	622
Other financial liabilities *(Refer to Note 2.12)*	16,292	—	116	—	3	16,411	16,411
Total	**28,041**	**—**	**738**	**—**	**3**	**28,782**	**28,782**

(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 ₹63 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 September 30, 2023 is as follows:

(In ₹ crore)

Particulars	As at September 30, 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	2,810	2,810	—	—
Investments in target maturity fund units	415	415	—	—
Investments in tax free bonds	2,092	1,934	158	—
Investments in government bonds	28	28	—	—
Investments in non convertible debentures	3,105	2,858	247	—
Investment in government securities	7,318	7,245	73	—
Investments in equity instruments	150	148	—	2
Investments in preference securities	78	—	—	78
Investments in commercial papers	2,448	—	2,448	—
Investments in certificates of deposit	911	—	911	—
Other investments	173	—	—	173
Others				
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts *(Refer to Note 2.6)*	171	—	171	—
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts *(Refer to Note 2.12)*	77	—	77	—
Financial liability under option arrangements *(Refer to Note 2.12)* (1)	622	—	—	622
Liability towards contingent consideration *(Refer to Note 2.12)* (1)	42	—	—	42

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

During the six months ended September 30, 2023, non-convertible debentures , government securities and tax free bonds of ₹2,323 crore was transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on quoted price. Further, government securities of ₹73 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 instruments	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**	
	September 30, 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
4,13,88,25,258 (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 1,15,58,862 (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 September 30, 2023 and March 31, 2023 are as follows:

(In ₹ crore, except as stated otherwise)

Particulars	As at September 30, 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	24,37,333	1	38,01,344	1
Less: Shares bought back	—	—	6,04,26,348	30
As at the end of the period	**413,88,25,258**	**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 September 30, 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 September 30,		Six months ended September 30,	
	2023	2022	2023	2022
Final dividend for fiscal 2022	—	—	—	16.00
Final dividend for fiscal 2023	—	—	17.50	—

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 would result in a net cash outflow of approximately ₹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 1,15,58,862 and 1,21,72,119 shares as at September 30, 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 September 30, 2023 and March 31, 2023.

The following is the summary of grants made during the three months and six months ended September 30, 2023 and September 30, 2022:

(In ₹ crore)

Particulars	2019 Plan				2015 Plan			
	Three months ended September 30,		Six months ended September 30,		Three months ended September 30,		Six months ended September 30,	
	2023	2022	2023	2022	2023	2022	2023	2022
Equity Settled RSUs								
Key Management Personnel (KMP)	-	-	78,281	176,893	-	185,358	333,596	287,325
Employees other than KMP	-	-	-	370,960	23,780	-	28,280	-
Total Grants	**-**	**-**	**78,281**	**547,853**	**23,780**	**185,358**	**361,876**	**287,325**

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 September 30, 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 six months ended September 30, 2023, based on recommendations of Nomination and Remuneration Committee, the Board approved 6,774 performance based RSUs to a KMP under the 2015 plan. The performance based RSUs will vest over three years based on certain performance targets.

The break-up of employee stock compensation expense is as follows:

(in ₹ crore)

Particulars	Three months ended September 30,		Six months ended September 30,	
	2023	2022	2023	2022
Granted to:				
KMP	17	24	37	41
Employees other than KMP	116	113	242	228
Total [(1)]	**133**	**137**	**279**	**269**
[(1)] *Cash-settled stock compensation expense included in the above*	5	1	7	(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)	1,278	16.80	1,525	18.08
Exercise price (₹) / ($ ADS)	5.00	0.07	5.00	0.07
Expected volatility (%)	23-31	26-33	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)	1,114	15.51	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	
	January 0, 1900	March 31, 2023
Non-current		
Others		
Accrued compensation to employees (1)	10	5
Accrued expenses (1)	1,907	1,628
Compensated absences	82	83
Other Payables (1)(4)	163	342
Total non-current other financial liabilities	**2,162**	**2,058**
Current		
Unpaid dividends (1)	33	37
Others		
Accrued compensation to employees (1)	4,559	4,174
Accrued expenses (1)	7,647	7,802
Retention monies (1)	21	20
Payable for acquisition of business - Contingent consideration (2)	42	97
Payable by controlled trusts (1)	211	211
Compensated absences	2,613	2,399
Financial liability under option arrangements (2) #	622	600
Foreign currency forward and options contracts (2) (3)	77	78
Capital creditors (1)	206	674
Other payables (1)(4)	1,535	2,466
Total current other financial liabilities	**17,566**	**18,558**
Total other financial liabilities	**19,728**	**20,616**
(1) Financial liability carried at amortized cost	16,292	17,359
(2) Financial liability carried at fair value through profit or loss	738	761
(3) Financial liability carried at fair value through other comprehensive income	3	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 September 30, 2023, the financial liability pertaining to such arrangements amounts to ₹531 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	
	January 0, 1900	March 31, 2023
Non-current		
Others		
Deferred income - government grants	64	43
Accrued defined benefit liability	396	445
Deferred income	5	6
Others	7	6
Total non-current other liabilities	**472**	**500**
Current		
Unearned revenue	7,011	7,163
Others		
Withholding taxes and others	3,247	3,632
Accrued defined benefit liability	6	4
Deferred income - government grants	12	29
Others	2	2
Total current other liabilities	**10,278**	**10,830**
Total other liabilities	**10,750**	**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	
	January 0, 1900	**March 31, 2023**
Current		
Others		
Post-sales client support and other provisions	1,702	1,307
Total provisions	**1,702**	**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 September 30,		Six months ended September 30,	
	2023	2022	2023	2022
Current taxes	2,491	2,482	4,798	4,832
Deferred taxes	62	(117)	172	(295)
Income tax expense	**2,553**	**2,365**	**4,970**	**4,537**

Income tax expense for the three months ended September 30, 2023 and September 30, 2022 includes reversals (net of provisions) of ₹58 crore and provisions (net of reversals) of ₹5 crore, respectively. Income tax expense for the six months ended September 30, 2023 and September 30, 2022 includes reversals (net of provisions) of ₹73 crore and provisions (net of reversals) of ₹40 crore, respectively. These provisions and reversals pertaining to prior periods are primarily on account of adjudication of certain disputed matters, upon filing of tax return and completion of assessments, across various jurisdictions.

Deferred income tax for the three months and six months ended September 30, 2023 and September 30, 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 six months ended September 30, 2023 and September 30, 2022 are as follows:

(In ₹ crore)

Particulars	Three months ended September 30,		Six months ended September 30,	
	2023	2022	2023	2022
Revenue from software services	36,720	34,227	72,455	66,505
Revenue from products and platforms	2,274	2,311	4,472	4,503
Total revenue from operations	**38,994**	**36,538**	**76,927**	**71,008**

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 six months ended September 30, 2023 and September 30, 2022:

(In ₹ crore)

Particulars	Three months ended September 30,		Six months ended September 30,	
	2023	2022	2023	2022
Revenues by Geography*				
North America	23,810	22,824	46,894	44,125
Europe	10,325	9,045	20,473	17,692
India	1,108	1,072	2,128	1,953
Rest of the world	3,751	3,597	7,432	7,238
Total	**38,994**	**36,538**	**76,927**	**71,008**

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

The percentage of revenue from fixed-price contracts for the quarter ended September 30, 2023 and September 30, 2022 is 53% and 52%, respectively. The percentage of revenue from fixed-price contracts for each of the six months ended September 30, 2023 and September 30, 2022 is 52%.

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 six months ended September 30, 2023 and September 30, 2022 is as follows:

(In ₹ crore)

Particulars	Three months ended September 30,		Six months ended September 30,	
	2023	2022	2023	2022
Interest income on financial assets carried at amortized cost				
Tax free bonds and Government bonds	34	38	68	75
Deposit with Bank and others	241	182	481	389
Interest income on financial assets carried at fair value through other comprehensive income				
Non-convertible debentures, commercial papers, certificates of deposit and government securities	214	243	457	483
Income on investments carried at fair value through profit or loss				
Gain / (loss) on liquid mutual funds and other investments	48	33	100	41
Income on investments carried at fair value through other comprehensive income	—	—	—	1
Exchange gains / (losses) on forward and options contracts	(71)	(136)	63	(426)
Exchange gains / (losses) on translation of other assets and liabilities	118	183	(19)	600
Miscellaneous income, net	48	41	43	97
Total other income	**632**	**584**	**1,193**	**1,260**

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 September 30,		Six months ended September 30,	
	2023	2022	2023	2022
Employee benefit expenses				
Salaries including bonus	20,006	18,657	39,990	36,247
Contribution to provident and other funds	553	540	1,114	1,036
Share based payments to employees *(Refer to Note 2.11)*	133	137	279	269
Staff welfare	104	104	194	224
	20,796	**19,438**	**41,577**	**37,776**
Cost of software packages and others				
For own use	531	480	1,020	924
Third party items bought for service delivery to clients	2,856	2,032	5,086	4,008
	3,387	**2,512**	**6,106**	**4,932**
Other expenses				
Repairs and maintenance	325	278	649	564
Power and fuel	51	44	101	83
Brand and marketing	236	188	502	412
Short-term leases	27	22	48	41
Rates and taxes	68	72	161	146
Consumables	39	37	82	79
Insurance	55	46	108	87
Provision for post-sales client support and others	118	57	168	69
Commission to non-whole time directors	4	3	7	7
Impairment loss recognized / (reversed) under expected credit loss model	115	47	206	91
Contributions towards Corporate Social Responsibility	143	114	214	174
Others	111	93	300	186
	1,292	**1,001**	**2,546**	**1,939**

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 September 30, 2023:

(In ₹ crore)

Particulars	Category of ROU asset				
	Land	Buildings	Vehicles	Computers	Total
Balance as of July 1, 2023	**617**	**3,947**	**15**	**2,470**	**7,049**
Additions*	—	82	3	418	503
Deletions	—	(32)	—	(174)	(206)
Depreciation	(1)	(179)	(3)	(202)	(385)
Translation difference	—	(7)	—	(4)	(11)
Balance as of September 30, 2023	**616**	**3,811**	**15**	**2,508**	**6,950**

* *Net of adjustments on account of modifications*

Following are the changes in the carrying value of right-of-use assets for the three months ended September 30, 2022:

(In ₹ crore)

Particulars	Category of ROU asset				
	Land	Buildings	Vehicles	Computers	Total
Balance as of July 1, 2022	**626**	**3,957**	**14**	**686**	**5,283**
Additions*	—	67	3	642	712
Deletions	—	(1)	—	(77)	(78)
Depreciation	(2)	(168)	(2)	(99)	(271)
Translation difference	(2)	(12)	(1)	(6)	(21)
Balance as of September 30, 2022	**622**	**3,843**	**14**	**1,146**	**5,625**

* *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 six months ended September 30, 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*	—	326	5	975	1,306
Deletions	—	(40)	—	(407)	(447)
Depreciation	(3)	(363)	(5)	(394)	(765)
Translation difference	(4)	(8)	—	(14)	(26)
Balance as of September 30, 2023	**616**	**3,811**	**15**	**2,508**	**6,950**

* *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 six months ended September 30, 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*	—	486	4	994	1,484
Deletions	—	(2)	—	(153)	(155)
Depreciation	(3)	(330)	(5)	(158)	(496)
Translation difference	(3)	(22)	(1)	(5)	(31)
Balance as of September 30, 2022	**622**	**3,843**	**14**	**1,146**	**5,625**

* *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 September 30, 2023 and March 31, 2023:

(In ₹ crore)

Particulars	As at	
	September 30, 2023	March 31, 2023
Current lease liabilities	1,920	1,242
Non-current lease liabilities	6,626	7,057
Total	**8,546**	**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.

(In ₹ crore)

Particulars	As at	
	September 30, 2023	March 31, 2023
Contingent liabilities :		
Claims against the Group, not acknowledged as debts[(1)]	5,053	4,762
[Amount paid to statutory authorities ₹6,638 crore *(₹6,539 crore)*]		
Commitments :		
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)[(2)]	700	959
Other commitments*	87	92

** Uncalled capital pertaining to investments*

[(1)] As at September 30, 2023 and March 31, 2023, claims against the Group not acknowledged as debts in respect of income tax matters amounted to ₹4,317 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 ₹6,627 crore and ₹6,528 crore as at September 30, 2023 and March 31, 2023, respectively.

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

Legal Proceedings

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

2.22 RELATED PARTY TRANSACTIONS

Refer to the Company's Annual Report for the year ended March 31, 2023 for the full names and other details of the Company's subsidiaries and controlled trusts.

Changes in Subsidiaries

During the six months ended September 30, 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.
- Kaleidoscope Prototyping LLC, a Wholly-owned subsidiary of Kaleidoscope Animations, Inc. is under liquidation.
- 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.

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)

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)

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 September 30,		Six months ended September 30,	
	2023	2022	2023	2022
Salaries and other short term employee benefits to whole-time directors and executive officers [(1)(2)]	26	43	58	75
Commission and other benefits to non-executive/independent directors	4	3	8	7
Total	**30**	**46**	**66**	**82**

(1) Total employee stock compensation expense for the three months ended September 30, 2023 and September 30, 2022 includes a charge of ₹17 crore and ₹24 crore, respectively, towards key management personnel. For the six months ended September 30, 2023 and September 30, 2022 includes a charge of ₹37 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 September 30, 2023 and September 30, 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	10,705	5,913	4,463	4,957	5,574	3,053	3,050	1,279	38,994
	11,148	*5,183*	*4,501*	*4,498*	*4,686*	*2,971*	*2,452*	*1,099*	*36,538*
Identifiable operating expenses	6,089	3,270	2,616	2,680	3,631	1,749	1,781	793	22,609
	6,424	*2,661*	*2,763*	*2,439*	*3,066*	*1,764*	*1,406*	*692*	*21,215*
Allocated expenses	2,037	969	812	925	910	516	470	306	6,945
	1,913	*944*	*773*	*808*	*828*	*483*	*404*	*268*	*6,421*
Segment operating income	**2,579**	**1,674**	**1,035**	**1,352**	**1,033**	**788**	**799**	**180**	**9,440**
	2,811	*1,578*	*965*	*1,251*	*792*	*724*	*642*	*139*	*8,902*
Unallocable expenses									1,166
									1,029
Other income, net *(Refer to Note 2.17)*									632
									584
Finance cost									138
									66
Profit before tax									**8,768**
									8,391
Income tax expense									2,553
									2,365
Net Profit									**6,215**
									6,026
Depreciation and amortization									1,166
									1,029
Non-cash expenses other than depreciation and amortization									—
									—

Six months ended September 30, 2023 and September 30, 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	21,366	11,426	8,904	9,846	10,924	6,109	5,799	2,553	76,927
	21,710	*10,187*	*8,965*	*8,757*	*8,858*	*5,783*	*4,709*	*2,039*	*71,008*
Identifiable operating expenses	12,236	6,139	5,256	5,370	7,154	3,492	3,374	1,612	44,633
	12,280	*5,186*	*5,630*	*4,715*	*6,039*	*3,439*	*2,740*	*1,354*	*41,383*
Allocated expenses	4,006	1,984	1,629	1,834	1,765	1,027	924	621	13,790
	3,865	*1,886*	*1,576*	*1,646*	*1,642*	*948*	*792*	*505*	*12,860*
Segment operating income	**5,124**	**3,303**	**2,019**	**2,642**	**2,005**	**1,590**	**1,501**	**320**	**18,504**
	5,565	*3,115*	*1,759*	*2,396*	*1,177*	*1,396*	*1,177*	*180*	*16,765*
Unallocable expenses									2,339
									1,979
Other income, net *(Refer to Note 2.17)*									1,193
									1,260
Finance cost									228
									121
Profit before tax									**17,130**
									15,925
Income tax expense									4,970
									4,537
Net Profit									**12,160**
									11,388
Depreciation and amortization expense									2,339
									1,979
Non-cash expenses other than depreciation and amortization									—
									—

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

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

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

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

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

Significant clients

No client individually accounted for more than 10% of the revenues for the three months and six months ended September 30, 2023 and September 30, 2022, respectively.

2.24 FUNCTION WISE CLASSIFICATION OF CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(In ₹ crore)

Particulars	Note No.	Three months ended September 30,		Six months ended September 30,	
		2023	**2022**	**2023**	**2022**
Revenue from operations	2.16	38,994	36,538	76,927	71,008
Cost of Sales		27,030	25,412	53,412	49,781
Gross profit		**11,964**	**11,126**	**23,515**	**21,227**
Operating expenses					
Selling and marketing expenses		1,755	1,486	3,538	2,979
General and administration expenses		1,935	1,767	3,812	3,462
Total operating expenses		**3,690**	**3,253**	**7,350**	**6,441**
Operating profit		**8,274**	**7,873**	**16,165**	**14,786**
Other income, net	2.17	632	584	1,193	1,260
Finance cost		138	66	228	121
Profit before tax		**8,768**	**8,391**	**17,130**	**15,925**
Tax expense:					
Current tax	2.15	2,491	2,482	4,798	4,832
Deferred tax	2.15	62	(117)	172	(295)
Profit for the period		**6,215**	**6,026**	**12,160**	**11,388**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset, net		(64)	40	23	(46)
Equity instruments through other comprehensive income, net		40	4	40	7
		(24)	**44**	**63**	**(39)**
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedge, net		23	(12)	29	14
Exchange differences on translation of foreign operations, net		5	(14)	21	39
Fair value changes on investments, net		(20)	26	55	(346)
		8	**—**	**105**	**(293)**
Total other comprehensive income / (loss), net of tax		**(16)**	**44**	**168**	**(332)**
Total comprehensive income for the period		**6,199**	**6,070**	**12,328**	**11,056**
Profit attributable to:					
Owners of the Company		6,212	6,021	12,157	11,381
Non-controlling interests		3	5	3	7
		6,215	**6,026**	**12,160**	**11,388**
Total comprehensive income attributable to:					
Owners of the Company		6,196	6,068	12,328	11,054
Non-controlling interests		3	2	—	2
		6,199	**6,070**	**12,328**	**11,056**

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
October 12, 2023

Annexure 1

Infosys®

PRESS RELEASE

Infosys Appoints Nitin Paranjpe as an Independent Director

Appointment to be effective January 01, 2024

Bengaluru, India – October 12, 2023: Infosys (NSE, BSE, NYSE: INFY), a global leader in next generation digital services and consulting, today announced the appointment of Nitin Paranjpe (DIN: 00045204) as an Independent Director of the Company, effective January 01, 2024. This appointment is based on the recommendation of the Nomination and Remuneration Committee of the Infosys Board, and is for a period of five years, subject to the approval of shareholders.

Mr. Nitin Paranjpe is currently the Non-Executive Chairman of Hindustan Unilever Limited (HUL), and also the Chief People and Chief Transformation Officer at Unilever PLC. He has been a member of the Unilever Executive Leadership since October 2013. Prior to this, he was Unilever's Chief Operating Officer (COO) responsible for delivering its global results.

Nitin joined HUL (then Hindustan Lever Limited), in 1987, where he held various roles in marketing and sales, before being appointed as the Chief Executive Officer, India, and Executive Vice President for Unilever, South Asia, in April 2008.

He has been the recipient of many awards in recognition of his contribution to business and industry. For his efforts in blazing a trail for diversity, he won the GG2 Hammer Award in 2019. In 2020, he was given a Kindness Award by the Women of the Future Network in recognition of his leadership, guidance, and empathy. He is a member of the Supervisory Board of Heineken NV, Chinmaya Mission Advisory Council and the WeSchool Innovation Advisory Board.

Nitin holds a Bachelor's Degree in Mechanical Engineering and an MBA in Marketing from Jamnalal Bajaj Institute of Management in Mumbai.

Welcoming Nitin to the Board, **D. Sundaram, Lead Independent Director and Chairperson of the Nomination and Remuneration Committee, Infosys,** said, "We are delighted that Nitin Paranjpe joins the Board of Infosys. His vast international experience in sales, marketing and general management will add significant value to the Company. His expertise in business operations and human resource management , having been the CEO of HUL and COO, CHRO of the global corporation, Unilever, will be a great asset to the Board and management."

Welcoming Nitin to the Board, **Nandan Nilekani, Chairman, Infosys,** said, "I am extremely happy to welcome Nitin Paranjpe as a member of Infosys Board. Nitin brings with him global business perspectives and deep insights into matters of leadership and business transformation. I look forward to his valuable contributions."

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**

Annexure 2

PRESS RELEASE

Infosys and Temasek Extend Digital Services Joint Venture for Five Years

The extension demonstrates shared objective of creating impactful digital transformation and investing in digital talent in Singapore

Bengaluru, India and Singapore, October 12, 2023: Infosys (NSE, BSE, NYSE: INFY), a global leader in next-generation digital services and consulting, today announced a five-year extension of its successful joint venture collaboration with Temasek, a global investment firm headquartered in Singapore. Infosys Compaz ("iCompaz"), the Infosys-Temasek joint venture (JV) company, has collaborated with large corporations in Southeast Asia on their digital transformation journeys, leveraging its deep technology expertise across cloud, data and analytics, cybersecurity, digital, artificial intelligence (AI) and automation, among others.

This extension underscores iCompaz's commitment to growing its presence in Singapore and the broader Southeast Asian market. The region is one of the fastest-growing economies in the world and is a key market for growth. iCompaz, which was formed in 2018, has collaborated with Temasek on its technology transformation initiatives such as deploying new digital architecture, data applications and security infrastructure. This announcement further deepens the commitment that Infosys had made in 2018, to invest in advanced technologies and capability-building, with the aim of delivering high-quality professional services and supporting the growth and development of its workforce.

iCompaz is powered by Infosys' deep capabilities in business innovation through Infosys Cobalt, a set of services, solutions and platforms for enterprises to accelerate their cloud journey. Leveraging Infosys Topaz, an AI-first set of services, solutions and platforms using generative AI technologies, iCompaz will enable clients to create value from unprecedented innovations, pervasive efficiencies, and connected ecosystems.

Dennis Gada, EVP, Head of Financial Services, Infosys, said, "We deeply value our collaboration with Temasek, and it has helped us scale both technology capabilities and talent base in the region. Our journey over the last 5 years has demonstrated shared aspirations of amplifying human potential. We look forward to further building on the strong foundation we have laid together to provide differentiated value to all stakeholders across the region."

Rao Baskara, Chief Technology Officer, Temasek, said, "We look forward to extending our collaboration and the next phase of growth of iCompaz as it continues to provide quality digital services to companies in Southeast Asia. This engagement also enhances Temasek's capabilities, and enables us to harness the potential that digital transformation brings."

Manohar Atreya, CEO, Infosys Compaz, said, "iCompaz has proven its expertise in the sphere of large-scale digital and IT transformation. We are delighted to extend this collaboration with Temasek, as we continue to leverage the global scale and depth of Infosys in intelligent AI platforms and data solutions, to help clients navigate their next journey in business transformation."

About Temasek
Temasek is a global investment company with a net portfolio value of S$382 billion as at 31 March 2023. Our Purpose *"So Every Generation Prospers"* guides us to make a difference for today's and future generations. As an active investor, forward looking institution and trusted steward, we are committed to deliver sustainable value over the long term. Temasek has overall corporate credit ratings of Aaa/AAA by rating agencies Moody's Investors Service and S&P Global Ratings respectively. Headquartered in Singapore, we have 13 offices in 9 countries around the world: Beijing, Hanoi, Mumbai, Shanghai, Shenzhen, and Singapore in Asia; and London, Brussels, Paris, New York, San Francisco, Washington DC, and Mexico City outside Asia.

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.

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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**

Annexure 2(a)

Disclosure under SEBI Listing Regulation:

Name(s) of parties with whom the agreement is entered	Infosys Singapore Pte Limited ("IS") formerly known as Infosys Consulting Pte Limited, a wholly owned subsidiary of Infosys Limited ("Infosys") and Franklin Investments Pte Limited ("Franklin"), wholly and ultimately owned subsidiary by Temasek Holdings Private Ltd ("Temasek)" and Infosys Compaz Pte. Ltd. ("Compaz") formerly known as Trusted Source Pte Limited, 60:40 joint venture between IS and Franklin.
Purpose of entering into the agreement	Renewal of existing joint venture between Infosys and Temasek - Infosys and Temasek Extend Digital Services Joint Venture for Five Years. The extension demonstrates shared objective of creating impactful digital transformation and investing in digital talent in Singapore.
Shareholding, if any, in the entity with whom the agreement is executed	Infosys through its subsidiary, IS owns 60% stake and Temasek owns 40% stake through its subsidiary, Franklin in the joint venture, Infosys Compaz Pte Ltd.
Significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.	Infosys has an existing 60:40 joint venture with Temasek, Infosys Compaz Pte Limited. It has extended the term of the joint venture by 5 years. Shareholding of the respective partners stays the same.
Whether the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship;	No
Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length";	Yes, The transaction is done at arm's length.
In case of issuance of shares to the parties, details of issue price, class of shares issued;	Not applicable
Any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc.;	No
In case of termination or amendment of agreement, listed entity shall disclose additional details to the stock exchange(s): a) name of parties to the agreement; b) nature of the agreement;	Amendment to the existing Joint venture agreement between Infosys and Temasek executed on September 6 2018 a) Infosys Singapore Pte Limited ("IS") formerly known as Infosys Consulting Pte Limited, a wholly owned subsidiary of Infosys Limited ("Infosys") and Franklin Investments Pte Limited ("Franklin"),

c) date of execution of the agreement; d) details of amendment and impact thereof or reasons of termination and impact thereof.	wholly and ultimately owned subsidiary by Temasek Holdings Private Ltd ("Temasek)" and Infosys Compaz Pte. Ltd. ("Compaz") formerly known as Trusted Source Pte Limited, 60:40 joint venture between IS and Franklin. Extension of the existing joint venture between the parties. b) Extension amendment. c) October 12, 2023 d) Joint venture is extended for a period of 5 years. No change in shareholding of both parties.