

**INFOSYS TECHNOLOGIES LIMITED**

Consolidated cash flow statement for the

*in Rs. crore*

	Quarter ended March 31, 2003	Half year ended
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	315.74	628.14
Adjustments to reconcile profit before tax to cash provided		
By operating activities		
(Profit)/Loss on sale of fixed assets	(0.05)	(0.13)
Depreciation and amortization	53.40	103.46
Interest income	(22.80)	(43.16)
Effect of deferred taxes	(1.78)	(3.23)
Income taxes paid during the period	(59.60)	(124.26)
	<b>1</b>	
Changes in current assets and liabilities		
Sundry debtors	(27.09)	(58.92)
Loans and advances	(43.46)	(57.28)
Current liabilities and provisions	35.37	46.34
	<b>2</b>	
	<b>3</b>	
<b>NET CASH GENERATED BY OPERATING ACTIVITIES</b>	<b>249.73</b>	<b>490.96</b>
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds on exercise of stock options	2.90	10.37
Dividends paid during the period, including dividend tax	-	(82.76)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>2.90</b>	<b>(72.39)</b>
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of fixed assets and change in capital work-in-progress	(72.30)	(124.63)
Proceeds on disposal of fixed assets	0.09	0.17
Long-term investments in securities	-	-
Interest income	22.80	43.16
	<b>4</b>	
	<b>5</b>	
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(49.41)</b>	<b>(81.30)</b>
<b>Net (decrease)/increase in cash and cash equivalents during the period</b>	<b>203.22</b>	<b>337.27</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>1,481.08</b>	<b>1,347.03</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>1,684.30</b>	<b>1,684.30</b>
	<b>6</b>	
	<b>7</b>	

NOTES ON THE 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

S. Balasubrahmanyam  
Partner

N. R. Narayana Murthy  
Chairman and Chief Mentor

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

S. Gopalakrishnan  
Chief Operating Officer  
and Deputy Managing Director

Deepak M. Satwalekar  
Director

Marti G. Subrahmanyam  
Director

Omkar Goswami  
Director

Rama Bijapurkar  
Director

K. Dinesh  
Director

S. D. Shibulal  
Director

T. V. Mohandas Pai  
Director and  
Chief Financial Officer

Srinath Batni  
Director

V. Balakrishnan  
Company Secretary and  
Vice President – Finance

Bangalore  
April 10, 2003

## INFOSYS TECHNOLOGIES LIMITED

In Rs. crore

Schedules to the Statement of Cash flows	Quarter ended March 31, 2003	Half year ended
<b>1 INCOME TAXES PAID DURING THE PERIOD</b>		
Charge as per the Profit and Loss Account	56.00	113.50
Add: Increase in advance income taxes	(116.97)	(50.86)
(Increase)/Decrease in income tax provision	120.57	61.62
	<u>59.60</u>	<u>124.26</u>
<b>2 CHANGE IN LOANS AND ADVANCES DURING THE PERIOD</b>		
As per the Balance Sheet	913.46	913.46
Less: Deposits with financial institutions and body corporate, included in cash and cash equivalents	(337.76)	(337.76)
Advance income taxes separately considered	(290.44)	(290.44)
	<u>285.26</u>	<u>285.26</u>
Less: Opening balance considered	(241.80)	(227.98)
	<u>43.46</u>	<u>57.28</u>
<b>3 CHANGE IN CURRENT LIABILITIES AND PROVISIONS DURING THE PERIOD</b>		
As per the Balance Sheet	707.81	707.81
Add/		
(Less): Provisions separately considered in the cash flow Statement:		
Income taxes	(274.81)	(274.81)
Dividends	(96.05)	(96.05)
Dividend tax	(12.30)	(12.30)
	<u>324.65</u>	<u>324.65</u>
Less: Opening balance considered	(289.28)	(278.31)
	<u>35.37</u>	<u>46.34</u>
<b>4 PURCHASES OF FIXED ASSETS AND CHANGE IN CAPITAL WORK-IN-PROGRESS</b>		
Purchases during the period	81.33	139.83
Less: Opening Capital work-in-progress	(86.42)	(92.59)
Add: Closing Capital work-in-progress	77.39	77.39
	<u>72.30</u>	<u>124.63</u>
<b>5 LONG-TERM INVESTMENTS IN SECURITIES DURING THE PERIOD</b>		
As per the Balance Sheet	20.95	20.95
Less: Opening balance considered	(20.95)	(20.95)
	<u>-</u>	<u>-</u>
<b>6 CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		
As per the Balance Sheet	1,346.54	1,346.54
Add: Deposits with financial institutions and body corporate, included herein	337.76	337.76
	<u>1,684.30</u>	<u>1,684.30</u>

## 7 NOTES ON THE STATEMENT OF CASH FLOWS

- 7.1 Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing, and investing activities of the company are segregated. Cash flows in foreign currencies are accounted at average monthly exchange rates that approximate the actual rates of exchange prevailing at the dates of the transactions.
- 7.2 The balance of cash and cash equivalents includes Rs 1.60 as at March 31, 2003 set aside for payment of dividends.
- 7.3 This being the first year of presentation of consolidated cash flow statement, prior period comparatives have not been provided.