

INFOSYS TECHNOLOGIES LIMITED
in ₹ crore

Balance Sheet as at	Schedule	September 30, 2010	March 31, 2010
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share capital	1	287	287
Reserves and surplus	2	22,156	21,749
		<u>22,443</u>	<u>22,036</u>
DEFERRED TAX LIABILITIES	5	228	232
		<u>22,671</u>	<u>22,268</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Original cost	3	6,859	6,357
Less: Accumulated depreciation and amortization		2,940	2,578
Net book value		<u>3,919</u>	<u>3,779</u>
Add: Capital work-in-progress		328	409
		<u>4,247</u>	<u>4,188</u>
INVESTMENTS	4	3,062	4,626
DEFERRED TAX ASSETS	5	396	313
CURRENT ASSETS, LOANS AND ADVANCES			
Sundry debtors	6	3,848	3,244
Cash and bank balances	7	12,722	9,797
Loans and advances	8	4,319	3,898
		<u>20,889</u>	<u>16,939</u>
Current liabilities	9	2,014	1,763
Provisions	10	3,909	2,035
NET CURRENT ASSETS		<u>14,966</u>	<u>13,141</u>
		<u>22,671</u>	<u>22,268</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	23		

Note: The schedules referred to above are an integral part of the Balance Sheet.

*As per our report attached
for B S R & Co.
Chartered Accountants*

Natraj Ramakrishna
Partner
Membership No. 32815

N. R. Narayana Murthy
*Chairman
and Chief Mentor*

S. Gopalakrishnan
*Chief Executive Officer
and Managing Director*

S. D. Shibulal
*Chief Operating Officer
and Director*

Deepak M. Satwalekar
Director

Prof. Marti G. Subrahmanyam
Director

Dr. Omkar Goswami
Director

Sridar A. Iyengar
Director

David L. Boyles
Director

Prof. Jeffrey S. Lehman
Director

K.V.Kamath
Director

K. Dinesh
Director

T. V. Mohandas Pai
Director

Bangalore
October 15, 2010

Srinath Batni
Director

V. Balakrishnan
Chief Financial Officer

K. Parvatheesam
Company Secretary

INFOSYS TECHNOLOGIES LIMITED

Profit and Loss account for the	Schedule	Quarter ended September 30,		Half-year ended September 30,	
		2010	2009	2,010	2009
<i>in ₹ crore, except per share data</i>					
Income from software services and products		6,425	5,201	12,183	10,305
Software development expenses	11	3,565	2,851	6,847	5,621
GROSS PROFIT		2,860	2,350	5,336	4,684
Selling and marketing expenses	12	309	234	582	449
General and administration expenses	13	375	317	716	663
		684	551	1,298	1,112
OPERATING PROFIT BEFORE DEPRECIATION		2,176	1,799	4,038	3,572
Depreciation		187	207	367	408
OPERATING PROFIT		1,989	1,592	3,671	3,164
Other income, net	14	248	232	485	497
NET PROFIT BEFORE TAX		2,237	1,824	4,156	3,661
Provision for taxation (refer to note 23.2.11)	15	596	386	1,084	759
NET PROFIT AFTER TAX		1,641	1,438	3,072	2,902
Balance Brought Forward		15,237	11,769	13,806	10,305
Balance in profit and loss account		16,878	13,207	16,878	13,207
AMOUNT AVAILABLE FOR APPROPRIATION		16,878	13,207	16,878	13,207
Interim dividend		574	573	574	573
30 th year special dividend		1,722	-	1,722	-
Dividend tax		381	97	381	97
Amount transferred to general reserve		-	-	-	-
Balance in profit and loss account		14,201	12,537	14,201	12,537
		16,878	13,207	16,878	13,207
EARNINGS PER SHARE					
Equity shares of par value ₹ 5/- each					
Basic		28.59	25.08	53.52	50.64
Diluted		28.58	25.05	53.50	50.57
Number of shares used in computing earnings per share ⁽¹⁾					
Basic		57,39,64,967	57,31,76,778	57,39,17,317	57,30,62,804
Diluted		57,41,92,417	57,38,80,145	57,41,79,295	57,37,82,078
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS		23			

Note: The schedules referred to above are an integral part of the Profit and Loss account.

⁽¹⁾ Refer to note 23.2.19

As per our report attached
for B S R & Co.
Chartered Accountants

Natraj Ramakrishna Partner Membership No. 32815	N. R. Narayana Murthy Chairman and Chief Mentor	S. Gopalakrishnan Chief Executive Officer and Managing Director	S. D. Shibulal Chief Operating Officer and Director	Deepak M. Satwalekar Director
	Prof. Marti G. Subrahmanyam Director	Dr. Omkar Goswami Director	Sridar A. Iyengar Director	David L. Boyles Director
	Prof. Jeffrey S. Lehman Director	K.V.Kamath Director	K. Dinesh Director	T. V. Mohandas Pai Director
Bangalore October 15, 2010	Srinath Batni Director	V. Balakrishnan Chief Financial Officer	K. Parvatheesam Company Secretary	

Cash Flow statement for the	Schedule	Half-year ended September 30,	
		2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit before tax		4,156	3,661
Adjustments to reconcile net profit before tax to cash provided by operating activities			
Depreciation		367	408
Interest and dividend income		(486)	(437)
Effect of exchange differences on translation of foreign currency cash and cash equivalents		(5)	-
Changes in current assets and liabilities			
Sundry debtors		(604)	257
Loans and advances	16	(403)	(115)
Current liabilities and provisions	17	323	315
		3,348	4,089
Income taxes paid	18	(974)	(764)
NET CASH GENERATED BY OPERATING ACTIVITIES		2,374	3,325
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets and change in capital work-in-progress	19	(461)	(270)
Investments in subsidiaries	20 (a)	(42)	(75)
Investment/(Disposal) of other securities	20 (b)	1,606	(3,072)
Interest and dividend received	21	432	409
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		1,535	(3,008)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of share capital on exercise of stock options		12	40
Dividends paid including residual dividend		(861)	(772)
Dividend tax paid		(143)	(131)
NET CASH USED IN FINANCING ACTIVITIES		(992)	(863)
Effect of exchange differences on translation of foreign currency cash and cash equivalents		5	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		2,922	(546)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		11,297	10,289
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	22	14,219	9,743
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	23		

Note: The schedules referred to above are an integral part of the Cash Flow statement.

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Chartered Accountants*

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Membership No. 32815

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Director

V. Balakrishnan
Chief Financial Officer

Parvatheesam K.
Company Secretary

INFOSYS TECHNOLOGIES LIMITED
in ₹ crore, except as otherwise stated
Schedules to the Balance Sheet as at
September 30, 2010
March 31, 2010
1 SHARE CAPITAL

Authorized		
Equity shares, ₹ 5/- par value		
60,00,00,000 (60,00,00,000) equity shares	300	300

Issued, Subscribed and Paid Up		
Equity shares, ₹ 5/- par value ⁽¹⁾	287	287
57,40,34,674 (57,38,25,192) equity shares fully paid up		

[Of the above, 53,53,35,478 (53,53,35,478) equity shares, fully paid up have been issued as bonus shares by capitalization of the general reserve]

287	287
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Forfeited shares amounted to ₹ 1,500/- (₹ 1,500/-)

⁽¹⁾ For details of options in respect of equity shares, refer to note 23.2.10 and also refer to note 23.2.19 for details of basic and diluted shares

2 RESERVES AND SURPLUS

Capital reserve	54	6
Add: Transferred from Profit and Loss account	-	48
	54	54

Share premium account - Opening balance	3,022	2,925
Add: Receipts on exercise of employee stock options	12	87
Income tax benefit arising from exercise of stock options	-	10
	3,034	3,022

General reserve - Opening balance	4,867	4,287
Add: Transferred from Profit and Loss account	-	580
	4,867	4,867

Balance in Profit and Loss account	14,201	13,806
	22,156	21,749

INFOSYS TECHNOLOGIES LIMITED
Schedules to the Balance Sheet
3 FIXED ASSETS
in ₹ crore, except as otherwise stated

Particulars	Original cost				Depreciation and amortization				Net book value	
	As at April 1, 2010	Additions during the period	Deductions/ Retirement during the period	As at September 30, 2010	As at April 1, 2010	For the period	Deductions during the period	As at September 30, 2010	As at September 30, 2010	As at March 31, 2010
Land : Free-hold	178	91	-	269	-	-	-	-	269	178
Leasehold	138	-	3	135	-	-	-	-	135	138
Buildings ^{(1)/(2)}	3,209	211	-	3,420	737	111	-	848	2,572	2,472
Plant and machinery ⁽²⁾	1,149	82	-	1,231	597	108	-	705	526	552
Computer equipment ⁽²⁾	1,037	92	5	1,124	882	91	5	968	156	155
Furniture and fixtures ⁽²⁾	629	33	-	662	347	57	-	404	258	282
Vehicles	5	1	-	6	3	-	-	3	3	2
Intellectual property right	12	-	-	12	12	-	-	12	-	-
	6,357	510	8	6,859	2,578	367	5	2,940	3,919	3,779
Previous year	5,986	787	416	6,357	2,187	807	416	2,578	3,779	

Notes: ⁽¹⁾ Buildings include ₹ 250/- being the value of 5 shares of ₹ 50/- each in Mittal Towers Premises Co-operative Society Limited.

⁽²⁾ Includes certain assets provided on operating lease to Infosys BPO, a subsidiary. Refer to note 23.2.6 for details

INFOSYS TECHNOLOGIES LIMITED
in ₹ crore, except as otherwise stated
Schedules to the Balance Sheet as at
September 30, 2010
March 31, 2010
4 INVESTMENTS ⁽¹⁾
Long- term investments– at cost
Trade (unquoted)

Other investments	6	6
Less: Provision for investments	2	2
	4	4

Non-trade (unquoted)
Subsidiaries
Infosys BPO Limited ⁽²⁾

 3,38,22,319 (3,38,22,319) equity shares of ₹ 10/- each, fully paid

659	659
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 Infosys Technologies (China) Co. Limited

107	65
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Infosys Technologies (Australia) Pty Limited

 1,01,08,869 (1,01,08,869) equity shares of AUD 0.11 par value, fully paid

66	66
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Infosys Consulting, Inc., USA

 5,50,00,000 (5,50,00,000) common stock of USD 1.00 par value, fully paid

243	243
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 Infosys Technologies, S. De R.L. De C.V., Mexico

40	40
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Infosys Technologies Sweden AB

 1,000 (1,000) equity shares of SEK 100 par value, fully paid

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Infosys Technologies DO Brasil LTDA

 1,07,16,997 (1,07,16,997) shares of BRL 1.00 par value, fully paid

28	28
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Infosys Public Services, Inc

 1,00,00,000 (1,00,00,000) common stock of USD 0.50 par value, fully paid

24	24
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1,167	1,125
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Current investments – at the lower of cost and fair value
Non-trade (unquoted)

 Liquid mutual fund units

-	2,317
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 Certificates of deposit

1,891	1,180
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1,891	3,497
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3,062	4,626
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Aggregate amount of unquoted investments

3,062	4,626
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⁽¹⁾ Refer to note 23.2.15 for details of investments

⁽²⁾ Investments include 962,850 (13,36,331) options of Infosys BPO

5 DEFERRED TAXES
Deferred tax assets

 Fixed assets

220	201
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 Sundry debtors

31	28
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 Other assets

145	84
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396	313
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Deferred tax liabilities

 Branch profit tax

228	232
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228	232
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Schedules to the Balance Sheet as at **September 30, 2010** **March 31, 2010**

6 SUNDRY DEBTORS⁽¹⁾

Debts outstanding for a period exceeding six months

Unsecured

Considered doubtful

89

79

Other debts

Unsecured

Considered good⁽²⁾

3,848

3,244

Considered doubtful

27

21

3,964

3,344

Less: Provision for doubtful debts

116

100

3,848

3,244

⁽¹⁾ Includes dues from companies where directors are interested

3

11

⁽²⁾ Includes dues from subsidiaries (refer to note 23.2.7)

64

56

7 CASH AND BANK BALANCES⁽¹⁾

Cash on hand

-

-

Balances with scheduled banks

In current accounts⁽²⁾

101

153

In deposit accounts

11,931

8,868

Balances with non-scheduled banks

In current accounts

690

776

12,722

9,797

⁽¹⁾ Refer to note 23.2.12 for details of balances with scheduled and non-scheduled banks

⁽²⁾ Includes balance in unclaimed dividend account (refer to note 23.2.23.a)

2

2

INFOSYS TECHNOLOGIES LIMITED
in ₹ crore, except as otherwise stated
Schedules to the Balance Sheet as at
September 30, 2010
March 31, 2010
8 LOANS AND ADVANCES

Unsecured, considered good		
Loans to subsidiary (<i>refer to note 23.2.7</i>)	46	46
Advances		
Prepaid expenses	60	25
For supply of goods and rendering of services	7	5
Advance to gratuity trust and others	2	2
Withholding and other taxes receivable	418	321
Others	7	13
	<hr/>	<hr/>
	540	412
Unbilled revenues	972	789
Advance income taxes	610	641
Interest accrued but not due	68	14
Loans and advances to employees		
Housing and other loans	37	38
Salary advances	66	62
Electricity and other deposits	65	60
Rental deposits	16	13
Deposits with financial institutions (<i>refer to note 23.2.13</i>)	1,928	1,781
Mark-to-market gain on forward and options contracts	17	88
	<hr/>	<hr/>
	4,319	3,898
Unsecured, considered doubtful		
Loans and advances to employees	2	2
	<hr/>	<hr/>
	4,321	3,900
Less: Provision for doubtful loans and advances to employees	2	2
	<hr/>	<hr/>
	4,319	3,898
	<hr/> <hr/>	<hr/> <hr/>

Schedules to the Balance Sheet as at

September 30, 2010

March 31, 2010

9 CURRENT LIABILITIES

Sundry creditors		
Capital	1	-
Goods and services ⁽¹⁾	130	96
Accrued salaries and benefits		
Salaries	30	25
Bonus and incentives	384	421
For other liabilities		
Provision for expenses	496	375
Retention monies	31	66
Withholding and other taxes payable	328	235
Mark-to-market loss on forward and options contracts	-	-
Gratuity obligation - unamortised amount relating to plan amendment	24	26
Others ⁽²⁾	9	8
	1,433	1,252
Advances received from clients	9	7
Unearned revenue	570	502
Unclaimed dividend	2	2
	2,014	1,763
⁽¹⁾ Includes dues to subsidiaries (refer to note 23.2.7)	112	95
⁽²⁾ Includes deposits received from subsidiary (refer to note 23.2.7)	7	7

10 PROVISIONS

Proposed dividend	2,296	861
Provision for		
Tax on dividend	381	143
Income taxes ⁽¹⁾	885	719
Unavailed leave	275	239
Post-sales client support and warranties ⁽²⁾	72	73
	3,909	2,035
⁽¹⁾ Refer to note 23.2.11		
⁽²⁾ Refer to note 23.2.20		

INFOSYS TECHNOLOGIES LIMITED
in ₹ crore, except as otherwise stated

Schedules to Profit and Loss account for the	Quarter ended September 30,		Half-year ended September 30,	
	2010	2009	2010	2009
11 SOFTWARE DEVELOPMENT EXPENSES				
Salaries and bonus including overseas staff expenses	2,612	2,225	5,085	4,409
Contribution to provident and other funds	108	64	176	123
Staff welfare	15	5	23	12
Technical sub-contractors - subsidiaries	406	293	772	534
Technical sub-contractors - others	136	56	222	111
Overseas travel expenses	158	90	324	186
Software packages				
For own use	86	65	154	154
For service delivery to clients	17	5	34	16
Communication expenses	11	13	21	26
Computer maintenance	7	6	14	11
Consumables	7	6	13	11
Rent	6	5	11	12
Provision for post-sales client support and warranties	(4)	18	(2)	16
	<u>3,565</u>	<u>2,851</u>	<u>6,847</u>	<u>5,621</u>
12 SELLING AND MARKETING EXPENSES				
Salaries and bonus including overseas staff expenses	247	180	461	352
Contribution to provident and other funds	2	1	3	2
Staff welfare	1	1	1	1
Overseas travel expenses	26	18	49	33
Traveling and conveyance	1	-	2	1
Commission charges	2	4	4	6
Brand building	19	18	34	30
Professional charges	1	4	7	8
Rent	3	3	6	6
Marketing expenses	3	2	7	4
Telephone charges	3	2	7	5
Printing and Stationery	1	-	1	-
Communication expenses	-	1	-	1
	<u>309</u>	<u>234</u>	<u>582</u>	<u>449</u>

INFOSYS TECHNOLOGIES LIMITED
in ₹ crore, except as otherwise stated

Schedules to Profit and Loss account for the	Quarter ended September 30,		Half-year ended September 30,	
	2010	2009	2010	2009
13 GENERAL AND ADMINISTRATION EXPENSES				
Salaries and bonus including overseas staff expenses	100	82	190	161
Contribution to provident and other funds	7	5	12	9
Professional charges	64	45	117	109
Telephone charges	30	29	55	57
Power and fuel	35	31	72	62
Traveling and conveyance	20	12	36	25
Overseas travel expenses	4	2	7	4
Office maintenance expenses	40	39	84	73
Insurance charges	6	5	12	12
Printing and stationery	3	2	5	5
Donations	-	3	1	23
Rent	8	7	15	14
Advertisements	1	1	3	1
Repairs to building	12	8	20	17
Repairs to plant and machinery	7	7	14	14
Rates and taxes	10	7	18	13
Professional membership and seminar participation fees	2	2	4	4
Postage and courier	1	2	4	5
Books and periodicals	-	-	1	1
Bank charges and commission	1	1	1	1
Provision for bad and doubtful debts	13	26	28	45
Commission to non-whole time directors	2	1	3	3
Freight charges	1	-	1	-
Research grants	8	-	13	5
	375	317	716	663

INFOSYS TECHNOLOGIES LIMITED
in ₹ crore, except as otherwise stated

Schedules to Profit and Loss account for the	Quarter ended September 30,		Half-year ended September 30,	
	2010	2009	2010	2009
14 OTHER INCOME, NET				
Interest received on deposits with banks and others ⁽¹⁾	243	187	469	405
Dividend received on investment in liquid mutual fund units (non-trade unquoted)	-	22	17	32
Miscellaneous income, net ⁽²⁾	5	7	12	12
Gains / (losses) on foreign currency, net	-	16	(13)	48
	<u>248</u>	<u>232</u>	<u>485</u>	<u>497</u>
⁽¹⁾ includes tax deducted at source	20	15	38	63
⁽²⁾ refer to note 23.2.6 and 23.2.14				

15 PROVISION FOR TAXATION

Income taxes ⁽¹⁾	625	438	1,167	819
MAT credit entitlement	-	(10)	-	(10)
Deferred taxes	(29)	(42)	(83)	(50)
	<u>596</u>	<u>386</u>	<u>1,084</u>	<u>759</u>

⁽¹⁾ Refer to note 23.2.11

Schedules to Cash Flow statements for the	<i>in ₹ crore, except as otherwise stated</i>	
	2010	2009

16 CHANGE IN LOANS AND ADVANCES

As per the balance sheet ⁽¹⁾	4,319	3,572
Less: Gratuity obligation - unamortised amount relating to plan amendment ⁽²⁾	24	27
Deposits with financial institutions included in cash and cash equivalents ⁽³⁾	1,497	1,500
Interest accrued but not due	68	29
MAT credit entitlement	-	272
Advance income taxes	610	275
	2,120	1,469
Less: Opening balance considered	1,717	1,354
	403	115

⁽¹⁾ includes loans to subsidiary and net of gratuity transitional liability

⁽²⁾ refer to note 23.2.21

⁽³⁾ Excludes restricted deposits held with LIC of ₹ 431 crore (₹ 257 crore) for funding leave liability

17 CHANGE IN CURRENT LIABILITIES AND PROVISIONS

As per the balance sheet	5,923	3,466
Less: Unclaimed dividend	2	3
Retention money	31	72
Gratuity obligation - unamortised amount relating to plan amendment	24	27
Provisions separately considered in Cash Flow statement		
Income taxes	885	637
Proposed dividend	2,296	573
Tax on dividend	381	97
	2,304	2,057
Less: Opening balance considered	2,047	1,795
Less: Opening balance of retention money	66	53
	323	315

18 INCOME TAXES PAID

Charge as per the profit and loss account	1,084	759
Add/(Less) : Increase/(Decrease) in advance income taxes	(31)	7
Increase/(Decrease) in deferred taxes	87	50
Increase/(Decrease) in MAT credit entitlement	-	10
(Increase)/Decrease in income tax provision	(166)	(62)
	974	764

Schedules to Cash Flow statements for the	<i>in ₹ crore, except as otherwise stated</i>	
	Half-year ended September 30,	
	2010	2009

19 PURCHASE OF FIXED ASSETS AND CHANGE IN CAPITAL WORK-IN-PROGRESS

As per the balance sheet ⁽¹⁾	507	492
Less: Opening capital work-in-progress	409	615
Add: Closing capital work-in-progress	328	412
Add: Opening retention money	66	53
Less: Closing retention money	31	72
	<u>461</u>	<u>270</u>

⁽¹⁾ Net of ₹ 3 crore movement in land from leasehold to free-hold upon acquisition for the half-year ended September 30, 2010

20 (a) INVESTMENTS IN SUBSIDIARIES ⁽¹⁾

As per the balance sheet	1,167	1,080
Less: Opening balance considered	1,125	1,005
	<u>42</u>	<u>75</u>

⁽¹⁾ Refer to note 23.2.15 for investment made in subsidiaries

20 (b) INVESTMENT/(DISPOSAL) OF SECURITIES ⁽¹⁾

Opening balance considered	3,497	-
Less: Closing as per the balance sheet	1,891	3,072
	<u>1,606</u>	<u>(3,072)</u>

⁽¹⁾ Refer to note 23.2.15 for investment and redemptions

21 INTEREST AND DIVIDEND RECEIVED

Interest and dividend income as per profit and loss account	486	437
Add: Opening interest accrued but not due	14	1
Less: Closing interest accrued but not due	68	29
	<u>432</u>	<u>409</u>

22 CASH AND CASH EQUIVALENTS AT THE END

As per the balance sheet	12,722	8,243
Add: Deposits with financial institutions ⁽¹⁾	1,497	1,500
	<u>14,219</u>	<u>9,743</u>

⁽¹⁾ Excludes restricted deposits held with LIC of ₹ 431 crore (₹ 257 crore) for funding leave liability (refer to note 23.2.23b)