

INFOSYS TECHNOLOGIES LIMITED					in Rs.
STATEMENT OF CASH FLOWS	Quarter ended December 31,		Nine months ended December 31,		Year ended March 31, 2000
	2000	1999	2000	1999	
Cash flows from operations					
Profit before tax	185,83,07,490	83,98,54,793	492,60,48,818	227,80,19,434	325,64,85,819
Non-operating income	(14,13,12,785)	(6,26,62,058)	(47,80,59,463)	(28,14,43,096)	(36,62,06,181)
Profit on sale of fixed assets	(7,87,388)	(4,06,879)	(7,87,388)	(8,70,656)	(8,73,015)
Provision for long-term investments	13,08,00,000	-	13,08,00,000	-	-
Increase (decrease) in provision for contingencies	-	(1,05,17,012)	-	2,27,82,988	(6,66,00,000)
Increase (decrease) in provision for e-inventing the Company	-	(2,08,21,326)	(39,00,977)	1,41,78,674	39,00,977
Depreciation, depletion and amortization	33,01,92,680	14,47,99,080	74,99,31,944	34,52,40,998	53,23,27,389
Decrease (increase) in sundry debtors	(60,90,55,865)	(4,88,85,406)	(167,78,43,358)	(53,84,06,785)	(51,65,92,828)
Decrease (increase) in loans and advances	(8,27,15,875)	(9,21,43,936)	(21,45,10,572)	(26,95,41,820)	(41,49,70,588)
Increase (decrease) in current liabilities and provisions	(1,40,20,268)	(70,61,317)	74,78,95,908	17,00,06,537	42,26,37,450
Income taxes paid	(31,31,33,686)	(11,69,30,617)	(63,56,65,477)	(25,53,68,098)	(35,53,53,877)
Net cash from operations	115,82,74,303	62,52,25,322	354,39,09,435	148,45,98,176	249,47,55,146
Cash flows from financing					
Proceeds from conversion of options	72,13,119	-	82,14,625	-	1,76,25,277
Expenses relating to issue of American Depository Shares (ADS)	-	(21,00,000)	-	(2,26,30,090)	(2,35,06,514)
Expenses relating to issue of ADS linked stock options	-	-	-	-	(1,01,93,113)
Dividends paid (including dividend tax)	(20,17,61,670)	(11,01,21,102)	(42,20,05,883)	(19,92,57,109)	(19,92,57,109)
Net cash used for financing	(19,45,48,551)	(11,22,21,102)	(41,37,91,258)	(22,18,87,199)	(21,53,31,459)
Cash flows from investing					
Income from investments	10,68,10,037	6,87,87,893	27,26,13,143	18,98,10,230	26,68,79,106
Proceeds on the sale of fixed assets	18,31,825	4,06,879	20,69,586	9,78,588	10,20,400
Purchases of fixed assets	(125,15,71,385)	(46,98,20,540)	(325,00,86,025)	(106,74,37,021)	(159,87,03,617)
Long-term investments	(3,67,46,692)	-	(26,63,64,960)	-	(13,08,00,000)
Net cash used for investing	(117,96,76,215)	(40,06,25,768)	(324,17,68,256)	(87,66,48,203)	(146,16,04,111)
Effect of exchange differences on translation of foreign currency deposit maintained abroad	3,44,48,919	(61,25,835)	20,54,46,320	9,16,32,866	9,93,27,075
Total increase (decrease) in cash and cash equivalents during the period	(18,15,01,544)	10,62,52,617	9,37,96,241	47,76,95,640	91,71,46,651
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	535,90,35,380	453,80,33,967	508,37,37,595	416,65,90,944	416,65,90,944
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	517,75,33,836	464,42,86,584	517,75,33,836	464,42,86,584	508,37,37,595

Note: During the nine months ended December 31, 2000, the Company transferred intellectual property rights in Onscan – a web focussed wireless-enabled notification product, to Onscan Inc., USA, a company incubated by Infosys as part of its ongoing effort to encourage and promote entrepreneurs amongst its employees. The product was transferred for a gross consideration of Rs.8.93 crore (US\$ 2 million) received as equity, preferred voting and preferred non-voting securities in Onscan Inc. and accordingly, is not considered in this statement of cash flows.

This is the Cash Flow Statement referred to in our report of even date.

for Bharat S Raut & Co.
Chartered Accountants

Balaji Swaminathan
Partner

N.R. Narayana Murthy
Chairman and
Chief Executive Officer

Nandan M. Nilekani
Managing Director, President
and Chief Operating Officer

Deepak M. Satwalekar
Director

Ramesh Vangal
Director

Prof. Marti G. Subrahmanyam
Director

Phillip Yeo
Director

Jitendra Vir Singh
Director

Omkar Goswami
Director

S. Gopalakrishnan
Deputy Managing Director

K. Dinesh
Director

S.D. Shibulal
Director

T.V. Mohandas Pai
Director and Chief Financial Officer

Phaneesh Murthy
Director

Srinath Batni
Director

V. Viswanathan
Company Secretary

Bangalore
January 09, 2001

INFOSYS TECHNOLOGIES LIMITED					in Rs.
Reconciliation of Balance Sheet items with cash flow items	Quarter ended December 31,		Nine months ended December 31,		Year ended
	2000	1999	2000	1999	March 31, 2000
Non-operating income					
Other income as per Profit and Loss Account	14,47,31,965	7,11,00,819	49,16,27,114	30,48,32,499	39,14,11,095
Less: Income from operating activities	(26,31,792)	(80,31,882)	(1,27,80,263)	(2,25,18,747)	(2,43,31,899)
Profit on sale of fixed asset considered separately	(7,87,388)	(4,06,879)	(7,87,388)	(8,70,656)	(8,73,015)
Balance considered for preparing the cash flow statement	14,13,12,785	6,26,62,058	47,80,59,463	28,14,43,096	36,62,06,181
Loans and advances					
As per Balance sheet	355,39,12,507	178,21,08,869	355,39,12,507	178,21,08,869	210,12,77,161
Less: Deposits with financial institutions/body corporate, included in cash equivalents	(152,67,65,164)	(69,19,44,497)	(152,67,65,164)	(69,19,44,497)	(76,58,01,865)
Advance income taxes considered separately	(102,12,57,828)	(44,42,14,197)	(102,12,57,828)	(44,42,14,197)	(54,40,96,353)
Balance considered for preparing the cash flow statement	100,58,89,515	64,59,50,175	100,58,89,515	64,59,50,175	79,13,78,943
Current liabilities and provisions					
As per Balance sheet	256,89,45,135	124,22,62,447	256,89,45,135	124,22,62,447	165,97,02,419
Less: Provision for taxation considered separately	(101,15,11,740)	(50,61,23,365)	(101,15,11,740)	(50,61,23,365)	(62,60,19,742)
Provision for dividend considered separately	-	-	-	-	(19,84,18,210)
Provision for dividend tax considered separately	-	-	-	-	(2,18,26,003)
Provision for contingencies	-	(8,93,82,988)	-	(8,93,82,988)	-
Provision for e-inventing the Company	-	(1,41,78,674)	-	(1,41,78,674)	(39,00,977)
Balance considered for preparing the cash flow statement	155,74,33,395	63,25,77,420	155,74,33,395	63,25,77,420	80,95,37,487
Income taxes paid					
As per Profit and Loss Account	19,50,00,000	10,20,00,000	50,96,00,000	27,70,00,000	39,70,00,000
Add: Provision for tax on sale of intellectual property rights	-	-	3,43,96,000	-	-
Decrease(increase) in balance in provision for taxes account	(5,69,47,253)	(10,14,38,084)	(38,54,91,998)	(27,47,65,877)	(39,46,62,254)
Increase(decrease) in balance in advance income tax account	17,50,80,939	11,63,68,701	47,71,61,475	25,31,33,975	35,30,16,131
Balance considered for preparing the cash flow statement	31,31,33,686	11,69,30,617	63,56,65,477	25,53,68,098	35,53,53,877
Purchases of fixed assets					
As per Balance sheet	69,62,40,707	32,04,12,874	221,85,33,772	65,39,65,870	117,79,35,912
Add: Closing capital work-in-progress	160,11,55,758	56,23,06,951	160,11,55,758	56,23,06,951	56,96,03,505
Less: Opening capital work-in-progress	(104,58,25,080)	(41,28,99,285)	(56,96,03,505)	(14,88,35,800)	(14,88,35,800)
Balance considered for preparing the cash flow statement	125,15,71,385	46,98,20,540	325,00,86,025	106,74,37,021	159,87,03,617
Cash and cash equivalents					
As per Balance sheet	365,07,68,672	395,23,42,087	365,07,68,672	395,23,42,087	431,79,35,730
Add: Deposits with financial institutions/body corporate considered herein	152,67,65,164	69,19,44,497	152,67,65,164	69,19,44,497	76,58,01,865
Balance considered for preparing the cash flow statement	517,75,33,836	464,42,86,584	517,75,33,836	464,42,86,584	508,37,37,595

This is the Cash Flow Statement referred to in our report of even date.

for Bharat S Raut & Co.
Chartered Accountants

Balaji Swaminathan Partner	N.R. Narayana Murthy Chairman and Chief Executive Officer	Nandan M. Nilekani Managing Director, President and Chief Operating Officer	Deepak M. Satwalekar Director
Ramesh Vangal Director	Prof. Marti G. Subrahmanyam Director	Phillip Yeo Director	Jitendra Vir Singh Director
Omkar Goswami Director	S. Gopalakrishnan Deputy Managing Director	K. Dinesh Director	S.D. Shibulal Director
T.V. Mohandas Pai Director and Chief Financial Officer	Phaneesh Murthy Director	Srinath Batni Director	V. Viswanathan Company Secretary

Bangalore
January 09, 2001