Schedules to the Financial Statements for the quarter ended June 30, 2005

22 Significant accounting policies and notes on accounts

Company overview

Infosys Technologies Limited (Infosys or the company) along with its majority owned and controlled subsidiary, Progeon Limited, India (Progeon), and wholly owned subsidiaries Infosys Technologies (Australia) Pty. Limited (Infosys Australia), Infosys Technologies (Shanghai) Co. Limited (Infosys China) and Infosys Consulting, Inc., USA (Infosys Consulting), provides leading global business solutions and information technology services. The Company provides end-to-end business solutions that leverage technology thus enabling its clients to enhance business performance. The Company's operations are to provide solutions that span the entire software life cycle encompassing consulting, design, development, re-engineering, maintenance, systems integration and package evaluation and implementation. In addition, the Company offers software products for the banking industry.

22. 1 Significant accounting policies

22.1.1. Basis of preparation of financial statements

The accompanying financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accruals basis. GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India ("ICAI"), the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India. 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.

Management evaluates all recently issued or revised accounting standards on an on-going basis.

22.1.2. Use of estimates

The preparation of the financial statements in conformity with GAAP requires Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes, post-sales customer support and the useful lives of fixed assets and intangible assets.

Management periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. An impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Actual results could differ from those estimates.

22.1.3. Revenue recognition

Revenue from software development on fixed-price, fixed-time frame contracts where there is no uncertainty as to measurement or collectability of consideration is recognized as per the percentage of completion method. On time-and-materials contracts, revenue is recognized as the related services are rendered. Cost and earnings in excess of billings are classified as unbilled revenue while billing in excess of cost and earnings is classified as unearned revenue. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current contract estimates. Annual Technical Services revenue and revenue from fixed-price maintenance contracts are recognized proportionately over the period in which services are rendered. Revenue from the sale of user licenses for software applications is recognized on transfer of the title in the user license, except in multiple element contracts, where revenue is recognized as per the percentage of completion method.

Profit on sale of investments is recorded on transfer of title from the company and is determined as the difference between the sales price and the then carrying value of the investment. Lease rentals are recognized ratably on a straight line basis over the lease term. Interest is recognized using the time-proportion method, based on rates implicit in the transaction. Dividend income is recognized when the company's right to receive dividend is established.

22.1.4. Expenditure

The cost of software purchased for use in software development and services is charged to cost of revenues in the year of acquisition. Charges relating to non-cancelable, long-term operating leases are computed primarily on the basis of the lease rentals, payable as per the relevant lease agreements. Post-sales customer support costs are estimated by management, determined on the basis of past experience. The costs provided for are carried until expiry of the related warranty period. Provisions are made for all known losses and liabilities. Leave encashment liability is determined on the basis of an actuarial valuation.

22.1.5. Fixed assets, intangible assets and capital work-in-progress

Fixed assets are stated at cost, less accumulated depreciation. Direct costs are capitalized until fixed assets are ready for use. Capital work-in-progress comprises outstanding advances paid to acquire fixed assets, and the cost of fixed assets that are not yet ready for their intended use at the balance sheet date. Intangible assets are recorded at the consideration paid for acquisition.

22.1.6. Depreciation and amortization

Depreciation on fixed assets is applied on the straight-line basis over the useful lives of assets estimated by the Management. Depreciation for assets purchased / sold during a period is proportionately charged. Individual low cost assets (acquired for less than Rs. 5,000/-) are entirely depreciated in the year of acquisition. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the company for its use. The management estimates the useful lives for the various fixed assets as follows:-

Buildings	15 years
Plant and machinery	5 years
Computer equipment	2-5 years
Furniture and fixtures	5 years
Vehicles	5 years
Intellectual property rights	1-2 years

22.1.7. Retirement benefits to employees

22.1.7.a. Gratuity

In accordance with the Payment of Gratuity Act, 1972, Infosys provides for gratuity, a defined benefit retirement plan (the “Gratuity Plan”) covering eligible employees. 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. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as of the balance sheet date, based upon which, the company contributes all the ascertained liabilities to the Infosys Technologies Limited Employees’ Gratuity Fund Trust (the “Trust”). Trustees administer contributions made to the Trust and contributions are invested in specific investments, as permitted by law.

22.1.7.b. Superannuation

Certain employees of Infosys are also participants in a defined contribution plan. Till March 2005, the company made monthly contributions under the superannuation plan (the Plan) to the Infosys Technologies Limited Employees’ Superannuation Fund Trust based on a specified percentage of each covered employee’s salary. The company had no further obligations to the Plan beyond its monthly contributions. From April 1, 2005, a substantial portion of the monthly contribution amount is paid directly to the employees as an allowance and a nominal amount is contributed to the trusts.

22.1.7.c. Provident fund

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Aggregate contributions along with interest thereon is paid at retirement, death, incapacitation or termination of employment. Both the employee and the company make monthly contributions to the Infosys Technologies Limited Employee's Provident Fund Trust equal to a specified percentage of the covered employee’s salary. Infosys also contributes to a government administered pension fund on behalf of its employees. The interest rate payable by the trust to the beneficiaries every year is being notified 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.

22.1.8. Research and development

Revenue expenditure incurred on research and development is expensed as incurred. Capital expenditure incurred on research and development is depreciated over the estimated useful lives of the related assets.

22.1.9. Foreign currency transactions

Revenue from overseas clients and collections deposited in foreign currency bank accounts are recorded at the exchange rate as of the date of the respective transactions. Expenditure in foreign currency is accounted at the exchange rate prevalent when such expenditure is incurred. Disbursements made out of foreign currency bank accounts are reported at the daily rates. Exchange differences are recorded when the amount actually received on sales or actually paid when expenditure is incurred, is converted into Indian Rupees. The exchange differences arising on foreign currency transactions are recognized as income or expense in the period in which they arise.

Fixed assets purchased at overseas offices are recorded at cost, based on the exchange rate as of the date of purchase. The charge for depreciation is determined as per the company’s accounting policy.

Monetary current assets and monetary current liabilities that are denominated in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet. The resulting difference is also recorded in the profit and loss account.

22.1.10. Forward contracts in foreign currencies

The company uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates. The use of these foreign exchange forward contracts reduces the risk or cost to the company and the company does not use the foreign exchange forward contracts for trading or speculation purposes.

The company records the gain or loss on effective hedges in the foreign currency fluctuation reserve until the transactions are complete. On completion, the gain or loss is transferred to the profit and loss account of that period. To designate a forward contract as an effective hedge, Management objectively evaluates and evidences with appropriate supporting documents at the inception of each contract whether the contract is effective in achieving offsetting cash flows attributable to the hedged risk. In the absence of a designation as effective hedge, a gain or loss is recognized in the profit and loss account.

22.1.11. Income tax

Income taxes are computed using the tax effect accounting method, where taxes are accrued in the same period the related revenue and expenses arise. A provision is made for income tax annually based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantially enacted regulations. Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date. 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 fiscal year.

22.1.12. Earnings per share

In determining earnings per share, the company considers the net profit after tax and includes the post tax effect of any extra-ordinary/exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. The number of shares and potentially dilutive equity shares are adjusted for any stock splits and bonus shares issues effected prior to the approval of the financial statements by the board of directors.

22.1.13. Investments

Trade investments are the investments made to enhance the company’s business interests. Investments are either classified as current or long-term based on the Management’s intention at the time of purchase. Current investments are carried at the lower of cost and fair value. Cost for overseas investments comprises the Indian Rupee value of the consideration paid for the investment. Long-term investments are carried at cost and provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment.

22.1.14. Cash flow statement

Cash flows are reported using the indirect method, whereby net 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, investing and financing 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.

22.2 Notes on accounts

All amounts in the financial statements are presented in Rupees crore, except for per share data and as otherwise stated. All exact amounts are stated with the suffix "/-". One crore equals 10 million.

The previous period/ year figures have been regrouped / reclassified, wherever necessary to conform to the current period's presentation.

22.2.1 Aggregate expenses

The aggregate amounts incurred on certain specific expenses that are required to be disclosed under Schedule VI to the Companies Act, 1956

	Quarter ended June 30, 2005	Quarter ended June 30, 2004	Year ended March 31, 2005
Salaries and bonus including overseas staff expenses	874.67	665.66	3,037.43
Contribution to provident and other funds	20.80	17.70	86.11
Staff welfare			
Staff welfare	1.88	1.43	10.54
Group health insurance and others	3.36	2.04	10.15
Overseas group health insurance	12.93	4.44	37.77
Overseas travel expenses	71.33	59.98	246.98
Visa charges and others	22.64	11.22	36.79
Traveling and conveyance	14.30	8.41	46.64
Technical sub-contractors - subsidiaries	80.29	58.77	252.22
Technical sub-contractors	29.83	14.18	99.67
Software packages			
for own use	32.15	20.58	111.01
for service delivery to clients	10.74	3.51	15.27
Professional charges	19.63	11.93	72.28
Telephone charges	16.24	9.72	50.32
Communication expenses	12.67	8.82	41.61
Power and fuel	14.22	8.85	40.20
Office maintenance	13.05	8.05	41.45
Guest house maintenance*	0.50	0.29	1.50
Commission charges	9.99	4.17	24.67
Brand building	9.84	5.59	33.65
Rent	8.94	7.84	33.68
Insurance charges	5.63	7.15	29.31
Computer maintenance	3.87	2.84	14.01
Printing and stationery	3.77	1.52	7.89
Consumables	3.74	2.41	13.55
Donations	3.13	4.22	21.09
Advertisements	3.07	2.23	11.75
Marketing expenses	1.51	1.12	5.86
Repairs to building	2.35	1.32	13.54
Repairs to plant and machinery	1.76	1.57	7.69
Rates and taxes	2.08	2.32	8.03
Professional membership and seminar participation fees	1.91	1.45	6.06
Postage and courier	1.84	1.37	5.05
Provision for post-sales client support and warranties	1.22	7.22	22.04
Books and periodicals	0.70	0.58	2.65
Provision for bad and doubtful debts	0.35	6.33	23.62
Provision for doubtful loans and advances	0.04	0.02	0.10
Commission to non-whole time directors	0.31	0.39	1.24
Sales promotion expenses	0.23	0.22	1.03
Freight charges	0.18	0.23	0.72
Bank charges and commission	0.16	0.24	1.09
Auditor's remuneration	-	-	-
statutory audit fees	0.09	0.09	0.36
certification charges	-	-	0.03
others	-	-	0.07
out-of-pocket expenses	0.01	0.01	0.02
Research grants	0.09	0.10	0.84
Miscellaneous expenses	1.70	2.41	6.98
	1,319.74	980.54	4,534.55

*for non training purposes

The above expenses for the quarter ended June 30, 2005 include Fringe Benefit Tax (FBT) in India amounting to Rs. 2.92 wherever applicable.

22.2.2. Capital commitments and contingent liabilities

	As at		
	June 30, 2005	June 30, 2004	March 31, 2005
Estimated amount of unexecuted capital contracts			
(net of advances and deposits)	253.14	223.34	273.42
Outstanding guarantees and counter guarantees to various banks, in respect of the guarantees given by those banks in favor of various government authorities and others	8.83	9.72	13.19
Claims against the company, not acknowledged as debts	66.19 *	4.53	16.45
Forward contracts outstanding			
In US$	US$ 259,000,000	US$ 228,000,000	US$ 349,000,000
(Equivalent approximate in Rs.)	(1,134.52)	(Rs. 1,025.07)	(Rs. 1,539.31)

* On April 15, 2005, the company received a demand from the Indian tax authorities for payment of additional tax of Rs. 49.74, including interest of Rs. 12.29, upon completion of their tax review for fiscal 2002. The tax demand is mainly on account of disallowance of a portion of the deduction to its taxable income under Indian law claimed by the company under Section 10A of the Income-tax Act. Deduction under Section 10A of the Income-tax Act is determined by the ratio of "Export Turnover" to "Total Turnover". The disallowance arose from certain expenses incurred in foreign currency being reduced from Export Turnover but not also reduced from Total Turnover.

The company is contesting the demand and management, including its tax advisers, believes that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. Management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and results of operations

22.2.3 Quantitative details

The company is primarily engaged in the development and maintenance of computer software. The production and sale of such software cannot be expressed in any generic unit. Hence, it is not possible to give the quantitative details of sales and certain information as required under paragraphs 3, 4C and 4D of part II of Schedule VI to the Companies Act, 1956.

22.2.4. Imports (valued on the cost, insurance and freight basis)

	Quarter ended		Year ended
	June 30, 2005	June 30, 2004	March 31, 2005
Capital goods	46.65	35.92	130.87
Software packages	0.19	1.62	9.18
	46.84	**37.54**	**140.05**

22.2.5. Activity in foreign currency

	Quarter ended		Year ended
	June 30, 2005	June 30, 2004	March 31, 2005
Earnings in foreign currency (on receipts basis)			
Income from software services and products	2,045.64	1,255.46	6,103.02
Interest received on deposits with banks	0.45	0.25	2.00
Expenditure in foreign currency (on payments basis)			
Travel expenses	72.93	53.30	204.38
Professional charges	6.14	6.63	29.74
Technical Sub-Contractors - Subsidiaries	71.07	56.37	265.85
Other expenditure incurred overseas for software development	631.70	547.18	2,262.99
Net earnings in foreign currency (on the receipts and payments basis)			
Net earnings in foreign exchange	1,264.25	592.23	3,342.06

22.2.6. Obligations on long-term, non-cancelable operating leases

The lease rentals charged during the year and maximum obligations on long-term non-cancelable operating leases payable as per the rentals stated in the respective agreements:-

	Quarter ended		Year ended
	June 30, 2005	June 30, 2004	March 31, 2005
Lease rentals recognized during the period/ year	8.94	7.84	33.68

Lease obligations	Quarter ended		Year ended
	June 30, 2005	June 30, 2004	March 31, 2005
Within one year of the balance sheet date	21.16	24.54	19.51
Due in a period between one year and five years	77.54	46.82	64.72
Due after five years	39.73	3.81	23.99
	138.43	**75.17**	**108.22**

The operating lease arrangements extend upto a maximum of ten years from their respective dates of inception and relates to rented overseas premises and car rentals. Some of these lease agreements have price escalation clause.

Fixed assets stated provided on operating lease to **Progeon,** a subsidiary company, as at June 30, 2005 and 2004 and *March 31, 2005*:-

Particulars	Cost	Accumulated depreciation	Net book value
Building	12.57	3.04	9.53
	12.57	2.21	10.36
	12.57	*2.83*	*9.74*
Plant and machinery	5.63	3.82	1.81
	5.45	3.18	2.27
	5.63	*3.64*	*1.99*
Computers	1.29	1.26	0.03
	1.25	1.15	0.10
	1.29	*1.24*	*0.05*
Furniture & fixtures	9.47	7.06	2.41
	9.43	5.87	3.56
	9.47	*6.83*	*2.64*
Total	**28.96**	**15.18**	**13.78**
	28.70	12.41	16.29
	28.96	*14.54*	*14.42*

The aggregate depreciation charged on the above during the quarter ended June 30, 2005 amounted to Rs. 0.64 (for the quarter ended June 30, 2004 and year ended March 31, 2005 was Rs. 0.91 and Rs. 3.19).

The company has non-cancelable operating leases on equipped premises leased to Progeon. The leases extend for periods between 36 months and 70 months from the date of inception. The lease rentals received are included as a component of sale of services (refer note 22.2.7). Lease rental commitments from Progeon:-

Lease rentals	As at June 30, 2005	June 30, 2004	March 31, 2005
Within one year of the balance sheet date	6.09	6.80	5.63
Due in a period between one year and five years	5.77	6.37	4.35
Due after five years	-	-	-
	11.86	**13.17**	**9.98**

The rental income from Progeon for the quarter ended June 30, 2005 amounted to Rs. 2.67 (for the quarter ended June 30, 2004 Rs.1.86 and for the year ended March 31, 2005 Rs. 8.43).

22.2.7. Related party transactions

List of related parties:

Name of the related party	Country	Holding as at June 30, 2005
Progeon Limited	India	73.42%
Infosys Technologies (Australia), Pty Limited	Australia	100%
Infosys Technologies (Shanghai) Co. Limited	China	100%
Infosys Consulting, Inc.	USA	100%
Progeon s. r. o	Czech Republic	100%

The details of the related party transactions entered into by the company, in addition to the lease commitments described in note 22.2.6, for the quarter ended June 30, 2005 and 2004 and year ended *March 31, 2005*:-

Particulars	Progeon	Infosys Australia	Infosys China	Infosys Consulting
Capital transactions:				
Financing transactions	-	-	-	-
	-	-	-	21.97
	-	-	*18.46*	*44.87*
Revenue transactions:				
Purchase of services	0.42	56.96	1.76	21.40
	0.12	59.36	-	-
	2.04	*233.60*	*3.46*	*13.50*
Purchase of shared services including facilities and personnel	0.28	-	-	-
	-	-	-	-
	0.51	-	-	-
Sale of services	-	1.86	0.48	0.44
	0.04	0.12	-	-
	0.13	-	-	*1.34*
Sale of shared services including facilities and personnel	4.44	-	-	0.98
	3.80	-	-	0.08
	14.06	-	-	-

Details of amounts due to or due from and maximum dues from subsidiaries for the quarter ended June 30, 2005 and 2004 and year ended *March 31, 2005:*

Particulars	Progeon	Infosys Australia	Infosys China	Infosys Consulting
Sundry Debtors	-	-	-	-
	-	0.13	-	-
	-	-	-	-
Sundry Creditors	-	-	1.55	-
	1.61	16.46	-	-
	-	-	*0.94*	-
Loans and advances	-	-	-	-
	-	-	0.98	-
	-	-	*2.24*	-
Maximum balances of loans and advances	1.61	-	2.56	2.54
	-	-	-	-
	0.45	-	*2.95*	*1.44*

During the quarter ended June 30, 2005, an amount of Rs. 3.00 (for the quarter ended June 30, 2004 Rs. 4.00 and for the year ended March 31, 2005 Rs.15.00) has been donated to Infosys Foundation, a not-for-profit foundation, in which certain directors of the company are trustees.

22.2.8. Transactions with key management personnel

Key management personnel comprise our directors and statutory officers.

Particulars of remuneration and other benefits paid to key management personnel during the quarter ended June 30, 2005 and 2004 and year ended *March 31, 2005:*

Name	Salary	Contributions to provident and other funds	Perquisites and incentives	Total Remuneration
Chairman and Chief Mentor				
N R Narayana Murthy	0.03	0.01	0.06	0.10
	0.03	0.01	0.04	0.08
	0.12	*0.04*	*0.15*	*0.31*
Chief Executive Officer, President and Managing Director				
Nandan M Nilekani	0.03	0.01	0.06	0.10
	0.03	0.01	0.04	0.08
	0.12	*0.04*	*0.16*	*0.32*
Chief Operating Officer and Deputy Managing Director				
S Gopalakrishnan	0.03	0.01	0.07	0.11
	0.03	0.01	0.04	0.08
	0.12	*0.05*	*0.15*	*0.32*
Whole-time Directors				
K Dinesh	0.03	0.01	0.05	0.09
	0.03	0.01	0.04	0.08
	0.12	*0.04*	*0.15*	*0.31*
S D Shibulal	0.22	-	-	0.22
	0.19	-	0.11	0.30
	0.82	*-*	*0.32*	*1.14*
T V Mohandas Pai *Chief Financial Officer*	0.05	0.02	0.11	0.18
	0.04	0.02	0.09	0.15
	0.17	*0.05*	*0.36*	*0.58*
Srinath Batni	0.04	0.01	0.09	0.14
	0.04	0.02	0.08	0.14
	0.16	*0.06*	*0.32*	*0.54*
Other Senior Management Personnel				
V Balakrishnan, *Company Secretary*	0.03	0.01	0.14	0.18
	0.03	0.01	0.11	0.15
	0.12	*0.04*	*0.39*	*0.55*

Name	Commission	Sitting fees	Reimbursement of expenses	Total remuneration
Non-Whole time Directors				
Deepak M Satwalekar	0.04	0.01	-	0.05
	0.05	-	0.01	0.06
	0.18	*-*	*0.01*	*0.19*
Marti G Subrahmanyam	0.04	-	0.05	0.09
	0.05	-	0.03	0.08
	0.16	*-*	*0.05*	*0.21*
Philip Yeo	0.03	-	-	0.03
	0.05	-	-	0.05
	0.12	*-*	*-*	*0.12*
Omkar Goswami	0.04	-	0.01	0.05
	0.05	-	0.01	0.06
	0.16	*-*	*0.01*	*0.17*
Larry Pressler	0.04	-	-	0.04
	0.05	-	-	0.05
	0.15	*-*	*-*	*0.15*
Rama Bijapurkar	0.04	-	-	0.04
	0.04	0.01	-	0.05
	0.16	*0.01*	*0.01*	*0.18*
Claude Smadja	0.04	-	0.03	0.07
	0.05	-	0.02	0.07
	0.16	*0.01*	*0.13*	*0.30*
Sridar A Iyengar	0.04	-	0.07	0.11
	0.05	-	0.04	0.09
	0.16	*-*	*0.10*	*0.26*

22.2.9. Research and development expenditure

	Quarter ended June 30, 2005	Quarter ended June 30, 2004	Year ended March 31, 2005
Capital	-	-	-
Revenue	26.05	13.93	74.39
	26.05	**13.93**	**74.39**

22.2.10. Dues to small-scale industrial undertakings

As at June 30, 2005 and 2004 and March 31, 2005, the company has no outstanding dues to small-scale industrial undertaking.

22.2.11. Stock option plans

The company currently has three stock option plans.

1994 Stock Option Plan ("the 1994 Plan")

The 1994 plan lapsed in fiscal 2000 and consequently, no further grants have since been made.

1998 Stock Option Plan ("the 1998 Plan")

The 1998 Plan was approved by the board of directors in December 1997 and by the shareholders in January 1998, and is for issue of 58,80,000 ADSs representing 58,80,000 equity shares. The 1998 Plan automatically expires in January 2008, unless terminated earlier. All options under the 1998 Plan are exercisable for ADSs representing equity shares. A compensation committee comprising independent members of the board of directors administers the 1998 Plan. All options have been granted at 100% of fair market value.

Number of options granted, exercised and forfeited during the	Quarter ended June 30, 2005	Quarter ended June 30, 2004	Year ended March 31, 2005
Options outstanding, beginning of period/ year	30,54,290	38,71,010	38,71,010
Granted	-	-	-
Less: exercised	85,482	21,628	5,85,800
forfeited	14,340	1,07,906	2,30,920
Options outstanding, end of period/ year	**29,54,468**	**37,41,476**	**30,54,290**

1999 Stock Option Plan ("the 1999 Plan")

In fiscal 2000, the company instituted the 1999 Plan. The shareholders and the board of directors approved the plan in June 1999, which provides for the issue of 2,64,00,000 equity shares to the employees. The compensation committee administers the 1999 Plan. Options will be issued to employees at an exercise price that is not less than the fair market value.

Number of options granted, exercised and forfeited during the	Quarter ended June 30, 2005	Quarter ended June 30, 2004	Year ended March 31, 2005
Options outstanding, beginning of period / year	1,40,54,937	1,83,62,120	1,83,62,120
Granted	-	-	-
Less: exercised	7,66,836	8,86,284	34,20,525
forfeited	56,980	3,13,704	8,86,658
Options outstanding, end of period/ year	**1,32,31,121**	**1,71,62,132**	**1,40,54,937**

The aggregate options considered for dilution are set out in note 22.2.20

22.2.12. Income taxes

The provision for taxation includes tax liabilities in India on the company's global income as reduced by exempt incomes and any tax liabilities arising overseas on income sourced from those countries.

Most of Infosys' operations are conducted through Software Technology Parks ("STPs"). Income from STPs are tax exempt for the earlier of 10 years commencing from the fiscal year in which the unit commences software development, or March 31, 2009.

22.2.13. Cash and bank balances

Details of balances as on balance sheet dates and the maximum balances during the period/ year with non-scheduled banks:-

Balances with non-scheduled banks	As at		
	June 30, 2005	June 30, 2004	March 31, 2005
In current accounts			
ABN Amro Bank , Taipei, Taiwan	0.02	0.96	0.02
Bank of America, Palo Alto, USA	123.94	217.38	125.34
Bank of China, Beijing, China	0.05	0.02	0.02
Citibank NA, Melbourne, Australia	1.00	9.01	2.91
Citibank NA, Hong Kong	0.11	0.01	-
Citibank NA, Singapore	0.29	0.47	0.35
Citibank NA, Tokyo, Japan	2.16	0.54	2.02
Citibank NA, Sharjah, UAE	0.14	0.05	0.03
Deutsche Bank, Brussels, Belgium	1.13	1.44	0.57
Deutsche Bank, Frankfurt, Germany	4.86	10.90	6.04
Deutsche Bank, Amsterdam, Netherlands	0.60	0.05	0.15
Deutsche Bank, Paris, France	1.65	0.65	1.22
Deutsche Bank, Zurich, Switzerland	4.35	4.33	4.20
HSBC Bank PLC, Croydon, UK	4.17	16.69	4.75
ICICI Bank UK Ltd., London, UK	14.14	-	29.43
ICICI Bank - Toronto, Canada	5.04	-	2.39
Nordbanken, Stockholm, Sweden	0.06	0.02	0.12
Nova Scotia Bank, Toronto, Canada	-	6.31	-
Royal Bank of Canada, Toronto, Canada	4.85	0.79	10.32
UFJ Bank, Tokyo, Japan	0.32	0.29	0.32
Svenska Handels Bank, Stockholm, Sweden	0.63	0.60	0.35
	169.51	**270.51**	**190.54**

Maximum balance with non-scheduled banks during the period/ year	Quarter ended		Year ended
	June 30, 2005	June 30, 2004	March 31, 2005
In current accounts			
ABN Amro Bank, Taipei, Taiwan	0.02	0.96	0.96
Bank of America, Palo Alto, USA	270.72	217.38	252.58
Bank of China, Beijing China	0.08	0.07	0.10
Bank of Melbourne, Melbourne, Australia	-	0.23	0.23
Citibank NA, Melbourne, Australia	53.53	51.32	75.12
Citibank NA, Hong Kong	0.25	0.11	0.35
Citibank NA, Singapore	0.37	0.48	0.48
Citibank NA, Sydney, Australia	-	0.04	0.04
Citibank NA, Tokyo, Japan	12.27	6.67	9.71
Citibank NA, Sharjah, UAE	0.15	0.12	0.19
Deutsche Bank, Brussels, Belgium	31.06	14.54	33.16
Deutsche Bank, Frankfurt, Germany	26.26	27.19	47.72
Deutsche Bank, Amsterdam, Netherlands	1.01	1.05	1.05
Deutsche Bank, Paris, France	4.05	3.33	3.96
Deutsche Bank, Zurich, Switzerland	7.60	0.58	9.01
HSBC Bank PLC, Croydon, UK	59.37	47.30	47.30
ICICI Bank UK Ltd., London, UK	33.48	-	30.87
ICICI Bank - Toronto, Canada	6.71	-	2.45
Merrill Lynch Esop A/C - Fremont, USA	-	2.50	28.57
Nordbanken, Stockholm, Sweden	0.12	0.09	0.27
Nova Scotia Bank, Toronto, Canada	0.01	6.31	8.68
Royal Bank of Canada, Toronto, Canada	11.24	8.20	17.41
Svenska Handels Bank, Stockholm, Sweden	1.35	2.95	2.95
UFJ Bank, Tokyo, Japan	4.23	0.71	0.71

The cash and bank balances include interest accrued but not due on fixed deposits amounting to Rs. 11.41 for the quarter ended June 30, 2005 (for the quarter ended June 30, 2004 Rs.3.73 and for the year ended March 31, 2005 Rs. 9.93).

22.2.14. Loans and advances

"Advances" mainly comprises prepaid travel and per-diem expenses and advances to vendors.

Deposits with financial institutions:-

	As at		
	June 30, 2005	June 30, 2004	March 31, 2005
Deposits with financial institutions:			
Housing Development Finance Corporation Limited ("HDFC")	201.16	201.36	201.54
Life Insurance Corporation of India	104.71	-	66.39
	305.87	**201.36**	**267.93**
Interest accrued but not due (included above)	1.16	1.36	1.54

Maximum balance held as deposits with financial institutions:-

	Quarter ended		Year ended
	June 30, 2005	June 30, 2004	March 31, 2005
Deposits with financial institutions:			
Housing Development Finance Corporation Limited ("HDFC")	201.72	201.56	201.54
Life Insurance Corporation of India	104.71	-	66.39

Mr. Deepak M Satwalekar, Director, is also Director of HDFC. Except as director in the financial institution, he has no direct interest in any transactions.

Deposit with Life Insurance Corporation of India represents amount deposited to settle employee benefit/ leave obligations as and when they arise during the normal course of business. This amount is considered as restricted cash.

22.2.15. Fixed assets

Profit / (loss) on disposal of fixed assets

	Quarter ended		Year ended
	June 30, 2005	June 30, 2004	March 31, 2005
Profit on disposal of fixed assets, included in miscellaneous income	0.05	0.07	0.36
(Loss) on disposal of fixed assets, included in miscellaneous expenses	-	-	(0.93)
Profit / (loss) on disposal of fixed assets, net	**0.05**	**0.07**	**(0.57)**

Depreciation charged to the profit and loss account relating to assets costing less than Rs. 5,000/- each

	Quarter ended		Year ended
	June 30, 2005	June 30, 2004	March 31, 2005
Charged during the period/ year	1.78	0.89	40.08

The company has entered into lease-cum-sale agreements to acquire certain properties. In accordance with the terms of these agreements, the company has the option to purchase the properties on expiry of the lease period. The company has already paid 99% of the value of the properties at the time of entering into the lease-cum-sale agreements. These amounts are disclosed as "Land - leasehold" under "Fixed assets" in the financial statements. Additionally, certain land has been purchased for which the company has possession certificate for which sale deeds are yet to be executed as at June 30, 2005.

22.2.16. Details of Investments

	As at June 30, 2005	As at June 30, 2004	As at March 31, 2005
Long- term investments			
Yantra Corporation, USA,			
Nil (20,00,000 , Nil) common stock at US$ 0.20 each, fully paid, par value US$ 0.01 each	-	1.42 *	-
Nil (1,Nil) Fully paid warrant to purchase 55,00,000 common stock, at US $ 0.19 each, exercise price of US$ 0.01 each	-	3.91 *	-
Nil (6,36,363, Nil) Series A convertible preferred stock, at US$ 0.75 each, fully paid, par value US$ 0.01 each	-	1.73 *	-
CiDRA Corporation, USA			
14,124 (12,752, 12,752) Series D convertible preferred stock at US$ 90 each, fully paid, par value US$ 0.01 each	5.13 *	5.11 *	5.11 *
72,539 (72,539, 72,539) Class A common stock, par value US$ 0.001 each	-	-	-
2,139 (2,139, 2,139) Non voting redeemable preferred stock, par value US$ 0.01 each	-	-	-
CyVera Corporation, USA			
25,641 (25,641; 25,641) , Series A preferred stock par value US$0.001	-	-	-
Asia Net Media (BVI) Ltd., the British Virgin Islands			
Nil (3,00,00,000, Nil) ordinary shares at US$ 0.05 each, fully paid, par value US$ 0.01 each	-	6.85 *	-
OnMobile Systems Inc., (formerly Onscan Inc.) USA			
1,00,000 (1,00,000, 1,00,000) common stock at US$ 0.4348 each, fully paid, par value US$ 0.001 each	0.19 *	0.20 *	0.20 *
1,00,000 (1,00,000, 1,00,000) Series A voting convertible preferred stock at US$ 0.4348 each, fully paid, par value US$ 0.001 each	0.19 *	0.20 *	0.20 *
44,00,000 (44,00,000, 44,00,000) Series A non-voting convertible preferred stock at US$ 0.4348 each, fully paid, par value US$ 0.001 each	8.55 *	8.55 *	8.55 *
M-Commerce Ventures Pte Ltd, Singapore			
100 (100, 100) ordinary shares of Singapore $ 1 each, fully paid, par value Singapore $ 1 each	-	-	-
684 (684, 684) redeemable preference shares of Singapore $ 1, fully paid, at a premium of Singapore $ 1,110 per redeemable preferred stock	2.04	2.04	2.04
216 (216, 216) redeemable preference shares of Singapore $ 1, fully paid, par value Singapore $ 1 each	-	-	-
Illumina Inc.			
5,385(0,0) common stock at USD 0.01 per share	-	-	-
The Saraswat Co-operative Bank Limited, India			
1,035 (1,035, 1,035) equity shares of Rs. 10 each, fully paid, par value Rs. 10	-	-	-
	16.10	**30.01**	**16.10**
Less: Provision for investment	14.06	27.97	14.06
	2.04	**2.04**	**2.04**

* Investments that are provided for in whole

Current investments - Liquid Mutual Funds

	Number of units as at June 30, 2005	Number of units as at June 30, 2004	Number of units as at March 31, 2005	Amount As at June 30, 2005	Amount As at June 30, 2004	Amount As at March 31, 2005
Birla Cash Plus Fund	9,24,76,122	7,49,34,010	9,24,76,122	99.95	74.97	99.95
Deutsche Bank Insta-Cash Fund	6,39,03,437	2,50,14,776	4,99,57,408	64.01	25.02	50.02
DSP Merrill Lynch Liquidity Fund	6,05,17,461	4,03,72,579	6,05,17,461	75.08	50.08	75.08
Grindlays Cash Fund	7,07,47,373	7,07,47,373	7,07,47,373	74.97	74.98	74.97
HDFC Liquid Fund	8,36,11,057	5,45,05,512	8,36,11,057	100.16	65.15	100.16
HSBC Cash Fund	7,48,98,088	4,99,83,048	7,48,98,088	74.94	49.98	74.94
JM High Liquidity Fund	9,58,96,031	7,69,31,305	7,69,31,305	95.99	76.94	76.99
Kotak Mahindra Liquid Fund	4,48,88,411	7,47,94,802	8,97,41,740	45.02	75.00	90.00
Principal Cash Management Fund	9,99,19,282	5,49,47,898	5,49,75,911	99.94	55.00	55.00
Prudential ICICI Liquid Plan	8,37,14,699	8,37,14,699	8,37,14,699	99.78	99.76	99.79
Reliance Liquid Fund Treasury Plan	5,30,22,669	3,93,95,110	5,30,22,669	85.26	59.90	85.26
SBI Insta Cash Fund	9,51,79,146	2,37,55,900	2,38,20,119	100.02	25.02	25.02
Templeton India Treasury Management Account	-	5,50,275	9,49,782	-	55.03	95.02
UTI Liquid Cash Plan	9,87,098	2,49,23,733	4,94,901	100.24	25.00	50.23
TLSM Tata Liquid Super High Inv Fund - Monthly Dividend	8,90,467	-	6,24,358	100.15	-	70.15
LICMF Liquid Fund - Dividend Plan	4,61,28,395	-	4,15,28,325	50.00	-	45.00
				1,265.51	**811.83**	**1,167.59**
At cost				975.91	410.22	732.86
At fair value				289.60	401.61	434.73
				1,265.51	**811.83**	**1,167.59**

Details of investments in and disposal of securities during the quarter ended June 30, 2005 and 2004 and year ended March 31, 2005:-

	Quarter ended June 30, 2005	Quarter ended June 30, 2004	Year ended March 31, 2005
Investment in securities			
Subsidiaries	-	21.97	63.33
Liquid Mutual funds	238.00	-	355.67
	238.00	**21.97**	**419.00**
Redemption / Disposal of Investment in securities			
Liquid Mutual funds	140.02	117.78	117.78
	140.02	**117.78**	**117.78**
Net movement in investments	**97.98**	**(95.81)**	**301.22**

Particulars of investments made during the quarter ended June 30, 2005 and 2004 and year ended March 31, 2005

Particulars of investee companies	Quarter ended June 30, 2005	Quarter ended June 30, 2004	Year ended March 31, 2005
Infosys Technologies (Shanghai) Co. Limited, China	-	-	18.46
Infosys Consulting, Inc., USA	-	21.97	44.87
	-	**21.97**	**63.33**

Conversion of Cumulative Preference shares in Progeon

Progeon had issued an aggregate of 87,50,000 0.005% Cumulative Convertible Preference shares of par value Rs. 100 each to Citicorp International Finance Corporation("CIFC") for an aggregate consideration of Rs. 93.80 as per the shareholder's agreement as of March 31, 2005. Each preference share was convertible to one equity share of par value Rs. 10/-. On June 30, 2005 CIFC exercised its rights under the shareholder's agreement and converted the preference shares to equity shares. Pursuant to the conversion, the equity share capital of Progeon increased by Rs 8.75 to Rs 33.37 and the share premium increased by Rs. 78.75 to Rs. 85.02 as of June 30, 2005. Infosys' equity holding in Progeon as of June 30, 2005 was 73.42%.

Provisions for investments

The Company evaluates all investments for any diminution in their carrying values that is other than temporary. The amount of provision made on Trade investments during the quarter ended June 30, 2005 amounted to Rs. Nil (for the quarter ended June 30, 2004Rs. Nil and for the year ended March 31, 2005 Rs. Nil).

The company provided Rs. 0.06 during the quarter ended June 30, 2005 (for the quarter ended June 30, 2004 Rs. (0.01) and for the year ended March 31, 2005 Rs. (0.10) on revision of the carrying amount of non-trade current investments to fair value.

22.2.17. Segment reporting

The company's operations predominantly relate to providing IT services, delivered to customers globally operating in various industry segments. Accordingly, IT service revenues represented along industry classes comprise the primary basis of segmental information set out in these financial statements. Secondary segmental reporting is performed on the basis of the geographical location of customers.

The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments. These are as set out in the note on significant accounting policies.

Industry segments at the company are primarily financial services comprising customers providing banking, finance and insurance services; manufacturing companies; companies in the telecommunications and the retail industries; and others such as utilities, transportation and logistics companies.
Income and direct expenses in relation to segments is categorized based on items that are individually identifiable to that segment, while the remainder of the costs are categorized in relation to the associated turnover of the segment. Certain expenses such as depreciation, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying services are used interchangeably. The company 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 directly charged against total income.

Fixed assets used in the company's business or liabilities contracted have not been identified to any of the reportable segments, as the fixed assets and services are used interchangeably between segments. Accordingly, no disclosure relating to total segment assets and liabilities are made.

Customer relationships are driven based on the location of the respective client. North America comprises the United States of America, Canada and Mexico; Europe includes continental Europe (both the east and the west), Ireland and the United Kingdom; and the Rest of the World comprising all other places except, those mentioned above and India.

Geographical revenues are segregated based on the location of the customer who is invoiced or in relation to which the revenue is otherwise recognized.

Industry segments

Quarter ended June 30, 2005 and *2004*:-

	Financial services	Manufacturing	Telecom	Retail	Others	Total
Revenues	703.10	272.34	320.69	197.57	473.47	1,967.17
	489.59	*227.65*	*256.38*	*171.91*	*325.86*	*1,471.39*
Identifiable operating expenses	298.94	125.63	138.29	85.06	201.57	849.49
	207.90	*104.72*	*133.33*	*60.61*	*134.69*	*641.25*
Allocated expenses	168.07	65.10	76.66	47.23	113.19	470.25
	112.90	*52.49*	*59.12*	*39.64*	*75.14*	*339.29*
Segmental operating income	236.09	81.61	105.74	65.28	158.71	647.43
	168.79	*70.44*	*63.93*	*71.66*	*116.03*	*490.85*
Unallocable expenses						74.84
						49.38
Operating income						572.59
						441.47
Other income (expense), net						30.26
						18.00
Net profit before taxes						602.85
						459.47
Income taxes						79.00
						65.00
Net profit after taxes						523.85
						394.47

Year ended March 31, 2005:-

	Financial services	Manufacturing	Telecom	Retail	Others	Total
Revenues	2,335.37	1,020.83	1,233.96	696.16	1,573.34	6,859.66
Identifiable operating expenses	974.59	441.54	570.97	277.09	638.06	2,902.25
Allocated expenses	555.81	242.81	293.71	165.44	374.53	1,632.30
Segmental operating income	804.97	336.48	369.28	253.63	560.75	2,325.11
Unallocable expenses						268.22
Operating income						2,056.89
Other income (expense), net						127.60
Net profit before taxes						2,184.49
Income taxes						325.30
Net profit after taxes						1,859.19

Geographic segments

Quarter ended June 30, 2005 and 2004:-

	North America	Europe	India	Rest of the World	Total
Revenues	1,265.78	464.92	49.63	186.84	1,967.17
	966.75	*326.92*	*23.97*	*153.75*	*1,471.39*
Identifiable operating expenses	553.00	187.43	20.00	89.06	849.49
	411.10	*126.84*	*4.79*	*98.52*	*641.25*
Allocated expenses	302.58	111.14	11.86	44.67	470.25
	222.93	*75.38*	*5.53*	*35.45*	*339.29*
Segmental operating income	410.20	166.35	17.77	53.11	647.43
	332.72	*124.70*	*13.65*	*19.78*	*490.85*
Unallocable expenses					74.84
					49.38
Operating income					572.59
					441.47
Other income (expense), net					30.26
					18.00
Net profit before taxes					602.85
					459.47
Income taxes					79.00
					65.00
Net profit after taxes					523.85
					394.47

Year ended March 31, 2005:-

	North America	Europe	India	Rest of the World	Total
Revenues	4,515.70	1,524.08	133.75	686.13	6,859.66
Identifiable operating expenses	1,877.69	594.17	37.29	393.10	2,902.25
Allocated expenses	1,074.60	362.70	31.88	163.12	1,632.30
Segmental operating income	1,563.41	567.21	64.58	129.91	2,325.11
Unallocable expenses					268.22
Operating income					2,056.89
Other income (expense), net					127.60
Net profit before taxes					2,184.49
Income taxes					325.30
Net profit after taxes					1,859.19

22.2.18. Provision for doubtful debts

Periodically, the company evaluates all customer dues to the company for collectibility. The need for provisions is assessed based on various factors including collectibility of specific dues, risk perceptions of the industry in which the customer operates, general economic factors, which could effect the customer's ability to settle. The company normally provides for debtor dues outstanding for 180 days or longer as at the balance sheet date. As at June 30, 2005 the company has provided for doubtful debts of Rs. 4.51 (as at June 30, 2004 Rs.3.05 and as at March 31, 2005 Rs 8.24) on dues from certain customers although the outstanding amounts were less than 180 days old, since the amounts were considered doubtful of recovery. The company pursues the recovery of the dues, in part or full.

22.2.19. Dividends remitted in foreign currencies

Infosys does not make any direct remittances of dividends in foreign currency. The company remits the equivalent of the dividends payable to the holders of ADS ("ADS holders") in Indian Rupees to the depository bank, which is the registered shareholder on record for all owners of the company's ADSs. The depositary bank purchases the foreign currencies and remits dividends to the ADS holders.

Particulars of dividends remitted:-

Particulars	Number of shares to which the dividends relate	Quarter ended June 30, 2005	Quarter ended June 30, 2004	Year ended March 31, 2005
Final and one-time special dividend for Fiscal 2004	52,92,612	-	60.87	60.87
Interim dividend for fiscal 2005	2,12,44,988	-	-	10.62
Final dividend for fiscal 2005	3,77,58,680	24.54	-	-

22.2.20. Reconciliation of basic and diluted shares used in computing earnings per share

At the annual general meeting held on June 12, 2004, the shareholders approved the issue of bonus shares in the ratio of three bonus shares for every share held. The record date for the bonus issue was July 2, 2004 and shares were allotted on July 3, 2004. All basic and diluted shares used in determining earnings per share are after considering the effect of bonus issue.

	Quarter ended June 30, 2005	Quarter ended June 30, 2004	Year ended March 31, 2005
Number of shares considered as basic weighted average shares outstanding	27,09,95,442	26,71,36,028	26,84,20,167
Add: Effect of dilutive issues of shares/stock options	78,29,781	47,15,239	71,63,377
Number of shares considered as weighted average shares and potential shares outstanding	**27,88,25,223**	**27,18,51,267**	**27,55,83,543**

22.2.21. Exceptional item

During the year ended March 31, 2005 the company sold its entire investment in Yantra Corporation, USA ("Yantra") for a total consideration of US$ 12.57 million. An amount of Rs 49.48 representing 90% of the consideration has been received by the company and the balance amounts has been deposited in Escrow to indemnify any contractual contingencies and the unutilised balance is eligible for release in April, 2006. The income arising thereof amounted to Rs 45.19 (net of taxes) is disclosed separately as exceptional item in the profit and loss account for the year ended March 31, 2005..

The carrying value of the company's investment was Rs Nil since a provision of Rs 7.06 had been made in earlier years to recognise losses incurred by Yantra in excess of the company's contribution to capital. Accordingly the realised gain on disposal of investment of Rs 45.19, net of taxes of Rs 4.29 has been recognised in the profit and loss account and being of a non recurring nature has been disclosed in the profit and loss account for the year ended March 31, 2005 as an "Exceptional Item"

22.2.22. Cash flow statement

22.2.22.a.

The balance of cash and cash equivalents includes Rs. 3.96 as at June 30, 2005 (as at June 30, 2004 Rs. 6.72 and as at March 31, 2005 Rs. 3.33) set aside for payment of dividends.

22.2.22.b.

During the year ended March 31, 2005, Infosys issued bonus shares at the ratio of three equity shares for each equity share in India and a stock dividend of two ADSs for each ADS in USA. The ratio of shares to ADS was also changed from 1:2 to 1:1. Consequently, the share capital of the company stands increased by Rs. 100.30. The bonus shares were issued by capitalization of general reserves.

22.2.22.c Restricted cash

Deposits with financial institutions as at June 30, 2005 include an amount of Rs. 104.71 (at at June 30, 2004 Rs. Nil and as at March 31, 2005 Rs. 66.39) with Life Insurance Corporation of India, considered as restricted cash and is hence not included under "Cash and cash equivalents".