TO ALL STOCK EXCHANGES

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

October 13, 2022

Dear Sir/Madam,

Sub: Outcome of Board Meeting

Further to our intimation dated September 16, 2022 and October 10, 2022 (date of prior intimation of the Board meeting to consider buyback) we wish to inform you that the Board of Directors ("**Board**") of Infosys Limited ("**Company**") at its meeting held today has, *inter-alia,* transacted the following items of business:

I. 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 ended September 30, 2022;
2. Approved the audited standalone financial results of the Company as per INDAS for the quarter and half year ended September 30, 2022; and
3. Approved the audited financial statements of the Company and its subsidiaries as per INDAS and International Financial Reporting Standard ("**IFRS**") for the quarter and half year ended September 30, 2022;

II. Dividend:

4. Declared an interim dividend of ₹ 16.50/- per equity share.
5. Fixed October 28, 2022 as record date for interim dividend and November 10, 2022 as payout date.

III. Buyback of equity shares:

The Board approved a proposal for the Company to buyback its own fully paid-up equity shares of face value of ₹ 5/- each ("**Equity Shares**") from the equity shareholders of the Company (other than the promoters, the promoters group and persons in control of the Company), being 14.84% and 13.31% of its total paid-up capital and free reserves as on September 30, 2022 (on a standalone and consolidated basis, respectively) for an amount, payable in cash, aggregating up to ₹ 9,300 crore (Rupees Nine Thousand Three Hundred crore only) ("**Maximum Buyback Size**") which is less than 15% of the aggregate of the total paid-up share capital and free reserves of the Company, based on the latest audited financial statements of the Company as at September 30, 2022 (on a standalone and consolidated basis), for a price not exceeding ₹ 1,850/- (Rupees One Thousand Eight Hundred and Fifty only) per Equity Share ("**Maximum Buyback Price**"), through the open market route through the Indian stock exchanges, in accordance with the provisions of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (as amended) ("**Buyback Regulations**") and the Companies Act, 2013 and the rules made thereunder ("**Buyback**").

American Depositary Shares ("**ADS**") holders are permitted to convert their ADS into Equity Shares, and, subsequently, opt to sell such Equity Shares on the Indian stock exchanges during the Buyback period.

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The Maximum Buyback Size does not include any expenses or transaction costs incurred or to be incurred for the Buyback, such as, brokerage, filing fees, advisory fees, intermediaries' fees, public announcement publication expenses, printing and dispatch expenses, applicable taxes such as buyback tax, securities transaction tax, goods and services tax, stamp duty etc. and other incidental and related expenses.

Subject to the market price of the Equity Shares being equal to the Maximum Buyback Price, the indicative maximum number of Equity Shares bought back would be 50,270,270 Equity Shares ("**Maximum Buyback Shares**"), comprising approximately 1.19% of the paid-up capital of the Company as of September 30, 2022 (on a standalone basis). If the Equity Shares are bought back at a price below the Maximum Buyback Price, the actual number of Equity Shares bought back could exceed the Maximum Buyback Shares, but will always be subject to the Maximum Buyback Size. The Company shall utilize at least 50% of the amount earmarked as the Maximum Buyback Size for the Buyback *i.e.* ₹ 4,650 crore/- (Rupees Four Thousand Six Hundred and Fifty crore only)("**Minimum Buyback Size**"). Based on the Minimum Buyback Size and Maximum Buyback Price, the Company would purchase a minimum of 25,135,135 Equity Shares.

The Board has constituted a buyback committee (the "**Buyback Committee**"), comprising the Chief Financial Officer, the Deputy Chief Financial Officer, the General Counsel and the Company Secretary of the Company. The Buyback Committee has the power to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper in connection with the Buyback.

The Buyback is subject to the approval of the members of the Company by way of a special resolution and all other applicable statutory/ regulatory approvals.

The pre-Buyback shareholding pattern of the Company as on September 30, 2022 is attached hereto as **Annexure A.**

IV. Other matters

1. Stock grants

On recommendation of the Nomination and Remuneration Committee, the Board on October 13, 2022 approved the grant of 48,050 Restricted Stock Units to three eligible employees under the 2015 Stock Incentive Compensation plan (2015 Plan). The RSUs will be granted w.e.f November 1, 2022 and would vest over a period of three to four years.

On recommendation of the Nomination and Remuneration Committee, the Board on October 13, 2022 approved the grant of annual performance based stock incentives in the form of Restricted Stock units (RSU's) having a market value of ₹60 lacs to an eligible employee under the Infosys Expanded Stock Ownership Program-2019 (2019 Plan). The RSUs will be granted w.e.f November 1, 2022 and the number of RSUs will be calculated based on the market price at the close of trading on November 1, 2022. The RSUs would vest equally over a period of three years subject to the Company's achievement of certain performance criteria as laid out in the 2019 Plan.

2. Allotment of equity shares

Allotted 874 equity shares on October 13, 2022, pursuant to the exercise of Restricted Stock Units by eligible employees under the 2015 Stock Incentive Compensation Plan;

Consequently, on October 13, 2022, the issued and subscribed share capital of the Company stands increased to ₹ 21,039,142,065/- divided into 4,207,828,413 equity shares of ₹5/- each.

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3. **Purchase of assets of Channel Bridge Software Labs Private Limited.**

   Approved purchase of assets of Channel Bridge Software Labs Private Limited. The details are enclosed as **Annexure B**.

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

This is for your information and records.

Yours sincerely,

For **Infosys Limited**

SURYANARAYANA ANUR GURUGOPALA RAJU MANIKANTHA

Digitally signed by SURYANARAYANA ANUR GURUGOPALA RAJU MANIKANTHA
Date: 2022.10.13 15:58:15 +05'30'

A.G.S. Manikantha
Company Secretary

ENCL: as above.

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Annexure A

Pre-Buyback Shareholding Pattern of the Company as of September 30, 2022

Sr. No.	Shareholder Category	*No. of Shareholders	Number of shares	% shareholding
1	**Promoter and Promoter Group**	**25**	**551,682,338**	**13.11**
2	**Indian Financial Institutions/ Banks/ Mutual Funds**			
	Indian Financial Institutions	Nil	Nil	Nil
	Banks	20	2,635,193	0.06
	Mutual Funds	38	640,181,848	15.21
	Sub Total	**58**	**642,817,041**	**15.27**
3	**FII/ FPI/ NRIs/ ADRs/ Foreign Nationals and OCB**			
	FII/FPI	1,421	1,317,504,695	31.31
	NRIs	47,373	34,318,430	0.82
	ADRs	1	569,163,930	13.53
	Foreign Nationals and Overseas Corporate Bodies	12	1,587,636	0.04
	Sub Total	**48,807**	**1,922,574,691**	**45.70**
4	**Indian Public, Corporates and others**	**2,844,320**	**1,090,753,469**	**25.92**
	Total	**2,893,210**	**4,207,827,539**	**100**

*PAN based reporting

Note: post buyback shareholding will be dependent on the actual number of shares bought back.

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Annexure B

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

Name of the target entity,	Purchase of assets of Channel Bridge Software Labs Private Limited. Acquirer: EdgeVerve Systems Limited, wholly owned subsidiary of Infosys Limited.
Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired?	No.
Industry to which the entity being acquired belongs	Software, Information Technology services and Consulting services.
Objects and effects of acquisition	Augments EdgeVerve's TradeEdge offering with mobile based sales force automation solution.
Any governmental or regulatory approvals required for the acquisition	None.
Indicative time period for completion of the acquisition	It is expected to close during the third quarter of FY 2023, subject to customary closing conditions.
Nature of consideration	Cash.
Cost of acquisition or the price at which the shares are acquired;	Purchase consideration towards IP and Contracts at INR 1.42 crores, excludes employee retention and performance bonus.
Percentage of holding	100% of the assets being taken over.
Brief Background	Established in 2014, Channel Bridge Software Labs is a provider of enterprise B2B connectivity and visibility solutions, e-commerce solutions and supply chain consulting and analytics services. (http://channelbridge.in/) Channel Bridge Software Labs is 100%-owned by Founders. Offerings: Application suite consists of Channel Sales & Distribution Portal, Sales Force Automation, Trade Promotions Management, Mobile Field Surveys & Audits and In-Store Promoter App. Channel Bridge Software Labs' suite of applications are accessible over web/mobile. Last 3 years revenues (Fiscal year ending March 31st): FY 22: INR 2.5 crores (unaudited), FY21: INR 1.7 crores, FY20: INR 1.8 crores.

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Fact Sheet

Consolidated Financial Data - Second Quarter, Fiscal 2023

31.2% YoY
CC Digital growth

18.8% YoY
4.0% QoQ
CC Revenue growth

21.5%
Operating margin

11.5% YoY
Increase in EPS
(₹ terms)

$2.7 bn
Large deal TCV

Revenue Growth- Q2 23

	Reported	CC
QoQ growth (%)	2.5%	4.0%
YoY growth (%)	13.9%	18.8%

Revenues by Offering

	Quarter ended ($ mn)			YoY Growth (%)	
	Sep 30, 2022	Jun 30, 2022	Sep 30, 2021	Reported	CC
Digital	2,817	2,710	2,243	25.6	31.2
Core	1,738	1,734	1,755	(1.1)	3.0
Total	**4,555**	**4,444**	**3,998**	**13.9**	**18.8**
Digital Revenues as % of Total Revenues	*61.8*	*61.0*	*56.1*		

Revenues by Business Segments

(in %)

	Quarter ended			YoY Growth	
	Sep 30, 2022	Jun 30, 2022	Sep 30, 2021	Reported	CC
Financial services	30.5	30.6	32.3	7.6	11.5
Retail	14.2	14.5	14.6	10.6	15.4
Communication	12.3	13.0	12.4	13.3	18.4
Energy, Utilities, Resources & Services	12.3	12.4	11.8	18.6	24.3
Manufacturing	12.8	12.1	10.9	34.0	45.0
Hi-Tech	8.2	8.2	8.5	9.2	9.9
Life Sciences	6.7	6.5	7.1	7.6	10.3
Others	3.0	2.7	2.4	44.3	56.6
Total	**100.0**	**100.0**	**100.0**	**13.9**	**18.8**

Revenues by Client Geography

(in %)

	Quarter ended			YoY Growth	
	Sep 30, 2022	Jun 30, 2022	Sep 30, 2021	Reported	CC
North America	62.5	61.8	61.9	15.0	15.6
Europe	24.7	25.0	24.8	13.8	28.5
Rest of the world	9.9	10.6	10.7	4.7	11.9
India	2.9	2.6	2.6	28.5	36.4
Total	**100.0**	**100.0**	**100.0**	**13.9**	**18.8**

Client Data

	Quarter ended		
	Sep 30, 2022	Jun 30, 2022	Sep 30, 2021
Number of Clients			
Active	1,779	1,778	1,714
Added during the period (gross)	103	106	117
Number of million dollar clients*			
1 Million dollar +	895	877	841
10 Million dollar +	281	278	270
50 Million dollar +	77	69	62
100 Million dollar +	39	38	35
Client contribution to revenues			
Top 5 clients	12.6%	13.0%	11.4%
Top 10 clients	20.2%	20.8%	19.4%
Top 25 clients	35.3%	36.3%	35.4%
Days Sales Outstanding*	65	63	66

**LTM (Last twelve months) Revenues*

Effort and Utilization - Consolidated IT Services

(in %)

	Quarter ended		
	Sep 30, 2022	Jun 30, 2022	Sep 30, 2021
Effort			
Onsite	24.4	24.3	23.6
Offshore	75.6	75.7	76.4
Utilization			
Including trainees	76.6	77.6	84.1
Excluding trainees	83.6	84.7	89.2

Employee Metrics

(Nos.)

	Quarter ended		
	Sep 30, 2022	Jun 30, 2022	Sep 30, 2021
Total employees	3,45,218	3,35,186	2,79,617
S/W professionals	3,28,146	3,18,447	2,64,918
Sales & Support	17,072	16,739	14,699
Voluntary Attrition % (LTM - IT Services)	27.1%	28.4%	20.1%
% of Women Employees	39.3%	39.3%	39.1%
Revenue per Employee - Consolidated (In US $ K)	55.5	56.9	57.3

Cash Flow

In US $ million

	Quarter ended		
	Sep 30, 2022	Jun 30, 2022	Sep 30, 2021
Free cash flow (1)	589	656	712
Consolidated cash and investments (2)	4,785	4,414	4,418

In ₹ *crore*

	Quarter ended		
	Sep 30, 2022	Jun 30, 2022	Sep 30, 2021
Free cash flow (1)	4,752	5,106	5,272
Consolidated cash and investments (2)	38,921	34,854	32,801

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

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

Consolidated statement of Comprehensive Income for three months ended,

(Extracted from IFRS Financial Statement) *In US $ million, except per equity share data*

Particulars	Sep 30, 2022	Sep 30, 2021	Growth % Q2 23 over Q2 22	Jun 30, 2022	Growth % Q2 23 over Q1 23
Revenues	**4,555**	**3,998**	**13.9**	**4,444**	**2.5**
Cost of sales	3,170	2,675	18.5	3,144	0.8
Gross Profit	**1,385**	**1,323**	**4.7**	**1,300**	**6.5**
Operating Expenses:					
Selling and marketing expenses	185	167	10.8	193	(4.1)
Administrative expenses	221	215	2.8	219	0.9
Total Operating Expenses	**406**	**382**	**6.3**	**412**	**(1.5)**
Operating Profit	**979**	**941**	**4.0**	**888**	**10.3**
Operating Margin %	***21.5***	***23.6***	***(2.1)***	***20.0***	***1.5***
Other Income, net(1)	65	65	0.0	80	(18.8)
Profit before income taxes	**1,044**	**1,006**	**3.8**	**968**	**7.9**
Income tax expense	295	272	8.5	279	5.7
Net Profit (before minority interest)	**749**	**734**	**2.1**	**689**	**8.7**
Net Profit (after minority interest)	**748**	**733**	**2.2**	**689**	**8.7**
Basic EPS ($)	**0.18**	**0.17**	**2.5**	**0.16**	**8.7**
Diluted EPS ($)	**0.18**	**0.17**	**2.6**	**0.16**	**8.7**
Dividend Per Share ($)(2)	**0.20**	**0.20**	**0.6**	**-**	**-**

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, 2022	Sep 30, 2021	Growth %
Revenues	**8,999**	**7,780**	**15.7**
Cost of sales	6,315	5,184	21.8
Gross Profit	**2,684**	**2,596**	**3.4**
Operating Expenses:			
Selling and marketing expenses	378	336	12.5
Administrative expenses	439	423	3.8
Total Operating Expenses	**817**	**759**	**7.6**
Operating Profit	**1,867**	**1,837**	**1.6**
Operating Margin %	***20.7***	***23.6***	***(2.9)***
Other Income, net(1)	145	142	2.1
Profit before income taxes	**2,012**	**1,979**	**1.7**
Income tax expense	574	540	6.3
Net Profit (before minority interest)	**1,438**	**1,439**	**(0.1)**
Net Profit (after minority interest)	**1,437**	**1,437**	**0.0**
Basic EPS ($)	**0.34**	**0.34**	**0.8**
Diluted EPS ($)	**0.34**	**0.34**	**0.8**
Dividend Per Share ($)(2)	**0.20**	**0.20**	**0.6**

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

Consolidated statement of Comprehensive Income for three months ended,

(Extracted from IFRS Financial Statement)

In ₹crore, except per equity share data

Particulars	Sep 30, 2022	Sep 30, 2021	Growth % Q2 23 over Q2 22	Jun 30, 2022	Growth % Q2 23 over Q1 23
Revenues	**36,538**	**29,602**	**23.4**	**34,470**	**6.0**
Cost of sales	25,412	19,806	28.3	24,369	4.3
Gross Profit	**11,126**	**9,796**	**13.6**	**10,101**	**10.1**
Operating Expenses:					
Selling and marketing expenses	1,486	1,235	20.3	1,493	(0.5)
Administrative expenses	1,767	1,589	11.2	1,694	4.3
Total Operating Expenses	**3,253**	**2,824**	**15.2**	**3,187**	**2.1**
Operating Profit	**7,873**	**6,972**	**12.9**	**6,914**	**13.9**
Operating Margin %	***21.5***	***23.6***	***(2.1)***	***20.1***	***1.4***
Other Income, net[1]	518	476	8.8	620	(16.5)
Profit before income taxes	**8,391**	**7,448**	**12.7**	**7,534**	**11.4**
Income tax expense	2,365	2,020	17.1	2,172	8.9
Net Profit (before minority interest)	**6,026**	**5,428**	**11.0**	**5,362**	**12.4**
Net Profit (after minority interest)	**6,021**	**5,421**	**11.1**	**5,360**	**12.3**
Basic EPS (₹)	**14.35**	**12.88**	**11.5**	**12.78**	**12.3**
Diluted EPS (₹)	**14.34**	**12.85**	**11.6**	**12.76**	**12.3**
Dividend Per Share (₹)	**16.50**	**15.00**	**10.0**	**-**	**-**

Consolidated statement of Comprehensive Income for six months ended,

(Extracted from IFRS Financial Statement)

In ₹crore, except per equity share data

Particulars	Sep 30, 2022	Sep 30, 2021	Growth %
Revenues	**71,008**	**57,498**	**23.5**
Cost of sales	49,781	38,312	29.9
Gross Profit	**21,227**	**19,186**	**10.6**
Operating Expenses:			
Selling and marketing expenses	2,979	2,483	20.0
Administrative expenses	3,462	3,128	10.7
Total Operating Expenses	**6,441**	**5,611**	**14.8**
Operating Profit	**14,786**	**13,575**	**8.9**
Operating Margin %	***20.8***	***23.6***	***(2.8)***
Other Income, net[1]	1,139	1,048	8.7
Profit before income taxes	**15,925**	**14,623**	**8.9**
Income tax expense	4,537	3,994	13.6
Net Profit (before minority interest)	**11,388**	**10,629**	**7.1**
Net Profit (after minority interest)	**11,381**	**10,616**	**7.2**
Basic EPS (₹)	**27.13**	**25.11**	**8.1**
Diluted EPS (₹)	**27.10**	**25.06**	**8.1**
Dividend Per Share (₹)	**16.50**	**15.00**	**10.0**

[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

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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, 2022, (the "Statement") being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

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

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

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

iii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under section 133 of the Companies Act, 2013 (the "Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India of the consolidated net profit and consolidated total comprehensive income and other financial information of the Group for the quarter and half year ended September 30, 2022.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SA"s) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in Auditor's Responsibilities for audit of the consolidated financial results section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial results for the quarter and half year ended September 30, 2022 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the Consolidated Financial Results

This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been compiled from the related audited interim condensed consolidated financial statements for the quarter and half year ended September 30, 2022. This responsibility includes the preparation and presentation of these consolidated financial results that give a true and fair view of the consolidated net profit and consolidated other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in the Ind AS 34, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

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

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

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

Auditor's Responsibilities for Audit of the Consolidated Financial Results

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

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

- Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.

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

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

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

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

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

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

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

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

Place: Bengaluru
Date: October 13, 2022

Annexure to Auditor's Report

List of Entities:

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

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

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

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

Deloitte Haskins & Sells LLP

Chartered Accountants
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46, Palace Road, High Grounds,
Bengaluru – 560 001
Karnataka, India

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

TO THE BOARD OF DIRECTORS OF INFOSYS LIMITED

Opinion

We have audited the accompanying Statement of Standalone Financial Results of **INFOSYS LIMITED** (the "Company"), for the quarter and half year ended September 30, 2022, (the "Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

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

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

b. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under section 133 of the Companies Act, 2013 (the "Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India of the net profit and total comprehensive income, and other financial information of the Company for the quarter and half year ended September 30, 2022.

Basis for Opinion

We conducted our audit of the Statement in accordance with the Standards on Auditing ("SA"s) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the quarter and half year ended September 30, 2022 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the Standalone Financial Results

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related audited interim condensed standalone financial statements for the quarter and half year ended September 30, 2022. This responsibility includes the preparation and presentation of the standalone financial results for the quarter and half year ended September 30, 2022 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

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

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

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

Place: Bengaluru
Date: October 13, 2022

Infosys®
Navigate your next

Q2 FY 23
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 Consolidated Audited Results of Infosys Limited and its subsidiaries for the quarter and half-year ended September 30, 2022 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,
	2022	2022	2021	2022	2021	2022
	Audited	Audited	Audited	Audited	Audited	Audited
Revenue from operations	36,538	34,470	29,602	71,008	57,498	121,641
Other income, net	584	676	524	1,260	1,146	2,295
Total Income	**37,122**	**35,146**	**30,126**	**72,268**	**58,644**	**123,936**
Expenses						
Employee benefit expenses	19,438	18,337	15,743	37,776	30,973	63,986
Cost of technical sub-contractors	3,694	3,909	3,054	7,603	5,508	12,606
Travel expenses	363	376	163	739	296	827
Cost of software packages and others	2,512	2,420	1,393	4,932	2,682	6,811
Communication expenses	189	170	146	359	294	611
Consultancy and professional charges	439	456	449	895	844	1,885
Depreciation and amortisation expenses	1,029	950	859	1,979	1,687	3,476
Finance cost	66	56	48	121	98	200
Other expenses	1,001	938	823	1,939	1,639	3,424
Total expenses	**28,731**	**27,612**	**22,678**	**56,343**	**44,021**	**93,826**
Profit before tax	**8,391**	**7,534**	**7,448**	**15,925**	**14,623**	**30,110**
Tax expense:						
Current tax	2,482	2,350	1,987	4,832	3,923	7,811
Deferred tax	(117)	(178)	33	(295)	71	153
Profit for the period	**6,026**	**5,362**	**5,428**	**11,388**	**10,629**	**22,146**
Other comprehensive income						
Items that will not be reclassified subsequently to profit or loss						
Remeasurement of the net defined benefit liability/asset, net	40	(86)	14	(46)	(19)	(85)
Equity instruments through other comprehensive income, net	4	3	40	7	41	96
Items that will be reclassified subsequently to profit or loss						
Fair value changes on derivatives designated as cash flow hedges, net	(12)	26	6	14	11	(8)
Exchange differences on translation of foreign operations	(14)	53	(166)	39	124	228
Fair value changes on investments, net	26	(372)	55	(346)	93	(49)
Total other comprehensive income/(loss), net of tax	**44**	**(376)**	**(51)**	**(332)**	**250**	**182**
Total comprehensive income for the period	**6,070**	**4,986**	**5,377**	**11,056**	**10,879**	**22,328**
Profit attributable to:						
Owners of the company	6,021	5,360	5,421	11,381	10,616	22,110
Non-controlling interest	5	2	7	7	13	36
	6,026	**5,362**	**5,428**	**11,388**	**10,629**	**22,146**
Total comprehensive income attributable to:						
Owners of the company	6,068	4,986	5,375	11,054	10,866	22,293
Non-controlling interest	2	-	2	2	13	35
	6,070	**4,986**	**5,377**	**11,056**	**10,879**	**22,328**
Paid up share capital (par value ₹5/- each, fully paid)	2,099	2,098	2,097	2,099	2,097	2,098
Other equity *#	73,252	73,252	74,227	73,252	74,227	73,252
Earnings per equity share (par value ₹5/- each)**						
Basic (₹)	14.35	12.78	12.88	27.13	25.11	52.52
Diluted (₹)	14.34	12.76	12.85	27.10	25.06	52.41

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

*** EPS is not annualized for the quarter and half year ended September 30, 2022, quarter ended June 30, 2022 and quarter and half year ended September 30, 2021.*

 # 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, 2022 have been taken on record by the Board of Directors at its meeting held on October 13, 2022. **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) Acquisition of BASE life science A/S
On September 01, 2022, Infosys Consulting Pte. Ltd (a wholly-owned subsidiary of Infosys Limited) acquired 100% voting interests in BASE life science A/S, a consulting and technology firm in the life sciences industry in Europe for a total consideration of EUR 110 million (approximately 906 crore) comprising cash, management incentive, bonuses and retention.

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

d) Management change
Ravi Kumar S, President resigned from the Company effective October 11, 2022. The Board placed on record its deep sense of appreciation for the services rendered by him.

e) Update on employee stock grants

On recommendation of the Nomination and Remuneration Committee, the Board on October 13, 2022 approved the grant of 48,050 Restricted Stock Units to three eligible employees under the 2015 Stock Incentive Plan (2015 Plan). The RSUs will be granted w.e.f November 1, 2022 and would vest over a period of three to four years.

On recommendation of the Nomination and Remuneration Committee, the Board on October 13, 2022 approved the grant of annual performance based stock incentives in the form of Restricted Stock units (RSU's) having a market value of ₹60 lacs to an eligible employee under the Infosys Expanded Stock Ownership Program-2019 (2019 Plan). The RSUs will be granted w.e.f November 1, 2022 and the number of RSUs will be calculated based on the market price at the close of trading on November 1, 2022. The RSUs would vest equally over a period of three years subject to the Company's achievement of certain performance criteria as laid out in the 2019 Plan.

2. Information on dividends for the quarter and half year ended September 30, 2022

The Board of Directors declared an interim dividend of ₹16.50 /- per equity share. The record date for the payment is October 28, 2022.The interim dividend will be paid on November 10, 2022. The interim dividend declared in the previous year was ₹15/- 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,
	2022	2022	2021	2022	2021	2022
Dividend per share (par value ₹5/- each)						
Interim dividend	16.50	-	15.00	16.50	15.00	15.00
Final dividend	-	-	-	-	-	16.00

3. Audited Consolidated Balance Sheet

(in ₹ crore)

Particulars	As at	
	September 30, 2022	March 31, 2022
ASSETS		
Non-current assets		
Property, plant and equipment	12,919	13,075
Right of use assets	5,625	4,823
Capital work-in-progress	402	416
Goodwill	6,892	6,195
Other Intangible assets	1,828	1,707
Financial assets		
Investments	12,670	13,651
Loans	47	34
Other financial assets	2,015	1,460
Deferred tax assets (net)	1,377	1,212
Income tax assets (net)	6,160	6,098
Other non-current assets	2,365	2,029
Total non-current assets	**52,300**	**50,700**
Current assets		
Financial assets		
Investments	11,778	6,673
Trade receivables	25,397	22,698
Cash and cash equivalents	14,869	17,472
Loans	279	248
Other financial assets	9,810	8,727
Income tax assets (net)	-	54
Other current assets	12,798	11,313
Total current assets	**74,931**	**67,185**
Total Assets	**127,231**	**117,885**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	2,099	2,098
Other equity	77,882	73,252
Total equity attributable to equity holders of the Company	**79,981**	**75,350**
Non-controlling interests	366	386
Total equity	**80,347**	**75,736**
Liabilities		
Non-current liabilities		
Financial liabilities		
Lease liabilities	5,572	4,602
Other financial liabilities	2,297	2,337
Deferred tax liabilities (net)	1,120	1,156
Other non-current liabilities	560	451
Total non-current liabilities	**9,549**	**8,546**
Current liabilities		
Financial liabilities		
Lease liabilities	950	872
Trade payables	4,162	4,134
Other financial liabilities	17,418	15,837
Other Current Liabilities	10,440	9,178
Provisions	1,141	975
Income tax liabilities (net)	3,224	2,607
Total current liabilities	**37,335**	**33,603**
Total equity and liabilities	**127,231**	**117,885**

The disclosure is an extract of the audited Consolidated Balance Sheet as at September 30, 2022 and March 31, 2022 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, 2022	2021
Cash flow from operating activities		
Profit for the period	11,388	10,629
Adjustments to reconcile net profit to net cash provided by operating activities:		
Income tax expense	4,537	3,994
Depreciation and amortization	1,979	1,687
Interest and dividend income	(947)	(885)
Finance cost	121	98
Impairment loss recognized / (reversed) under expected credit loss model	91	87
Exchange differences on translation of assets and liabilities, net	131	54
Stock compensation expense	269	209
Other adjustments	283	36
Changes in assets and liabilities		
Trade receivables and unbilled revenue	(4,864)	(2,963)
Loans, other financial assets and other assets	(1,205)	(406)
Trade payables	(9)	349
Other financial liabilities, other liabilities and provisions	3,213	2,754
Cash generated from operations	**14,987**	**15,643**
Income taxes paid	(4,227)	(3,574)
Net cash generated by operating activities	**10,760**	**12,069**
Cash flows from investing activities		
Expenditure on property, plant and equipment and intangibles	(1,234)	(1,030)
Deposits placed with corporation	(564)	(516)
Redemption of deposits placed with corporation	384	343
Interest and dividend received	846	1,017
Payment towards acquisition of business, net of cash acquired	(904)	-
Payment of contingent consideration pertaining to acquisition of business	(60)	(53)
Escrow and other deposits pertaining to Buyback	-	(420)
Redemption of escrow and other deposits pertaining to Buyback	-	420
Other receipts	40	35
Other payments	-	(22)
Payments to acquire Investments		
Liquid mutual funds and fixed maturity plan securities	(36,310)	(25,411)
Certificates of deposit	(5,024)	(498)
Commercial Paper	(482)	-
Non-convertible debentures	(249)	(154)
Tax free bonds	(13)	-
Government securities	(1,569)	(653)
Others	(18)	(13)
Proceeds on sale of Investments		
Equity and preference securities	99	-
Non-convertible debentures	295	1,299
Government securities	1,332	1,336
Certificates of deposit	3,138	500
Commercial Paper	200	-
Liquid mutual funds	34,336	22,928
Others	-	1
Net cash (used in) / generated from investing activities	**(5,757)**	**(891)**
Cash flows from financing activities:		
Payment of lease liabilities	(527)	(421)
Payment of dividends	(6,711)	(6,369)
Payment of dividend to non-controlling interest of subsidiary	(22)	(2)
Shares issued on exercise of employee stock options	7	9
Other receipts	84	117
Other payments	(220)	(15)
Buyback of equity shares including transaction cost and tax on buyback	-	(11,125)
Net cash used in financing activities	**(7,389)**	**(17,806)**
Net increase / (decrease) in cash and cash equivalents	(2,386)	(6,628)
Effect of exchange rate changes on cash and cash equivalents	(217)	(30)
Cash and cash equivalents at the beginning of the period	17,472	24,714
Cash and cash equivalents at the end of the period	**14,869**	**18,056**
Supplementary information:		
Restricted cash balance	465	526

The disclosure is an extract of the audited Consolidated Statement of Cash flows for the half year ended September 30, 2022 and September 30, 2021 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, 2022	Quarter ended June 30, 2022	Quarter ended September 30, 2021	Half-year ended September 30, 2022	Half-year ended September 30, 2021	Year ended March 31, 2022
Revenue by business segment						
Financial Services (1)	11,148	10,562	9,566	21,710	18,783	38,902
Retail (2)	5,183	5,004	4,330	10,187	8,505	17,734
Communication (3)	4,501	4,464	3,668	8,965	7,071	15,182
Energy, Utilities, Resources and Services	4,498	4,259	3,501	8,757	6,871	14,484
Manufacturing	4,686	4,172	3,219	8,858	5,922	13,336
Hi-Tech	2,971	2,812	2,511	5,783	4,821	10,036
Life Sciences (4)	2,452	2,257	2,103	4,709	3,994	8,517
All other segments (5)	1,099	940	704	2,039	1,531	3,450
Total	**36,538**	**34,470**	**29,602**	**71,008**	**57,498**	**121,641**
Less: Inter-segment revenue	-	-	-	-	-	-
Net revenue from operations	**36,538**	**34,470**	**29,602**	**71,008**	**57,498**	**121,641**
Segment profit before tax, depreciation and non-controlling interests:						
Financial Services (1)	2,811	2,754	2,644	5,565	5,002	10,314
Retail (2)	1,578	1,538	1,503	3,115	2,985	6,130
Communication (3)	965	794	816	1,759	1,523	3,372
Energy, Utilities , Resources and Services	1,251	1,145	1,017	2,396	2,038	4,225
Manufacturing	792	385	724	1,177	1,350	2,408
Hi-Tech	724	672	619	1,396	1,186	2,495
Life Sciences (4)	642	535	588	1,177	1,159	2,380
All other segments (5)	139	41	(80)	180	19	167
Total	**8,902**	**7,864**	**7,831**	**16,765**	**15,262**	**31,491**
Less: Other Unallocable expenditure	1,029	950	859	1,979	1,687	3,476
Add: Unallocable other income	584	676	524	1,260	1,146	2,295
Less: Finance cost	66	56	48	121	98	200
Profit before tax and non-controlling interests	**8,391**	**7,534**	**7,448**	**15,925**	**14,623**	**30,110**

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

Notes on segment information

Business segments

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

Segmental capital employed

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

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,
	2022	2022	2021	2022	2021	2022
Revenue from operations	31,567	29,527	25,462	61,094	49,176	103,940
Profit before tax	8,488	6,902	7,303	15,391	13,796	28,495
Profit for the period	6,253	4,901	5,463	11,154	10,186	21,235

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

By order of the Board
for Infosys Limited

Bengaluru, India

October 13, 2022

Salil Parekh
Chief Executive Officer and Managing Director

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, 2022, prepared as per International Financial Reporting Standards (IFRS) and reported in US dollars. A summary of the financial statements is as follows:

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

Particulars	Quarter ended September 30,	Quarter ended June 30,	Quarter ended September 30,	Half-year ended September 30,		Year ended March 31,
	2022	2022	2021	2022	2021	2022
	Audited	Audited	Audited	Audited	Audited	Audited
Revenues	4,555	4,444	3,998	8,999	7,780	16,311
Cost of sales	3,170	3,144	2,675	6,315	5,184	10,996
Gross profit	**1,385**	**1,300**	**1,323**	**2,684**	**2,596**	**5,315**
Operating expenses	406	412	382	817	759	1,560
Operating profit	**979**	**888**	**941**	**1,867**	**1,837**	**3,755**
Other income, net	73	87	71	160	155	308
Finance cost	8	7	6	15	13	27
Profit before income taxes	**1,044**	**968**	**1,006**	**2,012**	**1,979**	**4,036**
Income tax expense	295	279	272	574	540	1,068
Net profit	**749**	**689**	**734**	**1,438**	**1,439**	**2,968**
Earnings per equity share *						
Basic	0.18	0.16	0.17	0.34	0.34	0.70
Diluted	0.18	0.16	0.17	0.34	0.34	0.70
Total assets	15,640	15,193	14,295	15,640	14,295	15,555
Cash and cash equivalents and current investments	3,276	2,798	3,103	3,276	3,103	3,185

** EPS is not annualized for the quarter and half year ended September 30, 2022, quarter ended June 30, 2022 and quarter and half year ended September 30, 2021.*

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

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Q2 FY 23
Financial
Results

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Statement of Audited results of Infosys Limited for the quarter and half-year ended September 30, 2022 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,
	2022	2022	2021	2022	2021	2022
	Audited	Audited	Audited	Audited	Audited	Audited
Revenue from operations	31,567	29,527	25,462	61,094	49,176	103,940
Other income, net	1,267	648	1,052	1,916	1,622	3,224
Total income	**32,834**	**30,175**	**26,514**	**63,010**	**50,798**	**107,164**
Expenses						
Employee benefit expenses	15,873	14,914	12,734	30,787	24,925	51,664
Cost of technical sub-contractors	4,815	5,011	3,934	9,825	7,251	16,298
Travel expenses	293	314	143	608	258	731
Cost of software packages and others	1,428	1,183	736	2,611	1,264	2,985
Communication expenses	135	119	107	254	210	433
Consultancy and professional charges	333	363	365	696	675	1,511
Depreciation and amortisation expense	682	643	601	1,326	1,178	2,429
Finance cost	40	34	32	73	64	128
Other expenses	747	692	559	1,439	1,177	2,490
Total expenses	**24,346**	**23,273**	**19,211**	**47,619**	**37,002**	**78,669**
Profit before tax	**8,488**	**6,902**	**7,303**	**15,391**	**13,796**	**28,495**
Tax expense:						
Current tax	2,312	2,032	1,805	4,345	3,502	6,960
Deferred tax	(77)	(31)	35	(108)	108	300
Profit for the period	**6,253**	**4,901**	**5,463**	**11,154**	**10,186**	**21,235**
Other comprehensive income						
Items that will not be reclassified subsequently to profit or loss						
Remeasurement of the net defined benefit liability / asset, net	40	(96)	10	(56)	(22)	(98)
Equity instruments through other comprehensive income, net	4	3	39	7	41	97
Items that will be reclassified subsequently to profit or loss						
Fair value changes on derivatives designated as cash flow hedges, net	(12)	26	6	14	11	(8)
Fair value changes on investments, net	27	(344)	52	(317)	90	(39)
Total other comprehensive income/ (loss), net of tax	**59**	**(411)**	**107**	**(352)**	**120**	**(48)**
Total comprehensive income for the period	**6,312**	**4,490**	**5,570**	**10,802**	**10,306**	**21,187**
Paid-up share capital (par value ₹5/- each fully paid)	2,104	2,104	2,102	2,104	2,102	2,103
Other Equity*	67,203	67,203	69,401	67,203	69,401	67,203
Earnings per equity share (par value ₹5 /- each)**						
Basic (₹)	14.86	11.65	12.93	26.51	24.01	50.27
Diluted (₹)	14.85	11.64	12.92	26.49	23.98	50.21

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

*** EPS is not annualized for the quarter and half year ended September 30, 2022, quarter ended June 30, 2022 and quarter and half year ended September 30, 2021.*

1. Notes pertaining to the current quarter

a) The audited interim condensed standalone financial statements for the quarter and half-year ended September 30, 2022 have been taken on record by the Board of Directors at its meeting held on October 13, 2022. **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) Buyback of equity shares

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

c) Management change

Ravi Kumar S, President resigned from the Company effective October 11, 2022. The Board placed on record its deep sense of appreciation for the services rendered by him.

d) Update on employee stock grants

On recommendation of the Nomination and Remuneration Committee, the Board on October 13, 2022 approved the grant of 48,050 Restricted Stock Units to three eligible employees under the 2015 Stock Incentive Plan (2015 Plan). The RSUs will be granted w.e.f November 1, 2022 and would vest over a period of three to four years.

On recommendation of the Nomination and Remuneration Committee, the Board on October 13, 2022 approved the grant of annual performance based stock incentives in the form of Restricted Stock units (RSU's) having a market value of ₹60 lacs to an eligible employee under the Infosys Expanded Stock Ownership Program-2019 (2019 Plan). The RSUs will be granted w.e.f November 1, 2022 and the number of RSUs will be calculated based on the market price at the close of trading on November 1, 2022. The RSUs would vest equally over a period of three years subject to the Company's achievement of certain performance criteria as laid out in the 2019 Plan.

2. Information on dividends for the quarter and half-year ended September 30, 2022

The Board of Directors declared an interim dividend of ₹16.50 /- per equity share. The record date for the payment is October 28, 2022.The interim dividend will be paid on November 10, 2022. The interim dividend declared in the previous year was ₹15/- 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,
	2022	2022	2021	2022	2021	2022
Dividend per share (par value ₹5/- each)						
Interim dividend	16.50	-	15.00	16.50	15.00	15.00
Final dividend	-	-	-	-	-	16.00

3. Audited Standalone Balance Sheet

(In ₹ crore)

Particulars	As at September 30, 2022	As at March 31, 2022
ASSETS		
Non-current assets		
Property, plant and equipment	11,266	11,384
Right of use assets	3,518	3,311
Capital work-in-progress	385	411
Goodwill	211	211
Other Intangible assets	14	32
Financial assets		
Investments	23,265	22,869
Loans	46	34
Other financial assets	970	727
Deferred tax assets (net)	987	970
Income tax assets (net)	5,568	5,585
Other non-current assets	1,858	1,416
Total non-current assets	**48,088**	**46,950**
Current assets		
Financial assets		
Investments	9,683	5,467
Trade receivables	20,442	18,966
Cash and cash equivalents	10,498	12,270
Loans	291	219
Other financial assets	8,041	6,580
Other current assets	9,731	8,935
Total current assets	**58,686**	**52,437**
Total assets	**106,774**	**99,387**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	2,104	2,103
Other equity	71,568	67,203
Total equity	**73,672**	**69,306**
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Lease liabilities	3,475	3,228
Other financial liabilities	1,513	676
Deferred tax liabilities (net)	756	841
Other non-current liabilities	466	360
Total non - current liabilities	**6,210**	**5,105**
Current liabilities		
Financial liabilities		
Lease liabilities	589	558
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	-	3
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,657	2,666
Other financial liabilities	12,006	11,269
Other current liabilities	7,832	7,381
Provisions	1,030	920
Income tax liabilities (net)	2,778	2,179
Total current liabilities	**26,892**	**24,976**
Total equity and liabilities	**106,774**	**99,387**

The disclosure is an extract of the audited Balance Sheet as at September 30, 2022 and March 31, 2022 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, 2022	Half-year ended September 30, 2021
Cash flow from operating activities:		
Profit for the period	11,154	10,186
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and Amortization	1,326	1,178
Income tax expense	4,237	3,610
Impairment loss recognized / (reversed) under expected credit loss model	54	66
Finance cost	73	64
Interest and dividend income	(1,521)	(1,347)
Stock compensation expense	242	185
Other adjustments	38	33
Exchange differences on translation of assets and liabilities, net	59	46
Changes in assets and liabilities		
Trade receivables and unbilled revenue	(4,166)	(2,337)
Loans, other financial assets and other assets	(363)	190
Trade payables	(13)	323
Other financial liabilities, other liabilities and provisions	2,271	1,745
Cash generated from operations	**13,391**	**13,942**
Income taxes paid	(3,669)	(3,092)
Net cash generated by operating activities	**9,722**	**10,850**
Cash flow from investing activities:		
Expenditure on property, plant and equipment	(997)	(793)
Deposits placed with corporation	(390)	(409)
Redemption of deposits with corporation	238	275
Interest and dividend received	734	906
Dividend received from subsidiary	693	592
Loan given to subsidiaries	(427)	-
Loan repaid by subsidiaries	393	73
Proceeds from redemption of debentures	-	536
Investment in subsidiaries	(1,201)	(126)
Escrow and other deposits pertaining to Buyback	-	(420)
Redemption of Escrow and other deposits pertaining to Buyback	-	420
Other receipts	32	25
Payments to acquire investments		
Liquid mutual fund units	(32,064)	(22,370)
Commercial papers	(259)	-
Certificates of deposits	(4,481)	(498)
Government Securities	(1,370)	(83)
Others	(3)	(3)
Proceeds on sale of investments		
Liquid mutual fund units	30,167	20,446
Non-convertible debentures	220	1,299
Certificates of deposit	3,038	500
Government Securities	1,132	1,336
Others	99	-
Net cash (used in) / from investing activities	**(4,446)**	**1,706**
Cash flow from financing activities:		
Payment of lease liabilities	(324)	(286)
Shares issued on exercise of employee stock options	5	6
Buyback of equity shares including transaction cost and tax on buyback	-	(11,125)
Other receipts	57	62
Other payments	(24)	-
Payment of dividends	(6,732)	(6,392)
Net cash used in financing activities	**(7,018)**	**(17,735)**
Net increase / (decrease) in cash and cash equivalents	(1,742)	(5,179)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(30)	(37)
Cash and cash equivalents at the beginning of the period	12,270	17,612
Cash and cash equivalents at the end of the period	**10,498**	**12,396**
Supplementary information:		
Restricted cash balance	74	153

The disclosure is an extract of the audited Statement of Cash flows for the half year ended September 30, 2022 and September 30, 2021 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, 2022.

By order of the Board
for Infosys Limited

Bengaluru, India
October 13, 2022

Salil Parekh
Chief Executive Officer and Managing Director

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

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Press Release

Broad based growth in H1 of 20.1% in constant currency; Q2 margins expand 150 bps sequentially

Highest large deal TCV of $2.7 bn in last 7 quarters; quarterly attrition declined for 3rd quarter in a row

Share buyback of ₹9,300 crores and interim dividend of ₹6,940 crores announced

Bengaluru, India – October 13, 2022: Infosys (NSE, BSE, NYSE: INFY), a global leader in next-generation digital services and consulting, reported strong Q2 performance with year-on-year growth at 18.8% and sequential growth at 4.0% in constant currency. Year on year growth was in double digits across all business segments in constant currency terms. Digital comprised 61.8% of overall revenues and grew at 31.2% in constant currency. Operating margin for the quarter increased sequentially by 140 bps to 21.5%. Large deal TCV for the quarter was robust at $2.7 bn, highest in last 7 quarters. FY 23 revenue guidance is revised to 15%-16%; operating margin guidance is also revised to 21%-22%.

"Our strong large deal wins and steady all-round growth in Q2 reflect the deep relevance and differentiation of our digital and cloud solutions for clients as they navigate their business transformation", said **Salil Parekh, CEO and MD**. "While concerns around the economic outlook persist, our demand pipeline is strong as clients remain confident in our ability to deliver the value they seek, both on the growth and efficiency of their businesses. This is reflected in our revised revenue guidance of 15%-16% for FY 23", he added.

31.2% YoY CC Digital growth	**18.8% YoY** **4.0% QoQ** CC Revenue growth	**21.5%** Operating margin (in $ terms)	**11.5% YoY** Increase in EPS (₹ terms)	**$2.7 bn** Large deal TCV

1. Key highlights:

For the quarter ended September 30, 2022

- Revenues in CC terms grew by 18.8% YoY and 4.0% QoQ
- Reported revenues at ₹36,538 crore, growth of 23.4% YoY
- Digital revenues at 61.8% of total revenues, YoY CC growth of 31.2%
- Operating margin at 21.5%, decline of 2.1% YoY and increase of 1.4% QoQ
- Basic EPS at ₹14.35, growth of 11.5% YoY
- FCF at ₹4,752 crore, decline of 9.9% YoY; FCF conversion at 78.9% of net profit

For six months ended September 30, 2022

- Revenues in CC terms grew by 20.1% YoY
- Reported revenues at ₹71,008 crore, growth of 23.5% YoY
- Digital revenues at 61.4% of total revenues, YoY CC growth of 34.5%
- Operating margin at 20.8%, decline of 2.8% YoY
- Basic EPS at ₹27.13, growth of 8.1% YoY
- FCF at ₹9,858 crore, decline of 15.3% YoY; FCF conversion at 86.6% of net profit

"Operating margins in Q2 expanded sequentially by 150 bps, helped by our operational rigor. While supply side challenges are gradually abating as reflected in the reducing attrition rates, they continue to exert pressure on our cost structure.", said **Nilanjan Roy, Chief Financial Officer.** "In line with the capital allocation policy, the Board has announced an interim dividend of ₹16.50 per share, an increase of 10% over FY 22 interim dividend and an open market share buyback of ₹9,300 crores", he added.

2. Capital allocation

The Board in its meeting held today approved the following:

- Buyback of Equity Shares, from the open market route through the Indian stock exchanges, amounting to ₹9,300 crore (Maximum Buyback Size, excluding buyback tax) at a price not exceeding ₹1,850 per share (Maximum Buyback Price), subject to shareholders' approval.
- Interim dividend of ₹16.50 per share vs. FY 22 interim dividend of ₹15. The total amount of interim dividend will be app. ₹6,940 crores.

3. Client wins & Testimonials

- Currys plc entered into a strategic collaboration with Infosys for technology and business process services, to help accelerate profitable growth of their business across key UK and European markets. "As part of our ongoing transformation, Infosys will help us design and deliver a next-generation Group Business Services capability. This collaboration will give us access to world-class digital operations across UK, Europe and India, benefitting our colleagues and customers with best-in-class technology, systems, and processes; and new sources of competitive advantage for our core business," said **Bruce Marsh, Group CFO, Currys plc**.
- Infosys Cyber Next platform and Palo Alto Networks strengthened Bpost's security posture as part of the cloud transformation journey. **Rony Monnaie, CISO, Bpost**, said, "While we embarked on our cloud transformation journey, Infosys drove several well-considered cybersecurity initiatives to protect our environment and improve Bpost's overall security posture. Today, both our employees and customers benefit from the secure foundation we now have to deliver and track both mail and parcels."
- Spirit AeroSystems entered into a five-year collaboration with Infosys to co-innovate Aerostructure and Systems Engineering Services by leveraging Infosys' next-gen technologies. "At Spirit AeroSystems, we believe our ability to continuously advance our offering at design and engineering levels is one of our competitive differentiators. Our longstanding collaboration with Infosys means we are well-positioned to co-innovate on critical stages of product development, ensuring we continue to pursue the highest standards in quality and airworthiness. This strategic agreement further reinforces our strengths and will leverage mutual synergies to accelerate the development of world-class, sustainable aerostructures and services across our commercial and aftermarket business segments," said, **Dr. Sean Black, Senior Vice President and Chief Engineer, Engineering and Technology, Spirit AeroSystems**.
- Infosys collaborated with Telenor Norway to accelerate their IT modernization and establish Telenor as a product-based organization through a co-managed model. Commenting on this collaboration, **Birgitte Engebretsen, CEO, Telenor Norway**, said, "In current times, it is imperative for an organization like Telenor Norway to stay ahead of the curve and ensure that our customers are provided with superior service. To do this, we have to be future-ready. Staying true to our strategy of 'Beyond Connectivity', combined with our powerful collaboration with Infosys, we are excited to embark on this modernization journey that will empower us to serve our customers better."
- "Infosys has been our technology partner for more than 5 years. Infosys has helped us transform not only our technology landscape, but also how we engage with students and colleagues helping us to develop new digital solutions and build new data platforms to gain real value and insights to

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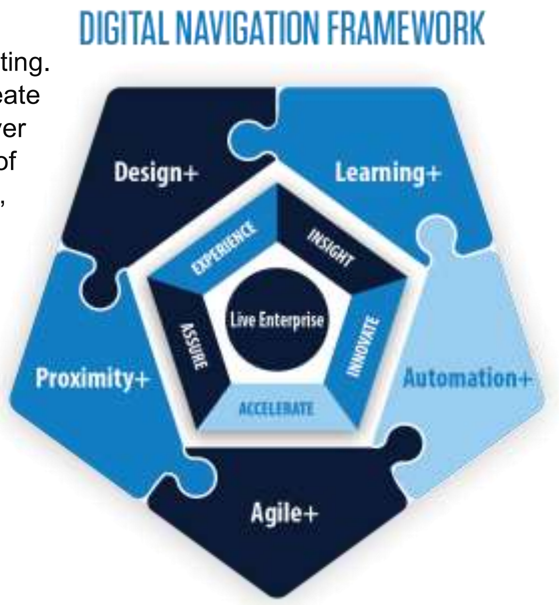
Visit www.infosys.com to see how Infosys (NSE, BSE, NYSE: INFY) can help your enterprise navigate your next.



Safe Harbor

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

Contact

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Infosys Limited and subsidiaries

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

	September 30, 2022	March 31, 2022
ASSETS		
Current assets		
Cash and cash equivalents	14,869	17,472
Current investments	11,778	6,673
Trade receivables	25,397	22,698
Unbilled revenue	13,303	11,568
Other Current assets	9,584	8,774
Total current assets	**74,931**	**67,185**
Non-current assets		
Property, plant and equipment and Right-of-use assets	19,027	18,402
Goodwill and other Intangible assets	8,720	7,902
Non-current investments	12,670	13,651
Unbilled revenue	1,414	941
Other non-current assets	10,469	9,804
Total non-current assets	**52,300**	**50,700**
Total assets	**127,231**	**117,885**
LIABILITIES AND EQUITY		
Current liabilities		
Trade payables	4,162	4,134
Unearned revenue	6,953	6,324
Employee benefit obligations	2,247	2,182
Other current liabilities and provisions	23,973	20,963
Total current liabilities	**37,335**	**33,603**
Non-current liabilities		
Lease liabilities	5,572	4,602
Other non-current liabilities	3,977	3,944
Total non-current liabilities	**9,549**	**8,546**
Total liabilities	**46,884**	**42,149**
Total equity attributable to equity holders of the company	**79,981**	**75,350**
Non-controlling interests	366	386
Total equity	**80,347**	**75,736**
Total liabilities and equity	**127,231**	**117,885**

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

(In ₹crore except per equity share data)

	3 months ended September 30, 2022	3 months ended September 30, 2021	6 months ended September 30, 2022	6 months ended September 30, 2021
Revenues	**36,538**	**29,602**	**71,008**	**57,498**
Cost of sales	25,412	19,806	49,781	38,312
Gross profit	**11,126**	**9,796**	**21,227**	**19,186**
Operating expenses:				
Selling and marketing expenses	1,486	1,235	2,979	2,483
Administrative expenses	1,767	1,589	3,462	3,128
Total operating expenses	3,253	2,824	6,441	5,611
Operating profit	**7,873**	**6,972**	**14,786**	**13,575**
Other income, net (3)	518	476	1,139	1,048
Profit before income taxes	**8,391**	**7,448**	**15,925**	**14,623**
Income tax expense	2,365	2,020	4,537	3,994
Net profit (before minority interest)	**6,026**	**5,428**	**11,388**	**10,629**
Net profit (after minority interest)	6,021	5,421	11,381	10,616
Basic EPS (₹)	14.35	12.88	27.13	25.11
Diluted EPS (₹)	14.34	12.85	27.10	25.06

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, 2022, which have been taken on record at the Board meeting held on October 13, 2022.*

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

3. *Other Income includes 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.*

IFRS – USD

Press Release

Broad based growth in H1 of 20.1% in constant currency; Q2 margins expand 150 bps sequentially

Highest large deal TCV of $2.7 bn in last 7 quarters; quarterly attrition declined for 3rd quarter in a row

Share buyback of ₹9,300 crores ($1.13 bn) and interim dividend of ₹6,940 crores ($0.85 bn) announced

Bengaluru, India – October 13, 2022: Infosys (NSE, BSE, NYSE: INFY), a global leader in next-generation digital services and consulting, reported strong Q2 performance with year-on-year growth at 18.8% and sequential growth at 4.0% in constant currency. Year on year growth was in double digits across all business segments in constant currency terms. Digital comprised 61.8% of overall revenues and grew at 31.2% in constant currency. Operating margin for the quarter increased sequentially by 150 bps to 21.5%. Large deal TCV for the quarter was robust at $2.7 bn, highest in last 7 quarters. FY 23 revenue guidance is revised to 15%-16%; operating margin guidance is also revised to 21%-22%.

"Our strong large deal wins and steady all-round growth in Q2 reflect the deep relevance and differentiation of our digital and cloud solutions for clients as they navigate their business transformation", said **Salil Parekh, CEO and MD**. "While concerns around the economic outlook persist, our demand pipeline is strong as clients remain confident in our ability to deliver the value they seek, both on the growth and efficiency of their businesses. This is reflected in our revised revenue guidance of 15%-16% for FY 23", he added.

31.2% YoY CC Digital growth	**18.8% YoY** **4.0% QoQ** CC Revenue growth	**21.5%** Operating margin (in $ terms)	**11.5% YoY** Increase in EPS (₹ terms)	**$2.7 bn** Large deal TCV

1. Key highlights:

For the quarter ended September 30, 2022	**For six months ended September 30, 2022**
• Revenues in CC terms grew by 18.8% YoY and 4.0% QoQ	• Revenues in CC terms grew by 20.1% YoY
• Reported revenues at $4,555 million, growth of 13.9% YoY	• Reported revenues at $8,999 million, growth of 15.7% YoY
• Digital revenues at 61.8% of total revenues, YoY CC growth of 31.2%	• Digital revenues at 61.4% of total revenues, YoY CC growth of 34.5%
• Operating margin at 21.5%, decline of 2.1% YoY and increase of 1.5% QoQ	• Operating margin at 20.7%, decline of 2.9% YoY
• Basic EPS at $0.18, growth of 2.5% YoY	• Basic EPS at $0.34, growth of 0.8% YoY
• FCF at $589 million, decline of 17.3% YoY; FCF conversion at 78.6% of net profit	• FCF at $1,245 million, decline of 21.0% YoY; FCF conversion at 86.6% of net profit

"Operating margins in Q2 expanded sequentially by 150 bps, helped by our operational rigor. While supply side challenges are gradually abating as reflected in the reducing attrition rates, they continue to exert pressure on our cost structure.", said **Nilanjan Roy, Chief Financial Officer.** "In line with the capital allocation policy, the Board has announced an interim dividend of ₹16.50 per share, an increase of 10% over FY 22 interim dividend and an open market share buyback of ₹9,300 crores", he added.

2. Capital allocation

The Board in its meeting held today approved the following:

- Buyback of Equity Shares, from the open market route through the Indian stock exchanges, amounting to ₹9,300 crore (Maximum Buyback Size, excluding buyback tax) (app. $1.13 bn*) at a price not exceeding ₹1,850 per share (Maximum Buyback Price), subject to shareholders' approval.
- Interim dividend of ₹16.50 per share (app. $0.20 per ADS*) vs. FY 22 interim dividend of ₹15. The total amount of interim dividend will be app. ₹6,940 crores (app. $0.85 bn*).

USD-INR rate of 82.00

3. Client wins & Testimonials

- Currys plc entered into a strategic collaboration with Infosys for technology and business process services, to help accelerate profitable growth of their business across key UK and European markets. "As part of our ongoing transformation, Infosys will help us design and deliver a next-generation Group Business Services capability. This collaboration will give us access to world-class digital operations across UK, Europe and India, benefitting our colleagues and customers with best-in-class technology, systems, and processes; and new sources of competitive advantage for our core business," said **Bruce Marsh, Group CFO, Currys plc.**
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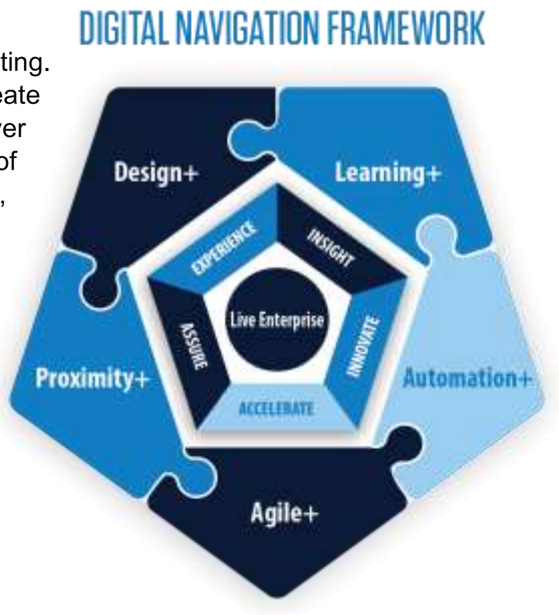

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Infosys Limited and subsidiaries

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

(Dollars in millions)

	September 30, 2022	March 31, 2022
ASSETS		
Current assets		
Cash and cash equivalents	1,828	2,305
Current investments	1,448	880
Trade receivables	3,122	2,995
Unbilled revenue	1,635	1,526
Other Current assets	1,178	1,159
Total current assets	**9,211**	**8,865**
Non-current assets		
Property, plant and equipment and Right-of-use assets	2,339	2,429
Goodwill and other Intangible assets	1,072	1,042
Non-current investments	1,557	1,801
Unbilled revenue	174	124
Other non-current assets	1,287	1,294
Total non-current assets	**6,429**	**6,690**
Total assets	**15,640**	**15,555**
LIABILITIES AND EQUITY		
Current liabilities		
Trade payables	512	545
Unearned revenue	855	834
Employee benefit obligations	276	288
Other current liabilities and provisions	2,946	2,766
Total current liabilities	**4,589**	**4,433**
Non-current liabilities		
Lease liabilities	685	607
Other non-current liabilities	489	521
Total non-current liabilities	**1,174**	**1,128**
Total liabilities	**5,763**	**5,561**
Total equity attributable to equity holders of the company	**9,828**	**9,941**
Non-controlling interests	49	53
Total equity	**9,877**	**9,994**
Total liabilities and equity	**15,640**	**15,555**

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

(Dollars in millions except per equity share data)

	3 months ended September 30, 2022	3 months ended September 30, 2021	6 months ended September 30, 2022	6 months ended September 30, 2021
Revenues	**4,555**	**3,998**	**8,999**	**7,780**
Cost of sales	3,170	2,675	6,315	5,184
Gross profit	**1,385**	**1,323**	**2,684**	**2,596**
Operating expenses:				
Selling and marketing expenses	185	167	378	336
Administrative expenses	221	215	439	423
Total operating expenses	406	382	817	759
Operating profit	**979**	**941**	**1,867**	**1,837**
Other income, net [(3)]	65	65	145	142
Profit before income taxes	**1,044**	**1,006**	**2,012**	**1,979**
Income tax expense	295	272	574	540
Net profit (before minority interest)	**749**	**734**	**1,438**	**1,439**
Net profit (after minority interest)	748	733	1,437	1,437
Basic EPS ($)	0.18	0.17	0.34	0.34
Diluted EPS ($)	0.18	0.17	0.34	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, 2022, which have been taken on record at the Board meeting held on October 13, 2022.*

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

3. *Other Income includes 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.*

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, 2022, 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, 2022, the consolidated profit and consolidated total comprehensive income for the three months and six months ended on that date, consolidated changes in equity and its 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the interim condensed consolidated financial statements.

Management's Responsibilities for the Interim Condensed Consolidated Financial Statements

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

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

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

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

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

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

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

financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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

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

Place: Bengaluru
Date: October 13, 2022

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, 2022

Index

Infosys Limited and Subsidiaries

(Dollars in millions except equity share data)

Condensed Consolidated Balance Sheet as at	Note	September 30, 2022	March 31, 2022
ASSETS			
Current assets			
Cash and cash equivalents	2.1	1,828	2,305
Current investments	2.2	1,448	880
Trade receivables		3,122	2,995
Unbilled revenue	2.17	1,635	1,526
Prepayments and other current assets	2.4	1,165	1,133
Income tax assets		-	7
Derivative financial instruments	2.3	13	19
Total current assets		**9,211**	**8,865**
Non-current assets			
Property, plant and equipment	2.7	1,647	1,793
Right-of-use assets	2.8	692	636
Goodwill	2.9	847	817
Intangible assets		225	225
Non-current investments	2.2	1,557	1,801
Unbilled revenue	2.17	174	124
Deferred income tax assets		169	160
Income tax assets		757	805
Other non-current assets	2.4	361	329
Total Non-current assets		**6,429**	**6,690**
Total assets		**15,640**	**15,555**
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables		512	545
Lease Liabilities	2.8	117	115
Derivative financial instruments	2.3	30	8
Current income tax liabilities		396	344
Unearned revenue		855	834
Employee benefit obligations		276	288
Provisions	2.6	140	129
Other current liabilities	2.5	2,263	2,170
Total current liabilities		**4,589**	**4,433**
Non-current liabilities			
Lease liabilities	2.8	685	607
Deferred income tax liabilities		137	153
Employee benefit obligations		10	12
Other non-current liabilities	2.5	342	356
Total Non-current liabilities		**1,174**	**1,128**
Total liabilities		**5,763**	**5,561**
Equity			
Share capital - ₹5 ($0.16) par value 4,800,000,000 (4,800,000,000) equity shares authorized, issued and outstanding 4,194,911,762 (4,193,012,929) equity shares fully paid up, net of 12,915,777 (13,725,712) treasury shares as at September 30, 2022 and March 31, 2022	2.18	328	328
Share premium		375	337
Retained earnings		12,323	11,672
Cash flow hedge reserve		3	1
Other reserves		1,098	1,170
Capital redemption reserve		21	21
Other components of equity		(4,320)	(3,588)
Total equity attributable to equity holders of the company		**9,828**	**9,941**
Non-controlling interests		49	53
Total equity		**9,877**	**9,994**
Total liabilities and equity		**15,640**	**15,555**

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

As per our report of even date attached.

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

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

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
October 13, 2022

Infosys Limited and Subsidiaries

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

Condensed Consolidated Statement of Comprehensive Income	Note	Three months ended		Six months ended	
		September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Revenues	2.16	**4,555**	**3,998**	**8,999**	**7,780**
Cost of sales	2.19	3,170	2,675	6,315	5,184
Gross profit		**1,385**	**1,323**	**2,684**	**2,596**
Operating expenses:					
Selling and marketing expenses	2.19	185	167	378	336
Administrative expenses	2.19	221	215	439	423
Total operating expenses		**406**	**382**	**817**	**759**
Operating profit		**979**	**941**	**1,867**	**1,837**
Other income, net	2.19	73	71	160	155
Finance cost		8	6	15	13
Profit before income taxes		**1,044**	**1,006**	**2,012**	**1,979**
Income tax expense	2.12	295	272	574	540
Net profit		**749**	**734**	**1,438**	**1,439**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss:					
Re-measurements of the net defined benefit liability/asset, net		6	2	(4)	(2)
Equity instrument through other comprehensive income, net		-	5	(1)	5
		6	7	(5)	3
Items that will be reclassified subsequently to profit or loss:					
Fair value changes on investments, net		6	7	(40)	12
Fair value changes on derivatives designated as cash flow hedge, net		(1)	1	2	1
Exchange differences on translation of foreign operations		(288)	(7)	(689)	(139)
		(283)	1	(727)	(126)
Total other comprehensive income/(loss), net of tax		**(277)**	**8**	**(732)**	**(123)**
Total comprehensive income		**472**	**742**	**706**	**1,316**
Profit attributable to:					
Owners of the company		748	733	1,437	1,437
Non-controlling interests		1	1	1	2
		749	**734**	**1,438**	**1,439**
Total comprehensive income attributable to:					
Owners of the company		472	741	707	1,314
Non-controlling interests		-	1	(1)	2
		472	**742**	**706**	**1,316**
Earnings per equity share					
Basic ($)		0.18	0.17	0.34	0.34
Diluted ($)		0.18	0.17	0.34	0.34
Weighted average equity shares used in computing earnings per equity share	2.13				
Basic (in shares)		4,194,617,942	4,210,064,823	4,194,185,175	4,227,694,034
Diluted (in shares)		4,199,829,557	4,218,293,582	4,200,026,950	4,236,051,581

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

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

Nandan M. Nilekani
Chairman

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D. Sundaram
Director

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Partner
Membership No. 039826

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
October 13, 2022

Infosys Limited and Subsidiaries

Condensed Consolidated Statement of Changes in Equity

(Dollars in millions except equity share data)

	Number of Shares[(1)]	Share capital	Share premium	Retained earnings	Other reserves [(2)]	Capital redemption reserve	Cash flow hedge reserve	Other components of equity	Total equity attributable to equity holders of the company	Non-controlling interest	Total equity
Balance as at April 1, 2021	**4,245,146,114**	**332**	**359**	**12,087**	**908**	**17**	**2**	**(3,263)**	**10,442**	**60**	**10,502**
Changes in equity for six months ended September 30, 2021											
Net profit	-	-	-	1,437	-	-	-	-	1,437	2	1,439
Remeasurement of the net defined benefit liability/asset, net*	-	-	-	-	-	-	-	(2)	(2)	-	(2)
Equity instruments through other comprehensive income, net*	-	-	-	-	-	-	-	5	5	-	5
Fair value changes on investments, net*	-	-	-	-	-	-	-	12	12	-	12
Fair value changes on derivatives designated as cash flow hedge, net*	-	-	-	-	-	-	1	-	1	-	1
Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	(139)	(139)	-	(139)
Total comprehensive income for the period	**-**	**-**	**-**	**1,437**	**-**	**-**	**1**	**(124)**	**1,314**	**2**	**1,316**
Shares issued on exercise of employee stock options (Refer note 2.11)	1,285,064	-	1	-	-	-	-	-	1	-	1
Buyback of equity shares**	(55,807,337)	(4)	(86)	(1,409)	-	-	-	-	(1,499)	-	(1,499)
Transaction cost relating to buyback *	-	-	-	(4)	-	-	-	-	(4)	-	(4)
Amount transferred to capital redemption reserve upon buyback	-	-	-	(4)	-	4	-	-	-	-	-
Transfer from other reserves on utilization	-	-	-	56	(56)	-	-	-	-	-	-
Transfer to other reserves	-	-	-	(202)	202	-	-	-	-	-	-
Employee stock compensation expense (Refer note 2.11)	-	-	26	-	-	-	-	-	26	-	26
Income tax benefit arising on exercise of stock options	-	-	1	-	-	-	-	-	1	-	1
Dividends paid to non controlling interest of subsidiary	-	-	-	-	-	-	-	-	-	(5)	(5)
Dividends[#]	-	-	-	(861)	-	-	-	-	(861)	-	(861)
Balance as at September 30, 2021	**4,190,623,841**	**328**	**301**	**11,100**	**1,054**	**21**	**3**	**(3,387)**	**9,420**	**57**	**9,477**

Infosys Limited and Subsidiaries

(Dollars in millions except equity share data)

	Number of Shares[(1)]	Share capital	Share premium	Retained earnings	Other reserves [(2)]	Capital redemption reserve	Cash flow hedge reserve	Other components of equity	Total equity attributable to equity holders of the company	Non-controlling interest	Total equity
Balance as at April 1, 2022	**4,193,012,929**	**328**	**337**	**11,672**	**1,170**	**21**	**1**	**(3,588)**	**9,941**	**53**	**9,994**
Impact on account of adoption of IAS 37[##]	**-**	**-**	**-**	**(2)**	**-**	**-**	**-**	**-**	**(2)**	**-**	**(2)**
	4,193,012,929	**328**	**337**	**11,670**	**1,170**	**21**	**1**	**(3,588)**	**9,939**	**53**	**9,992**
Changes in equity for 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)
Equity instruments through other comprehensive income, net*	-	-	-	-	-	-	-	(1)	(1)	-	(1)
Fair value changes on investments, net*	-	-	-	-	-	-	-	(40)	(40)	-	(40)
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)
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
Transfer from other reserves on utilization	-	-	-	72	(72)	-	-	-	-	-	-
Transfer to other reserves	-	-	-	-	-	-	-	-	-	-	-
Employee stock compensation expense (Refer to note 2.11)	-	-	34	-	-	-	-	-	34	-	34
Income tax benefit arising on exercise of stock options	-	-	3	-	-	-	-	-	3	-	3
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**

** net of tax*

*** including tax on buyback of $256 million*

 # net of treasury shares

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

(1) excludes treasury shares of 12,915,777 as at September 30, 2022, 13,725,712 as at April 1, 2022, 14,840,585 as at September 30, 2021 and 15,514,732 as at April 1, 2021, held by consolidated trust.

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

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

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

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

Nandan M. Nilekani
Chairman

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Membership No.039826

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Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
October 13, 2022

Infosys Limited and Subsidiaries

Condensed Consolidated Statement of Cash Flows

Accounting Policy

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

(Dollars in millions)

Particulars	Note	Six months ended September 30, 2022	Six months ended September 30, 2021
Operating activities:			
Net Profit		1,438	1,439
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation and amortization	2.19	251	228
Interest and dividend income		(71)	(54)
Finance Cost		15	13
Income tax expense	2.12	574	540
Exchange differences on translation of assets and liabilities, net		14	8
Impairment loss under expected credit loss model		12	12
Stock compensation expense	2.11	34	28
Other adjustments		36	5
Changes in working capital			
Trade receivables and unbilled revenue		(614)	(401)
Prepayments and other assets		(159)	(40)
Trade payables		(1)	47
Unearned revenue		79	47
Other liabilities and provisions		327	326
Cash generated from operations		**1,935**	**2,198**
Income taxes paid		(534)	(484)
Net cash generated by operating activities		**1,401**	**1,714**
Investing activities:			
Expenditure on property, plant and equipment and intangibles		(156)	(139)
Deposits placed with corporation		(71)	(69)
Redemption of deposits placed with corporations		48	46
Interest and dividend received		65	57
Payment towards acquisition of business, net of cash acquired		(112)	-
Payment of contingent consideration pertaining to acquisition of business		(8)	(7)
Escrow and other deposits pertaining to Buyback		-	(57)
Redemption of escrow and other deposits pertaining to Buyback		-	57
Payments to acquire Investments			
Liquid mutual funds and fixed maturity plan securities		(4,583)	(3,440)
Certificate of deposits		(634)	(67)
Quoted debt securities		(231)	(109)
Commercial papers		(61)	-
Other Investments		(2)	(2)
Proceeds on sale of Investments			
Quoted debt securities		205	357
Equity and preference securities		12	-
Certificate of deposits		396	67
Commercial papers		25	-
Liquid mutual funds		4,335	3,103
Other payments		-	(3)
Other receipts		5	4
Net cash (used)/generated in investing activities		**(767)**	**(202)**

Infosys Limited and Subsidiaries

Financing activities:			
Payment of Lease Liabilities		(67)	(57)
Payment of dividends		(856)	(861)
Payment of dividend to non controlling interests of subsidiary		(3)	-
Shares issued on exercise of employee stock options		1	1
Other payments		(28)	(2)
Other receipts		11	16
Buy back of equity shares including transaction costs and tax on buyback		-	(1,503)
Net cash used in financing activities		**(942)**	**(2,406)**
Net increase / (decrease) in cash and cash equivalents		(308)	(894)
Effect of exchange rate changes on cash and cash equivalents		(169)	(54)
Cash and cash equivalents at the beginning of the period	2.1	2,305	3,380
Cash and cash equivalents at the end of the period	2.1	**1,828**	**2,432**
Supplementary information:			
Restricted cash balance	2.1	57	71

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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Executive Vice President and
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A.G.S. Manikantha
Company Secretary

Bengaluru

October 13, 2022

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 authorized for issue by the company's Board of Directors on October 13, 2022.

1.2 Basis of preparation of financial statements

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

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

1.3 Basis of consolidation

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

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

1.4 Use of estimates and judgments

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

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

1.5 Critical accounting estimates and judgements

a. Revenue recognition

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

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

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

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

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

b. Income taxes

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

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

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

c. Business combinations and intangible assets

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

d. Property, plant and equipment

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

e. Impairment of Goodwill

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

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

1.6 Recent accounting pronouncements

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

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

Amendments to IAS 8

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

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

Amendments to IAS 1

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

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

Amendments to IAS 12

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

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

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 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, 2022	**March 31, 2022**
Cash and bank deposits	1,480	1,840
Deposits with financial institutions	348	465
Total Cash and cash equivalents	**1,828**	**2,305**

Cash and cash equivalents as at September 30, 2022 and March 31, 2022 include restricted cash and bank balances of $57 million and $62 million, respectively. The restrictions are primarily on account of bank balances held by irrevocable trusts controlled by the company and bank balances held as margin money deposits against guarantees.

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

Infosys Limited and Subsidiaries

2.2 Investments

The carrying value of investments are as follows:

(Dollars in millions)

Particulars	As at September 30, 2022	As at March 31, 2022
(i) Current investments		
Amortized cost		
Quoted debt securities	27	29
Fair value through profit or loss		
Liquid Mutual fund units	497	266
Fair Value through Other comprehensive		
Quoted debt securities	223	133
Certificate of deposits	665	452
Commercial Paper	36	-
Total current investments	**1,448**	**880**
(ii) Non-current investments		
Amortized cost		
Quoted debt securities	235	251
Fair value through Other comprehensive income		
Quoted debt securities	1,274	1,501
Unquoted equity and preference securities	26	26
Fair value through profit or loss		
Unquoted Preference securities	3	3
Unquoted Compulsorily convertible debentures	-	1
Others[1]	19	19
Total Non-current investments	**1,557**	**1,801**
Total investments	**3,005**	**2,681**
Investment carried at amortized cost	262	280
Investments carried at fair value through other comprehensive income	2,224	2,112
Investments carried at fair value through profit or loss	519	289

[1] *Uncalled capital commitments outstanding as on September 30, 2022 and March 31, 2022 was $11 million and $4 million, respectively.*

Refer note 2.3 for accounting policies on financial instruments.

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

Class of investment	Method	Fair value	
		As at September 30, 2022	As at March 31, 2022
Liquid mutual fund units	Quoted price	497	266
Quoted debt securities- carried at amortized cost	Quoted price and market observable inputs	289	323
Quoted debt securities- carried at Fair value through other comprehensive income	Quoted price and market observable inputs	1,497	1,634
Commercial Paper	Market observable inputs	36	-
Certificate of deposits	Market observable inputs	665	452
Unquoted equity and preference securities carried at fair value through other comprehensive income	Discounted cash flows method, Market multiples method, Option pricing model	26	26
Unquoted equity and preference securities - carried at fair value through profit or loss	Discounted cash flows method, Market multiples method, Option pricing model	3	3
Unquoted compulsorily convertible debentures - carried at fair value through profit or loss	Discounted cash flows method	-	1
Others	Discounted cash flows method, Market multiples method, Option pricing model	19	19
Total		**3,032**	**2,724**

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

12342.3 Financial instruments

Accounting Policy

2.3.1 Initial recognition

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

2.3.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

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

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

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

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

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

(iv) Financial liabilities

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

b. Derivative financial instruments

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

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

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

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

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

(ii) Cash flow hedge

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

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

2.3.3 Derecognition of financial instruments

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

2.3.4 Fair value of financial instruments

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

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

2.3.5 Impairment

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

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

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

Infosys Limited and Subsidiaries

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at September 30, 2022 were as follows:

(Dollars in millions)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value	
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory			
Assets:								
Cash and cash equivalents (Refer to note 2.1)	1,828	-	-	-	-	1,828	1,828	
Investments (Refer to Note 2.2)								
Liquid mutual fund units	-	-	497	-	-	497	497	
Quoted debt securities	262	-	-	-	1,497	1,759	1,786	(1)
Certificate of deposits	-	-	-	-	665	665	665	
Commercial Paper	-	-	-	-	36	36	36	
Unquoted equity and preference securities	-	-	3	26	-	29	29	
Unquoted investment others	-	-	19	-	-	19	19	
Trade receivables	3,122	-	-	-	-	3,122	3,122	
Unbilled revenues (Refer to note 2.17)[3]	933	-	-	-	-	933	933	
Prepayments and other assets (Refer to Note 2.4)	548	-	-	-	-	548	539	(2)
Derivative financial instruments	-	-	5	-	8	13	13	
Total	**6,693**	**-**	**524**	**26**	**2,206**	**9,449**	**9,467**	
Liabilities:								
Trade payables	512	-	-	-	-	512	512	
Lease liabilities	802	-	-	-	-	802	802	
Derivative financial instruments	-	-	27	-	3	30	30	
Financial liability under option arrangements (Refer to note 2.5)	-	-	75	-	-	75	75	
Other liabilities including contingent consideration (Refer to note 2.5)	2,023	-	10	-	-	2,033	2,033	
Total	**3,337**	-	**112**	**-**	**3**	**3,452**	**3,452**	

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

[2] *Excludes interest accrued on quoted debt securities carried at amortized cost of $9 million.*

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

Infosys Limited and Subsidiaries

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

(Dollars in millions)

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

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

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

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

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

Infosys Limited and Subsidiaries

Fair value hierarchy

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

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

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

The following table presents fair value hierarchy of assets and liabilities as at September 30, 2022

(Dollars in millions)

Particulars	As at September 30, 2022	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units (Refer to Note 2.2)	497	497	-	-
Investments in quoted debt securities (Refer to Note 2.2)	1,786	1,354	432	-
Investments in certificate of deposit (Refer to Note 2.2)	665	-	665	-
Investments in commercial paper (Refer to Note 2.2)	36	-	36	-
Investments in unquoted equity and preference securities (Refer to Note 2.2)	29	-	-	29
Investments in unquoted investments others (Refer to Note 2.2)	19	-	-	19
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts	13	-	13	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts	30	-	30	-
Financial liability under option arrangements	75	-	-	75
Liability towards contingent consideration (Refer to note 2.5)*	10	-	-	10

*Discount rate pertaining to contingent consideration ranges from 9.5 % to 13.6 %

During the six months ended September 30, 2022, quoted debt securities of $75 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 $271 million were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

Infosys Limited and Subsidiaries

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

(Dollars in millions)

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

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

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

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

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

Infosys Limited and Subsidiaries

2.4 Prepayments and other assets

Prepayments and other assets consist of the following:

(Dollars in millions)

Particulars	As at	
	September 30, 2022	**March 31, 2022**
Current		
Rental deposits	4	8
Security deposits	1	1
Loans to employees	34	33
Prepaid expenses[1]	289	263
Interest accrued and not due	47	48
Withholding taxes and others[1]	292	256
Advance payments to vendors for supply of goods[1]	8	25
Deposit with corporations	288	287
Deferred contract cost[1][#]	-	-
Cost of obtaining a contract	114	113
Cost of fulfillment	15	12
Net investment in sublease of right of use asset	6	6
Other non financial assets[1]	43	43
Other financial assets	24	38
Total Current prepayment and other assets	**1,165**	**1,133**
Non-current		
Loans to employees	6	5
Security deposits	6	6
Deposit with corporations	6	4
Defined benefit plan assets[1]	3	3
Prepaid expenses[1]	29	13
Deferred contract cost[1][#]	-	-
Cost of obtaining a contract	40	78
Cost of fulfillment	61	41
Withholding taxes and others[1]	84	89
Net investment in sublease of right of use asset	40	43
Rental Deposits	27	24
Other financial assets	59	23
Total Non- current prepayment and other assets	**361**	**329**
Total prepayment and other assets	**1,526**	**1,462**
Financial assets in prepayments and other assets	**548**	**526**

[1] *Non financial assets*

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

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

Includes technology assets taken over by the Group from a customer as a part of transformation project which is not considered as distinct goods or services and the control related to the assets is not transferred to the Group in accordance with IFRS 15 - Revenue from contract with customers. Accordingly, the same has been considered as a reduction to the total contract value and accounted as Deferred contract cost. The Group has entered into financing arrangements with a third party for these assets. As at September 30, 2022, the financial liability pertaining to such arrangements amounts to $92 million. During the six months ended September 30, 2022, $5 million was settled directly by the third party to the customer on behalf of the Group and accordingly considered as non-cash transaction (Refer to note 2.5)

Infosys Limited and Subsidiaries

2.5 Other liabilities

Other liabilities comprise the following:

(Dollars in millions)

Particulars	As at	
	September 30, 2022	March 31, 2022
Current		
Accrued compensation to employees	486	536
Accrued defined benefit plan liability(1)	1	1
Accrued expenses	923	986
Withholding taxes and others (1)	426	374
Retention money	2	2
Liabilities of controlled trusts	26	28
Deferred income - government grants(1)	1	1
Liability towards contingent consideration	6	9
Capital creditors	40	57
Financial liability under option arrangements	66	
Other financial liabilities#	286	176
Total Current other liabilities	**2,263**	**2,170**
Non-Current		
Liability towards contingent consideration	4	7
Accrued compensation to employees	1	1
Accrued expenses	204	125
Accrued defined benefit plan liability(1)	59	50
Deferred income - government grants(1)	8	8
Deferred income (1)	1	1
Financial liability under option arrangements	9	86
Other non financial liabilities(1)	1	1
Other financial liabilities#	55	77
Total Non-current other liabilities	**342**	**356**
Total other liabilities	**2,605**	**2,526**
Financial liabilities included in other liabilities	2,108	2,090
Financial liability towards contingent consideration on an undiscounted basis	11	17

(1) *Non financial liabilities*

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

Deferred contract cost (in note 2.4) includes technology assets taken over by the Company from a customer as a part of transformation project which is not considered as distinct goods or services and the control related to the assets is not transferred to the Company in accordance with IFRS 15 - Revenue from contract with customers. Accordingly, the same has been considered as a reduction to the total contract value and accounted as Deferred contract cost. The Group has entered in to financing arrangements with a third party for these assets. As at September 30, 2022, the financial liability pertaining to such arrangements amounts to $92 million. During the six months ended September 30, 2022, $5 million was settled directly by the third party to the customer on behalf of the Group and accordingly considered as non-cash transaction

2.6 Provisions and other contingencies

Accounting Policy

Provisions

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

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

Post sales client support

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

Onerous contracts

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

Provisions comprise the following:

(Dollars in millions)

Particulars	As at	
	September 30, 2022	**March 31, 2022**
Provision for post sales client support and other provisions	140	129
	140	**129**

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

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

As at September 30, 2022 and March 31, 2022, claims against the Group, not acknowledged as debts, (excluding demands from income tax authorities- Refer to Note 2.12) amounted to $84 million (₹683 crore) and $84 million (₹640 crore), respectively.

Legal Proceedings

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

2.7 Property, plant and equipment

Accounting Policy

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

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

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

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

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

Impairment

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

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

Following are the changes in the carrying value of property, plant and equipment for three months ended September 30, 2022:

(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	-	1	6	42	9	-	58
Additions- Business Combinations (Refer Note 2.10)	-	-	-	1	-	-	1
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 September 30, 2022							59
Carrying value as at September 30, 2022	**176**	**863**	**146**	**312**	**91**	**-**	**1,647**
Capital work-in progress as at July 1, 2022							-
Carrying value as at July 1, 2022	**181**	**904**	**160**	**320**	**96**	**1**	**1,662**

Following are the changes in the carrying value of property, plant and equipment for three months ended September 30, 2021:

(Dollars in millions)

Particulars	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at July 1, 2021	**188**	**1,446**	**675**	**1,068**	**416**	**6**	**3,799**
Additions	2	41	18	42	10	-	113
Deletions*	-	-	-	(55)	(1)	-	(56)
Translation difference	-	1	-	-	-	-	1
Gross carrying value as at September 30, 2021	**190**	**1,488**	**693**	**1,055**	**425**	**6**	**3,857**
Accumulated depreciation as at July 1, 2021	**-**	**(509)**	**(497)**	**(786)**	**(301)**	**(5)**	**(2,098)**
Depreciation	-	(14)	(13)	(36)	(12)	-	**(75)**
Accumulated depreciation on deletions*	-	-	-	55	1	-	**56**
Translation difference	-	-	-	-	-		**-**
Accumulated depreciation as at September 30, 2021	**-**	**(523)**	**(510)**	**(767)**	**(312)**	**(5)**	**(2,117)**
Capital work-in progress as at September 30, 2021							69
Carrying value as at September 30, 2021	**190**	**965**	**183**	**288**	**113**	**1**	**1,809**
Capital work-in progress as at July 1, 2021							182
Carrying value as at July 1, 2021	**188**	**937**	**178**	**282**	**115**	**1**	**1,883**

Infosys Limited and Subsidiaries

Following are the changes in the carrying value of property, plant and equipment for six months ended September 30, 2022:

(Dollars in millions)

Particulars	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at April 1, 2022	**188**	**1,481**	**653**	**1,125**	**423**	**6**	**3,876**
Additions	-	18	17	85	21	-	141
Additions- Business Combination (Refer Note 2.10)	-	-	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 September 30, 2022							59
Carrying value as at September 30, 2022	**176**	**863**	**146**	**312**	**91**	**-**	**1,647**
Capital work-in progress as at April 1, 2022							67
Carrying value as at April 1, 2022	**188**	**940**	**169**	**329**	**99**	**1**	**1,793**

* During each of the three months ended and six months ended September 30, 2022, certain assets which were old and not in use having gross book value of $11 million (net book value: Nil) and $29 million (net book value: Nil) respectively, were retired.

Following are the changes in the carrying value of property, plant and equipment for six months ended September 30, 2021 :

(Dollars in millions)

Particulars	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at April 1, 2021	**191**	**1,445**	**679**	**1,045**	**416**	**6**	**3,782**
Additions	2	62	25	87	16	-	192
Deletions*	-	-	(1)	(62)	(2)	-	(65)
Translation difference	(3)	(19)	(10)	(15)	(5)	-	(52)
Gross carrying value as at September 30, 2021	**190**	**1,488**	**693**	**1,055**	**425**	**6**	**3,857**
Accumulated depreciation as at April 1, 2021	**-**	**(503)**	**(492)**	**(771)**	**(294)**	**(4)**	**(2,064)**
Depreciation	-	(28)	(27)	(69)	(24)	-	(148)
Accumulated depreciation on deletions*	-	-	1	62	2	-	65
Translation difference	-	8	8	11	4	(1)	30
Accumulated depreciation as at September 30, 2021	**-**	**(523)**	**(510)**	**(767)**	**(312)**	**(5)**	**(2,117)**
Capital work-in progress as at September 30, 2021							69
Carrying value as at September 30, 2021	**190**	**965**	**183**	**288**	**113**	**1**	**1,809**
Capital work-in progress as at April 1, 2021							145
Carrying value as at April 1, 2021	**191**	**942**	**187**	**274**	**122**	**2**	**1,863**

* During each of the three months ended and six months ended September 30, 2021, certain assets which were old and not in use having gross book value of $35 million (net book value: Nil) were retired.

The aggregate depreciation expense is included in cost of sales in the consolidated statement of comprehensive income.
The Group had contractual commitments for capital expenditure primarily comprise of commitments for infrastructure facilities and computer equipments aggregating to $85 million and $164 million as at September 30, 2022 and March 31, 2022, respectively.

2.8 Leases

Accounting Policy

The Group as a lessee

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

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

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

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

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

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

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

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

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

The Group as a lessor

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

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

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

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

(Dollars in millions)

Particulars	**Category of ROU asset**				
	Land	**Buildings**	**Vehicle**	**Computer**	**Total**
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 three months ended September 30, 2021

(Dollars in millions)

Particulars	**Category of ROU asset**				
	Land	**Buildings**	**Vehicle**	**Computer**	**Total**
Balance as of July 1, 2021	**85**	**499**	**3**	**26**	**613**
Additions*	-	28	-	7	35
Deletions	-	-	-	(2)	(2)
Depreciation	-	(22)	(1)	(2)	(25)
Translation difference	-	(1)	-	-	(1)
Balance as of September 30, 2021	**85**	**504**	**2**	**29**	**620**

* *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**				
	Land	**Buildings**	**Vehicle**	**Computer**	**Total**
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*

Following are the changes in the carrying value of right of use assets for the six months ended September 30, 2021

(Dollars in millions)

Particulars	Category of ROU asset				
	Land	**Buildings**	**Vehicle**	**Computer**	**Total**
Balance as of April 1, 2021	**86**	**545**	**3**	**22**	**656**
Additions*	-	7	-	13	20
Deletions	-	-	-	(2)	(2)
Depreciation	-	(43)	(1)	(4)	(48)
Translation difference	(1)	(5)	-	-	(6)
Balance as of September 30, 2021	**85**	**504**	**2**	**29**	**620**

* *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 condensed consolidated statement of comprehensive income.

The following is the break-up of current and non-current lease liabilities as of September 30, 2022 and March 31, 2022

(Dollars in millions)

Particulars	**As at**	
	September 30, 2022	**March 31, 2022**
Current lease liabilities	117	115
Non-current lease liabilities	685	607
Total	**802**	**722**

2.9 Goodwill and intangible assets

2.9.1 Goodwill

Accounting Policy

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

Impairment

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

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

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

(Dollars in millions)

Particulars	As at	
	September 30, 2022	**March 31, 2022**
Carrying value at the beginning	817	832
Goodwill on acquisition (Refer to Note 2.10)	77	-
Translation differences	(47)	(15)
Carrying value at the end	**847**	**817**

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

2.9.2 Intangibles

Accounting policy

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

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

Impairment

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

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

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2.10 Business combinations

Accounting Policy

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

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

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

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

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

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

Acquisition

Oddity

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

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

(Dollars in millions)

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

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

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

Goodwill is not tax-deductible.

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

At the acquisition date, the key inputs used in determination of the fair value of contingent consideration are the probabilities assigned towards achievement of financial targets and discount rate of 12.5%. The undiscounted value of contingent consideration as of September 30, 2022 was $6 million. Additionally, this acquisition has retention bonus payable to the employees of the acquiree over three years, subject to their continuous employment with the group along with achievement of financial targets for the respective years. Bonus is recognized in employee benefit expenses in the statement of comprehensive income over the period of service.

Fair value of trade receivables acquired, is $5 million as of acquisition date and as of September 30, 2022 the amounts are substantially collected.

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

BASE life science A/S

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

The provisional purchase price allocation is based on management's estimates and appraisal of fair values as follows:

(Dollars in millions)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net Assets	6	-	6
Intangible assets –			
Customer contracts and relationships#	-	22	22
Vendor relationships#	-	4	4
Brand#	-	3	3
Deferred tax liabilities on intangible assets	-	(6)	(6)
Total	**6**	**23**	**29**
Goodwill			54
Total purchase price			**83**

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

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

Goodwill is not tax-deductible.

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

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

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2.11 Employees' Stock Option Plans (ESOP)

Accounting Policy

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

Infosys Expanded Stock Ownership Program 2019 (the 2019 Plan)

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

2015 Stock Incentive Compensation Plan (the 2015 Plan) :

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

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

Controlled trust holds 12,915,777 and 13,725,712 shares as at September 30, 2022 and March 31, 2022, respectively under the 2015 plan. Out of these shares, 2,00,000 equity shares each have been earmarked for welfare activities of the employees as at September 30, 2022 and March 31, 2022.

The following is the summary of grants during three months and six months ended September 30, 2022 and September 30, 2021

Particulars	2019 Plan		2019 Plan		2015 Plan		2015 Plan	
	Three months ended September 30,		Six months ended September 30,		Three months ended September 30,		Six months ended September 30,	
	2022	2021	2022	2021	2022	2021	2022	2021
Equity settled RSU								
KMPs	-	-	176,893	73,962	185,358	-	287,325	101,697
Employees other than KMP	-	-	370,960	-	-	-	-	-
	-	**-**	**547,853**	**73,962**	**185,358**	**-**	**287,325**	**101,697**

Notes on grants to KMP:

CEO & MD

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

Under the 2015 plan:

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

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

- Approved the grant of performance-based RSUs (Annual performance equity grant) of fair value of ₹21.75 crore for fiscal 2023 under the 2015 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 140,228 performance based RSU's were granted effective August 1, 2022.
- Approved the performance-based grant of RSUs (Annual performance equity ESG grant) of fair value of ₹2 crore for fiscal 2023 under the 2015 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain environment, social and governance milestones as determined by the Board. Accordingly, 12,894 performance based RSU's were granted effective August 1, 2022.
- Approved the performance-based grant of RSUs (Annual performance Equity TSR grant) of fair value of ₹5 crore for fiscal 2023 under the 2015 Plan. These RSUs will vest in line with the employment agreement based on Company's performance on cumulative relative TSR over the years and as determined by the Board. Accordingly, 32,236 performance based RSU's were granted effective August 1, 2022.

Under the 2019 plan:

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

Other KMP

Under the 2015 plan:

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

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

Under the 2019 plan:

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

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

Break-up of employee stock compensation expense: -

(Dollars in millions)

Particulars	Three months ended September 30, 2022	Three months ended September 30, 2021	Six months ended September 30, 2022	Six months ended September 30, 2021
Granted to:				
KMP	3	3	5	5
Employees other than KMP	14	10	29	23
Total (1)	**17**	**13**	**34**	**28**
(1) Cash settled stock compensation expense included in the above	-	1	-	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 2023-Equity Shares-RSU	Fiscal 2023-ADS-RSU	Fiscal 2022-Equity Shares-RSU	Fiscal 2022-ADS-RSU
Weighted average share price (₹) / ($ ADS)	1,525	19.03	1,791	24.45
Exercise price (₹)/ ($ ADS)	5.00	0.07	5.00	0.07
Expected volatility (%)	23-32	28-34	20-35	25-36
Expected life of the option (years)	1-4	1-4	1-4	1-4
Expected dividends (%)	2-3	2-3	2-3	2-3
Risk-free interest rate (%)	5-7	2-3	4-6	1-3
Weighted average fair value as on grant date (₹) / ($	1,284	13.89	1,548	20.82

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

2.12 Income taxes

Accounting policy

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

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

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

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

(Dollars in millions)

Particulars	Three months ended September 30, 2022	Three months ended September 30, 2021	Six months ended September 30, 2022	Six months ended September 30, 2021
Current taxes				
Domestic taxes	233	190	448	385
Foreign taxes	76	78	163	145
	309	**268**	**611**	**530**
Deferred taxes				
Domestic taxes	-	14	3	30
Foreign taxes	(14)	(10)	(40)	(20)
	(14)	**4**	**(37)**	**10**
Income tax expense	**295**	**272**	**574**	**540**

Income tax expense for the three months ended September 30, 2022 and September 30, 2021 includes provisions (net of reversal) of $1 million and reversal (net of provisions) of $2 million, respectively. Income tax expense for the six months ended September 30, 2022 and September 30, 2021 includes provisions (net of reversal) of $5 million and reversal (net of provisions) of $4 million, respectively. These provisions and reversals pertaining to prior periods are primarily on account of adjudication of certain disputed matters, upon filing of tax return and completion of assessments, across various jurisdictions.

Deferred income tax for the three months ended and six months ended September 30, 2022 and September 30, 2021 substantially relates to origination and reversal of temporary differences.

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

As at September 30, 2022, claims against the Group not acknowledged as debts from the Income tax authorities amounted to $495 million (₹4,025 crore).

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

Amount paid to statutory authorities against the tax claims amounted to $737 million (₹5,996 crore) and $791 million (₹5,996 crore) as at September 30, 2022 and March 31, 2022 respectively.

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

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

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

Accounting Policy

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

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

Infosys Limited and Subsidiaries

2.14 Related party transactions

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

Changes in Subsidiaries

During the six months ended September 30, 2022, the following are the changes in the subsidiaries:

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

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

Panaya GmbH renamed as Infosys Financial Services GmbH.

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

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

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

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

Change in key management personnel
The following are the changes in the key management personnel:
- Ravi Kumar S resigned effective October 11, 2022

Transactions with key management personnel

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

(Dollars in millions)

Particulars	Three months ended September 30, 2022	Three months ended September 30, 2021	Six months ended September 30, 2022	Six months ended September 30, 2021
Salaries and other employee benefits to whole-time directors and executive officers(1)(2)	5	5	9	10
Commission and other benefits to non-executive/ independent directors	1	-	1	1
Total	**6**	**5**	**10**	**11**

(1) Total employee stock compensation expense for the three months ended September 30, 2022 and September 30, 2021 includes a charge of $3 million and $3 million respectively, towards key managerial personnel. For the six months ended September 30, 2022 and September 30, 2021, includes a charge of $5 million and $ 5 million respectively, towards key managerial personnel. (Refer note 2.11)

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

2.15 Segment Reporting

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

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

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

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

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

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

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

Infosys Limited and Subsidiaries

2.15.1 Business Segments

Three months ended September 30, 2022 and September 30, 2021

(Dollars in millions)

Particulars	Financial Services(1)	Retail(2)	Communication(3)	Energy, Utilities, resources and Services	Manufacturing	Hi Tech	Life Sciences(4)	All Other Segments (5)	Total
Revenues	**1,390**	**647**	**561**	**561**	**583**	**370**	**306**	**137**	**4,555**
	1,292	*585*	*495*	*473*	*435*	*339*	*284*	*95*	*3,998*
Identifiable operating expenses	801	332	345	304	382	220	176	87	2,647
	722	*284*	*299*	*252*	*255*	*204*	*162*	*77*	*2,255*
Allocated expenses	239	118	97	101	103	60	50	33	801
	213	*98*	*86*	*83*	*82*	*52*	*43*	*29*	*686*
Segment profit	**350**	**197**	**119**	**156**	**98**	**90**	**80**	**17**	**1,107**
	357	*203*	*110*	*138*	*98*	*83*	*79*	*(11)*	*1,057*
Unallocable expenses									128
									116
Operating profit									**979**
									941
Other income, net (Refer to Note 2.19)									73
									71
Finance cost									8
									6
Profit before Income taxes									**1,044**
									1,006
Income tax expense									295
									272
Net profit									**749**
									734
Depreciation and amortization									129
									116
Non-cash expenses other than depreciation and amortization									-
									-

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

Infosys Limited and Subsidiaries

Six months ended September 30, 2022 and September 30, 2021

(Dollars in millions)

Particulars	Financial Services (1)	Retail(2)	Communi cation (3)	Energy, Utilities, resources and Services	Manufact uring	Hi Tech	Life Sciences(4)	All Other Segments (5)	Total
Revenues	**2,752**	**1,292**	**1,137**	**1,110**	**1,120**	**733**	**597**	**258**	**8,999**
	2,542	*1,150*	*957*	*930*	*801*	*653*	*540*	*207*	*7,780*
Identifiable operating expenses	1,557	658	715	598	765	436	348	172	5,249
	1,442	*555*	*581*	*490*	*463*	*391*	*300*	*142*	*4,364*
Allocated expenses	491	240	200	209	208	120	100	64	1,632
	423	*192*	*170*	*164*	*155*	*101*	*84*	*62*	*1,351*
Segment profit	**704**	**394**	**222**	**303**	**147**	**177**	**149**	**22**	**2,118**
	677	*403*	*206*	*276*	*183*	*161*	*156*	*3*	*2,065*
Unallocable expenses									251
									228
Operating profit									**1,867**
									1,837
Other income, net (Refer to Note 2.19)									160
									155
Finance cost									15
									13
Profit before Income taxes									**2,012**
									1,979
Income tax expense									574
									540
Net profit									**1,438**
									1,439
Depreciation and amortization									251
									228
Non-cash expenses other than depreciation and amortization									-
									-

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

2.15.2 Significant clients

No client individually accounted for more than 10% of the revenues for the three months and six months ended September 30, 2022 and September 30, 2021, respectively.

2.16 Revenue from Operations

Accounting Policy:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Revenues for the three months ended and six months ended September 30, 2022 and September 30, 2021 is as follows

(Dollars in millions)

Particulars	**Three months ended September 30, 2022**	**Three months ended September 30, 2021**	**Six months ended September 30, 2022**	**Six months ended September 30, 2021**
Revenue from software services	4,267	3,756	8,429	7,261
Revenue from products and platforms	288	242	570	519
Total revenue from operations	**4,555**	**3,998**	**8,999**	**7,780**

Infosys Limited and Subsidiaries

Disaggregated revenue information

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

Three months ended September 30, 2022 and September 30, 2021

(Dollars in millions)

Particulars	Financial Services(1)	Retail(2)	Communication(3)	Energy, Utilities, resources and Services	Manufacturing	Hi Tech	Life Sciences(4)	Others(5)	Total
Revenues by Geography*									
North	885	451	352	303	250	345	225	36	2,847
	802	*397*	*271*	*244*	*212*	*316*	*203*	*31*	*2,476*
Europe	233	158	118	210	317	9	75	7	1,127
	227	*155*	*117*	*188*	*213*	*7*	*75*	*7*	*989*
India	64	2	5	7	2	14	1	38	133
	63	*3*	*14*	*5*	*3*	*14*	*1*	*1*	*104*
Rest of the world	208	36	86	41	14	2	5	56	448
	200	*30*	*93*	*36*	*7*	*2*	*5*	*56*	*429*
Total	**1,390**	**647**	**561**	**561**	**583**	**370**	**306**	**137**	**4,555**
	1,292	***585***	***495***	***473***	***435***	***339***	***284***	***95***	***3,998***
Revenue by offerings									
Digital	768	424	369	346	417	232	193	68	2,817
	673	*357*	*300*	*274*	*250*	*196*	*161*	*32*	*2,243*
Core	622	223	192	215	166	138	113	69	1,738
	619	*228*	*195*	*199*	*185*	*143*	*123*	*63*	*1,755*
Total	**1,390**	**647**	**561**	**561**	**583**	**370**	**306**	**137**	**4,555**
	1,292	***585***	***495***	***473***	***435***	***339***	***284***	***95***	***3,998***

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

Infosys Limited and Subsidiaries

Six months ended September 30, 2022 and September 30, 2021

(Dollars in millions)

Particulars	Financial Services(1)	Retail(2)	Communication(3)	Energy, Utilities, resources and Services	Manufacturing	Hi Tech	Life Sciences(4)	Others(5)	Total
Revenues by Geography*									
North	1,765	895	690	581	473	684	440	66	5,594
	1,579	*774*	*512*	*478*	*407*	*608*	*389*	*62*	*4,809*
Europe	461	322	234	428	617	18	146	15	2,241
	450	*311*	*229*	*369*	*374*	*15*	*141*	*14*	*1,903*
India	122	4	11	12	4	27	2	65	247
	118	*7*	*29*	*9*	*4*	*26*	*2*	*20*	*215*
Rest of the world	404	71	202	89	26	4	9	112	917
	395	*58*	*187*	*74*	*16*	*4*	*8*	*111*	*853*
Total	**2,752**	**1,292**	**1,137**	**1,110**	**1,120**	**733**	**597**	**258**	**8,999**
	2,542	***1,150***	***957***	***930***	***801***	***653***	***540***	***207***	***7,780***
Revenue by offerings									
Digital	1,510	837	757	683	792	458	371	119	5,527
	1,326	*681*	*562*	*525*	*445*	*369*	*298*	*77*	*4,283*
Core	1,242	455	380	427	328	275	226	139	3,472
	1,216	*469*	*395*	*405*	*356*	*284*	*242*	*130*	*3,497*
Total	**2,752**	**1,292**	**1,137**	**1,110**	**1,120**	**733**	**597**	**258**	**8,999**
	2,542	***1,150***	***957***	***930***	***801***	***653***	***540***	***207***	***7,780***

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

Digital Services

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

Core Services

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

Products & platforms

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

Trade Receivables and Contract Balances

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

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

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

Invoicing in excess of earnings are classified as unearned revenue.

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

2.17 Unbilled revenue

(Dollars in millions)

Particulars	As at	
	September 30, 2022	March 31, 2022
Unbilled financial asset (1)	933	838
Unbilled non financial asset (2)	876	812
Total	**1,809**	**1,650**

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

2.18 Equity

Accounting policy

Ordinary Shares

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

Treasury Shares

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

Description of reserves

Retained earnings

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

Share premium

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

Special Economic Zone Re-investment reserve

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

Capital Redemption Reserve

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

Other components of equity

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

Cash flow hedge reserve

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

2.18.1 Capital Allocation Policy

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

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, 2022, the Company has only one class of equity shares and has no debt. Consequent to the above capital structure there are no externally imposed capital requirements.

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

Buyback completed in September 2021

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

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The shareholders approved the proposal of buyback of Equity Shares recommended by its Board of Directors in the Annual General meeting held on June 19 , 2021.

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

2.18.2 Dividend

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

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

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

Particulars	Six months ended September 30, 2022		Six months ended September 30, 2021	
	in ₹	in US Dollars	in ₹	in US Dollars
Final dividend for fiscal 2021	-	-	15.00	0.20
Final dividend for fiscal 2022	16.00	0.21	-	-

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

The Board of Directors in their meeting held on October 13, 2022 declared an interim dividend of ₹16.50/- per equity share (approximately $0.20 per equity share) which would result in a net cash outflow of approximately ₹6,922 crore ($851 million) excluding dividend paid on treasury shares.

2.18.3 Share capital and share premium

The Company has only one class of shares referred to as equity shares having a par value of ₹5/- each. 12,915,777 shares and 13,725,712 shares were held by controlled trust, as at September 30, 2022 and March 31, 2022, respectively.

2.19 Break-up of expenses and other income, net

Accounting Policy

2.19.1 Gratuity and Pensions

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

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

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

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

2.19.2 Superannuation

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

2.19.3 Provident fund

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

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

2.19.4 Compensated absences

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

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

2.19.5 Other income, net

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

2.19.6 Foreign Currency

Functional currency

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

Transactions and translations

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

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

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

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

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

2.19.7 Government grants

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

2.19.8 Operating Profits

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

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

Cost of sales

(Dollars in millions)

Particulars	Three months ended		Six months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Employee benefit costs	2,202	1,905	4,347	3,754
Depreciation and amortization	129	116	251	228
Travelling costs	33	19	66	35
Cost of technical sub-contractors	461	412	965	745
Cost of software packages for own use	57	47	109	92
Third party items bought for service delivery to clients	253	139	507	267
Short term leases (Refer to Note 2.8)	1	1	2	2
Consultancy and professional charges	4	4	8	7
Communication costs	12	10	24	20
Repairs and maintenance	11	12	26	25
Provision for post-sales client support	7	5	9	5
Others	-	5	1	4
Total	**3,170**	**2,675**	**6,315**	**5,184**

Selling and marketing expenses

(Dollars in millions)

Particulars	Three months ended		Six months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Employee benefit costs	147	145	293	288
Travelling costs	8	2	17	2
Branding and marketing	23	13	51	29
Consultancy and professional charges	4	5	8	11
Communication costs	-	-	1	1
Others	3	2	8	5
Total	**185**	**167**	**378**	**336**

Infosys Limited and Subsidiaries

Administrative expenses

(Dollars in millions)

Particulars	**Three months ended**		**Six months ended**	
	September 30, 2022	**September 30, 2021**	**September 30, 2022**	**September 30, 2021**
Employee benefit costs	77	76	153	149
Consultancy and professional charges	47	52	98	96
Repairs and maintenance	27	27	55	56
Power and fuel	5	4	10	9
Communication costs	11	10	21	19
Travelling costs	5	1	11	3
Rates and taxes	9	9	18	17
Short-term leases (Refer to Note 2.8)	1	1	3	2
Insurance charges	6	5	11	10
Commission to non-whole time directors	1	-	1	1
Impairment loss recognized/(reversed) under expected credit loss model	6	6	12	12
Contributions towards Corporate Social Responsibility	14	16	22	35
Others	12	8	24	14
Total	**221**	**215**	**439**	**423**

Infosys Limited and Subsidiaries

Other income consist of the following:

(Dollars in millions)

Particulars	**Three months ended**		**Six months ended**	
	September 30, 2022	**September 30, 2021**	**September 30, 2022**	**September 30, 2021**
Interest income on financial assets carried at amortized cost	27	33	59	77
Interest income on financial assets carried at fair value through other comprehensive income	30	21	61	42
Gain/(loss) on investments carried at fair value through profit or loss	4	6	5	9
Exchange gains / (losses) on forward and options contracts	(17)	18	(54)	8
Exchange gains / (losses) on translation of foreign currency assets and liabilities	23	(11)	76	6
Others	6	4	13	13
Total	**73**	**71**	**160**	**155**

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

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
October 13, 2022

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, 2022, 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, 2022, the consolidated profit and consolidated total comprehensive income for the three months and six months ended on that date, consolidated changes in equity and its 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.

Management's Responsibilities for the Interim Condensed Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Place: Bengaluru
Date: October 13, 2022

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, 2022

Index **Page No.**

Infosys Limited and subsidiaries

(In ₹ crore except equity share data)

Condensed Consolidated Balance Sheet as at	Note	September 30, 2022	March 31, 2022
ASSETS			
Current assets			
Cash and cash equivalents	2.1	14,869	17,472
Current investments	2.2	11,778	6,673
Trade receivables		25,397	22,698
Unbilled revenue	2.17	13,303	11,568
Prepayments and other current assets	2.4	9,482	8,577
Income tax assets	2.12	-	54
Derivative financial instruments	2.3	102	143
Total current assets		**74,931**	**67,185**
Non-current assets			
Property, plant and equipment	2.7	13,402	13,579
Right-of-use assets	2.8	5,625	4,823
Goodwill	2.9	6,892	6,195
Intangible assets		1,828	1,707
Non-current investments	2.2	12,670	13,651
Unbilled revenue	2.17	1,414	941
Deferred income tax assets	2.12	1,377	1,212
Income tax assets	2.12	6,160	6,098
Other non-current assets	2.4	2,932	2,494
Total non-current assets		**52,300**	**50,700**
Total assets		**127,231**	**117,885**
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables		4,162	4,134
Lease liabilities	2.8	950	872
Derivative financial instruments	2.3	249	61
Current income tax liabilities	2.12	3,224	2,607
Unearned revenue		6,953	6,324
Employee benefit obligations		2,247	2,182
Provisions	2.6	1,141	975
Other current liabilities	2.5	18,409	16,448
Total current liabilities		**37,335**	**33,603**
Non-current liabilities			
Lease liabilities	2.8	5,572	4,602
Deferred income tax liabilities	2.12	1,120	1,156
Employee benefit obligations		81	92
Other non-current liabilities	2.5	2,776	2,696
Total liabilities		**46,884**	**42,149**
Equity			
Share capital - ₹5 par value 4,800,000,000 (4,800,000,000) equity shares authorized, issued and outstanding 4,194,911,762 (4,193,012,929) equity shares fully paid up, net of 12,915,777 (13,725,712) treasury shares as at September 30, 2022 (March 31, 2022)	2.18	2,099	2,098
Share premium		1,131	827
Retained earnings		67,653	62,423
Cash flow hedge reserves		16	2
Other reserves		7,762	8,339
Capital redemption reserve		139	139
Other components of equity		1,181	1,522
Total equity attributable to equity holders of the Company		**79,981**	**75,350**
Non-controlling interests		366	386
Total equity		**80,347**	**75,736**
Total liabilities and equity		**127,231**	**117,885**

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

As per our report of even date attached

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

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
October 13, 2022

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,	
		2022	2021	2022	2021
Revenues	2.16	**36,538**	**29,602**	**71,008**	**57,498**
Cost of sales	2.19	25,412	19,806	49,781	38,312
Gross profit		**11,126**	**9,796**	**21,227**	**19,186**
Operating expenses					
Selling and marketing expenses	2.19	1,486	1,235	2,979	2,483
Administrative expenses	2.19	1,767	1,589	3,462	3,128
Total operating expenses		3,253	2,824	6,441	5,611
Operating profit		**7,873**	**6,972**	**14,786**	**13,575**
Other income, net	2.19	584	524	1,260	1,146
Finance cost		66	48	121	98
Profit before income taxes		**8,391**	**7,448**	**15,925**	**14,623**
Income tax expense	2.12	2,365	2,020	4,537	3,994
Net profit		**6,026**	**5,428**	**11,388**	**10,629**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset, net		40	14	(46)	(19)
Equity instruments through other comprehensive income, net	2.2	4	40	7	41
		44	54	(39)	22
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedge, net		(12)	6	14	11
Exchange differences on translation of foreign operations		(14)	(166)	39	124
Fair value changes on investments, net	2.2	26	55	(346)	93
		-	(105)	(293)	228
Total other comprehensive income/(loss), net of tax		**44**	**(51)**	**(332)**	**250**
Total comprehensive income		**6,070**	**5,377**	**11,056**	**10,879**
Profit attributable to:					
Owners of the Company		6,021	5,421	11,381	10,616
Non-controlling interests		5	7	7	13
		6,026	**5,428**	**11,388**	**10,629**
Total comprehensive income attributable to:					
Owners of the Company		6,068	5,375	11,054	10,866
Non-controlling interests		2	2	2	13
		6,070	**5,377**	**11,056**	**10,879**
Earnings per equity share					
Equity shares of par value ₹5/- each					
Basic (₹)		14.35	12.88	27.13	25.11
Diluted (₹)		14.34	12.85	27.10	25.06
Weighted average equity shares used in computing earnings per equity share	2.13				
Basic (in shares)		4,194,617,942	4,210,064,823	4,194,185,175	4,227,694,034
Diluted (in shares)		4,199,829,557	4,218,293,582	4,200,026,950	4,236,051,581

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

As per our report of even date attached

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

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

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

A.G.S. Manikantha
Company Secretary

Bengaluru
October 13, 2022

Infosys Limited and subsidiaries

(In ₹ crore except equity share data)

Condensed Consolidated Statement of Changes in Equity	Number of Shares[(1)]	Share capital	Share premium	Retained earnings	Other reserves[(2)]	Capital redemption reserve	Other components of equity	Cash flow hedge reserve	Total equity attributable to equity holders of the Company	Non-controlling interest	Total equity
Balance as at April 1, 2021	**4,245,146,114**	**2,124**	**993**	**65,397**	**6,385**	**111**	**1,331**	**10**	**76,351**	**431**	**76,782**
Changes in equity for the six months ended September 30, 2021											
Net profit	-	-	-	10,616	-	-	-	-	10,616	13	10,629
Remeasurement of the net defined benefit liability/asset, net*	-	-	-	-	-	-	(19)	-	(19)	-	(19)
Fair value changes on derivatives designated as Cash flow hedge, net*	-	-	-	-	-	-	-	11	11	-	11
Exchange differences on translation of foreign operations	-	-	-	-	-	-	124	-	124	-	124
Equity instruments through other comprehensive income, net*	-	-	-	-	-	-	41	-	41	-	41
Fair value changes on investments, net*	-	-	-	-	-	-	93	-	93	-	93
Total comprehensive income for the period	**-**	**-**	**-**	**10,616**	**-**	**-**	**239**	**11**	**10,866**	**13**	**10,879**
Shares issued on exercise of employee stock options (Refer to note 2.11)	1,285,064	1	8	-	-	-	-	-	9	-	9
Buyback of equity shares (Refer to note 2.18)**	(55,807,337)	(28)	(640)	(10,425)	-	-	-	-	(11,093)	-	(11,093)
Transaction cost relating to buyback*	-	-	-	(28)	-	-	-	-	(28)	-	(28)
Amount transferred to capital redemption reserve upon buyback	-	-	-	(28)	-	28	-	-	-	-	-
Employee stock compensation expense (Refer to note 2.11)	-	-	196	-	-	-	-	-	196	-	196
Income tax benefit arising on exercise of stock options (Refer to note 2.12)	-	-	7	-	-	-	-	-	7	-	7
Transferred to other reserves	-	-	-	(1,496)	1,496	-	-	-	-	-	-
Transferred from other reserves on utilization	-	-	-	411	(411)	-	-	-	-	-	-
Dividends paid to non controlling interest of subsidiary	-	-	-	-	-	-	-	-	-	(35)	(35)
Dividends#	-	-	-	(6,369)	-	-	-	-	(6,369)	-	(6,369)
Balance as at September 30, 2021	**4,190,623,841**	**2,097**	**564**	**58,078**	**7,470**	**139**	**1,570**	**21**	**69,939**	**409**	**70,348**

Infosys Limited and subsidiaries

(In ₹ crore except equity share data)

Condensed Consolidated Statement of Changes in Equity	Number of Shares[1]	Share capital	Share premium	Retained earnings	Other reserves[2]	Capital redemption reserve	Other components of equity	Cash flow hedge reserve	Total equity attributable to equity holders of the Company	Non-controlling interest	Total equity
Balance as at April 1, 2022	**4,193,012,929**	**2,098**	**827**	**62,423**	**8,339**	**139**	**1,522**	**2**	**75,350**	**386**	**75,736**
Impact on adoption of amendment to IAS 37##	-	-	-	(19)	-	-	-	-	(19)	-	(19)
	4,193,012,929	**2,098**	**827**	**62,404**	**8,339**	**139**	**1,522**	**2**	**75,331**	**386**	**75,717**
Changes in equity for the six months ended September 30, 2022											
Net profit	-	-	-	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**	**-**	**-**	**(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
Transferred on account of options not exercised	-	-	(2)	2	-	-	-	-	-	-	-
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
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**

** net of tax*

*** Including tax on buyback ₹1,893 crore*

 # 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 1,29,15,777 as at September 30, 2022, 1,37,25,712 as at April 1, 2022, 14,840,585 as at September 30, 2021, and 15,514,732 as at April 1, 2021, held by consolidated trust.

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

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

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

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
October 13, 2022

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	Six months ended September 30, 2022	2021
Operating activities:			
Net Profit		11,388	10,629
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation and amortization		1,979	1,687
Income tax expense	2.12	4,537	3,994
Finance cost		121	98
Interest and dividend income		(564)	(396)
Exchange differences on translation of assets and liabilities, net		131	54
Impairment loss under expected credit loss model		91	87
Stock compensation expense		269	209
Other adjustments		281	36
Changes in working capital			
Trade receivables and unbilled revenue		(4,864)	(2,963)
Prepayments and other assets		(1,254)	(299)
Trade payables		(9)	349
Unearned revenue		625	345
Other liabilities and provisions		2,588	2,409
Cash generated from operations		**15,319**	**16,239**
Income taxes paid		(4,227)	(3,574)
Net cash generated by operating activities		**11,092**	**12,665**
Investing activities:			
Expenditure on property, plant and equipment and intangibles		(1,234)	(1,030)
Deposits placed with corporation		(564)	(516)
Redemption of deposits placed with Corporation		384	343
Interest and dividend received		514	421
Payment for acquisition of business, net of cash acquired	2.10	(904)	-
Payment of contingent consideration pertaining to acquisition of business		(60)	(53)
Escrow and other deposits pertaining to Buyback		-	(420)
Redemption of escrow and other deposits pertaining to Buyback		-	420
Payments to acquire Investments			
- Quoted debt securities		(1,831)	(807)
- Liquid mutual fund units		(36,310)	(25,411)
- Certificates of deposit		(5,024)	(498)
- Commercial paper		(482)	-
- Other investments		(18)	(13)
Proceeds on sale of investments			
- Equity and preference securities		99	-
- Quoted debt securities		1,627	2,635
- Liquid mutual fund units		34,336	22,928
- Certificates of deposit		3,138	500
- Commercial paper		200	-
- Other investments		-	1
Other payments		-	(22)
Other receipts		40	35
Net cash (used)/generated in investing activities		**(6,089)**	**(1,487)**
Financing activities:			
Payment of lease liabilities		(527)	(421)
Payment of dividends		(6,711)	(6,369)
Payment of dividends to non-controlling interests of subsidiary		(22)	(2)
Other payments		(220)	(15)
Other receipts		84	117
Buyback of equity shares including transaction costs and tax on buyback		-	(11,125)
Shares issued on exercise of employee stock options		7	9
Net cash used in financing activities		**(7,389)**	**(17,806)**
Net increase/(decrease) in cash and cash equivalents		(2,386)	(6,628)
Effect of exchange rate changes on cash and cash equivalents		(217)	(30)
Cash and cash equivalents at the beginning of the period	2.1	17,472	24,714
Cash and cash equivalents at the end of the period	2.1	**14,869**	**18,056**
Supplementary information:			
Restricted cash balance	2.1	465	526

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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Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
October 13, 2022

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 13, 2022.

1.2 Basis of preparation of financial statements

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

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

1.3 Basis of consolidation

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

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

1.4 Use of estimates and judgments

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

1.5 Critical accounting estimates and judgments

a. Revenue recognition

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

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

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

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

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

b. Income taxes

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

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

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

c. Business combinations and intangible assets

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

d. Property, plant and equipment

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

e. Impairment of Goodwill

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

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

1.6 Recent accounting pronouncements

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

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

Amendments to IAS 8

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

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

Amendments to IAS 1

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

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

Amendments to IAS 12

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

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

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 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, 2022	March 31, 2022
Cash and bank deposits	12,039	13,942
Deposits with financial institutions	2,830	3,530
Total Cash and cash equivalents	**14,869**	**17,472**

Cash and cash equivalents as at September 30, 2022 and March 31, 2022 include restricted cash and bank balances of ₹465 crore and ₹471 crore, respectively. The restrictions are primarily on account of bank balances held by irrevocable trusts controlled by the Company and bank balances held as margin money deposits against guarantees.

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

2.2 Investments

The carrying value of the investments are as follows:

(In ₹ crore)

Particulars	As at	
	September 30, 2022	March 31, 2022
(i) Current Investments		
Amortized Cost		
Quoted debt securities	220	221
Fair Value through profit or loss		
Liquid mutual fund units	4,042	2,012
Fair Value through other comprehensive income		
Quoted Debt Securities	1,817	1,011
Commercial Papers	287	-
Certificates of Deposit	5,412	3,429
Total current investments	**11,778**	**6,673**
(ii) Non-current Investments		
Amortized Cost		
Quoted debt securities	1,909	1,901
Fair Value through other comprehensive income		
Quoted debt securities	10,365	11,373
Unquoted equity and preference securities	213	194
Fair Value through profit or loss		
Unquoted Preference securities	25	24
Unquoted compulsorily convertible debentures	-	7
Others(1)	158	152
Total non-current investments	**12,670**	**13,651**
Total investments	**24,448**	**20,324**
Investments carried at amortized cost	2,129	2,122
Investments carried at fair value through other comprehensive income	18,094	16,007
Investments carried at fair value through profit or loss	4,225	2,195

(1) Uncalled capital commitments outstanding as at September 30, 2022 and March 31, 2022 was ₹93 crore and ₹28 crore, respectively.

Refer to note 2.3 for accounting policies on financial instruments.

Method of fair valuation: *(In ₹ crore)*

Class of investment	Method	Fair value as at	
		September 30, 2022	March 31, 2022
Liquid mutual fund units	Quoted price	4,042	2,012
Quoted debt securities- carried at amortized cost	Quoted price and market observable inputs	2,349	2,447
Quoted debt securities- carried at fair value through other comprehensive income	Quoted price and market observable inputs	12,182	12,384
Commercial Paper	Market observable inputs	287	-
Certificates of Deposit	Market observable inputs	5,412	3,429
Unquoted equity and preference securities - carried at fair value through other comprehensive income	Discounted cash flows method, Market multiples method, Option pricing model	213	194
Unquoted equity and preference securities - carried at fair value through profit or loss	Discounted cash flows method, Market multiples method, Option pricing model	25	24
Unquoted compulsorily convertible debentures - carried at fair value through profit or loss	Discounted cash flows method	-	7
Others	Discounted cash flows method, Market multiples method, Option pricing model	158	152
Total		**24,668**	**20,649**

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

2.3 Financial instruments

Accounting Policy

2.3.1 Initial recognition

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

2.3.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

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

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

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

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

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

(iv) Financial liabilities

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

b. Derivative financial instruments

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

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

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

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

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

(ii) Cash flow hedge

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

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

2.3.3 Derecognition of financial instruments

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

2.3.4 Fair value of financial instruments

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

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

2.3.5 Impairment

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

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

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

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at September 30, 2022 were as follows:

(In ₹ crore)

Particulars	Amortized cost	Financial assets / liabilities at fair value through profit or loss		Financial assets / liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer to note 2.1)	14,869	-	-	-	-	14,869	14,869
Investments (Refer to note 2.2)							
Liquid mutual fund units	-	-	4,042	-	-	4,042	4,042
Quoted debt securities	2,129	-	-	-	12,182	14,311	14,531 (1)
Commercial Papers	-	-	-	-	287	287	287
Certificates of deposit	-	-	-	-	5,412	5,412	5,412
Unquoted equity and preference securities	-	-	25	213	-	238	238
Unquoted investment others	-	-	158	-	-	158	158
Trade receivables	25,397	-	-	-	-	25,397	25,397
Unbilled revenues (Refer to note 2.17)(3)	7,587	-	-	-	-	7,587	7,587
Prepayments and other assets (Refer to note 2.4)	4,462	-	-	-	-	4,462	4,385 (2)
Derivative financial instruments	-	-	37	-	65	102	102
Total	**54,444**	**-**	**4,262**	**213**	**17,946**	**76,865**	**77,008**
Liabilities:							
Trade payables	4,162	-	-	-	-	4,162	4,162
Lease liabilities	6,522	-	-	-	-	6,522	6,522
Derivative financial instruments	-	-	224	-	25	249	249
Financial liability under option arrangements (Refer to note 2.5)	-	-	608	-	-	608	608
Other liabilities including contingent consideration (Refer to note 2.5)	16,448	-	82	-	-	16,530	16,530
Total	**27,132**	**-**	**914**	**-**	**25**	**28,071**	**28,071**

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

(2) *Excludes interest accrued on quoted debt securities carried at amortized cost of ₹77 crore.*

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

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

(In ₹ crore)

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

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

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

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

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

Fair value hierarchy

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

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

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

The following table presents fair value hierarchy of assets and liabilities as at September 30, 2022:

(In ₹ crore)

Particulars	As at September 30, 2022	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units (Refer to note 2.2)	4,042	4,042	-	-
Investments in quoted debt securities (Refer to note 2.2)	14,531	11,018	3,513	-
Investments in unquoted equity and preference securities (Refer to note 2.2)	238	-	-	238
Investments in certificates of deposits (Refer to note 2.2)	5,412	-	5,412	-
Investments in commercial paper (Refer to note 2.2)	287	-	287	-
Investments in unquoted investments others (Refer to note 2.2)	158	-	-	158
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts	102	-	102	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts	249	-	249	-
Financial liability under option arrangements (Refer to note 2.5)	608	-	-	608
Liability towards contingent consideration (Refer to note 2.5)*	82	-	-	82

** Discount rate pertaining to contingent consideration ranges from 9.5% to 13.6%*

During the six months ended September 30, 2022, quoted debt securities of ₹611 crore were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on quoted price and quoted debt securities of ₹2,201 crore were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

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

(In ₹ crore)

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

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

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

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

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

2.4 Prepayments and other assets

Prepayments and other assets consist of the following:

(In ₹ crore)

Particulars	As at September 30, 2022	As at March 31, 2022
Current		
Rental deposits	34	58
Security deposits	9	7
Loans to employees	279	248
Prepaid expenses(1)	2,347	1,996
Interest accrued and not due	385	362
Withholding taxes and others(1)	2,372	1,941
Advance payments to vendors for supply of goods(1)	63	193
Deposit with corporations*	2,345	2,177
Deferred contract cost(1)#		
Cost of obtaining a contract	929	858
Cost of fulfillment	120	91
Net investment in sublease of right of use asset	51	50
Other non financial assets (1)	349	325
Other financial assets	199	271
Total Current prepayment and other assets	**9,482**	**8,577**
Non-current		
Loans to employees	47	34
Deposit with corporations*	45	33
Rental deposits	220	186
Security deposits	46	47
Withholding taxes and others(1)	685	674
Deferred contract cost(1) #		
Cost of obtaining a contract	330	593
Cost of fulfillment	494	309
Prepaid expenses(1)	241	99
Net investment in sublease of right of use asset	327	322
Defined benefit plan assets(1)	22	20
Other financial assets	475	177
Total Non- current prepayment and other assets	**2,932**	**2,494**
Total prepayment and other assets	**12,414**	**11,071**
Financial assets in prepayments and other assets	**4,462**	**3,972**

(1) *Non financial assets*

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

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

Includes 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, 2022, the financial liability pertaining to such arrangements amounts to ₹749 crore. During the six months ended September 30, 2022, ₹38 crore was settled directly by the third party to the customer on behalf of the Group and accordingly considered as non-cash transaction (Refer to note 2.5)

2.5 Other liabilities

Other liabilities comprise the following:

(In ₹ crore)

Particulars	As at	
	September 30, 2022	March 31, 2022
Current		
Accrued compensation to employees	3,958	4,061
Accrued expenses	7,509	7,476
Withholding taxes and others(1)	3,468	2,834
Retention money	12	13
Liabilities of controlled trusts	211	211
Deferred income - government grants(1)	11	11
Accrued defined benefit liability (1)	5	5
Liability towards contingent consideration	46	67
Capital Creditors	322	431
Other non-financial liabilities (1)	3	4
Other financial liabilities#	2,329	1,335
Financial liability under option arrangements	535	-
Total current other liabilities	**18,409**	**16,448**
Non-current		
Liability towards contingent consideration	36	56
Accrued expenses	1,657	946
Accrued defined benefit liability (1)	477	367
Accrued compensation to employees	10	8
Deferred income - government grants(1)	62	64
Deferred income(1)	10	9
Other financial liabilities#	440	580
Other non-financial liabilities(1)	11	11
Financial liability under option arrangements	73	655
Total non-current other liabilities	**2,776**	**2,696**
Total other liabilities	**21,185**	**19,144**
Financial liabilities included in other liabilities	17,138	15,839
Financial liability towards contingent consideration on an undiscounted basis	91	132

(1) *Non financial liabilities*

\# 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, 2022, the financial liability pertaining to such arrangements amounts to ₹749 crore. During the six months ended September 30, 2022, ₹38 crore was settled directly by the third party to the customer on behalf of the Group and accordingly considered as non-cash transaction.

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

2.6 Provisions and other contingencies

Accounting Policy

Provisions

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

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

Post sales client support

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

Onerous contracts

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

Provisions comprise the following:

(In ₹ crore)

Particulars	**As at**	
	September 30, 2022	**March 31, 2022**
Provision for post sales client support and other provisions	1,141	975
	1,141	**975**

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

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

As at September 30, 2022 and March 31, 2022 claims against the Group, not acknowledged as debts, (excluding demands from income tax authorities - Refer to note 2.12) amounted to ₹683 crore and ₹640 crore respectively.

Legal proceedings

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

2.7 Property, plant and equipment

Accounting Policy

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

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

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

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

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

Impairment

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

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

Following are the changes in the carrying value of property, plant and equipment for the three months ended September 30, 2022:

(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 (Refer to Note 2.10)	-	-	-	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**

Following are the changes in the carrying value of property, plant and equipment for the three months ended September 30, 2021:

(In ₹ crore)

Particulars	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at July 1, 2021	**1,398**	**10,745**	**5,018**	**7,940**	**3,089**	**44**	**28,234**
Additions	12	303	132	308	78	-	833
Deletions*	-	-	(5)	(405)	(6)	-	(416)
Translation difference	-	(1)	(3)	(9)	(6)	-	(19)
Gross carrying value as at September 30, 2021	**1,410**	**11,047**	**5,142**	**7,834**	**3,155**	**44**	**28,632**
Accumulated depreciation as at July 1, 2021	**-**	**(3,780)**	**(3,699)**	**(5,844)**	**(2,237)**	**(33)**	**(15,593)**
Depreciation	-	(105)	(101)	(261)	(86)	(2)	(555)
Accumulated depreciation on deletions*	-	-	5	404	6	-	415
Translation difference	-	1	-	8	5	-	14
Accumulated depreciation as at September 30, 2021	**-**	**(3,884)**	**(3,795)**	**(5,693)**	**(2,312)**	**(35)**	**(15,719)**
Capital work-in progress as at July 1, 2021							919
Carrying value as at July 1, 2021	**1,398**	**6,965**	**1,319**	**2,096**	**852**	**11**	**13,560**
Capital work-in progress as at September 30, 2021							509
Carrying value as at September 30, 2021	**1,410**	**7,163**	**1,347**	**2,141**	**843**	**9**	**13,422**

Following are the changes in the carrying value of property, plant and equipment for the six months ended September 30, 2022:

(In ₹ crore)

Particulars	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at April 1, 2022	**1,429**	**11,224**	**4,950**	**8,527**	**3,201**	**44**	**29,375**
Additions - Business Combination (Refer to Note 2.10)	-	-	5	6	3	-	14
Additions	-	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 old and not in use having gross book value of ₹161 crore (net book value: Nil) and ₹229 crore (net book value: Nil), respectively were retired.

Following are the changes in the carrying value of property, plant and equipment for the six months ended September 30, 2021:

(In ₹ crore)

Particulars	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at April 1, 2021	**1,397**	**10,565**	**4,963**	**7,639**	**3,043**	**44**	**27,651**
Additions	13	455	186	644	121	-	1,419
Deletions*	-	-	(10)	(457)	(17)	-	(484)
Translation difference	-	27	3	8	8	-	46
Gross carrying value as at September 30, 2021	**1,410**	**11,047**	**5,142**	**7,834**	**3,155**	**44**	**28,632**
Accumulated depreciation as at April 1, 2021	**-**	**(3,675)**	**(3,599)**	**(5,636)**	**(2,149)**	**(32)**	**(15,091)**
Depreciation	-	(206)	(203)	(508)	(173)	(3)	(1,093)
Accumulated depreciation on deletions*	-	-	10	456	17	-	483
Translation difference	-	(3)	(3)	(5)	(7)	-	(18)
Accumulated depreciation as at September 30, 2021	**-**	**(3,884)**	**(3,795)**	**(5,693)**	**(2,312)**	**(35)**	**(15,719)**
Capital work-in progress as at April 1, 2021							1,063
Carrying value as at April 1, 2021	**1,397**	**6,890**	**1,364**	**2,003**	**894**	**12**	**13,623**
Capital work-in progress as at September 30, 2021							509
Carrying value as at September 30, 2021	**1,410**	**7,163**	**1,347**	**2,141**	**843**	**9**	**13,422**

* During the three months and six months ended September 30, 2021, certain assets which were old and not in use having gross book value of ₹262 crore (net book value: Nil), respectively were retired.

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

The Group had contractual commitments for capital expenditure primarily comprising of commitments for infrastructure facilities and computer equipment aggregating to ₹695 crore and ₹1,245 crore as at September 30, 2022 and March 31, 2022, respectively.

2.8 Leases

Accounting Policy

The Group as a lessee

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

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

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

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

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

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

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

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

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

The Group as a lessor

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

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

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

Following are the changes in the carrying value of right of use assets for the three months ended 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[(1)]	-	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**

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

Following are the changes in the carrying value of right of use assets for the three months ended September 30, 2021:

(In ₹ crore)

Particulars	Category of ROU asset				Total
	Land	Buildings	Vehicles	Computers	
Balance as of July 1, 2021	**631**	**3,716**	**19**	**194**	**4,560**
Additions[(1)]	-	205	-	54	259
Deletions	-	(2)	-	(18)	(20)
Depreciation	(2)	(164)	(3)	(16)	(185)
Translation difference	-	(17)	-	2	(15)
Balance as of September 30, 2021	**629**	**3,738**	**16**	**216**	**4,599**

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

Following are the changes in the carrying value of right of use assets for the 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[(1)]	-	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**

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

Following are the changes in the carrying value of right of use assets for the six months ended September 30, 2021:

(In ₹ crore)

Particulars	Category of ROU asset				Total
	Land	Buildings	Vehicles	Computers	
Balance as of April 1, 2021	**630**	**3,984**	**19**	**161**	**4,794**
Additions[(1)]	-	64	1	100	165
Deletions	-	(6)	-	(18)	(24)
Depreciation	(4)	(319)	(5)	(29)	(357)
Translation difference	3	15	1	2	21
Balance as of September 30, 2021	**629**	**3,738**	**16**	**216**	**4,599**

[(1)] *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 condensed consolidated statement of comprehensive income.

The following is the break-up of current and non-current lease liabilities as of September 30, 2022 and March 31, 2022:

(In ₹ crore)

Particulars	As at	
	September 30, 2022	March 31, 2022
Current lease liabilities	950	872
Non-current lease liabilities	5,572	4,602
Total	**6,522**	**5,474**

2.9 Goodwill and Intangible assets

2.9.1 Goodwill

Accounting Policy

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

Impairment

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

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

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

(In ₹ crore)

Particulars	As at	
	September 30, 2022	**March 31, 2022**
Carrying value at the beginning	**6,195**	**6,079**
Goodwill on acquisitions *(Refer to note 2.10)*	619	-
Translation differences	78	116
Carrying value at the end	**6,892**	**6,195**

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

2.9.2 Intangible assets

Accounting Policy

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

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

Impairment

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

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

2.10 Business combinations

Accounting policy

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

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

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

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

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

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

Acquisition

Oddity

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

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

(In ₹ crore)

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

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

[#] *The estimated useful life is around 5 years*

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

Goodwill is not tax-deductible.

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

At the acquisition date, the key inputs used in determination of the fair value of contingent consideration are the probabilities assigned towards achievement of financial targets and discount rate of 12.5%. The undiscounted value of contingent consideration as of September 30, 2022 was ₹51 crore. Additionally, this acquisition has retention bonus payable to the employees of the acquiree over three years, subject to their continuous employment with the Group along with achievement of financial targets for the respective years. Bonus is recognized in employee benefit expenses in the Statement of Comprehensive Income over the period of service.

Fair value of trade receivables acquired, is ₹39 crore as of acquisition date and as of September 30, 2022 the amounts are substantially collected.

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

BASE life science A/S

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

The provisional purchase price allocation is based on management's estimates and appraisal of fair values as follows:

(In ₹ crore)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net Assets	55	-	55
Intangible assets –			
Customer contracts and relationships#	-	180	180
Vendor relationships#	-	30	30
Brand#	-	24	24
Deferred tax liabilities on intangible assets	-	(52)	(52)
Total	**55**	**182**	**237**
Goodwill			441
Total purchase price			**678**

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

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

Goodwill is not tax-deductible.

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

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

2.11 Employees' Stock Option Plans (ESOP)

Accounting Policy

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

Infosys Expanded Stock Ownership Program 2019 (the 2019 Plan)

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

2015 Stock Incentive Compensation Plan (the 2015 Plan):

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

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

Controlled trust holds 12,915,777 and 13,725,712 shares as at September 30, 2022 and March 31, 2022, respectively under the 2015 plan. Out of these shares 200,000 equity shares each have been earmarked for welfare activities of the employees as at September 30, 2022 and March 31, 2022.

The following is the summary of grants during the three months and six months ended September 30, 2022 and September 30, 2021:

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,	
	2022	2021	2022	2021	2022	2021	2022	2021
Equity settled RSUs								
Key Managerial Personnel (KMPs)	-	-	176,893	73,962	185,358	-	287,325	101,697
Employees other than KMPs	-	-	370,960	-	-	-	-	-
Total Grants	**-**	**-**	**547,853**	**73,962**	**185,358**	**-**	**287,325**	**101,697**

Notes on grants to KMP:

CEO & MD

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

Under the 2015 plan:

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

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

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

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

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

Under the 2019 plan:

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

Other KMPs

Under the 2015 plan:

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

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

Under the 2019 plan:

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

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

Break-up of employee stock compensation expense

(in ₹ crore)

Particulars	Three months ended September 30,		Six months ended September 30,	
	2022	**2021**	**2022**	**2021**
Granted to:				
KMPs	24	17	41	34
Employees other than KMPs	113	82	228	175
Total [(1)]	**137**	**99**	**269**	**209**
[(1)] *Cash settled stock compensation expense included in the above*	1	6	(1)	13

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

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

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

Particulars	**For options granted in**			
	Fiscal 2023-Equity Shares-RSU	**Fiscal 2023-ADS-RSU**	**Fiscal 2022-Equity Shares-RSU**	**Fiscal 2022-ADS-RSU**
Weighted average share price (₹) / ($ ADS)	1,525	19.03	1,791	24.45
Exercise price (₹)/ ($ ADS)	5.00	0.07	5.00	0.07
Expected volatility (%)	23-32	28-34	20-35	25-36
Expected life of the option (years)	1-4	1-4	1-4	1-4
Expected dividends (%)	2-3	2-3	2-3	2-3
Risk-free interest rate (%)	5-7	2-3	4-6	1-3
Weighted average fair value as on grant date (₹) / ($ ADS)	1,284	13.89	1,548	20.82

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

2.12 Income Taxes

Accounting policy

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

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

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

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

(In ₹ crore)

Particulars	Three months ended September 30,		Six months ended September 30,	
	2022	**2021**	**2022**	**2021**
Current taxes				
Domestic taxes	1,874	1,408	3,544	2,848
Foreign taxes	608	579	1,288	1,075
	2,482	**1,987**	**4,832**	**3,923**
Deferred taxes				
Domestic taxes	(4)	108	25	222
Foreign taxes	(113)	(75)	(320)	(151)
	(117)	**33**	**(295)**	**71**
Income tax expense	**2,365**	**2,020**	**4,537**	**3,994**

Income tax expense for the three months ended September 30, 2022 and September 30, 2021 includes provisions (net of reversal) of ₹5 crore and reversal (net of provisions) of ₹20 crore respectively. Income tax expense for the six months ended September 30, 2022 and September 30, 2021 includes provisions (net of reversal) of ₹40 crore and reversal (net of provisions) of ₹33 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, 2022 and September 30, 2021 substantially relates to origination and reversal of temporary differences.

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

As at September 30, 2022, claims against the Group not acknowledged as debts from the Income tax authorities amounted to ₹4,025 crore. As at March 31, 2022, claims against the Group not acknowledged as debts from the Income tax authorities amounted to ₹4,001 crore.

The amount paid to statutory authorities against the tax claims amounted to ₹5,996 crore and ₹5,996 crore as at September 30, 2022 and March 31, 2022, respectively.

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

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

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

Accounting Policy

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

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

2.14 Related party transactions

Refer to note 2.14 "Related party transactions" in the Company's 2022 Consolidated financial statements under IFRS in Indian rupee for the full names and other details of the Company's subsidiaries and controlled trusts.

Changes in Subsidiaries

During the six months ended September 30, 2022, the following are the changes in the subsidiaries:

- Infosys Consulting S.R.L. (Argentina) (formerly a Wholly-owned subsidiary of Infosys Consulting Holding AG) became the majority owned and controlled subsidiary of Infosys Limited with effect from April 1, 2022.
- On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly owned subsidiary of Infosys Consulting Pte. Ltd) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH along with its subsidiary oddity code d.o.o., and oddity GmbH along with its two subsidiaries oddity (Shanghai) Co. Ltd., oddity Limited (Taipei).
- Panaya GmbH renamed as Infosys Financial Services GmbH.
- Infosys Arabia Limited, a majority owned and controlled subsidiary of Infosys Limited is under liquidation.
- Infosys Public Services Canada Inc., a wholly owned subsidiary of Infosys Public Services Inc. was incorporated on July 8, 2022.
- On September 1, 2022, Infosys Consulting Pte. Ltd. (a Wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S along with its seven subsidiaries BASE life science AG, BASE life science GmbH, BASE life science Ltd., BASE life science S.A.S., BASE life science S.r.l., Innovisor Inc. and BASE life science Inc.
- BASE life science SL., a wholly owned subsidiary of BASE life science A/S was incorporated on September 6, 2022.

Change in key management personnel

The following are the changes in the key management personnel:

- Ravi Kumar S resigned effective October 11, 2022

Transactions with key management personnel

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

(In ₹ crore)

Particulars	Three months ended September 30,		Six months ended September 30,	
	2022	2021	2022	2021
Salaries and other employee benefits to whole-time directors and executive officers[(1)(2)]	43	36	75	73
Commission and other benefits to non-executive/ independent directors	3	3	7	5
Total	**46**	**39**	**82**	**78**

(1) Total employee stock compensation expense for three months ended September 30, 2022 and September 30, 2021, includes a charge of ₹24 crore and ₹17 crore respectively, towards key managerial personnel. For the six months ended September 30, 2022 and September 30, 2021, includes a charge of ₹41 crore and ₹34 crore respectively, towards key managerial personnel. (Refer to note 2.11).

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

2.15 Segment reporting

IFRS 8 Operating Segments establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Group's operations predominantly relate to providing end-to-end business solutions to enable clients to enhance business performance. The Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the accounting policies.

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

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

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

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

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

2.15.1 Business segments

Three months ended September 30, 2022 and September 30, 2021

(In ₹ crore)

Particulars	**Financial Services[1]**	**Retail[2]**	**Communication[3]**	**Energy, Utilities, Resources and Services**	**Manufacturing**	**Hi Tech**	**Life Sciences[4]**	**All other segments[5]**	**Total**
Revenue	11,148	5,183	4,501	4,498	4,686	2,971	2,452	1,099	36,538
	9,566	*4,330*	*3,668*	*3,501*	*3,219*	*2,511*	*2,103*	*704*	*29,602*
Identifiable operating expenses	6,424	2,661	2,763	2,439	3,066	1,764	1,406	692	21,215
	5,346	*2,102*	*2,213*	*1,866*	*1,886*	*1,507*	*1,196*	*571*	*16,687*
Allocated expenses	1,913	944	773	808	828	483	404	268	6,421
	1,576	*725*	*639*	*618*	*609*	*385*	*319*	*213*	*5,084*
Segment Profit	**2,811**	**1,578**	**965**	**1,251**	**792**	**724**	**642**	**139**	**8,902**
	2,644	*1,503*	*816*	*1,017*	*724*	*619*	*588*	*(80)*	*7,831*
Unallocable expenses									1,029
									859
Operating profit									7,873
									6,972
Other income, net *(Refer to note 2.19)*									584
									524
Finance Cost									66
									48
Profit before income taxes									**8,391**
									7,448
Income tax expense									2,365
									2,020
Net profit									**6,026**
									5,428
Depreciation and amortization									**1,029**
									859
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, 2022 and September 30, 2021

(In ₹ crore)

Particulars	Financial Services[(1)]	Retail[(2)]	Communication[(3)]	Energy, Utilities, Resources and Services	Manufacturing	Hi Tech	Life Sciences[(4)]	All other segments[(5)]	Total
Revenue	21,710	10,187	8,965	8,757	8,858	5,783	4,709	2,039	71,008
	18,783	*8,505*	*7,071*	*6,871*	*5,922*	*4,821*	*3,994*	*1,531*	*57,498*
Identifiable operating expenses	12,280	5,186	5,630	4,715	6,039	3,439	2,740	1,354	41,383
	10,659	*4,099*	*4,293*	*3,620*	*3,424*	*2,888*	*2,213*	*1,053*	*32,249*
Allocated expenses	3,865	1,886	1,576	1,646	1,642	948	792	505	12,860
	3,122	*1,421*	*1,255*	*1,213*	*1,148*	*747*	*622*	*459*	*9,987*
Segment Profit	**5,565**	**3,115**	**1,759**	**2,396**	**1,177**	**1,396**	**1,177**	**180**	**16,765**
	5,002	*2,985*	*1,523*	*2,038*	*1,350*	*1,186*	*1,159*	*19*	*15,262*
Unallocable expenses									1,979
									1,687
Operating profit									14,786
									13,575
Other income, net *(Refer to note 2.19)*									1,260
									1,146
Finance Cost									121
									98
Profit before income taxes									**15,925**
									14,623
Income tax expense									4,537
									3,994
Net profit									**11,388**
									10,629
Depreciation and amortization									1,979
									1,687
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, 2022 and September 30, 2021, respectively.

2.16 Revenue from Operations

Accounting Policy:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Revenues for the three months and six months September 30, 2022 and September 30, 2021 is as follows:

(In ₹ crore)

Particulars	Three months ended September 30,		Six months ended September 30,	
	2022	**2021**	**2022**	**2021**
Revenue from software services	34,227	27,813	66,505	53,659
Revenue from products and platforms	2,311	1,789	4,503	3,839
Total revenue from operations	**36,538**	**29,602**	**71,008**	**57,498**

Disaggregated revenue information

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

Three months ended September 30, 2022 and September 30, 2021

(In ₹ crore)

Particulars	Financial Services (1)	Retail(2)	Communication (3)	Energy, Utilities, Resources and Services	Manufacturing	Hi Tech	Life Sciences(4)	Others (5)	Total
Revenues by Geography*									
North America	7,096	3,612	2,820	2,426	2,005	2,768	1,804	293	22,824
	5,942	*2,939*	*2,004*	*1,803*	*1,568*	*2,343*	*1,505*	*228*	*18,332*
Europe	1,873	1,262	949	1,681	2,549	71	602	58	9,045
	1,676	*1,150*	*870*	*1,392*	*1,576*	*54*	*557*	*53*	*7,328*
India	515	18	40	58	18	115	7	301	1,072
	469	*20*	*107*	*35*	*19*	*101*	*8*	*11*	*770*
Rest of the world	1,664	291	692	333	114	17	39	447	3,597
	1,479	*221*	*687*	*271*	*56*	*13*	*33*	*412*	*3,172*
Total	**11,148**	**5,183**	**4,501**	**4,498**	**4,686**	**2,971**	**2,452**	**1,099**	**36,538**
	9,566	***4,330***	***3,668***	***3,501***	***3,219***	***2,511***	***2,103***	***704***	***29,602***
Revenue by offerings									
Digital	6,161	3,395	2,962	2,776	3,354	1,862	1,543	545	22,598
	4,984	2,645	2,222	2,025	1,847	1,453	1,188	240	*16,604*
Core	4,987	1,788	1,539	1,722	1,332	1,109	909	554	13,940
	4,582	1,685	1,446	1,476	1,372	1,058	915	464	*12,998*
Total	**11,148**	**5,183**	**4,501**	**4,498**	**4,686**	**2,971**	**2,452**	**1,099**	**36,538**
	9,566	***4,330***	***3,668***	***3,501***	***3,219***	***2,511***	***2,103***	***704***	***29,602***

Six months ended September 30, 2022 and September 30, 2021

(In ₹ crore)

Particulars	Financial Services (1)	Retail(2)	Communication (3)	Energy, Utilities, Resources and Services	Manufacturing	Hi Tech	Life Sciences(4)	Others (5)	Total
Revenues by Geography*									
North America	13,920	7,057	5,437	4,587	3,728	5,396	3,471	529	44,125
	11,669	*5,725*	*3,779*	*3,530*	*3,009*	*4,496*	*2,873*	*456*	*35,537*
Europe	3,643	2,533	1,853	3,371	4,887	136	1,150	119	17,692
	3,327	*2,300*	*1,693*	*2,727*	*2,759*	*106*	*1,044*	*109*	*14,065*
India	964	36	84	95	36	218	13	507	1,953
	871	*49*	*216*	*67*	*33*	*191*	*16*	*148*	*1,591*
Rest of the world	3,183	561	1,591	704	207	33	75	884	7,238
	2,916	*431*	*1,383*	*547*	*121*	*28*	*61*	*818*	*6,305*
Total	**21,710**	**10,187**	**8,965**	**8,757**	**8,858**	**5,783**	**4,709**	**2,039**	**71,008**
	18,783	***8,505***	***7,071***	***6,871***	***5,922***	***4,821***	***3,994***	***1,531***	***57,498***
Revenue by offerings									
Digital	11,919	6,602	5,970	5,388	6,273	3,611	2,922	940	43,625
	9,797	5,038	4,152	3,883	3,291	2,725	2,200	565	*31,651*
Core	9,791	3,585	2,995	3,369	2,585	2,172	1,787	1,099	27,383
	8,986	3,467	2,919	2,988	2,631	2,096	1,794	966	*25,847*
Total	**21,710**	**10,187**	**8,965**	**8,757**	**8,858**	**5,783**	**4,709**	**2,039**	**71,008**
	18,783	***8,505***	***7,071***	***6,871***	***5,922***	***4,821***	***3,994***	***1,531***	***57,498***

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

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

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

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

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

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

Digital Services

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

Core Services

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

Products & platforms

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

Trade Receivables and Contract Balances

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

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

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

Invoicing in excess of earnings are classified as unearned revenue.

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

2.17 Unbilled Revenue

(In ₹ crore)

Particulars	As at	
	September 30, 2022	**March 31, 2022**
Unbilled financial asset [(1)]	7,587	6,354
Unbilled non financial asset [(2)]	7,130	6,155
Total	**14,717**	**12,509**

[(1)] Right to consideration is unconditional and is due only after a passage of time.

[(2)] Right to consideration is dependent on completion of contractual milestones.

2.18 Equity

Accounting policy

Ordinary Shares

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

Treasury Shares

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

Description of reserves

Retained earnings

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

Share premium

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

Special Economic Zone Re-investment reserve

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

Capital Redemption Reserve

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

Other components of equity

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

Cash flow hedge reserve

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

2.18.1 Dividend

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

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

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

(In ₹)

Particulars	Three months ended September 30,		Six months ended September 30,	
	2022	2021	2022	2021
Final dividend for fiscal 2021	-	-	-	15.00
Final dividend for fiscal 2022	-	-	16.00	-

The Board of Directors in their meeting held on April 13, 2022 recommended a final dividend of ₹16/- per equity share for the financial year ended March 31, 2022. The same was approved by the shareholders in the Annual General Meeting (AGM) of the Company held on June 25, 2022 which resulted in a net cash outflow of ₹6,711 crore (excluding dividend paid on treasury shares).

The Board of Directors in their meeting held on October 13, 2022 declared an interim dividend of ₹16.50/- per equity share which would result in a net cash outflow of approximately ₹6,922 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 at September 30, 2022, the Company has only one class of equity shares and has no debt. Consequent to the above capital structure there are no externally imposed capital requirements.

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

Buyback completed in September 2021

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

The shareholders approved the proposal of buyback of Equity Shares recommended by its Board of Directors in the Annual General meeting held on June 19, 2021.

The buyback was offered to all eligible equity shareholders of the Company (other than the Promoters, the Promoter Group and Persons in Control of the Company) under the open market route through the stock exchange. The buyback of equity shares through the stock exchange commenced on June 25, 2021 and was completed on September 8, 2021. During this buyback period, the Company had purchased and extinguished a total of 55,807,337 equity shares from the stock exchange at a volume weighted average buy back price of ₹1,648.53/- per equity share comprising 1.31% of the pre buyback paid-up equity share capital of the Company. The buyback resulted in a cash outflow of ₹9,200 crore (excluding transaction costs and tax on buyback). The Company funded the buyback from its free reserves including Securities Premium as explained in Section 68 of the Companies Act, 2013.

In accordance with section 69 of the Companies Act, 2013, as at March 31, 2022, the Company has created 'Capital Redemption Reserve' of ₹28 crore equal to the nominal value of the shares bought back as an appropriation from general reserve.

2.18.3 Share capital and share premium

The Company has only one class of shares referred to as equity shares having a par value of ₹5/- each. 12,915,777 shares and 13,725,712 shares were held by controlled trust, as at September 30, 2022 and March 31, 2022, respectively.

2.19 Break-up of expenses and other income, net

a. Accounting policy

Gratuity and Pensions

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

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

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

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

Provident fund

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

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

Superannuation

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

Compensated absences

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

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

Other income, net

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

Foreign currency

Functional currency

The functional currency of Infosys, Infosys BPM, EdgeVerve and Skava and controlled trusts is the Indian rupee. The functional currencies for foreign subsidiaries are their respective local currencies. These financial statements are presented in Indian rupees (rounded off to crore; one crore equals ten million).

Transactions and translations

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

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

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

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

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

Government grants

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

Operating Profits

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

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

Cost of sales

(In ₹ crore)

Particulars	Three months ended September 30,		Six months ended September 30,	
	2022	2021	2022	2021
Employee benefit costs	17,644	14,110	34,265	27,747
Depreciation and amortization	1,029	859	1,979	1,687
Travelling costs	265	140	518	258
Cost of technical sub-contractors	3,693	3,054	7,602	5,508
Cost of software packages for own use	456	349	862	679
Third party items bought for service delivery to clients	2,032	1,027	4,007	1,973
Short-term leases (Refer to note 2.8)	8	5	16	12
Consultancy and professional charges	36	30	64	53
Communication costs	97	73	186	149
Repairs and maintenance	95	90	204	181
Provision for post-sales client support	57	34	69	35
Others	-	35	9	30
Total	**25,412**	**19,806**	**49,781**	**38,312**

Selling and marketing expenses

(In ₹ crore)

Particulars	Three months ended September 30,		Six months ended September 30,	
	2022	2021	2022	2021
Employee benefit costs	1,181	1,070	2,307	2,129
Travelling costs	60	12	137	18
Branding and marketing	184	101	407	214
Short-term leases (Refer to note 2.8)	2	1	3	2
Communication costs	4	2	6	5
Consultancy and professional charges	31	36	59	82
Others	24	13	60	33
Total	**1,486**	**1,235**	**2,979**	**2,483**

Administrative expenses

(In ₹ crore)

Particulars	Three months ended September 30,		Six months ended September 30,	
	2022	2021	2022	2021
Employee benefit costs	613	563	1,204	1,097
Consultancy and professional charges	372	383	772	709
Repairs and maintenance	217	203	434	416
Power and fuel	44	31	83	64
Communication costs	88	71	167	140
Travelling costs	38	11	84	20
Impairment loss recognized/(reversed) under expected credit loss model	47	44	91	87
Rates and taxes	72	65	146	128
Insurance charges	45	34	86	75
Short-term leases (Refer to note 2.8)	12	9	22	18
Commission to non-whole time directors	3	3	7	5
Contribution towards Corporate Social Responsibility	114	115	174	260
Others	102	57	192	109
Total	**1,767**	**1,589**	**3,462**	**3,128**

Other income consists of the following:

(In ₹ crore)

Particulars	Three months ended September 30,		Six months ended September 30,	
	2022	2021	2022	2021
Interest income on financial assets carried at amortized cost	218	244	463	572
Interest income on financial assets carried at fair value through other comprehensive income	243	155	483	313
Gain/(loss) on investments carried at fair value through profit or loss	33	41	41	66
Gain/(loss) on investments carried at fair value through other comprehensive income	-	-	1	-
Exchange gains / (losses) on forward and options contracts	(136)	133	(426)	56
Exchange gains / (losses) on translation of other assets and liabilities	183	(81)	600	47
Others	43	32	98	92
Total	**584**	**524**	**1,260**	**1,146**

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

Nandan M. Nilekani *Chairman*	Salil Parekh *Chief Executive Officer and Managing Director*	D. Sundaram *Director*
Nilanjan Roy *Chief Financial Officer*	Jayesh Sanghrajka *Executive Vice President and Deputy Chief Financial Officer*	A.G.S. Manikantha *Company Secretary*

Bengaluru
October 13, 2022

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, 2022, 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, 2022, the 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.

Management's Responsibilities for the Interim Condensed Standalone Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these interim condensed standalone financial statements that give a true and fair view of the financial position, financial performance, including total comprehensive income, changes in equity and cash flows of the Company in accordance with Ind AS 34 and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the interim condensed standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Place: Bengaluru
Date: October 13, 2022

INFOSYS LIMITED

Condensed Standalone Financial Statements under Indian Accounting Standards (Ind AS) for the three months and six months ended September 30, 2022

Index	**Page No.**

INFOSYS LIMITED

(In ₹ crore)

Condensed Balance Sheet as at	Note No.	September 30, 2022	March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	11,266	11,384
Right-of-use assets	2.3	3,518	3,311
Capital work-in-progress		385	411
Goodwill	2.2	211	211
Other intangible assets		14	32
Financial assets			
Investments	2.4	23,265	22,869
Loans	2.5	46	34
Other financial assets	2.6	970	727
Deferred tax assets (net)		987	970
Income tax assets (net)		5,568	5,585
Other non-current assets	2.9	1,858	1,416
Total non - current assets		**48,088**	**46,950**
Current assets			
Financial assets			
Investments	2.4	9,683	5,467
Trade receivables	2.7	20,442	18,966
Cash and cash equivalents	2.8	10,498	12,270
Loans	2.5	291	219
Other financial assets	2.6	8,041	6,580
Other current assets	2.9	9,731	8,935
Total current assets		**58,686**	**52,437**
Total assets		**106,774**	**99,387**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.11	2,104	2,103
Other equity		71,568	67,203
Total equity		**73,672**	**69,306**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	2.3	3,475	3,228
Other financial liabilities	2.12	1,513	676
Deferred tax liabilities (net)		756	841
Other non-current liabilities	2.14	466	360
Total non - current liabilities		**6,210**	**5,105**
Current liabilities			
Financial liabilities			
Lease liabilities	2.3	589	558
Trade payables	2.13		
Total outstanding dues of micro enterprises and small enterprises		-	3
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,657	2,666
Other financial liabilities	2.12	12,006	11,269
Other current liabilities	2.14	7,832	7,381
Provisions	2.15	1,030	920
Income tax liabilities (net)		2,778	2,179
Total current liabilities		**26,892**	**24,976**
Total equity and liabilities		**106,774**	**99,387**

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

As per our report of even date attached

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

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
October 13, 2022

INFOSYS LIMITED

(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,	
		2022	2021	2022	2021
Revenue from operations	2.17	31,567	25,462	61,094	49,176
Other income, net	2.18	1,267	1,052	1,916	1,622
Total income		**32,834**	**26,514**	**63,010**	**50,798**
Expenses					
Employee benefit expenses	2.19	15,873	12,734	30,787	24,925
Cost of technical sub-contractors		4,815	3,934	9,825	7,251
Travel expenses		293	143	608	258
Cost of software packages and others	2.19	1,428	736	2,611	1,264
Communication expenses		135	107	254	210
Consultancy and professional charges		333	365	696	675
Depreciation and amortization expense		682	601	1,326	1,178
Finance cost		40	32	73	64
Other expenses	2.19	747	559	1,439	1,177
Total expenses		**24,346**	**19,211**	**47,619**	**37,002**
Profit before tax		**8,488**	**7,303**	**15,391**	**13,796**
Tax expense:					
Current tax	2.16	2,312	1,805	4,345	3,502
Deferred tax	2.16	(77)	35	(108)	108
Profit for the period		**6,253**	**5,463**	**11,154**	**10,186**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset, net		40	10	(56)	(22)
Equity instruments through other comprehensive income, net		4	39	7	41
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedge, net		(12)	6	14	11
Fair value changes on investments, net	2.4	27	52	(317)	90
Total other comprehensive income/ (loss), net of tax		**59**	**107**	**(352)**	**120**
Total comprehensive income for the period		**6,312**	**5,570**	**10,802**	**10,306**
Earnings per equity share					
Equity shares of par value ₹5/- each					
Basic (₹)		14.86	12.93	26.51	24.01
Diluted (₹)		14.85	12.92	26.49	23.98
Weighted average equity shares used in computing earnings per equity share					
Basic	2.20	4,207,688,197	4,22,50,67,582	4,207,426,698	4,24,28,49,248
Diluted	2.20	4,210,888,187	4,22,97,66,160	4,211,017,877	4,24,75,94,685

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

As per our report of even date attached

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

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
October 13, 2022

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, 2021	**2,130**	**54**	**2,906**	**111**	**581**	**57,518**	**1,663**	**372**	**6,144**	**169**	**10**	**(127)**	**71,531**
Changes in equity for the six months ended September 30, 2021													
Profit for the period	-	-	-	-	-	10,186	-	-	-	-	-	-	10,186
Remeasurement of the net defined benefit liability/asset, net*	-	-	-	-	-	-	-	-	-	-	-	(22)	(22)
Equity instruments through other comprehensive income, net*	-	-	-	-	-	-	-	-	-	41	-	-	41
Fair value changes on derivatives designated as cash flow hedge, net*	-	-	-	-	-	-	-	-	-	-	11	-	11
Fair value changes on investments, net*	-	-	-	-	-	-	-	-	-	-	-	90	90
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**10,186**	**-**	**-**	**-**	**41**	**11**	**68**	**10,306**
Buyback of equity shares**	(28)	-	-	-	(640)	(8,822)	(1,603)	-	-	-	-	-	(11,093)
Transaction cost relating to buyback*	-	-	-	-	-	-	(28)	-	-	-	-	-	(28)
Amount transferred to capital redemption reserve upon buyback	-	-	-	28	-	-	(28)	-	-	-	-	-	-
Transferred to Special Economic Zone Re-investment reserve	-	-	-	-	-	(1,391)	-	-	1,391	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	-	-	-	350	-	-	(350)	-	-	-	-
Transferred on account of exercise of stock options *(Refer to note 2.11)*	-	-	-	-	69	-	-	(69)	-	-	-	-	-
Shares issued on exercise of employee stock options *(Refer to note 2.11)*	-	-	-	-	6	-	-	-	-	-	-	-	6
Employee stock compensation expense *(Refer to note 2.11)*	-	-	-	-	-	-	-	196	-	-	-	-	196
Income tax benefit arising on exercise of stock options	-	-	-	-	3	-	-	4	-	-	-	-	7
Dividends	-	-	-	-	-	(6,392)	-	-	-	-	-	-	(6,392)
Balance as at September 30, 2021	**2,102**	**54**	**2,906**	**139**	**19**	**51,449**	**4**	**503**	**7,185**	**210**	**21**	**(59)**	**64,533**

INFOSYS LIMITED

Condensed Statement of Changes in Equity

(In ₹ crore)

Particulars	Equity Share Capital	Other Equity											Total equity attributable to equity holders of the Company
		Reserves & Surplus								Other comprehensive income			
		Capital reserve		Capital redemption reserve	Securities Premium	Retained earnings	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve [(1)]	Equity Instruments through other comprehensive income	Effective portion of Cash flow hedges	Other items of other comprehensive income / (loss)	
		Capital reserve	Other reserves [(2)]										
Balance as at April 1, 2022	**2,103**	**54**	**2,844**	**139**	**172**	**55,449**	**9**	**606**	**7,926**	**266**	**2**	**(264)**	**69,306**
Impact on adoption of amendment to Ind AS 37[#]	-	-	-	-	-	(9)	-	-	-	-	-	-	(9)
	2,103	**54**	**2,844**	**139**	**172**	**55,440**	**9**	**606**	**7,926**	**266**	**2**	**(264)**	**69,297**
Changes in equity for the period ended 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**

**net of tax*

*** Including tax on buyback of ₹ 1,893 crore*

[#] *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

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
October 13, 2022

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,	
		2022	2021
Cash flow from operating activities:			
Profit for the period		11,154	10,186
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation and Amortization		1,326	1,178
Income tax expense	2.16	4,237	3,610
Impairment loss recognized / (reversed) under expected credit loss model		54	66
Finance cost		73	64
Interest and dividend income		(1,521)	(1,347)
Stock compensation expense		242	185
Other adjustments		38	33
Exchange differences on translation of assets and liabilities, net		59	46
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(4,166)	(2,337)
Loans, other financial assets and other assets		(363)	190
Trade payables		(13)	323
Other financial liabilities, other liabilities and provisions		2,271	1,745
Cash generated from operations		**13,391**	**13,942**
Income taxes paid		(3,669)	(3,092)
Net cash generated by operating activities		**9,722**	**10,850**
Cash flow from investing activities:			
Expenditure on property, plant and equipment		(997)	(793)
Deposits placed with corporation		(390)	(409)
Redemption of deposits with corporations		238	275
Interest and dividend received		734	906
Dividend received from subsidiary		693	592
Loan given to subsidiaries		(427)	-
Loan repaid by subsidiaries		393	73
Proceeds from redemption of debentures		-	536
Investment in subsidiaries		(1,201)	(126)
Escrow and other deposits pertaining to Buyback		-	(420)
Redemption of Escrow and other deposits pertaining to Buyback		-	420
Other receipts		32	25
Payments to acquire investments			
Liquid mutual fund units		(32,064)	(22,370)
Commercial papers		(259)	-
Certificates of deposits		(4,481)	(498)
Government Securities		(1,370)	(83)
Others		(3)	(3)
Proceeds on sale of investments			
Liquid mutual fund units		30,167	20,446
Non-convertible debentures		220	1,299
Certificates of deposit		3,038	500
Government Securities		1,132	1,336
Others		99	-
Net cash (used in) / from investing activities		**(4,446)**	**1,706**

Cash flow from financing activities:			
Payment of lease liabilities		(324)	(286)
Shares issued on exercise of employee stock options		5	6
Buyback of equity shares including transaction costs and tax on buyback		-	(11,125)
Other receipts		57	62
Other payments		(24)	-
Payment of dividends		(6,732)	(6,392)
Net cash used in financing activities		**(7,018)**	**(17,735)**
Net increase / (decrease) in cash and cash equivalents		(1,742)	(5,179)
Effect of exchange differences on translation of foreign currency cash and cash equivalents		(30)	(37)
Cash and cash equivalents at the beginning of the period	2.8	12,270	17,612
Cash and cash equivalents at the end of the period	2.8	**10,498**	**12,396**
Supplementary information:			
Restricted cash balance	2.8	74	153

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

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Chief Executive Officer
and Managing Director

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and
Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
October 13, 2022

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 13, 2022.

1.2 Basis of preparation of financial statements

These interim condensed standalone financial statements are prepared in accordance with Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting, under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ("the Act") (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accordingly, these interim condensed standalone financial statements do not include all the information required for a complete set of financial statements. These interim condensed standalone financial statements should be read in conjunction with the standalone financial statements and related notes included in the Company's Annual Report for the year ended March 31, 2022. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

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

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

1.3 Use of estimates and judgments

The preparation of the interim condensed standalone financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the interim condensed standalone financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note no. 1.4. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates and judgements are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the interim condensed standalone financial statements.

1.4 Critical accounting estimates and judgments

a. Revenue recognition

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

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

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

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

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

b. Income taxes

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

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

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced. (Refer to note 2.16 and note 2.21)

c. Property, plant and equipment

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

2. Notes to the Interim Condensed Standalone Financial Statements

2.1 PROPERTY, PLANT AND EQUIPMENT

Accounting Policy

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

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

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

[(2)] *Includes Solar plant with a useful life of 20 years.*

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

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

Impairment

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

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

The changes in the carrying value of property, plant and equipment for the three months ended 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 three months ended September 30, 2021 are as follows:

(In ₹ crore)

Particulars	Land-Freehold	Buildings[(1)(2)]	Plant and machinery[(2)]	Office Equipment[(2)]	Computer equipment[(2)]	Furniture and fixtures[(2)]	Leasehold Improvements	Vehicles	Total
Gross carrying value as at July 1, 2021	**1,398**	**9,698**	**3,164**	**1,211**	**6,756**	**1,964**	**815**	**44**	**25,050**
Additions	12	303	108	19	223	73	7	-	745
Deletions*	-	-	(1)	(3)	(351)	(5)	-	-	(360)
Gross carrying value as at September 30, 2021	**1,410**	**10,001**	**3,271**	**1,227**	**6,628**	**2,032**	**822**	**44**	**25,435**
Accumulated depreciation as at July 1, 2021	**-**	**(3,551)**	**(2,652)**	**(918)**	**(5,030)**	**(1,479)**	**(416)**	**(33)**	**(14,079)**
Depreciation	-	(93)	(54)	(27)	(212)	(49)	(39)	(2)	(476)
Accumulated depreciation on deletions*	-	-	1	2	351	4	-	-	358
Accumulated depreciation as at September 30, 2021	**-**	**(3,644)**	**(2,705)**	**(943)**	**(4,891)**	**(1,524)**	**(455)**	**(35)**	**(14,197)**
Carrying value as at July 1, 2021	**1,398**	**6,147**	**512**	**293**	**1,726**	**485**	**399**	**11**	**10,971**
Carrying value as at September 30, 2021	**1,410**	**6,357**	**566**	**284**	**1,737**	**508**	**367**	**9**	**11,238**

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 each of the three months and six months ended September 30, 2022, certain assets which were old and not in use having gross book value of ₹149 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, 2021 are as follows:

(In ₹ crore)

Particulars	Land-Freehold	Buildings[1][2]	Plant and machinery[2]	Office Equipment[2]	Computer equipment[2]	Furniture and fixtures[2]	Leasehold Improvements	Vehicles	Total
Gross carrying value as at April 1, 2021	**1,397**	**9,546**	**3,141**	**1,195**	**6,530**	**1,952**	**788**	**44**	**24,593**
Additions	13	455	132	36	491	86	34	-	1,247
Deletions*	-	-	(2)	(4)	(393)	(6)	-	-	(405)
Gross carrying value as at September 30, 2021	**1,410**	**10,001**	**3,271**	**1,227**	**6,628**	**2,032**	**822**	**44**	**25,435**
Accumulated depreciation as at April 1, 2021	**-**	**(3,460)**	**(2,600)**	**(891)**	**(4,870)**	**(1,434)**	**(376)**	**(32)**	**(13,663)**
Depreciation	-	(184)	(107)	(55)	(414)	(95)	(79)	(3)	(937)
Accumulated depreciation on deletions*	-	-	2	3	393	5	-	-	403
Accumulated depreciation as at September 30, 2021	**-**	**(3,644)**	**(2,705)**	**(943)**	**(4,891)**	**(1,524)**	**(455)**	**(35)**	**(14,197)**
Carrying value as at April 1, 2021	**1,397**	**6,086**	**541**	**304**	**1,660**	**518**	**412**	**12**	**10,930**
Carrying value as at September 30, 2021	**1,410**	**6,357**	**566**	**284**	**1,737**	**508**	**367**	**9**	**11,238**

*During each of the three months and six months ended September 30, 2021, certain assets which were old and not in use having gross book value of ₹238 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 interim condensed statement of Profit and Loss.

2.2 GOODWILL AND INTANGIBLE ASSETS

2.2.1 Goodwill

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

(In ₹ crore)

Particulars	As at	
	September 30, 2022	March 31, 2022
Carrying value at the beginning	211	167
Goodwill on business transfer	-	44
Carrying value at the end	**211**	**211**

2.2.2 Intangible Assets:

Accounting Policy

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

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

2.3 LEASES

Accounting Policy

The Company as a lessee

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

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

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

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

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

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

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

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

The Company as a lessor

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

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

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

Following are the changes in the carrying value of right of use assets for the three months ended 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[(1)]	-	40	85	125
Deletion	-	-	(17)	(17)
Depreciation	(1)	(111)	(19)	(131)
Balance as at September 30, 2022	**550**	**2,790**	**178**	**3,518**

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

Following are the changes in the carrying value of right of use assets for the three months ended September 30, 2021:

(In ₹ crore)

Particulars	Category of ROU asset			Total
	Land	Buildings	Computers	
Balance as at July 1, 2021	555	2,556	106	3,217
Additions[(1)]	-	205	1	206
Deletion	-	-	-	-
Depreciation	(1)	(109)	(7)	(117)
Balance as at September 30, 2021	**554**	**2,652**	**100**	**3,306**

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

Following are the changes in the carrying value of right of use assets for the 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[(1)]	-	388	106	494
Deletion	-	(1)	(34)	(35)
Depreciation	(2)	(218)	(32)	(252)
Balance as at September 30, 2022	**550**	**2,790**	**178**	**3,518**

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

Following are the changes in the carrying value of right of use assets for the six months ended September 30, 2021:

(In ₹ crore)

Particulars	Category of ROU asset			Total
	Land	Buildings	Computers	
Balance as at April 1, 2021	556	2,766	113	3,435
Additions[(1)]	-	93	1	94
Deletion	-	-	-	-
Depreciation	(2)	(207)	(14)	(223)
Balance as at September 30, 2021	**554**	**2,652**	**100**	**3,306**

[(1)] *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, 2022 and March 31, 2022:

(In ₹ crore)

Particulars	As at	
	September 30, 2022	March 31, 2022
Current lease liabilities	589	558
Non-current lease liabilities	3,475	3,228
Total	**4,064**	**3,786**

2.4 INVESTMENTS

(In ₹ crore)

Particulars	As at September 30, 2022	As at March 31, 2022
Non-current investments		
Equity instruments of subsidiaries	9,078	9,061
Redeemable Preference shares of subsidiary	2,502	1,318
Preference securities and equity instruments	212	194
Compulsorily convertible debentures	-	7
Others	79	76
Tax free bonds	1,896	1,901
Non-convertible debentures	2,686	3,459
Government Securities	6,812	6,853
Total non-current investments	**23,265**	**22,869**
Current investments		
Liquid mutual fund units	3,278	1,337
Commercial Papers	263	-
Certificates of deposit	4,672	3,141
Tax free bonds	200	200
Government bonds	13	13
Government Securities	406	362
Non-convertible debentures	851	414
Total current investments	**9,683**	**5,467**
Total carrying value	**32,948**	**28,336**

(In ₹ crore, except as otherwise stated)

Particulars	As at September 30, 2022	As at March 31, 2022
Non-current investments		
Unquoted		
Investment carried at cost		
Investments in equity instruments of subsidiaries		
Infosys BPM Limited	662	662
33,828 (33,828) equity shares of ₹10,000/- each, fully paid up		
Infosys Technologies (China) Co. Limited	369	369
Infosys Technologies, S. de R.L. de C.V., Mexico	65	65
17,49,99,990 (17,49,99,990) equity shares of MXN 1 par value, fully paid up		
Infosys Technologies (Sweden) AB	76	76
1,000 (1,000) equity shares of SEK 100 par value, fully paid		
Infosys Technologies (Shanghai) Company Limited	1,010	1,010
Infosys Public Services, Inc.	99	99
3,50,00,000 (3,50,00,000) shares of USD 0.50 par value, fully paid		
Infosys Consulting Holding AG	1,323	1,323
23,350 (23,350) - Class A shares of CHF 1,000 each and		
26,460 (26,460) - Class B Shares of CHF 100 each, fully paid up		
Infosys Americas Inc.	1	1
10,000 (10,000) shares of USD 10 per share, fully paid up		
EdgeVerve Systems Limited	1,312	1,312
1,31,18,40,000 (1,31,18,40,000) equity shares of ₹10/- each, fully paid up		
Infosys Nova Holdings LLC[#]	2,637	2,637
Infosys Consulting Pte Ltd	10	10
1,09,90,000 (1,09,90,000) shares of SGD 1.00 par value, fully paid		
Brilliant Basics Holding Limited	59	59
1,346 (1,346) shares of GBP 0.005 each, fully paid up		
Infosys Arabia Limited	2	2
70 (70) shares		
Skava Systems Private Limited	59	59
25,000 (25,000) shares of ₹10/- each, fully paid up		
Panaya Inc.	582	582
2 (2) shares of USD 0.01 per share, fully paid up		
Infosys Chile SpA	7	7
100 (100) shares		
WongDoody Inc	380	380
2,000 (2,000) shares		
Infosys Luxembourg S.a r.l.	17	17
20,000 (20,000) shares		
Infosys Austria GmBH	-	-
80,000 (80,000) shares of EUR 1 par value, fully paid up		
Infosys Consulting Brazil	337	337
27,50,71,070 (27,50,71,070) shares of BRL 1 per share, fully paid up		
Infosys Romania	34	34
99,183 (99,183) shares of RON 100 per share, fully paid up		
Infosys Bulgaria	2	2
4,58,000 (4,58,000) shares of BGN 1 per share, fully paid up		
Infosys Germany Holdings GmbH	2	2
25,000 (25,000) shares EUR 1 per share, fully paid up		
Infosys Green Forum	1	1
10,00,000 (10,00,000) shares ₹10 per share, fully paid up		
Infosys Automotive and Mobility GmbH	15	15
Infosys Germany GmbH	-	-
25,000 (25,000) shares EUR 1 per share, fully paid up		
Infosys Turkey Bilgi Tekn	7	-
1,30,842 (1) share Turkish Liras 100 (10,000) per share, fully paid up		
Infosys Consulting S.R.L. (Argentina)	2	-
2,94,500 (Nil) shares AR$ 100 per share, fully paid up		
Infosys Business Solutions LLC	8	-
10,000 (Nil) shares USD 100 per share, fully paid up		
Investments in Redeemable Preference shares of subsidiary		
Infosys Consulting Pte Ltd	2,502	1,318
45,62,00,000 (24,92,00,000) shares of SGD 1 per share, fully paid up		
	11,580	**10,379**

Investments carried at fair value through profit or loss		
Compulsorily convertible debentures	-	7
Others [(1)]	79	76
	79	**83**
Investments carried at fair value through other comprehensive income		
Preference securities	210	192
Equity instruments	2	2
	212	**194**
Quoted		
Investments carried at amortized cost		
Tax free bonds	1,896	1,901
	1,896	**1,901**
Investments carried at fair value through other comprehensive income		
Non-convertible debentures	2,686	3,459
Government Securities	6,812	6,853
	9,498	**10,312**
Total non-current investments	**23,265**	**22,869**
Current investments		
Unquoted		
Investments carried at fair value through profit or loss		
Liquid mutual fund units	3,278	1,337
	3,278	**1,337**
Investments carried at fair value through other comprehensive income		
Commercial Papers	263	-
Certificates of deposit	4,672	3,141
	4,935	**3,141**
Quoted		
Investments carried at amortized cost		
Tax free bonds	200	200
Government bonds	13	13
	213	**213**
Investments carried at fair value through other comprehensive income		
Government Securities	406	362
Non-convertible debentures	851	414
	1,257	**776**
Total current investments	**9,683**	**5,467**
Total investments	**32,948**	**28,336**
Aggregate amount of quoted investments	12,864	13,202
Market value of quoted investments (including interest accrued), current	1,488	1,003
Market value of quoted investments (including interest accrued), non-current	11,664	12,551
Aggregate amount of unquoted investments	20,084	15,134
[#] Aggregate amount of impairment in value of investments	94	94
Reduction in the fair value of assets held for sale	854	854
Investments carried at cost	11,580	10,379
Investments carried at amortized cost	2,109	2,114
Investments carried at fair value through other comprehensive income	15,902	14,423
Investments carried at fair value through profit or loss	3,357	1,420

[(1)] *Uncalled capital commitments outstanding as of September 30, 2022 and March 31, 2022 was ₹8 crore and ₹11 crore, respectively.*

Refer to note 2.10 for accounting policies on financial instruments.

Method of fair valuation:

(In ₹ crore)

Class of investment	Method	Fair value as at	
		September 30, 2022	March 31, 2022
Liquid mutual fund units	Quoted price	3,278	1,337
Tax free bonds and government bonds	Quoted price and market observable inputs	2,329	2,438
Non-convertible debentures	Quoted price and market observable inputs	3,537	3,873
Government Securities	Quoted price and market observable inputs	7,218	7,215
Commercial Papers	Market observable inputs	263	-
Certificate of deposit	Market observable inputs	4,672	3,141
Unquoted equity and preference securities	Discounted cash flows method, Market multiples method, Option pricing model	212	194
Compulsorily convertible debentures	Discounted cash flows method	-	7
Others	Discounted cash flows method, Market multiples method, Option pricing model	79	76

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

2.5 LOANS

(In ₹ crore)

Particulars	As at September 30, 2022	As at March 31, 2022
Non- Current		
Loans considered good - Unsecured		
Other Loans		
Loans to employees	46	34
Total non - current loans	**46**	**34**
Current		
Loans considered good - Unsecured		
Loans to subsidiaries	42	-
Other Loans		
Loans to employees	249	219
Total current loans	**291**	**219**
Total Loans	**337**	**253**

2.6 OTHER FINANCIAL ASSETS

(In ₹ crore)

Particulars	As at September 30, 2022	As at March 31, 2022
Non-current		
Security deposits (1)	42	43
Net investment in Sublease of right of use asset (1)	320	320
Rental deposits (1)	167	134
Unbilled revenues (1)(5)#	384	215
Others (1)	57	15
Total non-current other financial assets	**970**	**727**
Current		
Security deposits (1)	1	1
Rental deposits (1)	9	36
Restricted deposits (1)*	2,116	1,965
Unbilled revenues (1)(5)#	5,039	3,543
Interest accrued but not due (1)	345	323
Foreign currency forward and options contracts (2)(3)	80	131
Net investment in Sublease of right of use asset (1)	46	45
Others (1)(4)	405	536
Total current other financial assets	**8,041**	**6,580**
Total other financial assets	**9,011**	**7,307**
(1) Financial assets carried at amortized cost	8,931	7,176
(2) Financial assets carried at fair value through other comprehensive income	65	20
(3) Financial assets carried at fair value through Profit or Loss	15	111
(4) *Includes dues from subsidiaries*	279	220
(5) *Includes dues from subsidiaries*	1,127	419

* 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, 2022	As at March 31, 2022
Current		
Trade Receivable considered good - Unsecured (1)	20,871	19,454
Less: Allowance for expected credit loss	429	488
Trade Receivable considered good - Unsecured	20,442	18,966
Trade Receivable - credit impaired - Unsecured	91	85
Less: Allowance for credit impairment	91	85
Trade Receivable - credit impaired - Unsecured	-	-
Total trade receivables (2)	**20,442**	**18,966**
(1) *Includes dues from subsidiaries*	554	268
(2) *Includes dues from companies where directors are interested*	-	-

2.8 CASH AND CASH EQUIVALENTS

(In ₹ crore)

Particulars	As at	
	September 30, 2022	March 31, 2022
Balances with banks		
In current and deposit accounts	8,228	9,375
Cash on hand	-	-
Others		
Deposits with financial institutions	2,270	2,895
Total Cash and cash equivalents	**10,498**	**12,270**
Balances with banks in unpaid dividend accounts	36	36
Deposit with more than 12 months maturity	1,470	1,471
Balances with banks held as margin money deposits against guarantees	1	1

Cash and cash equivalents as at September 30, 2022 and March 31, 2022 include restricted cash and bank balances of ₹74 crore and ₹60 crore, respectively. The restrictions are primarily on account of bank balances held as margin money deposits against guarantees.

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

2.9 OTHER ASSETS

(In ₹ crore)

Particulars	As at	
	September 30, 2022	March 31, 2022
Non-current		
Capital advances	81	87
Advances other than capital advance		
Others		
Prepaid expenses	84	82
Defined benefit plan assets	9	10
Deferred contract cost[(3)]		
Cost of obtaining a contract	136	151
Cost of fulfillment	443	273
Unbilled revenues[(2)]	438	156
Withholding taxes and others	667	657
Total non-current other assets	**1,858**	**1,416**
Current		
Advances other than capital advance		
Payment to vendors for supply of goods	34	183
Others		
Prepaid expenses [(1)]	1,211	1,174
Unbilled revenues[(2)]	6,055	5,365
Deferred contract cost[(3)]		
Cost of obtaining a contract	385	350
Cost of fulfillment	71	40
Withholding taxes and others	1,683	1,589
Other receivables	292	234
Total current other assets	**9,731**	**8,935**
Total other assets	**11,589**	**10,351**
[(1)] *Includes dues from subsidiaries*	181	204

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

[(3)] *Includes technology assets taken over by the Company from a customer as a part of transformation project which is not considered as distinct goods or services and the control related to the assets is not transferred to the Company in accordance with Ind AS 115 - Revenue from contract with customers. Accordingly, the same has been considered as a reduction to the total contract value and accounted as Deferred contract cost. The Company has entered into a financing arrangement with a third party for these assets which has been considered as financial liability. (Refer to note 2.12)*

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

2.10 FINANCIAL INSTRUMENTS

Accounting Policy

2.10.1 Initial recognition

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

2.10.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

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

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

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

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

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

(iv) Financial liabilities

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

(v) Investment in subsidiaries

Investment in subsidiaries is carried at cost in the separate financial statements.

b. Derivative financial instruments

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

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

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

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

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

(ii) Cash flow hedge

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

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

2.10.3 Derecognition of financial instruments

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

2.10.4 Fair value of financial instruments

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

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

2.10.5 Impairment

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

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

The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recorded is recognized as an impairment gain or loss in statement of profit and loss.

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at September 30, 2022 are as follows:

(In ₹ crore)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer to note 2.8)	10,498	-	-	-	-	10,498	10,498
Investments (Refer to note2.4)		-					
Preference securities, Equity instruments and others	-	-	79	212	-	291	291
Tax free bonds and government bonds	2,109	-	-	-	-	2,109	2,329 (1)
Liquid mutual fund units	-	-	3,278	-	-	3,278	3,278
Commercial Papers	-	-	-	-	263	263	263
Certificates of deposits	-	-	-	-	4,672	4,672	4,672
Non convertible debentures	-	-	-	-	3,537	3,537	3,537
Government Securities	-	-	-	-	7,218	7,218	7,218
Trade receivables (Refer to note 2.7)	20,442	-	-	-	-	20,442	20,442
Loans (Refer to note 2.5)	337	-	-	-	-	337	337
Other financial assets (Refer to note 2.6) (3)	8,931	-	15	-	65	9,011	8,934 (2)
Total	**42,317**	**-**	**3,372**	**212**	**15,755**	**61,656**	**61,799**
Liabilities:							
Trade payables (Refer to note 2.13)	2,657	-	-	-	-	2,657	2,657
Lease liabilities (Refer to note 2.3)	4,064	-	-	-	-	4,064	4,064
Other financial liabilities (Refer to note 2.12)	11,419	-	180	-	25	11,624	11,624
Total	**18,140**	**-**	**180**	**-**	**25**	**18,345**	**18,345**

(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 ₹77 crore*

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

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

(In ₹ crore)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer to note 2.8)	12,270	-	-	-	-	12,270	12,270
Investments (Refer to note 2.4)							
Preference securities, Equity instruments and others	-	-	76	194	-	270	270
Compulsorily convertible debentures	-	-	7	-	-	7	7
Tax free bonds and government bonds	2,114	-	-	-	-	2,114	2,438 (1)
Liquid mutual fund units	-	-	1,337	-	-	1,337	1,337
Certificates of deposits	-	-	-	-	3,141	3,141	3,141
Non convertible debentures	-	-	-	-	3,873	3,873	3,873
Government Securities	-	-	-	-	7,215	7,215	7,215
Trade receivables (Refer to note 2.7)	18,966	-	-	-	-	18,966	18,966
Loans (Refer to note 2.5)	253	-	-	-	-	253	253
Other financial assets (Refer to note 2.6)(3)	7,176	-	111	-	20	7,307	7,216 (2)
Total	**40,779**	**-**	**1,531**	**194**	**14,249**	**56,753**	**56,986**
Liabilities:							
Trade payables (Refer to note 2.13)	2,669	-	-	-	-	2,669	2,669
Lease Liabilities (Refer to note 2.3)	3,786	-	-	-	-	3,786	3,786
Other financial liabilities (Refer to note 2.12)	10,084	-	8	-	3	10,095	10,095
Total	**16,539**	**-**	**8**	**-**	**3**	**16,550**	**16,550**

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

(2) *Excludes interest accrued on tax free bonds and government bonds carried at amortized cost of ₹91 crore*

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

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

Fair value hierarchy

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

The fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at September 30, 2022 is as follows:

(In ₹ crore)

Particulars	**As at September 30, 2022**	**Fair value measurement at end of the reporting period using**		
		Level 1	**Level 2**	**Level 3**
Assets				
Investments in tax free bonds (Refer to note 2.4)	2,316	1,765	551	-
Investments in government bonds (Refer to note 2.4)	13	13	-	-
Investments in liquid mutual fund units (Refer to note 2.4)	3,278	3,278	-	-
Investments in certificates of deposit (Refer to note 2.4)	4,672	-	4,672	-
Investments in commercial papers (Refer to Note 2.4)	263	-	263	-
Investments in non convertible debentures (Refer to note 2.4)	3,537	1,318	2,219	-
Investments in government securities (Refer to note 2.4)	7,218	7,213	5	-
Investments in equity instruments (Refer to note 2.4)	2	-	-	2
Investments in preference securities (Refer to note 2.4)	210	-	-	210
Other investments (Refer to note 2.4)	79	-	-	79
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts (Refer to note 2.6)	80	-	80	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts (Refer to note 2.12)	205	-	205	-

During the six months ended September 30, 2022, tax free bonds and government securities of ₹611 crore were transferred from Level 2 to Level 1 of fair value hierarchy since these were valued based on quoted price. Further tax free bonds, non-convertible debentures and government securities of ₹1,823 crore were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

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

(In ₹ crore)

Particulars	**As at March 31, 2022**	**Fair value measurement at end of the reporting period using**		
		Level 1	**Level 2**	**Level 3**
Assets				
Investments in tax free bonds (Refer to note 2.4)	2,425	1,238	1,187	-
Investments in government bonds (Refer to note 2.4)	13	13	-	-
Investments in liquid mutual fund units (Refer to note 2.4)	1,337	1,337	-	-
Investments in certificate of deposit (Refer to note 2.4)	3,141	-	3,141	-
Investments in non convertible debentures (Refer to note 2.4)	3,873	3,472	401	-
Investments in government securities (Refer to note 2.4)	7,215	7,177	38	-
Investments in equity instruments (Refer to note 2.4)	2	-	-	2
Investments in preference securities (Refer to note 2.4)	192	-	-	192
Investments in compulsorily convertible debentures (Refer to note 2.4)	7	-	-	7
Other investments (Refer to note 2.4)	76	-	-	76
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts (Refer to note 2.6)	131	-	131	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts (Refer note 2.12)	11	-	11	-

During the year ended March 31, 2022, tax free bonds of ₹576 crore was transferred from Level 2 to Level 1 of fair value hierarchy since these were valued based on quoted price. Further tax free bonds, non-convertible debentures and government securities of ₹890 crore were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

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

Majority of investments of the Company are fair valued based on Level 1 or Level 2 inputs. These investments primarily include investment in liquid mutual fund units, tax free bonds, certificates of deposit, commercial paper, treasury bills, government securities, quoted bonds issued by government and quasi-government organizations and non-convertible debentures. The Company invests after considering counterparty risks based on multiple criteria including Tier I capital, Capital Adequacy Ratio, Credit Rating, Profitability, NPA levels and Deposit base of banks and financial institutions. These risks are monitored regularly as per Company's risk management program.

2.11 EQUITY

Accounting policy

Ordinary Shares

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

Description of reserves

Capital redemption reserve

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

Retained earnings

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

Securities premium

The amount received in excess of the par value of equity shares has been classified as securities premium. Amounts have been utilized for bonus issue and share buyback from share premium account.

Share options outstanding account

The Share options outstanding account is used to record the fair value of equity-settled share based payment transactions with employees. The amounts recorded in share options outstanding account are transferred to securities premium upon exercise of stock options and transferred to general reserve on account of stock options not exercised by employees.

Special Economic Zone Re-investment reserve

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

Other components of equity

Other components of equity include remeasurement of net defined benefit liability / asset, equity instruments fair valued through other comprehensive income, changes on fair valuation of investments and changes in fair value of derivatives designated as cash flow hedges, net of taxes.

Cash flow hedge reserve

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

2.11.1 EQUITY SHARE CAPITAL

(In ₹ crore, except as otherwise stated)

Particulars	As at	
	September 30, 2022	**March 31, 2022**
Authorized		
Equity shares, ₹5/- par value		
4,80,00,00,000 (4,80,00,00,000) equity shares	2,400	2,400
Issued, Subscribed and Paid-Up		
Equity shares, ₹5/- par value [(1)]	2,104	2,103
4,20,78,27,539 (4,20,67,38,641) equity shares fully paid-up		
	2,104	**2,103**

(1) Refer to note 2.20 for details of basic and diluted shares

Forfeited shares amounted to ₹1,500/- (₹1,500/-)

The Company has only one class of shares referred to as equity shares having a par value of ₹5/-. Each holder of equity shares is entitled to one vote per share. The equity shares represented by American Depository Shares (ADS) carry similar rights to voting and dividends as the other equity shares. Each ADS represents one underlying equity share.

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

For details of shares reserved for issue under the employee stock option plan of the Company, refer to the note below.

The reconciliation of the number of shares outstanding and the amount of share capital as at September 30, 2022 and March 31, 2022 is set out below:

(in ₹ crore, except as stated otherwise)

Particulars	As at September 30, 2022		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
As at the beginning of the period	4,20,67,38,641	2,103	4,26,06,60,846	2,130
Add: Shares issued on exercise of employee stock options	1,088,898	1	18,85,132	1
Less: Shares bought back	-	-	5,58,07,337	28
As at the end of the period	**4,20,78,27,539**	**2,104**	**4,20,67,38,641**	**2,103**

Capital allocation policy

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

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

Buyback completed in September 2021

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

The shareholders approved the proposal of buyback of Equity Shares recommended by its Board of Directors in the Annual General meeting held on June 19, 2021.

The buyback was offered to all eligible equity shareholders of the Company (other than the Promoters, the Promoter Group and Persons in Control of the Company) under the open market route through the stock exchange. The buyback of equity shares through the stock exchange commenced on June 25, 2021 and was completed on September 8, 2021. During this buyback period the Company had purchased and extinguished a total of 55,807,337 equity shares from the stock exchange at a volume weighted average buyback price of ₹1,648.53/- per equity share comprising 1.31% of the pre buyback paid up equity share capital of the Company. The buyback resulted in a cash outflow of ₹9,200 crore (excluding transaction costs and tax on buyback). The Company funded the buyback from its free reserves including Securities Premium as explained in Section 68 of the Companies Act, 2013.

In accordance with section 69 of the Companies Act, 2013, as at March 31, 2022, the Company has created 'Capital Redemption Reserve' of ₹28 crore equal to the nominal value of the shares bought back as an appropriation from general reserve.

The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares or buy back issued shares. As at September 30, 2022, the Company has only one class of equity shares and has no debt. Consequent to the above capital structure there are no externally imposed capital requirements.

2.11.2 DIVIDEND

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

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

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

(in ₹)

Particulars	Three months ended September 30,		Six months ended September 30,	
	2022	2021	2022	2021
Final dividend for fiscal 2022	-	-	16.00	-
Final dividend for fiscal 2021	-	-	-	15.00

The Board of Directors in their meeting on April 13, 2022 recommended a final dividend of ₹16/- per equity share for the financial year ended March 31, 2022. The same was approved by the shareholders in the Annual General Meeting (AGM) of the Company held on June 25, 2022 which resulted in a net cash outflow of approximately ₹6,732 crore.

The Board of Directors in their meeting held on October 13, 2022 declared an interim dividend of ₹16.50/- per equity share which would result in a net cash outflow of approximately ₹6,943 crore.

2.11.3 Employee Stock Option Plan (ESOP):

Accounting Policy

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

Infosys Expanded Stock Ownership Program 2019 (the 2019 Plan):

On June 22, 2019 pursuant to approval by the shareholders in the Annual General Meeting, the Board has been authorized to introduce, offer, issue and provide share-based incentives to eligible employees of the Company and its subsidiaries under the 2019 Plan. The maximum number of shares under the 2019 plan shall not exceed 5,00,00,000 equity shares. To implement the 2019 Plan, up to 4,50,00,000 equity shares may be issued by way of secondary acquisition of shares by Infosys Expanded Stock Ownership Trust. The Restricted Stock Units (RSUs) granted under the 2019 plan shall vest based on the achievement of defined annual performance parameters as determined by the administrator (Nomination and Remuneration Committee). The performance parameters will be based on a combination of relative Total Shareholders Return (TSR) against selected industry peers and certain broader market domestic and global indices and operating performance metrics of the company as decided by administrator. Each of the above performance parameters will be distinct for the purposes of calculation of quantity of shares to vest based on performance. These instruments will generally vest between a minimum of 1 to maximum of 3 years from the grant date.

2015 Stock Incentive Compensation Plan (the 2015 Plan):

On March 31, 2016, pursuant to the approval by the shareholders through postal ballot, the Board was authorized to introduce, offer, issue and allot share-based incentives to eligible employees of the Company and its subsidiaries under the 2015 Plan. The maximum number of shares under the 2015 plan shall not exceed 2,40,38,883 equity shares (this includes 1,12,23,576 equity shares which are held by the trust towards the 2011 Plan as at March 31, 2016). The Company expects to grant the instruments under the 2015 Plan over the period of 4 years. The plan numbers mentioned above would further be adjusted for the September 2018 bonus issue.

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

Controlled trust holds 12,915,777 shares and 13,725,712 shares as at September 30, 2022 and March 31, 2022, respectively under the 2015 plan. Out of these shares, 200,000 equity shares each have been earmarked for welfare activities of the employees as at September 30, 2022 and March 31, 2022.

The following is the summary of grants during the three months and six months ended September 30, 2022 and September 30, 2021:

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,	
	2022	2021	2022	2021	2022	2021	2022	2021
Equity settled RSUs								
Key Managerial Personnel (KMPs)	-	-	176,893	73,962	185,358	-	287,325	101,697
Employees other than KMPs	-	-	370,960	-	-	-	-	-
Total Grants	**-**	**-**	**547,853**	**73,962**	**185,358**	**-**	**287,325**	**101,697**

Notes on grants to KMP:

CEO & MD

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

Under the 2015 plan:

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

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

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

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

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

Under the 2019 plan:

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

Other KMPs

Under the 2015 plan:

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

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

Under the 2019 plan:

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

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

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

(in ₹ crore)

Particulars	Three months ended September 30,		Six months ended September 30,	
	2022	2021	2022	2021
Granted to:				
KMP	24	17	41	34
Employees other than KMP	100	71	201	151
Total [(1)]	**124**	**88**	**242**	**185**
[(1)] *Cash settled stock compensation expense included in the above*	-	3	(2)	5

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

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

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

Particulars	For options granted in			
	Fiscal 2023-Equity Shares-RSU	Fiscal 2023-ADS-RSU	Fiscal 2022-Equity Shares-RSU	Fiscal 2022-ADS-RSU
Weighted average share price (₹) / ($ ADS)	1,525	19.03	1,791	24.45
Exercise price (₹) / ($ ADS)	5.00	0.07	5.00	0.07
Expected volatility (%)	23-32	28-34	20-35	25-36
Expected life of the option (years)	1-4	1-4	1-4	1-4
Expected dividends (%)	2-3	2-3	2-3	2-3
Risk-free interest rate (%)	5-7	2-3	4-6	1-3
Weighted average fair value as on grant date (₹) / ($ ADS)	1,284	13.89	1,548	20.82

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

2.12 OTHER FINANCIAL LIABILITIES

(In ₹ crore)

Particulars	As at September 30, 2022	As at March 31, 2022
Non-current		
Others		
Compensated absences	75	86
Accrued compensation to employees [1]	10	8
Accrued expenses [1][4]	1,344	503
Other payables [1][6]	84	79
Total non-current other financial liabilities	**1,513**	**676**
Current		
Unpaid dividends [1]	36	36
Others		
Accrued compensation to employees [1]	2,934	2,999
Accrued expenses [1][4]	4,377	4,603
Retention monies [1]	12	12
Capital creditors [1]	302	395
Compensated absences	1,820	1,764
Other payables [1][5][6]	2,320	1,449
Foreign currency forward and options contracts [2][3]	205	11
Total current other financial liabilities	**12,006**	**11,269**
Total other financial liabilities	**13,519**	**11,945**
[1] *Financial liability carried at amortized cost*	11,419	10,084
[2] *Financial liability carried at fair value through profit or loss*	180	8
[3] *Financial liability carried at fair value through other comprehensive income*	25	3
[4] *Includes dues to subsidiaries*	34	7
[5] *Includes dues to subsidiaries*	376	316

[6] *Deferred contract cost (Refer to note 2.9) includes technology assets taken over by the Company from a customer as a part of transformation project which is not considered as distinct goods or services and the control related to the assets is not transferred to the Company in accordance with Ind AS 115 - Revenue from contract with customers. Accordingly, the same has been considered as a reduction to the total contract value and accounted as Deferred contract cost. The Company has entered into a financing arrangement with a third party for these assets which has been considered as financial liability.*

2.13 TRADE PAYABLES

(In ₹ crore)

Particulars	As at September 30, 2022	As at March 31, 2022
Outstanding dues of micro enterprises and small enterprises	-	3
Outstanding dues of creditors other than micro enterprises and small enterprises[1]	2,657	2,666
Total trade payables	**2,657**	**2,669**
[1] *Includes dues to subsidiaries*	*570*	*613*

2.14 OTHER LIABILITIES

(In ₹ crore)

Particulars	As at September 30, 2022	As at March 31, 2022
Non-current		
Accrued defined benefit liability	442	332
Others		
Deferred income	5	9
Deferred income - government grants	19	19
Total non - current other liabilities	**466**	**360**
Current		
Accrued defined benefit liability	3	2
Unearned revenue	5,369	5,179
Others		
Deferred income - government grants	9	10
Withholding taxes and others	2,451	2,190
Total current other liabilities	**7,832**	**7,381**
Total other liabilities	**8,298**	**7,741**

2.15 PROVISIONS

Accounting Policy

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

a. Post-sales client support

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

b. Onerous contracts

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

Provision for post-sales client support and other provisions

(In ₹ crore)

Particulars	As at	
	September 30, 2022	March 31, 2022
Current		
Others		
Post-sales client support and others	1,030	920
Total provisions	**1,030**	**920**

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

2.16 INCOME TAXES

Accounting Policy

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

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

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

Income tax expense in the Statement of Profit and Loss comprises:

(In ₹ crore)

Particulars	Three months ended September 30,		Six months ended September 30,	
	2022	2021	2022	2021
Current taxes	2,312	1,805	4,345	3,502
Deferred taxes	(77)	35	(108)	108
Income tax expense	**2,235**	**1,840**	**4,237**	**3,610**

Income tax expense for the three months ended September 30, 2022 and September 30, 2021 includes reversal (net of provisions) of ₹5 crore and ₹11 crore, respectively. Income tax expense for the six months ended September 30, 2022 and September 30, 2021 includes provisions (net of reversal) of ₹14 crore and reversal (net of provisions) of ₹32 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, 2022 and September 30, 2021 substantially relates to origination and reversal of temporary differences.

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

2.17 REVENUE FROM OPERATIONS

Accounting Policy

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Revenue from operations for the three months and six months ended September 30, 2022 and September 30, 2021 is as follows:

(In ₹ crore)

Particulars	Three months ended September 30,		Six months ended September 30,	
	2022	2021	2022	2021
Revenue from software services	31,497	25,404	60,984	49,000
Revenue from products and platforms	70	58	110	176
Total revenue from operations	**31,567**	**25,462**	**61,094**	**49,176**

Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by offerings for the three months and six months ended September 30, 2022 and September 30, 2021 respectively. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

(In ₹ crore)

Particulars	Three months ended September 30,		Six months ended September 30,	
	2022	2021	2022	2021
Revenue by offerings				
Core	11,905	10,755	23,014	21,492
Digital	19,662	14,707	38,080	27,684
Total	**31,567**	**25,462**	**61,094**	**49,176**

Digital Services

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

Core Services

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

Products & platforms

The Company derives revenues from the sale of products and platforms including Infosys Applied AI which applies next-generation AI and machine learning.

Trade receivables and Contract Balances

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

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

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

Invoicing in excess of earnings are classified as unearned revenue.

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

2.18 OTHER INCOME, NET

2.18.1 Other income - Accounting Policy

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

2.18.2 Foreign currency - Accounting Policy

Functional currency

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees (rounded off to crore; one crore equals ten million).

Transactions and translations

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

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

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

Government grant

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

Other income for the three months and six months ended September 30, 2022 and September 30, 2021 is as follows:

(In ₹ crore)

Particulars	Three months ended September 30,		Six months ended September 30,	
	2022	2021	2022	2021
Interest income on financial assets carried at amortized cost				
Tax free bonds and government bonds	38	38	75	76
Deposit with Bank and others	148	153	318	392
Interest income on financial assets fair valued through other comprehensive income				
Non-convertible debentures, commercial papers, certificates of deposit and government securities	217	140	435	287
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	25	29	44	52
Dividend received from subsidiary	693	592	693	592
Exchange gains/(losses) on foreign currency forward and options contracts	(64)	160	(260)	70
Exchange gains/(losses) on translation of other assets and liabilities	176	(97)	511	46
Miscellaneous income, net	34	37	99	107
Total other income	**1,267**	**1,052**	**1,916**	**1,622**

2.19 EXPENSES

Accounting Policy

2.19.1 Gratuity and Pension

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

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

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

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

2.19.2 Provident fund

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

2.19.3 Superannuation

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

2.19.4 Compensated absences

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

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

(In ₹ crore)

Particulars	Three months ended September 30,		Six months ended September 30,	
	2022	**2021**	**2022**	**2021**
Employee benefit expenses				
Salaries including bonus	15,230	12,234	29,491	23,952
Contribution to provident and other funds	482	339	926	645
Share based payments to employees (Refer to note 2.11)	124	88	242	185
Staff welfare	37	73	128	143
	15,873	**12,734**	**30,787**	**24,925**
Cost of software packages and others				
For own use	365	283	702	546
Third party items bought for service delivery to clients	1,063	453	1,909	718
	1,428	**736**	**2,611**	**1,264**
Other expenses				
Power and fuel	38	21	73	43
Brand and Marketing	151	63	342	156
Short-term leases	4	3	7	7
Rates and taxes	48	54	102	105
Repairs and Maintenance	212	197	433	409
Consumables	5	7	13	14
Insurance	37	28	71	61
Provision for post-sales client support and others	53	27	69	32
Commission to non-whole time directors	3	3	7	5
Impairment loss recognized / (reversed) under expected credit loss model	26	30	54	66
Auditor's remuneration				
Statutory audit fees	1	2	3	3
Tax matters	-	-	-	-
Other services	-	-	-	-
Contributions towards Corporate Social Responsibility	106	100	158	237
Others	63	24	107	39
	747	**559**	**1,439**	**1,177**

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, 2022	March 31, 2022
Contingent liabilities:		
Claims against the Company, not acknowledged as debts[(1)]	4,266	4,245
[Amount paid to statutory authorities ₹5,582 crore *(₹5,617 crore)*]		
Commitments:		
Estimated amount of contracts remaining to be executed on capital contracts and not provided for	575	1,092
(net of advances and deposits)[(2)]		
Other Commitments*	8	11

**Uncalled capital pertaining to investments*

[(1)] As at September 30, 2022 and March 31, 2022, claims against the Company not acknowledged as debts in respect of income tax matters amounted to ₹3,911 crore and ₹3,898 crore, respectively.

The claims against the Company primarily represent demands arising on completion of assessment proceedings under the Income Tax Act, 1961. These claims are on account of multiple issues of disallowances such as disallowance of profits earned from STP Units and SEZ Units, disallowance of deductions in respect of employment of new employees under section 80JJAA, disallowance of expenditure towards software being held as capital in nature, payments made to Associated Enterprises held as liable for withholding of taxes. These matters are pending before various Appellate Authorities and the management including its tax advisors expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Company's financial position and results of operations.

Amount paid to statutory authorities against the tax claims amounted to ₹5,572 crore and ₹5,607 crore as at September 30, 2022 and March 31, 2022, respectively.

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

Legal Proceedings

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

2.22 RELATED PARTY TRANSACTIONS

Refer to the Company's Annual Report for the year ended March 31, 2022 for the full names and other details of the Company's subsidiaries and controlled trusts.

Changes in Subsidiaries

During the six months ended September 30, 2022, the following are the changes in the subsidiaries:

- Infosys Consulting S.R.L. (Argentina) (formerly a Wholly-owned subsidiary of Infosys Consulting Holding AG) became the majority owned and controlled subsidiary of Infosys Limited with effect from April 1, 2022.
- On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH (“Kristall”)) (a wholly owned subsidiary of Infosys Consulting Pte. Ltd) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH along with its subsidiary oddity code d.o.o., and oddity GmbH along with its two subsidiaries oddity (Shanghai) Co. Ltd., oddity Limited (Taipei).
- Panaya GmbH renamed as Infosys Financial Services GmbH.
- Infosys Arabia Limited, a majority owned and controlled subsidiary of Infosys Limited is under liquidation.
- Infosys Public Services Canada Inc., a wholly owned subsidiary of Infosys Public Services Inc. was incorporated on July 8, 2022.
- On September 1, 2022, Infosys Consulting Pte. Ltd. (a Wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S along with its seven subsidiaries BASE life science AG, BASE life science GmbH, BASE life science Ltd., BASE life science S.A.S., BASE life science S.r.l., Innovisor Inc. and BASE life science Inc.
- BASE life science SL. , a wholly owned subsidiary of BASE life science A/S was incorporated on September 6, 2022

The Company’s related party transactions during the three months and six months ended September 30, 2022 and September 30, 2021 and outstanding balances as at September 30, 2022 and March 31, 2022 are with its subsidiaries with whom the Company generally enters into transactions which are at arms length and in the ordinary course of business.

Change in key management personnel

The following are the changes in the key management personnel:

- Ravi Kumar S resigned effective October 11, 2022

Transactions with key management personnel

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

(In ₹ crore)

Particulars	**Three months ended September 30,**		**Six months ended September 30,**	
	2022	**2021**	**2022**	**2021**
Salaries and other employee benefits to whole-time directors and executive officers [(1)(2)]	43	36	75	73
Commission and other benefits to non-executive / independent directors	3	3	7	5
Total	**46**	**39**	**82**	**78**

[(1)] Total employee stock compensation expense for the three months ended September 30, 2022 and September 30, 2021 includes a charge of ₹24 crore and ₹17 crore, respectively, towards key managerial personnel. For the six months ended September 30, 2022 and September 30, 2021, includes a charge of ₹41 crore and ₹34 crore respectively, towards key managerial personnel.
(Refer to note 2.11)

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

2.23 SEGMENT REPORTING

The Company publishes this financial statement along with the interim condensed consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the interim condensed consolidated financial statements.

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

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
October 13, 2022

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, 2022, 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, 2022, the consolidated profit and consolidated 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 consolidated financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Interim Condensed Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the interim condensed consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the interim condensed consolidated financial statements.

Management's Responsibilities for the Interim Condensed Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Place: Bengaluru
Date: October 13, 2022

INFOSYS LIMITED AND SUBSIDIARIES

Condensed Consolidated Financial Statements under Indian Accounting Standards (Ind AS) for the three months and six months ended September 30, 2022

Index	**Page No.**

INFOSYS LIMITED AND SUBSIDIARIES

(In ₹ crore)

Condensed Consolidated Balance Sheets as at	Note No.	September 30, 2022	March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	2.2	12,919	13,075
Right-of-use assets	2.19	5,625	4,823
Capital work-in-progress		402	416
Goodwill	2.3	6,892	6,195
Other intangible assets		1,828	1,707
Financial assets			
Investments	2.4	12,670	13,651
Loans	2.5	47	34
Other financial assets	2.6	2,015	1,460
Deferred tax assets (net)		1,377	1,212
Income tax assets (net)		6,160	6,098
Other non-current assets	2.9	2,365	2,029
Total non-current assets		**52,300**	**50,700**
Current assets			
Financial assets			
Investments	2.4	11,778	6,673
Trade receivables	2.7	25,397	22,698
Cash and cash equivalents	2.8	14,869	17,472
Loans	2.5	279	248
Other financial assets	2.6	9,810	8,727
Income tax assets (net)		—	54
Other Current assets	2.9	12,798	11,313
Total current assets		**74,931**	**67,185**
Total assets		**127,231**	**117,885**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.11	2,099	2,098
Other equity		77,882	73,252
Total equity attributable to equity holders of the Company		**79,981**	**75,350**
Non-controlling interests		366	386
Total equity		**80,347**	**75,736**
Liabilities			
Non-current liabilities			
Financial Liabilities			
Lease liabilities	2.19	5,572	4,602
Other financial liabilities	2.12	2,297	2,337
Deferred tax liabilities (net)		1,120	1,156
Other non-current liabilities	2.13	560	451
Total non-current liabilities		**9,549**	**8,546**
Current liabilities			
Financial Liabilities			
Lease liabilities	2.19	950	872
Trade payables		4,162	4,134
Other financial liabilities	2.12	17,418	15,837
Other current liabilities	2.13	10,440	9,178
Provisions	2.14	1,141	975
Income tax liabilities (net)		3,224	2,607
Total current liabilities		**37,335**	**33,603**
Total equity and liabilities		**127,231**	**117,885**

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

As per our report of even date attached

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

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
October 13, 2022

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,	
		2022	2021	2022	2021
Revenue from operations	2.16	36,538	29,602	71,008	57,498
Other income, net	2.17	584	524	1,260	1,146
Total income		**37,122**	**30,126**	**72,268**	**58,644**
Expenses					
Employee benefit expenses	2.18	19,438	15,743	37,776	30,973
Cost of technical sub-contractors		3,694	3,054	7,603	5,508
Travel expenses		363	163	739	296
Cost of software packages and others	2.18	2,512	1,393	4,932	2,682
Communication expenses		189	146	359	294
Consultancy and professional charges		439	449	895	844
Depreciation and amortization expenses		1,029	859	1,979	1,687
Finance cost		66	48	121	98
Other expenses	2.18	1,001	823	1,939	1,639
Total expenses		**28,731**	**22,678**	**56,343**	**44,021**
Profit before tax		**8,391**	**7,448**	**15,925**	**14,623**
Tax expense:					
Current tax	2.15	2,482	1,987	4,832	3,923
Deferred tax	2.15	(117)	33	(295)	71
Profit for the period		**6,026**	**5,428**	**11,388**	**10,629**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset, net		40	14	(46)	(19)
Equity instruments through other comprehensive income, net		4	40	7	41
		44	**54**	**(39)**	**22**
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedge, net		(12)	6	14	11
Exchange differences on translation of foreign operations		(14)	(166)	39	124
Fair value changes on investments, net		26	55	(346)	93
		—	**(105)**	**(293)**	**228**
Total other comprehensive income /(loss), net of tax		**44**	**(51)**	**(332)**	**250**
Total comprehensive income for the period		**6,070**	**5,377**	**11,056**	**10,879**
Profit attributable to:					
Owners of the Company		6,021	5,421	11,381	10,616
Non-controlling interests		5	7	7	13
		6,026	**5,428**	**11,388**	**10,629**
Total comprehensive income attributable to:					
Owners of the Company		6,068	5,375	11,054	10,866
Non-controlling interests		2	2	2	13
		6,070	**5,377**	**11,056**	**10,879**
Earnings per Equity share					
Equity shares of par value ₹5/- each					
Basic (₹)		14.35	12.88	27.13	25.11
Diluted (₹)		14.34	12.85	27.10	25.06
Weighted average equity shares used in computing earnings per equity share	2.20				
Basic (in shares)		4,194,617,942	4,210,064,823	4,194,185,175	4,227,694,034
Diluted (in shares)		4,199,829,557	4,218,293,582	4,200,026,950	4,236,051,581

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 13, 2022

INFOSYS LIMITED AND SUBSIDIARIES

Condensed Consolidated Statement of Changes in Equity

(In ₹ crore)

Particulars		OTHER EQUITY														
		RESERVES & SURPLUS								Other comprehensive income						
	Equity Share capital (1)	Capital reserve	Capital redemption reserve	Securities Premium	Retained earnings	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve (2)	Other reserves (3)	Equity instruments through other comprehensive income	Exchange differences on translating the financial statements of a foreign operation	Effective portion of Cash Flow Hedges	Other items of other comprehensive income / (loss)	Total equity attributable to equity holders of the Company	Non-controlling interest	Total equity
Balance as at April 1, 2021	**2,124**	**54**	**111**	**600**	**62,643**	**2,715**	**372**	**6,385**	**6**	**158**	**1,331**	**10**	**(158)**	**76,351**	**431**	**76,782**
Changes in equity for the six months ended September 30, 2021																
Profit for the period	—	—	—	—	10,616	—	—	—	—	—	—	—	—	10,616	13	10,629
Remeasurement of the net defined benefit liability/asset, net*	—	—	—	—	—	—	—	—	—	—	—	—	(19)	(19)	—	(19)
Equity instruments through other comprehensive income, net*	—	—	—	—	—	—	—	—	—	41	—	—	—	41	—	41
Fair value changes on derivatives designated as cash flow hedge, net*	—	—	—	—	—	—	—	—	—	—	—	11	—	11	—	11
Exchange differences on translation of foreign operations	—	—	—	—	—	—	—	—	—	—	124	—	—	124	—	124
Fair value changes on investments, net*	—	—	—	—	—	—	—	—	—	—	—	—	93	93	—	93
Total Comprehensive income for the period	**—**	**—**	**—**	**—**	**10,616**	**—**	**—**	**—**	**—**	**41**	**124**	**11**	**74**	**10,866**	**13**	**10,879**
Shares issued on exercise of employee stock options *(Refer to Note 2.11)*	1	—	—	8	—	—	—	—	—	—	—	—	—	9	—	9
Employee stock compensation expense *(Refer to Note 2.11)*	—	—	—	—	—	—	196	—	—	—	—	—	—	196	—	196
Buyback of equity shares *(Refer to Note 2.11)* **	(28)	—	—	(640)	(8,822)	(1,603)	—	—	—	—	—	—	—	(11,093)	—	(11,093)
Transaction costs relating to buyback*	—	—	—	—	—	(28)	—	—	—	—	—	—	—	(28)	—	(28)
Amount transferred to capital redemption reserve upon buyback	—	—	28	—	—	(28)	—	—	—	—	—	—	—	—	—	—
Transfer to legal reserve	—	—	—	—	(9)	—	—	—	9	—	—	—	—	—	—	—
Transferred on account of exercise of stock options	—	—	—	69	—	—	(69)	—	—	—	—	—	—	—	—	—
Income tax benefit arising on exercise of stock options	—	—	—	3	—	—	4	—	—	—	—	—	—	7	—	7
Dividends (1)	—	—	—	—	(6,369)	—	—	—	—	—	—	—	—	(6,369)	—	(6,369)
Dividends paid to non controlling interest of subsidiary	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(35)	(35)
Transferred to Special Economic Zone Re-investment reserve	—	—	—	—	(1,496)	—	—	1,496	—	—	—	—	—	—	—	—
Transferred from Special Economic Zone Re-investment reserve on utilization	—	—	—	—	411	—	—	(411)	—	—	—	—	—	—	—	—
Balance as at September 30, 2021	**2,097**	**54**	**139**	**40**	**56,974**	**1,056**	**503**	**7,470**	**15**	**199**	**1,455**	**21**	**(84)**	**69,939**	**409**	**70,348**

Condensed Consolidated Statement of Changes in Equity (contd.)

(In ₹ crore)

Particulars	Equity Share capital [1]	OTHER EQUITY: RESERVES & SURPLUS: Capital reserve	Capital redemption reserve	Securities Premium	Retained earnings	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve [2]	Other reserves [3]	Other comprehensive income: Equity instruments through other comprehensive income	Exchange differences on translating the financial statements of a foreign operation	Effective portion of Cash Flow Hedges	Other items of other comprehensive income / (loss)	Total equity attributable to equity holders of the Company	Non-controlling interest	Total equity
Balance as at April 1, 2022	**2,098**	**54**	**139**	**200**	**61,313**	**1,061**	**606**	**8,339**	**16**	**254**	**1,560**	**2**	**(292)**	**75,350**	**386**	**75,736**
Impact on adoption of amendment to Ind AS 37[#]	—	—	—	—	(19)	—	—	—	—	—	—	—	—	(19)	—	(19)
	2,098	**54**	**139**	**200**	**61,294**	**1,061**	**606**	**8,339**	**16**	**254**	**1,560**	**2**	**(292)**	**75,331**	**386**	**75,717**
Changes in equity for the 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
Transferred to legal reserve	—	—	—	—	(3)	—	—	—	3	—	—	—	—	—	—	—
Transferred on account of exercise of stock options	—	—	—	165	—	—	(165)	—	—	—	—	—	—	—	—	—
Transferred on account of options not exercised	—	—	—	—	—	1	(1)	—	—	—	—	—	—	—	—	—
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**

* *Net of tax*

** *Including tax on buyback of ₹1,893 crore*

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

[1] *Net of treasury shares*

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

[3] *Under the Swiss Code of Obligation, few subsidiaries of Infosys Lodestone are required to appropriate a certain percentage of the annual profit to legal reserve which may be used only to cover losses or for measures designed to sustain the Company through difficult times, to prevent unemployment or to mitigate its consequences.*

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

As per our report of even date attached

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

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
October 13, 2022

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,**	
		2022	**2021**
Cash flow from operating activities			
Profit for the period		11,388	10,629
Adjustments to reconcile net profit to net cash provided by operating activities:			
Income tax expense	2.15	4,537	3,994
Depreciation and amortization		1,979	1,687
Interest and dividend income		(947)	(885)
Finance cost		121	98
Impairment loss recognized / (reversed) under expected credit loss model		91	87
Exchange differences on translation of assets and liabilities, net		131	54
Stock compensation expense		269	209
Other adjustments		283	36
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(4,864)	(2,963)
Loans, other financial assets and other assets		(1,205)	(406)
Trade payables		(9)	349
Other financial liabilities, other liabilities and provisions		3,213	2,754
Cash generated from operations		**14,987**	**15,643**
Income taxes paid		(4,227)	(3,574)
Net cash generated by operating activities		**10,760**	**12,069**
Cash flows from investing activities			
Expenditure on property, plant and equipment and intangibles		(1,234)	(1,030)
Deposits placed with corporation		(564)	(516)
Redemption of deposits placed with Corporation		384	343
Interest and dividend received		846	1,017
Payment towards acquisition of business, net of cash acquired	2.1	(904)	—
Payment of contingent consideration pertaining to acquisition of business		(60)	(53)
Escrow and other deposits pertaining to Buyback		—	(420)
Redemption of escrow and other deposits pertaining to Buyback		—	420
Other receipts		40	35
Other payments		—	(22)
Payments to acquire Investments			
Liquid mutual funds and fixed maturity plan securities		(36,310)	(25,411)
Certificates of deposit		(5,024)	(498)
Commercial paper		(482)	—
Non-convertible debentures		(249)	(154)
Tax free bonds		(13)	—
Government securities		(1,569)	(653)
Others		(18)	(13)
Proceeds on sale of Investments			
Equity and preference securities		99	—
Non-convertible debentures		295	1,299
Government securities		1,332	1,336
Certificates of deposit		3,138	500
Commercial paper		200	—
Liquid mutual funds		34,336	22,928
Others		—	1
Net cash (used in) / generated from investing activities		**(5,757)**	**(891)**

Cash flows from financing activities:			
Payment of lease liabilities		(527)	(421)
Payment of dividends		(6,711)	(6,369)
Payment of dividend to non-controlling interest of subsidiary		(22)	(2)
Shares issued on exercise of employee stock options		7	9
Other receipts		84	117
Other payments		(220)	(15)
Buyback of equity shares including transaction cost and tax on buyback		—	(11,125)
Net cash used in financing activities		**(7,389)**	**(17,806)**
Net increase / (decrease) in cash and cash equivalents		(2,386)	(6,628)
Effect of exchange rate changes on cash and cash equivalents		(217)	(30)
Cash and cash equivalents at the beginning of the period	2.8	17,472	24,714
Cash and cash equivalents at the end of the period	2.8	**14,869**	**18,056**
Supplementary information:			
Restricted cash balance	2.8	465	526

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

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

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
October 13, 2022

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 13, 2022.

1.2 Basis of preparation of financial statements

These interim condensed consolidated financial statements are prepared in accordance with Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting , under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accordingly, these interim condensed consolidated financial statements do not include all the information required for a complete set of financial statements. These interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes included in the Company's Annual Report for the year ended March 31, 2022. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

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

As the quarter and year-to-date figures are taken from the source and rounded to the nearest digits, the quarter figures in this statement

1.3 Basis of consolidation

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

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

1.4 Use of estimates and judgments

The preparation of the interim condensed consolidated financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the interim condensed consolidated financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in *Note no. 1.5* . Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates and judgements are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the interim condensed consolidated financial statements.

1.5 Critical accounting estimates and judgments

a. Revenue recognition

The Group's contracts with customers include promises to transfer multiple products and services to a customer. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved, in writing, by the parties to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. The Group assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables, and allocation of transaction price to these distinct 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 and 2.21)* .

c. Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Estimates are required to be made in determining the value of contingent consideration, value of option arrangements and intangible assets. These valuations are conducted by external valuation experts. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by the Management *(Refer to Note 2.1).*

d. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology *(Refer to Note 2.2)* .

e. Impairment of Goodwill

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

The recoverable amount of CGUs is determined based on higher of value-in-use and fair value less cost to sell. Key assumptions in the cash flow projections are prepared based on current economic conditions and comprises estimated long term growth rates, weighted average cost of capital and estimated operating margins *(Refer to Note 2.3)* .

2. Notes to the Interim Condensed Consolidated Financial Statements

2.1 BUSINESS COMBINATIONS

Accounting policy

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations.

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

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

Business combinations between entities under common control is accounted for at carrying value of the assets acquired and liabilities assumed in the Group's consolidated financial statements.

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

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

Acquisition

Oddity

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

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

(In ₹ crore)

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

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

The estimated useful life is around 5 years

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

Goodwill is not tax-deductible.

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

At the acquisition date, the key inputs used in determination of the fair value of contingent consideration are the probabilities assigned towards achievement of financial targets and discount rate of 12.5%. The undiscounted value of contingent consideration as of September 30, 2022 was ₹51 crore. Additionally, these acquisition have retention bonus payable to the employees of the acquiree over three years, subject to their continuous employment with the Group along with achievement of financial targets for the respective years. Bonus is recognized in employee benefit expenses in the Statement of Profit and Loss over the period of service.

Fair value of trade receivables acquired, is ₹39 crore as of acquisition date and as of September 30, 2022 the amounts are substantially collected.

The transaction costs of ₹4 crore related to the acquisition have been included under administrative expenses of Consolidated Statement of Profit and Loss for the quarter ended June 30, 2022.

BASE life science A/S

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

The provisional purchase price allocation is based on management's estimates and appraisal of fair values as follows:

(In ₹ crore)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net Assets	55	—	55
Intangible assets –			
Customer contracts and relationships#	—	180	180
Vendor relationships#	—	30	30
Brand#	—	24	24
Deferred tax liabilities on intangible assets	—	(52)	(52)
Total	**55**	**182**	**237**
Goodwill			441
Total purchase price			**678**

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

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

Goodwill is not tax-deductible.

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

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

2.2 PROPERTY, PLANT AND EQUIPMENT

Accounting policy

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

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

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

[(2)] *Includes Solar plant with a useful life of 20 years*

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

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

Impairment

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

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

The changes in the carrying value of property, plant and equipment for the three months ended 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 July 1, 2022	**1,431**	**11,343**	**3,253**	**1,433**	**8,790**	**2,313**	**1,287**	**44**	**29,894**
Additions - Business Combination *(Refer to Note 2.1)*	—	—	—	—	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 three months ended September 30, 2021 are as follows:

(In ₹ crore)

Particulars	Land - Freehold	Buildings [(1)]	Plant and machinery	Office Equipment	Computer equipment	Furniture and fixtures	Leasehold Improvements	Vehicles	Total
Gross carrying value as at July 1, 2021	**1,400**	**10,745**	**3,324**	**1,387**	**7,940**	**2,168**	**1,226**	**44**	**28,234**
Additions	12	303	109	21	308	72	8	—	833
Deletions*	—	—	(1)	(4)	(405)	(5)	(1)	—	(416)
Translation difference	—	(1)	(1)	(1)	(9)	(3)	(4)	—	(19)
Gross carrying value as at September 30, 2021	**1,412**	**11,047**	**3,431**	**1,403**	**7,834**	**2,232**	**1,229**	**44**	**28,632**
Accumulated depreciation as at July 1, 2021	—	**(3,780)**	**(2,484)**	**(1,070)**	**(5,844)**	**(1,635)**	**(747)**	**(33)**	**(15,593)**
Depreciation	—	(105)	(58)	(31)	(261)	(52)	(46)	(2)	(555)
Accumulated depreciation on deletions*	—	—	1	4	404	5	1	—	415
Translation difference	—	1	1	2	8	2	—	—	14
Accumulated depreciation as at September 30, 2021	—	**(3,884)**	**(2,540)**	**(1,095)**	**(5,693)**	**(1,680)**	**(792)**	**(35)**	**(15,719)**
Carrying value as at July 1, 2021	**1,400**	**6,965**	**840**	**317**	**2,096**	**533**	**479**	**11**	**12,641**
Carrying value as at September 30, 2021	**1,412**	**7,163**	**891**	**308**	**2,141**	**552**	**437**	**9**	**12,913**

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 old and 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 changes in the carrying value of property, plant and equipment for the six months ended September 30, 2021 are as follows:

(In ₹ crore)

Particulars	Land - Freehold	Buildings [(1)]	Plant and machinery	Office Equipment	Computer equipment	Furniture and fixtures	Leasehold Improvements	Vehicles	Total
Gross carrying value as at April 1, 2021	**1,399**	**10,565**	**3,296**	**1,371**	**7,639**	**2,149**	**1,188**	**44**	**27,651**
Additions	13	455	134	39	644	88	46	—	1,419
Deletions*	—	—	(2)	(8)	(457)	(7)	(10)	—	(484)
Translation difference	—	27	3	1	8	2	5	—	46
Gross carrying value as at September 30, 2021	**1,412**	**11,047**	**3,431**	**1,403**	**7,834**	**2,232**	**1,229**	**44**	**28,632**
Accumulated depreciation as at April 1, 2021	**—**	**(3,675)**	**(2,425)**	**(1,043)**	**(5,636)**	**(1,580)**	**(700)**	**(32)**	**(15,091)**
Depreciation	—	(206)	(115)	(60)	(508)	(105)	(96)	(3)	(1,093)
Accumulated depreciation on deletions*	—	—	2	8	456	7	10	—	483
Translation difference	—	(3)	(2)	—	(5)	(2)	(6)	—	(18)
Accumulated depreciation as at September 30, 2021	**—**	**(3,884)**	**(2,540)**	**(1,095)**	**(5,693)**	**(1,680)**	**(792)**	**(35)**	**(15,719)**
Carrying value as at April 1, 2021	**1,399**	**6,890**	**871**	**328**	**2,003**	**569**	**488**	**12**	**12,560**
Carrying value as at September 30, 2021	**1,412**	**7,163**	**891**	**308**	**2,141**	**552**	**437**	**9**	**12,913**

* During each of the three months and six months ended September 30, 2021, certain assets which were old and not in use having gross book value of ₹262 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.*

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

2.3 GOODWILL AND INTANGIBLE ASSETS

2.3.1 Goodwill

Accounting policy

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

Impairment

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

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

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

(In ₹ crore)

Particulars	**As at**	
	September 30, 2022	**March 31, 2022**
Carrying value at the beginning	**6,195**	**6,079**
Goodwill on acquisitions *(Refer to Note 2.1)*	619	—
Translation differences	78	116
Carrying value at the end	**6,892**	**6,195**

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

2.3.2 Intangible Assets

Accounting policy

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

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

Impairment

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

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

2.4 INVESTMENTS

(In ₹ crore)

Particulars	As at	
	September 30, 2022	March 31, 2022
Non-current Investments		
Unquoted		
Investments carried at fair value through other comprehensive income		
Preference securities	211	192
Equity instruments	2	2
	213	**194**
Investments carried at fair value through profit or loss		
Preference securities	25	24
Compulsorily convertible debentures	—	7
Others (1)	158	152
	183	**183**
Quoted		
Investments carried at amortized cost		
Government bonds	13	—
Tax free bonds	1,896	1,901
	1,909	**1,901**
Investments carried at fair value through other comprehensive income		
Non convertible debentures	3,085	3,718
Government securities	7,280	7,655
	10,365	**11,373**
Total non-current investments	**12,670**	**13,651**
Current Investments		
Unquoted		
Investments carried at fair value through profit or loss		
Liquid mutual fund units	4,042	2,012
	4,042	**2,012**
Investments carried at fair value through other comprehensive income		
Commercial Paper	287	—
Certificates of deposit	5,412	3,429
	5,699	**3,429**
Quoted		
Investments carried at amortized cost		
Government bonds	20	21
Tax free bonds	200	200
	220	**221**
Investments carried at fair value through other comprehensive income		
Non convertible debentures	952	495
Government securities	865	516
	1,817	**1,011**
Total current investments	**11,778**	**6,673**
Total investments	**24,448**	**20,324**
Aggregate amount of quoted investments	14,311	14,506
Market value of quoted investments (including interest accrued), current	2,057	1,247
Market value of quoted investments (including interest accrued), non current	12,549	13,612
Aggregate amount of unquoted investments	10,137	5,818
Investments carried at amortized cost	2,129	2,122
Investments carried at fair value through other comprehensive income	18,094	16,007
Investments carried at fair value through profit or loss	4,225	2,195

(1) *Uncalled capital commitments outstanding as at September 30, 2022 and March 31, 2022 was ₹92 crore and ₹28 crore, respectively.*

Refer to Note 2.10 for Accounting policies on Financial Instruments.

Method of fair valuation:

(In ₹ crore)

Class of investment	Method	Fair value as at	
		September 30, 2022	March 31, 2022
Liquid mutual fund units	Quoted price	4,042	2,012
Tax free bonds and government bonds	Quoted price and market observable inputs	2,349	2,447
Non-convertible debentures	Quoted price and market observable inputs	4,037	4,213
Government securities	Quoted price and market observable inputs	8,145	8,171
Commercial Papers	Market observable inputs	287	—
Certificates of deposit	Market observable inputs	5,412	3,429
Unquoted equity and preference securities - carried at fair value through other comprehensive income	Discounted cash flows method, Market multiples method, Option pricing model	213	194
Unquoted equity and preference securities - carried at fair value through profit or loss	Discounted cash flows method, Market multiples method, Option pricing model	25	24
Unquoted compulsorily convertible debentures - carried at fair value through profit or loss	Discounted cash flows method	—	7
Others	Discounted cash flows method, Market multiples method, Option pricing model	158	152
Total		**24,668**	**20,649**

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

2.5 LOANS

(In ₹ crore)

Particulars	As at September 30, 2022	As at March 31, 2022
Non Current		
Loans considered good - Unsecured		
Other loans		
Loans to employees	47	34
	47	**34**
Loans credit impaired - Unsecured		
Other loans		
Loans to employees	1	—
Less: Allowance for credit impairment	(1)	—
	—	—
Total non-current loans	**47**	**34**
Current		
Loans considered good - Unsecured		
Other loans		
Loans to employees	279	248
Total current loans	**279**	**248**
Total loans	**326**	**282**

2.6 OTHER FINANCIAL ASSETS

(In ₹ crore)

Particulars	As at September 30, 2022	As at March 31, 2022
Non Current		
Security deposits (1)	46	47
Rental deposits (1)	220	186
Unbilled revenues (1)#	902	695
Net investment in sublease of right of use asset (1)	327	322
Restricted deposits (1)*	45	33
Others (1)	475	177
Total non-current other financial assets	**2,015**	**1,460**
Current		
Security deposits (1)	9	7
Rental deposits (1)	34	58
Restricted deposits (1)*	2,345	2,177
Unbilled revenues (1)#	6,685	5,659
Interest accrued but not due (1)	385	362
Foreign currency forward and options contracts (2) (3)	102	143
Net investment in sublease of right of use asset (1)	51	50
Others (1)	199	271
Total current other financial assets	**9,810**	**8,727**
Total other financial assets	**11,825**	**10,187**
(1) Financial assets carried at amortized cost	11,723	10,044
(2) Financial assets carried at fair value through other comprehensive income	65	20
(3) Financial assets carried at fair value through profit or loss	37	123

* 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, 2022	As at March 31, 2022
Current		
Trade Receivable considered good - Unsecured	25,895	23,252
Less: Allowance for expected credit loss	498	554
Trade Receivable considered good - Unsecured	25,397	22,698
Trade Receivable - credit impaired - Unsecured	120	113
Less: Allowance for credit impairment	120	113
Trade Receivable - credit impaired - Unsecured	—	—
Total trade receivables	**25,397**	**22,698**

2.8 CASH AND CASH EQUIVALENTS

(In ₹ crore)

Particulars	As at	
	September 30, 2022	March 31, 2022
Balances with banks		
In current and deposit accounts	12,039	13,942
Cash on hand	—	—
Others		
Deposits with financial institutions	2,830	3,530
Total cash and cash equivalents	**14,869**	**17,472**
Balances with banks in unpaid dividend accounts	36	36
Deposit with more than 12 months maturity	1,585	1,616
Balances with banks held as margin money deposits against guarantees	1	1

Cash and cash equivalents as at September 30, 2022 and March 31, 2022 include restricted cash and bank balances of ₹465 crore and ₹471 crore, respectively. The restrictions are primarily on account of bank balances held by irrevocable trusts controlled by the company and bank balances held as margin money deposits against guarantees.

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

2.9 OTHER ASSETS

(In ₹ crore)

Particulars	As at	
	September 30, 2022	March 31, 2022
Non Current		
Capital advances	81	88
Advances other than capital advances		
Others		
Withholding taxes and others	685	674
Unbilled revenues #	512	246
Defined benefit plan assets	22	20
Prepaid expenses	241	99
Deferred Contract Cost *		
Cost of obtaining a contract	330	593
Cost of fulfillment	494	309
Total Non-Current other assets	**2,365**	**2,029**
Current		
Advances other than capital advances		
Payment to vendors for supply of goods	63	193
Others		
Unbilled revenues #	6,618	5,909
Withholding taxes and others	2,372	1,941
Prepaid expenses	2,347	1,996
Deferred Contract Cost *		
Cost of obtaining a contract	929	858
Cost of fulfillment	120	91
Other receivables	349	325
Total Current other assets	**12,798**	**11,313**
Total other assets	**15,163**	**13,342**

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

*Includes technology assets taken over by the Group from a customer as a part of transformation project which is not considered as distinct goods or services and the control related to the assets is not transferred to the Group in accordance with Ind AS 115 - Revenue from contract with customers. Accordingly, the same has been considered as a reduction to the total contract value and accounted as Deferred contract cost. The Group has entered into financing arrangements with a third party for these assets. As at September 30, 2022, the financial liability pertaining to such arrangements amounts to ₹749 crore. During the six months ended September 30, 2022, ₹38 crore was settled directly by the third party to the customer on behalf of the Group and accordingly considered as non-cash transaction *(Refer to Note 2.12)*

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

2.10 FINANCIAL INSTRUMENTS

Accounting policy

2.10.1 Initial recognition

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

2.10.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

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

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

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

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

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

(iv) Financial liabilities

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

b. Derivative financial instruments

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

(i) Financial assets or financial liabilities, carried at fair value through profit or loss.

This category includes derivative financial assets or liabilities which are not designated as hedges.

Although the Group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated as hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Consolidated Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date.

(ii) Cash flow hedge

The Group designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the Consolidated Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the Consolidated Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the Consolidated Statement of Profit and Loss.

2.10.3 Derecognition of financial instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.10.4 Fair value of financial instruments

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Refer to table 'Financial instruments by category' below for the disclosure on carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximates fair value due to the short maturity of these instruments.

2.10.5 Impairment

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets and unbilled revenue which are not fair valued through profit or loss. Loss allowance for trade receivables and unbilled revenues with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

The Group determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Group considers current and anticipated future economic conditions relating to industries the Group deals with and the countries where it operates.

The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recorded is recognized as an impairment gain or loss in Consolidated Statement of Profit and Loss.

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at September 30, 2022 are as follows:

(In ₹ crore)

Particulars	**Amortized cost**	**Financial assets/ liabilities at fair value through profit or loss**		**Financial assets/liabilities at fair value through OCI**		**Total carrying value**	**Total fair value**
		Designated upon initial recognition	**Mandatory**	**Equity instruments designated upon initial recognition**	**Mandatory**		
Assets:							
Cash and cash equivalents *(Refer to Note 2.8)*	14,869	—	—	—	—	14,869	14,869
Investments *(Refer to Note 2.4)*							
Equity and preference securities	—	—	25	213	—	238	238
Tax free bonds and government bonds	2,129	—	—	—	—	2,129	2,349 [1]
Liquid mutual fund units	—	—	4,042	—	—	4,042	4,042
Non convertible debentures	—	—	—	—	4,037	4,037	4,037
Government securities	—	—	—	—	8,145	8,145	8,145
Commercial Paper	—	—	—	—	287	287	287
Certificates of deposit	—	—	—	—	5,412	5,412	5,412
Other investments	—	—	158	—	—	158	158
Trade receivables *(Refer to Note 2.7)*	25,397	—	—	—	—	25,397	25,397
Loans *(Refer to Note 2.5)*	326	—	—	—	—	326	326
Other financials assets *(Refer to Note 2.6)* [3]	11,723	—	37	—	65	11,825	11,748 [2]
Total	**54,444**	**—**	**4,262**	**213**	**17,946**	**76,865**	**77,008**
Liabilities:							
Trade payables	4,162	—	—	—	—	4,162	4,162
Lease liabilities *(Refer to Note 2.19)*	6,522	—	—	—	—	6,522	6,522
Financial Liability under option arrangements *(Refer to Note 2.12)*	—	—	608	—	—	608	608
Other financial liabilities *(Refer to Note 2.12)*	16,448	—	306	—	25	16,779	16,779
Total	**27,132**	**—**	**914**	**—**	**25**	**28,071**	**28,071**

(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 ₹77 crore*

(3) *Excludes unbilled revenue on contracts where the right to consideration is dependent on completion of contractual milestones*

The carrying value and fair value of financial instruments by categories as at March 31, 2022 were as follows:

(In ₹ crore)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents *(Refer to Note 2.8)*	17,472	—	—	—	—	17,472	17,472
Investments *(Refer to Note 2.4)*							
Equity and preference securities	—	—	24	194	—	218	218
Compulsorily convertible debentures	—	—	7	—	—	7	7
Tax free bonds and government bonds	2,122	—	—	—	—	2,122	2,447 [(1)]
Liquid mutual fund units	—	—	2,012	—	—	2,012	2,012
Non convertible debentures	—	—	—	—	4,213	4,213	4,213
Government securities	—	—	—	—	8,171	8,171	8,171
Certificates of deposit	—	—	—	—	3,429	3,429	3,429
Other investments	—	—	152	—	—	152	152
Trade receivables *(Refer to Note 2.7)*	22,698	—	—	—	—	22,698	22,698
Loans *(Refer to Note 2.5)*	282	—	—	—	—	282	282
Other financials assets *(Refer to Note 2.6)* [(3)]	10,044	—	123		20	10,187	10,096 [(2)]
Total	**52,618**	**—**	**2,318**	**194**	**15,833**	**70,963**	**71,197**
Liabilities:							
Trade payables	4,134	—	—	—	—	4,134	4,134
Lease liabilities *(Refer to Note 2.19)*	5,474	—	—	—	—	5,474	5,474
Financial Liability under option arrangements	—	—	655	—	—	655	655
Other financial liabilities *(Refer to Note 2.12)*	15,061	—	181	—	3	15,245	15,245
Total	**24,669**	**—**	**836**	**—**	**3**	**25,508**	**25,508**

(1) *On account of fair value changes including interest accrued*

(2) *Excludes interest accrued on tax free bonds and government bonds carried at amortized cost of ₹91 crore*

(3) *Excludes unbilled revenue on contracts where the right to consideration is dependent on completion of contractual milestones*

For trade receivables and trade payables and other assets and payables maturing within one year from the Balance Sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at September 30, 2022 is as follows:

(In ₹ crore)

Particulars	As at September 30, 2022	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual funds *(Refer to Note 2.4)*	4,042	4,042	—	—
Investments in tax free bonds (Refer to Note 2.4)	2,316	1,765	551	—
Investments in government bonds *(Refer to Note 2.4)*	33	33	—	—
Investments in non convertible debentures *(Refer to Note 2.4)*	4,037	1,369	2,668	—
Investment in government securities *(Refer to Note 2.4)*	8,145	7,851	294	—
Investments in equity instruments *(Refer to Note 2.4)*	2	—	—	2
Investments in preference securities *(Refer to Note 2.4)*	236	—	—	236
Investments in commercial paper *(Refer to Note 2.4)*	287	—	287	—
Investments in certificates of deposit *(Refer to Note 2.4)*	5,412	—	5,412	—
Other investments *(Refer to Note 2.4)*	158	—	—	158
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts *(Refer to Note 2.6)*	102	—	102	—
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts *(Refer to Note 2.12)*	249	—	249	—
Financial liability under option arrangements *(Refer to Note 2.12)*	608	—	—	608
Liability towards contingent consideration *(Refer to Note 2.12)* [(1)]	82	—	—	82

(1) *Discount rate pertaining to contingent consideration ranges from 9.5% to 13.6%*

During the six months ended September 30, 2022, tax free bonds and government securities of ₹611 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 and government securities of ₹2,201 crore were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

Fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2022 was as follows:

(In ₹ crore)

Particulars	As at March 31, 2022	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual funds *(Refer to Note 2.4)*	2,012	2,012	—	—
Investments in tax free bonds *(Refer to Note 2.4)*	2,425	1,238	1,187	—
Investments in government bonds *(Refer to Note 2.4)*	22	22	—	—
Investments in non convertible debentures *(Refer to Note 2.4)*	4,213	3,736	477	—
Investment in government securities *(Refer to Note 2.4)*	8,171	8,046	125	—
Investments in equity instruments *(Refer to Note 2.4)*	2	—	—	2
Investments in preference securities *(Refer to Note 2.4)*	216	—	—	216
Investments in certificates of deposit *(Refer to Note 2.4)*	3,429	—	3,429	—
Investments in compulsorily convertible debentures *(Refer to Note 2.4)*	7	—	—	7
Other investments *(Refer to Note 2.4)*	152	—	—	152
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts *(Refer to Note 2.6)*	143	—	143	—
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts *(Refer to Note 2.12)*	61	—	61	—
Financial liability under option arrangements *(Refer to Note 2.12)*	655	—	—	655
Liability towards contingent consideration *(Refer to Note 2.12)* [(1)]	123	—	—	123

[(1)] *Discount rate pertaining to contingent consideration ranges from 8% to 14.5%*

During the year ended March 31, 2022, tax free bonds and non-convertible debentures of ₹576 crore were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on quoted price. Further, tax free bonds and non-convertible debentures of ₹965 crore was transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

A one percentage point change in the unobservable inputs used in fair valuation of Level 3 assets and liabilities does not have a significant impact in its value.

Majority of investments of the Group are fair valued based on Level 1 or Level 2 inputs. These investments primarily include investment in liquid mutual fund units, tax free bonds, certificates of deposit, commercial paper, treasury bills, government securities, quoted bonds issued by government and quasi-government organizations and non-convertible debentures. The Group invests after considering counterparty risks based on multiple criteria including Tier I capital, Capital Adequacy Ratio, Credit Rating, Profitability, NPA levels and Deposit base of banks and financial institutions. These risks are monitored regularly as per Group's risk management program.

2.11 EQUITY

Accounting policy

Ordinary Shares

Ordinary shares are classified as equity share capital. Incremental costs directly attributable to the issuance of new ordinary shares, share options and buyback are recognized as a deduction from equity, net of any tax effects.

Treasury Shares

When any entity within the Group purchases the company's ordinary shares, the consideration paid including any directly attributable incremental cost is presented as a deduction from total equity, until they are cancelled, sold or reissued. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to / from securities premium.

Description of reserves

Capital Redemption Reserve

In accordance with section 69 of the Indian Companies Act, 2013, the Company creates capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from general reserve.

Retained earnings

Retained earnings represent the amount of accumulated earnings of the Group.

Securities premium

The amount received in excess of the par value has been classified as securities premium. Amounts have been utilized for bonus issue and share buyback from share premium account.

Share options outstanding account

The share options outstanding account is used to record the fair value of equity-settled share based payment transactions with employees. The amounts recorded in share options outstanding account are transferred to securities premium upon exercise of stock options and transferred to general reserve on account of stock options not exercised by employees.

Special Economic Zone Re-investment reserve

The Special Economic Zone Re-investment reserve has been created out of the profit of the eligible SEZ unit in terms of the provisions of Sec 10AA (1)(ii) of Income Tax Act, 1961. The reserve should be utilized by the Company for acquiring new plant and machinery for the purpose of its business in terms of the provisions of the Sec 10AA (2) of the Income Tax Act, 1961.

Other components of equity

Other components of equity include currency translation, remeasurement of net defined benefit liability / asset, equity instruments fair valued through other comprehensive income, changes on fair valuation of investments and changes in fair value of derivatives designated as cash flow hedges, net of taxes.

Currency translation reserve

The exchange differences arising from the translation of financial statements of foreign subsidiaries with functional currency other than Indian rupees is recognized in other comprehensive income and is presented within equity.

Cash flow hedge reserve

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Consolidated Statement of Profit and Loss upon the occurrence of the related forecasted transaction.

EQUITY SHARE CAPITAL

(In ₹ crore, except as otherwise stated)

Particulars	As at	
	September 30, 2022	**March 31, 2022**
Authorized		
Equity shares, ₹5 par value		
480,00,00,000 (480,00,00,000) equity shares	2,400	2,400
Issued, Subscribed and Paid-Up		
Equity shares, ₹5 par value[(1)]	2,099	2,098
4,19,49,11,762 (4,19,30,12,929) equity shares fully paid-up[(2)]		
	2,099	**2,098**

Note: Forfeited shares amounted to ₹1,500 (₹1,500)

[(1)] *Refer to Note 2.20 for details of basic and diluted shares*

[(2)] *Net of treasury shares 1,29,15,777 (1,37,25,712)*

The Company has only one class of shares referred to as equity shares having a par value of ₹5/-. Each holder of equity shares is entitled to one vote per share. The equity shares represented by American Depositary Shares (ADS) carry similar rights to voting and dividends as the other equity shares. Each ADS represents one underlying equity share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts. However, no such preferential amounts exist currently, other than the amounts held by irrevocable controlled trusts. For irrevocable controlled trusts, the corpus would be settled in favor of the beneficiaries.

For details of shares reserved for issue under the employee stock option plan of the Company refer to the note below.

The reconciliation of the number of shares outstanding and the amount of share capital as at September 30, 2022 and March 31, 2022 are as follows:

(In ₹ crore, except as stated otherwise)

Particulars	As at September 30, 2022		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
As at the beginning of the period	**419,30,12,929**	**2,098**	**424,51,46,114**	**2,124**
Add: Shares issued on exercise of employee stock options	18,98,833	1	36,74,152	2
Less: Shares bought back	—	—	55,807,337	28
As at the end of the period	**4,194,911,762**	**2,099**	**419,30,12,929**	**2,098**

Capital allocation policy

Effective fiscal 2020, the Company expects to return approximately 85% of the free cash flow cumulatively over a 5-year period through a combination of semi-annual dividends and/or share buyback and/or special dividends, subject to applicable laws and requisite approvals, if any. Free cash flow is defined as net cash provided by operating activities less capital expenditure as per the Consolidated Statement of Cash Flows prepared under IFRS. Dividend and buyback include applicable taxes.

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 at September 30, 2022, the Company has only one class of equity shares and has no debt. Consequent to the above capital structure there are no externally imposed capital requirements.

In line with the capital allocation policy, the Board, at its meeting held on October 13, 2022, approved the buyback of equity shares, from the open market route through the Indian stock exchanges, amounting to ₹9,300 crore (Maximum Buyback Size, excluding buyback tax) at a price not exceeding ₹1,850 per share (Maximum Buyback Price), subject to shareholders' approval by way of Postal Ballot.

Buyback completed in September 2021

In line with the capital allocation policy, the Board, at its meeting held on April 14, 2021, approved the buyback of equity shares, from the open market route through the Indian stock exchanges, amounting to ₹9,200 crore (Maximum Buyback Size, excluding buyback tax) at a price not exceeding ₹1,750 per share (Maximum Buyback Price), subject to shareholders' approval in the ensuing Annual General Meeting.

The shareholders approved the proposal of buyback of Equity Shares recommended by its Board of Directors in the Annual General meeting held on June 19, 2021.

The buyback was offered to all eligible equity shareholders of the Company (other than the Promoters, the Promoter Group and Persons in Control of the Company) under the open market route through the stock exchange. The buyback of equity shares through the stock exchange commenced on June 25, 2021 and was completed on September 8, 2021. During this buyback period, the Company had purchased and extinguished a total of 55,807,337 equity shares from the stock exchange at a volume weighted average buy back price of ₹1,648.53/- per equity share comprising 1.31% of the pre buyback paid-up equity share capital of the Company. The buyback resulted in a cash outflow of ₹9,200 crore (excluding transaction costs and tax on buyback). The Company funded the buyback from its free reserves including Securities Premium as explained in Section 68 of the Companies Act, 2013.

In accordance with section 69 of the Companies Act, 2013, as at March 31, 2022, the Company has created 'Capital Redemption Reserve' of ₹28 crore equal to the nominal value of the shares bought back as an appropriation from general reserve.

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,	
	2022	2021	2022	2021
Final dividend for fiscal 2021	—	—	—	15.00
Final dividend for fiscal 2022	—	—	16.00	—

The Board of Directors in their meeting held on April 13, 2022 recommended a final dividend of ₹16/- per equity share for the financial year ended March 31, 2022. The same was approved by the shareholders in the Annual General Meeting (AGM) of the Company held on June 25, 2022 which resulted in a net cash outflow of ₹6,711 crore (excluding dividend paid on treasury shares).

The Board of Directors in their meeting held on October 13, 2022 declared a interim dividend of ₹16.50/- per equity share which would result in a net cash outflow of approximately ₹6,922 crore, excluding dividend paid on treasury shares.

Employee Stock Option Plan (ESOP):

Accounting policy

The Group recognizes compensation expense relating to share-based payments in net profit based on estimated fair values of the awards on the grant date. The estimated fair value of awards is recognized as an expense in the statement of profit and loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

Infosys Expanded Stock Ownership Program 2019 (the 2019 Plan) :

On June 22, 2019 pursuant to approval by the shareholders in the Annual General Meeting, the Board has been authorized to introduce, offer, issue and provide share-based incentives to eligible employees of the Company and its subsidiaries under the 2019 Plan. The maximum number of shares under the 2019 Plan shall not exceed 5,00,00,000 equity shares. To implement the 2019 Plan, up to 4,50,00,000 equity shares may be issued by way of secondary acquisition of shares by Infosys Expanded Stock Ownership Trust. The Restricted Stock Units (RSUs) granted under the 2019 Plan shall vest based on the achievement of defined annual performance parameters as determined by the administrator (Nomination and Remuneration Committee). The performance parameters will be based on a combination of relative Total Shareholder Return (TSR) against selected industry peers and certain broader market domestic and global indices and operating performance metrics of the Company as decided by administrator. Each of the above performance parameters will be distinct for the purposes of calculation of quantity of shares to vest based on performance. These instruments will generally vest between a minimum of 1 to maximum of 3 years from the grant date.

2015 Stock Incentive Compensation Plan (the 2015 Plan) :

On March 31, 2016, pursuant to the approval by the shareholders through postal ballot, the Board was authorized to introduce, offer, issue and allot share-based incentives to eligible employees of the Company and its subsidiaries under the 2015 Plan. The maximum number of shares under the 2015 Plan shall not exceed 2,40,38,883 equity shares (this includes 1,12,23,576 equity shares which are held by the trust towards the 2011 Plan as at March 31, 2016). The Company expects to grant the instruments under the 2015 Plan over the period of 4 years. The plan numbers mentioned above would further be adjusted for the September 2018 bonus issue.

The equity settled and cash settled RSUs and stock options would vest generally over a period of 4 years and shall be exercisable within the period as approved by the Nomination and Remuneration Committee (NARC). The exercise price of the RSUs will be equal to the par value of the shares and the exercise price of the stock options would be the market price as on the date of grant.

Controlled trust holds 1,29,15,777 and 1,37,25,712 shares as at September 30, 2022 and March 31, 2022, respectively, under the 2015 Plan. Out of these shares, 200,000 equity shares each have been earmarked for welfare activities of the employees as at September 30, 2022 and March 31, 2022.

The following is the summary of grants during the three months and six months ended September 30, 2022 and September 30, 2021:

(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,	
	2022	2021	2022	2021	2022	2021	2022	2021
Equity Settled RSUs								
Key Managerial Personnel (KMPs)	—	—	176,893	73,962	185,358	—	287,325	101,697
Employees other than KMPs	—	—	370,960	—	—	—	—	—
Total Grants	**—**	**—**	**547,853**	**73,962**	**185,358**	**—**	**287,325**	**101,697**

Notes on grants to KMP:

CEO & MD

Based on the recommendations of the Board and the approval of the shareholders at the AGM held on June 25, 2022, Salil Parekh has been reappointed as the CEO and MD of the Company for a term commencing on July 1, 2022 and ending on March 31, 2027. The remuneration is approved by the shareholders in the AGM. The revised employment agreement is effective July 1, 2022.

Under the 2015 Plan:

The Board, on April 13, 2022, based on the recommendations of the Nomination and Remuneration Committee, in accordance with the terms of his employment agreement effective till June 30, 2022, approved the grant of performance-based RSUs of fair value of ₹13 crore for fiscal 2023 under the 2015 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 84,361 performance based RSU's were granted effective May 2, 2022.

Further, in line with the shareholders approval and revised employment contract which is effective July 1, 2022, the Board, on July 24, 2022, based on the recommendations of the Nomination and Remuneration Committee:

• Approved the grant of performance-based RSUs (Annual performance equity grant) of fair value of ₹21.75 crore for fiscal 2023 under the 2015 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 140,228 performance based RSU's were granted effective August 1, 2022.

• Approved the performance-based grant of RSUs (Annual performance equity ESG grant) of fair value of ₹2 crore for fiscal 2023 under the 2015 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain environment, social and governance milestones as determined by the Board. Accordingly, 12,894 performance based RSU's were granted effective August 1, 2022.

• Approved the performance-based grant of RSUs (Annual performance Equity TSR grant) of fair value of ₹5 crore for fiscal 2023 under the 2015 Plan. These RSUs will vest in line with the employment agreement based on Company's performance on cumulative relative TSR over the years and as determined by the Board. Accordingly, 32,236 performance based RSU's were granted effective August 1, 2022.

Under the 2019 Plan:

The Board, on April 13, 2022, based on the recommendations of the Nomination and Remuneration Committee, approved performance-based grant of RSUs amounting to ₹10 crore for fiscal 2023 under the 2019 Plan. These RSUs will vest in line with the employment agreement effective till June 30, 2022 based on achievement of certain performance targets. Accordingly, 64,893 performance based RSU's were granted effective May 2, 2022.

Other KMPs

Under the 2015 Plan:

On April 13, 2022, based on the recommendations of the Nomination and Remuneration Committee, in accordance with employment agreement, the Board, approved performance-based grant of 5,616 RSUs to a KMP under the 2015 Plan. The grants were made effective May 2, 2022. The performance based RSUs will vest over three years based on certain performance targets.

On April 13, 2022, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved time based grant of 11,990 RSUs to a KMP under the 2015 Plan. The grants were made effective May 2, 2022. These RSUs will vest over four years.

Under the 2019 Plan:

On April 13, 2022, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved performance based grant of 8,000 RSUs to a KMP under the 2019 Plan. The grants were made effective May 2, 2022. These RSUs will vest over three years based on achievement of certain performance targets.

On May 21, 2022, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved performance based grant of 1,04,000 RSUs to other KMPs under the 2019 Plan. The grants were made effective June 1, 2022. These RSUs will vest over three years based on achievement of certain performance targets.

Break-up of employee stock compensation expense:

(in ₹ crore)

Particulars	Three months ended September 30,		Six months ended September 30,	
	2022	2021	2022	2021
Granted to:				
KMP	24	17	41	34
Employees other than KMP	113	82	228	175
Total [(1)]	**137**	**99**	**269**	**209**
(1) Cash-settled stock compensation expense included in the above	1	6	(1)	13

The fair value of the awards are estimated using the Black-Scholes Model for time and non-market performance based options and Monte Carlo simulation model is used for TSR based options.

The inputs to the model include the share price at date of grant, exercise price, expected volatility, expected dividends, expected term and the risk free rate of interest. Expected volatility during the expected term of the options is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the options. Expected volatility of the comparative company have been modelled based on historical movements in the market prices of their publicly traded equity shares during a period equivalent to the expected term of the options. Correlation coefficient is calculated between each peer entity and the indices as a whole or between each entity in the peer group.

The fair value of each equity settled award is estimated on the date of grant using the following assumptions:

Particulars	For options granted in			
	Fiscal 2023-Equity Shares-RSU	Fiscal 2023-ADS-RSU	Fiscal 2022-Equity Shares-RSU	Fiscal 2022-ADS-RSU
Weighted average share price (₹) / ($ ADS)	1,525	19.03	1,791	24.45
Exercise price (₹) / ($ ADS)	5.00	0.07	5.00	0.07
Expected volatility (%)	23-32	28-34	20-35	25-36
Expected life of the option (years)	1-4	1-4	1-4	1-4
Expected dividends (%)	2-3	2-3	2-3	2-3
Risk-free interest rate (%)	5-7	2-3	4-6	1-3
Weighted average fair value as on grant date (₹) / ($ ADS)	1,284	13.89	1,548	20.82

The expected life of the RSU/ESOP is estimated based on the vesting term and contractual term of the RSU/ESOP, as well as expected exercise behavior of the employee who receives the RSU/ESOP.

2.12 OTHER FINANCIAL LIABILITIES

(In ₹ crore)

Particulars	As at	
	September 30, 2022	March 31, 2022
Non-current		
Others		
Accrued compensation to employees [1]	10	8
Accrued expenses [1]	1,657	946
Compensated absences	81	92
Financial liability under option arrangements [2]	73	655
Payable for acquisition of business - Contingent consideration [2]	36	56
Other Payables [1][4]	440	580
Total non-current other financial liabilities	**2,297**	**2,337**
Current		
Unpaid dividends [1]	36	36
Others		
Accrued compensation to employees [1]	3,958	4,061
Accrued expenses [1]	7,509	7,476
Retention monies [1]	12	13
Payable for acquisition of business - Contingent consideration [2]	46	67
Payable by controlled trusts [1]	211	211
Compensated absences	2,247	2,182
Financial liability under option arrangements [2]	535	—
Foreign currency forward and options contracts [2] [3]	249	61
Capital creditors [1]	322	431
Other payables [1][4]	2,293	1,299
Total current other financial liabilities	**17,418**	**15,837**
Total other financial liabilities	**19,715**	**18,174**
[1] Financial liability carried at amortized cost	16,448	15,061
[2] Financial liability carried at fair value through profit or loss	914	836
[3] Financial liability carried at fair value through other comprehensive income	25	3
Contingent consideration on undiscounted basis	91	132

[4] Deferred contract cost in *(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, 2022, the financial liability pertaining to such arrangements amounts to ₹749 crore. During the six months ended September 30, 2022, ₹38 crore was settled directly by the third party to the customer on behalf of the Group and accordingly considered as non-cash transaction.

2.13 OTHER LIABILITIES

(In ₹ crore)

Particulars	As at	
	September 30, 2022	March 31, 2022
Non-current		
Others		
Deferred income - government grants	62	64
Accrued defined benefit liability	477	367
Deferred income	10	9
Others	11	11
Total non-current other liabilities	**560**	**451**
Current		
Unearned revenue	6,953	6,324
Others		
Withholding taxes and others	3,468	2,834
Accrued defined benefit liability	5	5
Deferred income - government grants	11	11
Others	3	4
Total current other liabilities	**10,440**	**9,178**
Total other liabilities	**11,000**	**9,629**

2.14 PROVISIONS

Accounting policy

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

a. Post sales client support

The Group provides its clients with a fixed-period post sales support on its fixed-price, fixed-timeframe contracts. Costs associated with such support services are accrued at the time related revenues are recorded and included in Consolidated Statement of Profit and Loss. The Group estimates such costs based on historical experience and estimates are reviewed on a periodic basis for any material changes in assumptions and likelihood of occurrence.

b. Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Group recognizes any impairment loss on the assets associated with that contract.

Provision for post-sales client support and other provisions:

(In ₹ crore)

Particulars	As at	
	September 30, 2022	March 31, 2022
Current		
Others		
Post-sales client support and other provisions	1,141	975
Total provisions	**1,141**	**975**

Provision for post sales client support and other provisions majorly represents costs associated with providing sales support services which are accrued at the time of recognition of revenues and are expected to be utilized over a period of 1 year.

2.15 INCOME TAXES

Accounting policy

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Consolidated Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity or other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year. Tax benefits of deductions earned on exercise of employee share options in excess of compensation charged to income are credited to equity.

Income tax expense in the Consolidated Statement of Profit and Loss comprises:

(In ₹ crore)

Particulars	**Three months ended September 30,**		**Six months ended September 30,**	
	2022	**2021**	**2022**	**2021**
Current taxes	2,482	1,987	4,832	3,923
Deferred taxes	(117)	33	(295)	71
Income tax expense	**2,365**	**2,020**	**4,537**	**3,994**

Income tax expense for the three months ended September 30, 2022 and September 30, 2021 includes provisions (net of reversal) of ₹5 crore and reversal (net of provisions) of ₹20 crore, respectively. Income tax expense for the six months ended September 30, 2022 and September 30, 2021 includes provisions (net of reversal) of ₹40 crore and reversal (net of provisions) of ₹33 crore, respectively. These provisions and reversals pertaining to prior periods are primarily on account of adjudication of certain disputed matters, upon filing of tax return and completion of assessments, across various jurisdictions.

Deferred income tax for three months and six months ended September 30, 2022 and September 30, 2021 substantially relates to origination and reversal of temporary differences.

The Company's Advanced Pricing Arrangement (APA) with the Internal Revenue Service (IRS) for US branch income tax expired in March 2021. The Company has applied for renewal of APA and currently the US taxable income is based on the Company's best estimate determined based on the expected value method.

2.16 REVENUE FROM OPERATIONS

Accounting policy

The Group derives revenues primarily from IT services comprising software development and related services, cloud and infrastructure services, maintenance, consulting and package implementation, licensing of software products and platforms across the Group's core and digital offerings (together called as "software related services") and business process management services. Contracts with customers are either on a time-and-material, unit of work, fixed-price or on a fixed-timeframe basis.

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved in writing by the parties, to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognized upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration the Group has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

The Group assesses the services promised in a contract and identifies distinct performance obligations in the contract. The Group allocates the transaction price to each distinct performance obligation based on the relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In the absence of such evidence, the primary method used to estimate standalone selling price is the expected cost plus a margin, under which the Group estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services.

The Group's contracts may include variable consideration including rebates, volume discounts and penalties. The Group includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue on time-and-material and unit of work based contracts, are recognized as the related services are performed. Fixed price maintenance revenue is recognized ratably either on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or ratably using a percentage of completion method when the pattern of benefits from the services rendered to the customer and the Group's costs to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive. Revenue from other fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time is recognized using the percentage-of-completion method. Efforts or costs expended are used to determine progress towards completion as there is a direct relationship between input and productivity. Progress towards completion is measured as the ratio of costs or efforts incurred to date (representing work performed) to the estimated total costs or efforts. Estimates of transaction price and total costs or efforts are continuously monitored over the term of the contracts and are recognized in net profit in the period when these estimates change or when the estimates are revised. Revenues and the estimated total costs or efforts are subject to revision as the contract progresses. Provisions for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

The billing schedules agreed with customers include periodic performance based billing and / or milestone based progress billings. Revenues in excess of billing are classified as unbilled revenue while billing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

In arrangements for software development and related services and maintenance services, by applying the revenue recognition criteria for each distinct performance obligation, the arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Group measures the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Group is unable to determine the standalone selling price, the Group uses the expected cost plus margin approach in estimating the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Certain cloud and infrastructure services contracts include multiple elements which may be subject to other specific accounting guidance, such as leasing guidance. These contracts are accounted in accordance with such specific accounting guidance. In such arrangements where the Group is able to determine that hardware and services are distinct performance obligations, it allocates the consideration to these performance obligations on a relative standalone selling price basis. In the absence of standalone selling price, the Group uses the expected cost-plus margin approach in estimating the standalone selling price. When such arrangements are considered as a single performance obligation, revenue is recognized over the period and measure of progress is determined based on promise in the contract.

Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license are made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period.

Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS).When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two distinct separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the Group uses the expected cost plus margin approach in estimating the standalone selling price. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized ratably on a straight line basis over the period in which the services are rendered.

Contracts with customers includes subcontractor services or third-party vendor equipment or software in certain integrated services arrangements. In these types of arrangements, revenue from sales of third-party vendor products or services is recorded net of costs when the Group is acting as an agent between the customer and the vendor, and gross when the Group is the principal for the transaction. In doing so, the group first evaluates whether it controls the good or service before it is transferred to the customer. The Group considers whether it has the primary obligation to fulfil the contract, inventory risk, pricing discretion and other factors to determine whether it controls the goods or service and therefore is acting as a principal or an agent.

The incremental costs of obtaining a contract (i.e., costs that would not have been incurred if the contract had not been obtained) are recognized as an asset if the Group expects to recover them.

Certain eligible, nonrecurring costs (e.g. set-up or transition or transformation costs) that do not represent a separate performance obligation are recognized as an asset when such costs (a) relate directly to the contract; (b) generate or enhance resources of the Group that will be used in satisfying the performance obligation in the future; and (c) are expected to be recovered.

Capitalized contract costs relating to upfront payments to customers are amortized to revenue and other capitalized costs are amortized to expenses over the respective contract life on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates. Capitalized costs are monitored regularly for impairment. Impairment losses are recorded when present value of projected remaining operating cash flows is not sufficient to recover the carrying amount of the capitalized costs.

The Group presents revenues net of indirect taxes in its Consolidated Statement of Profit and Loss.

Revenue from operation for the three months and six months ended September 30, 2022 and September 30, 2021 are as follows:

(In ₹ crore)

Particulars	Three months ended September 30,		Six months ended September 30,	
	2022	2021	2022	2021
Revenue from software services	34,227	27,813	66,505	53,659
Revenue from products and platforms	2,311	1,789	4,503	3,839
Total revenue from operations	**36,538**	**29,602**	**71,008**	**57,498**

Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by geography and offerings for each of our business segments. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

For the three months ended September 30, 2022 and September 30, 2021:

(In ₹ crore)

Particulars	Financial Services (1)	Retail(2)	Communication (3)	Energy, Utilities, Resources and Services	Manufacturing	Hi-Tech	Life Sciences(4)	Others (5)	Total
Revenues by Geography*									
North America	7,096	3,612	2,820	2,426	2,005	2,768	1,804	293	22,824
	5,942	*2,939*	*2,004*	*1,803*	*1,568*	*2,343*	*1,505*	*228*	*18,332*
Europe	1,873	1,262	949	1,681	2,549	71	602	58	9,045
	1,676	*1,150*	*870*	*1,392*	*1,576*	*54*	*557*	*53*	*7,328*
India	515	18	40	58	18	115	7	301	1,072
	469	*20*	*107*	*35*	*19*	*101*	*8*	*11*	*770*
Rest of the world	1,664	291	692	333	114	17	39	447	3,597
	1,479	*221*	*687*	*271*	*56*	*13*	*33*	*412*	*3,172*
Total	**11,148**	**5,183**	**4,501**	**4,498**	**4,686**	**2,971**	**2,452**	**1,099**	**36,538**
	9,566	***4,330***	***3,668***	***3,501***	***3,219***	***2,511***	***2,103***	***704***	***29,602***
Revenue by offerings									
Digital	6,161	3,395	2,962	2,776	3,354	1,862	1,543	545	22,598
	4,984	*2,645*	*2,222*	*2,025*	*1,847*	*1,453*	*1,188*	*240*	*16,604*
Core	4,987	1,788	1,539	1,722	1,332	1,109	909	554	13,940
	4,582	*1,685*	*1,446*	*1,476*	*1,372*	*1,058*	*915*	*464*	*12,998*
Total	**11,148**	**5,183**	**4,501**	**4,498**	**4,686**	**2,971**	**2,452**	**1,099**	**36,538**
	9,566	***4,330***	***3,668***	***3,501***	***3,219***	***2,511***	***2,103***	***704***	***29,602***

For the six months ended September 30, 2022 and September 30, 2021:

(In ₹ crore)

Particulars	Financial Services (1)	Retail(2)	Communication (3)	Energy, Utilities,	Manufacturing	Hi-Tech	Life Sciences(4)	Others (5)	Total
Revenues by Geography*									
North America	13,920	7,057	5,437	4,587	3,728	5,396	3,471	529	44,125
	11,669	*5,725*	*3,779*	*3,530*	*3,009*	*4,496*	*2,873*	*456*	*35,537*
Europe	3,643	2,533	1,853	3,371	4,887	136	1,150	119	17,692
	3,327	*2,300*	*1,693*	*2,727*	*2,759*	*106*	*1,044*	*109*	*14,065*
India	964	36	84	95	36	218	13	507	1,953
	871	*49*	*216*	*67*	*33*	*191*	*16*	*148*	*1,591*
Rest of the world	3,183	561	1,591	704	207	33	75	884	7,238
	2,916	*431*	*1,383*	*547*	*121*	*28*	*61*	*818*	*6,305*
Total	**21,710**	**10,187**	**8,965**	**8,757**	**8,858**	**5,783**	**4,709**	**2,039**	**71,008**
	18,783	***8,505***	***7,071***	***6,871***	***5,922***	***4,821***	***3,994***	***1,531***	***57,498***
Revenue by offerings									
Digital	11,919	6,602	5,970	5,388	6,273	3,611	2,922	940	43,625
	9,797	*5,038*	*4,152*	*3,883*	*3,291*	*2,725*	*2,200*	*565*	*31,651*
Core	9,791	3,585	2,995	3,369	2,585	2,172	1,787	1,099	27,383
	8,986	*3,467*	*2,919*	*2,988*	*2,631*	*2,096*	*1,794*	*966*	*25,847*
Total	**21,710**	**10,187**	**8,965**	**8,757**	**8,858**	**5,783**	**4,709**	**2,039**	**71,008**
	18,783	***8,505***	***7,071***	***6,871***	***5,922***	***4,821***	***3,994***	***1,531***	***57,498***

(1) *Financial Services include enterprises in Financial Services and Insurance*

(2) *Retail includes enterprises in Retail, Consumer Packaged Goods and Logistics*

(3) *Communication includes enterprises in Communication, Telecom OEM and Media*

(4) *Life Sciences includes enterprises in Life sciences and Health care*

(5) *Others include operating segments of businesses in India, Japan, China, Infosys Public Services & other enterprises in Public Services*

* *Geographical revenues is based on the domicile of customer*

Digital Services

Digital Services comprise of service and solution offerings of the Group that enable our clients to transform their businesses. These include offerings that enhance customer experience, leverage AI-based analytics and big data, engineer digital products and IoT, modernize legacy technology systems, migrate to cloud applications and implement advanced cyber security systems.

Core Services

Core Services comprise traditional offerings of the Group that have scaled and industrialized over a number of years. These primarily include application management services, proprietary application development services, independent validation solutions, product engineering and management, infrastructure management services, traditional enterprise application implementation, support and integration services.

Products & platforms

The Group derives revenues from the sale of products and platforms including Finacle – core banking solution, Edge Suite of products, Panaya platform, Infosys Equinox, Infosys Applied AI, Stater digital platform and Infosys McCamish – insurance platform.

Trade Receivables and Contract Balances

The timing of revenue recognition, billings and cash collections results in receivables, unbilled revenue, and unearned revenue on the Group's Consolidated Balance Sheet. Amounts are billed as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals (e.g., monthly or quarterly) or upon achievement of contractual milestones.

The Group's receivables are rights to consideration that are unconditional. Unbilled revenues comprising revenues in excess of billings from time and material contracts and fixed price maintenance contracts are classified as financial asset when the right to consideration is unconditional and is due only after a passage of time.

Invoicing to the clients for other fixed price contracts is based on milestones as defined in the contract and therefore the timing of revenue recognition is different from the timing of invoicing to the customers. Therefore unbilled revenues for other fixed price contracts (contract asset) are classified as non-financial asset because the right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

Trade receivables and unbilled revenues are presented net of impairment in the consolidated Balance Sheet.

2.17 OTHER INCOME, NET

Accounting policy

Other income is comprised primarily of interest income, dividend income, gain/loss on investment and exchange gain/loss on forward and options contracts and on translation of foreign currency assets and liabilities. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

Foreign currency

Accounting policy

Functional currency

The functional currency of Infosys, Infosys BPM, EdgeVerve, Skava and controlled trusts is the Indian rupee. The functional currencies for foreign subsidiaries are their respective local currencies. These financial statements are presented in Indian rupees (rounded off to crore; one crore equals ten million).

Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are recognized in the Consolidated Statement of Profit and Loss and reported within exchange gains/ (losses) on translation of assets and liabilities, net, except when deferred in Other Comprehensive Income as qualifying cash flow hedges. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. The related revenue and expense are recognized using the same exchange rate.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

The translation of financial statements of the foreign subsidiaries to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the Balance Sheet date and for revenue, expense and cash-flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in currency translation reserves under other components of equity. When a subsidiary is disposed off, in full, the relevant amount is transferred to net profit in the Consolidated Statement of Profit and Loss. However when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

Other Comprehensive Income, net of taxes includes translation differences on non-monetary financial assets measured at fair value at the reporting date, such as equities classified as financial instruments and measured at fair value through other comprehensive income (FVOCI).

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate in effect at the Balance Sheet date.

Government grant

The Group recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Government grants related to assets are treated as deferred income and are recognized in net profit in the Consolidated Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset. Government grants related to revenue are recognized on a systematic basis in net profit in the interim condensed consolidated Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate.

Other income for the three months and six months September 30, 2022 and September 30, 2021 is as follows:

(In ₹ crore)

Particulars	**Three months ended September 30,**		**Six months ended September 30,**	
	2022	**2021**	**2022**	**2021**
Interest income on financial assets carried at amortized cost				
Tax free bonds and Government bonds	38	38	75	76
Deposit with Bank and others	182	206	389	496
Interest income on financial assets carried at fair value through other comprehensive income				
Non-convertible debentures, commercial paper, certificates of deposit and government securities	243	155	483	313
Income on investments carried at fair value through profit or loss:				
Gain / (loss) on liquid mutual funds and other investments	33	41	41	66
Income on investments carried at fair value through other comprehensive income	—	—	1	—
Exchange gains / (losses) on forward and options contracts	(136)	133	(426)	56
Exchange gains / (losses) on translation of other assets and liabilities	183	(81)	600	47
Miscellaneous income, net	41	32	97	92
Total other income	**584**	**524**	**1,260**	**1,146**

2.18 EXPENSES

Accounting policy

Gratuity and Pensions

The Group provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees majorly of Infosys and its Indian subsidiaries. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group. The Company contributes Gratuity liabilities to the Infosys Limited Employees' Gratuity Fund Trust (the Trust). In case of Infosys BPM and EdgeVerve, contributions are made to the Infosys BPM Employees' Gratuity Fund Trust and EdgeVerve Systems Limited Employees' Gratuity Fund Trust, respectively. Trustees administer contributions made to the Trusts and contributions are invested in a scheme with the Life Insurance Corporation of India as permitted by Indian law.

The Group operates defined benefit pension plan in certain overseas jurisdictions, in accordance with the local laws. These plans are managed by third party fund managers. The plans provide for periodic payouts after retirement and/or for a lumpsum payment as set out in rules of each fund and includes death and disability benefits.

Liabilities with regard to these defined benefit plans are determined by actuarial valuation, performed by an external actuary, at each Balance Sheet date using the projected unit credit method. These defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market risk.

The Group recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments is recognized in net profit in the Consolidated Statement of Profit and Loss.

Provident fund

Eligible employees of Infosys receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a portion to the Infosys Limited Employees' Provident Fund Trust. The trust invests in specific designated instruments as permitted by Indian law. The remaining portion is contributed to the government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the Government of India. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

In respect of Indian subsidiaries, eligible employees receive benefits from a provident fund, which is a defined contribution plan. Both the eligible employee and the respective companies make monthly contributions to this provident fund plan equal to a specified percentage of the covered employee's salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The Companies have no further obligation to the plan beyond its monthly contributions.

Superannuation

Certain employees of Infosys and its Indian subsidiaries are participants in a defined contribution plan. The Group has no further obligations to the plan beyond its monthly contributions which are periodically contributed to a trust fund, the corpus of which is invested with the Life Insurance Corporation of India.

Compensated absences

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

The Code on Social Security, 2020 (‘Code’) relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the entire Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect in entirety and will record any related impact in the period the Code becomes effective.

(In ₹ crore)

Particulars	Three months ended September 30,		Six months ended September 30,	
	2022	2021	2022	2021
Employee benefit expenses				
Salaries including bonus	18,657	15,160	36,247	29,808
Contribution to provident and other funds	540	385	1,036	734
Share based payments to employees *(Refer to Note 2.11)*	137	99	269	209
Staff welfare	104	99	224	222
	19,438	**15,743**	**37,776**	**30,973**
Cost of software packages and others				
For own use	480	366	924	709
Third party items bought for service delivery to clients	2,032	1027	4,008	1,973
	2,512	**1,393**	**4,932**	**2,682**
Other expenses				
Repairs and maintenance	278	259	564	533
Power and fuel	44	31	83	64
Brand and marketing	188	102	412	216
Short-term leases	22	15	41	32
Rates and taxes	72	65	146	128
Consumables	37	36	79	68
Insurance	46	34	87	76
Provision for post-sales client support and others	57	34	69	35
Commission to non-whole time directors	3	3	7	5
Impairment loss recognized / (reversed) under expected credit loss model	47	44	91	87
Contributions towards Corporate Social responsibility	114	115	174	260
Others	93	85	186	135
	1,001	**823**	**1,939**	**1,639**

2.19 Leases

Accounting Policy

The Group as a lessee

The Group's lease asset classes primarily consist of leases for land, buildings and computers. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether: (1) the contract involves the use of an identified asset (2) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

As a lessee, the Group determines the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Infosys's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Following are the changes in the carrying value of right of use assets for the three months ended 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[(1)]	—	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**

(1) Net of adjustments on account of modifications and lease incentives.

Following are the changes in the carrying value of right of use assets for the three months ended September 30, 2021:

(In ₹ crore)

Particulars	Category of ROU asset				
	Land	Buildings	Vehicles	Computers	Total
Balance as of July 1, 2021	**631**	**3,716**	**19**	**194**	**4,560**
Additions[(1)]	—	205	—	54	259
Deletions	—	(2)	—	(18)	(20)
Depreciation	(2)	(164)	(3)	(16)	(185)
Translation difference	—	(17)	—	2	(15)
Balance as of September 30, 2021	**629**	**3,738**	**16**	**216**	**4,599**

(1) Net of adjustments on account of modifications and lease incentives.

Following are the changes in the carrying value of right of use assets for the 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[(1)]	—	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**

(1) Net of adjustments on account of modifications and lease incentives.

Following are the changes in the carrying value of right of use assets for the six months ended September 30, 2021:

(In ₹ crore)

Particulars	Category of ROU asset				Total
	Land	Buildings	Vehicles	Computers	
Balance as of April 1, 2021	**630**	**3,984**	**19**	**161**	**4,794**
Additions[(1)]	—	64	1	100	165
Deletions	—	(6)	—	(18)	(24)
Depreciation	(4)	(319)	(5)	(29)	(357)
Translation difference	3	15	1	2	21
Balance as of September 30, 2021	**629**	**3,738**	**16**	**216**	**4,599**

(1) 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:

(In ₹ crore)

Particulars	As at	
	September 30, 2022	March 31, 2022
Current lease liabilities	950	872
Non-current lease liabilities	5,572	4,602
Total	**6,522**	**5,474**

2.20 BASIC AND DILUTED SHARES USED IN COMPUTING EARNINGS PER EQUITY SHARE

Accounting policy

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Group by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Group by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

2.21 CONTINGENT LIABILITIES AND COMMITMENTS

Accounting policy

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

(In ₹ crore)

Particulars	**As at**	
	September 30, 2022	**March 31, 2022**
Contingent liabilities :		
Claims against the Group, not acknowledged as debts[(1)]	4,708	4,641
[Amount paid to statutory authorities ₹6,007 crore *(₹6,006 crore)*]		
Commitments :		
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)[(2)]	695	1,245
Other commitments*	93	28

** Uncalled capital pertaining to investments*

[(1)] As at September 30, 2022 and March 31, 2022, claims against the Group not acknowledged as debts in respect of income tax matters amounted to ₹4,025 crore and ₹4,001 crore, respectively.

The claims against the Group primarily represent demands arising on completion of assessment proceedings under the Income Tax Act, 1961. These claims are on account of multiple issues of disallowances such as disallowance of profits earned from STP Units and SEZ Units, disallowance of deductions in respect of employment of new employees under section 80JJAA, disallowance of expenditure towards software being held as capital in nature, payments made to Associated Enterprises held as liable for withholding of taxes. These matters are pending before various Appellate Authorities and the Management including its tax advisors expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Group's financial position and results of operations.

Amount paid to statutory authorities against the tax claims amounted to ₹5,996 crore and ₹5,996 crore as at September 30, 2022 and March 31, 2022, respectively.

[(2)] Capital contracts primarily comprises of commitments for infrastructure facilities and computer equipments.

Legal Proceedings

The Group is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Group’s management reasonably expects that these legal actions, when ultimately concluded and determined, will not have a material and adverse effect on the Group’s results of operations or financial condition.

2.22 RELATED PARTY TRANSACTIONS

Refer to the Company's Annual Report for the year ended March 31, 2022 for the full names and other details of the Company's subsidiaries and controlled trusts.

Changes in Subsidiaries

During the six months ended September 30, 2022, the following are the changes in the subsidiaries:

- Infosys Consulting S.R.L. (Argentina) (formerly a Wholly-owned subsidiary of Infosys Consulting Holding AG) became the majority owned and controlled subsidiary of Infosys Limited with effect from April 1, 2022.
- On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH (“Kristall”)) (a wholly owned subsidiary of Infosys Consulting Pte. Ltd) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH along with its subsidiary oddity code d.o.o., and oddity GmbH along with its two subsidiaries oddity (Shanghai) Co. Ltd., oddity Limited(Taipei).
- Panaya GmbH renamed as Infosys Financial Services GmbH.
- Infosys Arabia Limited, a majority owned and controlled subsidiary of Infosys Limited is under liquidation.
- Infosys Public Services Canada Inc., a wholly owned subsidiary of Infosys Public Services Inc. was incorporated on July 8, 2022.
- On September 1, 2022, Infosys Consulting Pte. Ltd. (a Wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S along with its seven subsidiaries BASE life science AG, BASE life science GmbH, BASE life science Ltd., BASE life science S.A.S., BASE life science S.r.l., Innovisor Inc. and BASE life science Inc.
- BASE life science SL., a wholly owned subsidiary of BASE life science A/S was incorporated on September 6, 2022

Change in key management personnel

The following are the changes in the key management personnel:

- Ravi Kumar S resigned effective October 11, 2022

Transaction with key management personnel:

The table below describes the compensation to key management personnel which comprise directors and executive officers:

(In ₹ crore)

Particulars	Three months ended September 30,		Six months ended September 30,	
	2022	2021	2022	2021
Salaries and other employee benefits to whole-time directors and executive officers (1)(2)	43	36	75	73
Commission and other benefits to non-executive/independent directors	3	3	7	5
Total	**46**	**39**	**82**	**78**

(1) Total employee stock compensation expense for the three months ended September 30, 2022 and September 30, 2021 includes a charge of ₹24 crore and ₹17 crore, respectively, towards key managerial personnel. For the six months ended September 30, 2022 and September 30, 2021 includes a charge of ₹41 crore and ₹34 crore, respectively, towards key managerial personnel. (Refer to Note 2.11)

(2) Does not include post-employment benefit based on actuarial valuation as this is done for the Company as a whole.

2.23 SEGMENT REPORTING

Ind AS 108, Operating segments, establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Group's operations predominantly relate to providing end-to-end business solutions to enable clients to enhance business performance. The Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the accounting policies.

Business segments of the Group are primarily enterprises in Financial Services and Insurance, enterprises in Manufacturing, enterprises in Retail, Consumer Packaged Goods and Logistics, enterprises in the Energy, Utilities, Resources and Services, enterprises in Communication, Telecom OEM and Media, enterprises in Hi-Tech, enterprises in Life Sciences and Healthcare and all other segments. The Financial services reportable segments has been aggregated to include the Financial Services operating segment and Finacle operating segment because of the similarity of the economic characteristics. All other segments represent the operating segments of businesses in India, Japan, China, Infosys Public Services & other enterprises in Public Services.

Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment. Revenue for 'all other segments' represents revenue generated by Infosys Public services and revenue generated from customers located in India, Japan and China and other enterprises in Public services. Allocated expenses of segments include expenses incurred for rendering services from the Group's offshore software development centers and on-site expenses, which are categorized in relation to the associated efforts of the segment. Certain expenses such as depreciation and amortization, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying assets are used interchangeably. The Management believes that it is not practical to provide segment disclosures relating to those costs and expenses, and accordingly these expenses are separately disclosed as "unallocated" and adjusted against the total income of the Group.

Assets and liabilities used in the Group's business are not identified to any of the reportable segments, as these are used interchangeably between segments. The Management believes that it is currently not practicable to provide segment disclosures relating to total assets and liabilities since a meaningful segregation of the available data is onerous.

Business segment revenue information is collated based on individual customers invoiced or in relation to which the revenue is otherwise recognized.

Disclosure of revenue by geographic locations is given in note 2.16 Revenue from operations.

Business Segments

Three months ended September 30, 2022 and September 30, 2021:

(In ₹ crore)

Particulars	Financial Services (1)	Retail (2)	Communication (3)	Energy, Utilities, Resources and Services	Manufacturing	Hi-Tech	Life Sciences (4)	All other segments (5)	Total
Revenue from operations	11,148	5,183	4,501	4,498	4,686	2,971	2,452	1,099	36,538
	9,566	*4,330*	*3,668*	*3,501*	*3,219*	*2,511*	*2,103*	*704*	*29,602*
Identifiable operating expenses	6,424	2,661	2,763	2,439	3,066	1,764	1,406	692	21,215
	5,346	*2,102*	*2,213*	*1,866*	*1,886*	*1,507*	*1,196*	*571*	*16,687*
Allocated expenses	1,913	944	773	808	828	483	404	268	6,421
	1,576	*725*	*639*	*618*	*609*	*385*	*319*	*213*	*5,084*
Segment profit	**2,811**	**1,578**	**965**	**1,251**	**792**	**724**	**642**	**139**	**8,902**
	2,644	*1,503*	*816*	*1,017*	*724*	*619*	*588*	*(80)*	*7,831*
Unallocable expenses									1,029
									859
Other income, net *(Refer to Note 2.17)*									584
									524
Finance cost									66
									48
Profit before tax									**8,391**
									7,448
Income tax expense									2,365
									2,020
Net Profit									**6,026**
									5,428
Depreciation and amortization									1,029
									859
Non-cash expenses other than depreciation and amortization									—
									—

Six months ended September 30, 2022 and September 30, 2021:

(In ₹ crore)

Particulars	Financial Services [(1)]	Retail [(2)]	Communication [(3)]	Energy, Utilities, Resources and Services	Manufacturing	Hi-Tech	Life Sciences [(4)]	All other segments [(5)]	Total
Revenue from operations	*21,710*	*10,187*	*8,965*	*8,757*	*8,858*	*5,783*	*4,709*	*2,039*	71,008
	18,783	*8,505*	*7,071*	*6,871*	*5,922*	*4,821*	*3,994*	*1,531*	*57,498*
Identifiable operating expenses	12,280	5,186	5,630	4,715	6,039	3,439	2,740	1,354	41,383
	10,659	*4,099*	*4,293*	*3,620*	*3,424*	*2,888*	*2,213*	*1,053*	*32,249*
Allocated expenses	3,865	1,886	1,576	1,646	1,642	948	792	505	12,860
	3,122	*1,421*	*1,255*	*1,213*	*1,148*	*747*	*622*	*459*	*9,987*
Segment operating income	**5,565**	**3,115**	**1,759**	**2,396**	**1,177**	**1,396**	**1,177**	**180**	**16,765**
	5,002	*2,985*	*1,523*	*2,038*	*1,350*	*1,186*	*1,159*	*19*	*15,262*
Unallocable expenses									1,979
									1,687
Other income, net *(Refer to Note 2.17)*									1,260
									1,146
Finance cost									121
									98
Profit before tax									**15,925**
									14,623
Income tax expense									4,537
									3,994
Net Profit									**11,388**
									10,629
Depreciation and amortization expense									1,979
									1,687
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, 2022 and September 30, 2021, 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,	
		2022	**2021**	**2022**	**2021**
Revenue from operations	2.16	36,538	29,602	71,008	57,498
Cost of Sales		25,412	19,806	49,781	38,312
Gross profit		**11,126**	**9,796**	**21,227**	**19,186**
Operating expenses					
Selling and marketing expenses		1,486	1,235	2,979	2,483
General and administration expenses		1,767	1,589	3,462	3,128
Total operating expenses		**3,253**	**2,824**	**6,441**	**5,611**
Operating profit		**7,873**	**6,972**	**14,786**	**13,575**
Other income, net	2.17	584	524	1,260	1,146
Finance cost		66	48	121	98
Profit before tax		**8,391**	**7,448**	**15,925**	**14,623**
Tax expense:					
Current tax	2.15	2,482	1,987	4,832	3,923
Deferred tax	2.15	(117)	33	(295)	71
Profit for the period		**6,026**	**5,428**	**11,388**	**10,629**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset, net		40	14	(46)	(19)
Equity instruments through other comprehensive income, net		4	40	7	41
		44	**54**	**(39)**	**22**
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedge, net		(12)	6	14	11
Exchange differences on translation of foreign operations, net		(14)	(166)	39	124
Fair value changes on investments, net		26	55	(346)	93
		—	**(105)**	**(293)**	**228**
Total other comprehensive income / (loss), net of tax		**44**	**(51)**	**(332)**	**250**
Total comprehensive income for the period		**6,070**	**5,377**	**11,056**	**10,879**
Profit attributable to:					
Owners of the Company		6,021	5,421	11,381	10,616
Non-controlling interests		5	7	7	13
		6,026	**5,428**	**11,388**	**10,629**
Total comprehensive income attributable to:					
Owners of the Company		6,068	5,375	11,054	10,866
Non-controlling interests		2	2	2	13
		6,070	**5,377**	**11,056**	**10,879**

for and on behalf of the Board of Directors of Infosys Limited

Nandan M. Nilekani *Chairman*	Salil Parekh *Chief Executive Officer and Managing Director*	D. Sundaram *Director*
Nilanjan Roy *Chief Financial Officer*	Jayesh Sanghrajka *Executive Vice President and Deputy Chief Financial Officer*	A.G.S. Manikantha *Company Secretary*

Bengaluru

October 13, 2022