

	Quarter ended December 31, 2001	December 31, 2000	Nine months ended December 31, 2001	December 31, 2000	Year ended March 31, 2001
CASHFLOWS FROM OPERATING ACTIVITIES					
Profit before tax	241,03,97,596	185,83,07,490	694,12,81,056	492,60,48,818	696,02,92,341
Adjustments to reconcile profit before tax to cash provided					
By operating activities					
(Profit)/Loss on sale of fixed assets	86,245	(8,41,217)	(1,16,517)	(7,87,388)	(9,17,890)
Depreciation and amortization	41,33,27,825	33,01,92,680	115,82,69,242	74,99,31,944	112,89,45,152
Interest income	(12,36,22,062)	(10,82,08,984)	(35,95,66,627)	(27,26,13,143)	(38,46,83,890)
Effect of Deferred Taxes	(3,69,00,000)	-	(6,80,00,000)	-	-
Provisions on long-term investments	-	13,08,00,000	-	13,08,00,000	15,28,98,608
Income taxes paid during the period/year	1 (25,29,84,506)	(31,31,33,686)	(104,13,89,285)	(63,56,65,477)	(85,18,05,440)
Exchange differences on translation of foreign currency deposits	(86,92,344)	(3,44,48,919)	(4,69,20,948)	(20,54,46,320)	(20,17,12,483)
Changes in current assets and liabilities					
Sundry debtors	33,06,55,341	(60,90,55,865)	(8,16,07,447)	(167,78,43,358)	(166,19,21,164)
Loans and advances	2 (12,46,99,173)	(8,27,15,875)	(30,56,82,932)	(21,45,10,572)	(34,72,64,731)
Current liabilities and provisions	3 (16,23,41,792)	(1,40,20,268)	29,65,02,811	74,39,94,931	60,92,54,409
NET CASH GENERATED BY OPERATING ACTIVITIES	244,52,27,130	115,68,75,356	649,27,69,353	354,39,09,435	540,30,84,912
CASHFLOWS FROM FINANCING ACTIVITIES					
Proceeds on exercise of stock options	1,39,68,418	72,13,119	1,81,07,731	82,14,625	2,37,85,906
Dividends paid during the period/year, including Dividend Tax	(54,68,18,327)	(20,17,61,670)	(109,36,15,164)	(42,20,05,883)	(42,20,05,883)
NET CASH USED IN FINANCING ACTIVITIES	(53,28,49,909)	(19,45,48,551)	(107,55,07,433)	(41,37,91,258)	(39,82,19,977)
CASHFLOWS FROM INVESTING ACTIVITIES					
Purchases of fixed assets and change in capital work-in-progress	4 (53,05,32,761)	(125,15,71,385)	(284,55,90,479)	(325,00,86,025)	(463,35,45,172)
Proceeds on disposal of fixed assets	9,02,894	18,31,825	1,12,26,321	20,69,586	22,73,671
Long-term investments in securities	5 -	(3,67,46,692)	(10,32,68,000)	(26,63,64,960)	(26,63,64,960)
Interest income	12,36,22,062	10,82,08,984	35,95,66,627	27,26,13,143	38,46,83,890
NET CASH USED IN INVESTING ACTIVITIES	(40,60,07,805)	(117,82,77,268)	(257,80,65,531)	(324,17,68,256)	(451,29,52,571)
Effect of exchange differences on translation of foreign currency deposits	86,92,344	3,44,48,919	4,69,20,948	20,54,46,320	20,17,12,483
Net (decrease)/increase in cash and cash equivalents during the period/year	151,50,61,760	(18,15,01,544)	288,61,17,337	9,37,96,241	69,36,24,847
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR	714,84,18,019	535,90,35,380	577,73,62,442	508,37,37,595	508,37,37,595
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD/YEAR	6 866,34,79,779	517,75,33,836	866,34,79,779	517,75,33,836	577,73,62,442

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 Executive Officer
Nandan M. Nilekani Managing Director, President and Chief Operating Officer
Deepak M. Satwalekar Director
Marti G. Subrahmanyam Director

Jitendra Vir Singh Director
Omkar Goswami Director
Larry Pressler Director
Rama Bijapurkar Director
Claude Smadja 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. Balakrishnan Company Secretary and Vice President – Finance

Bangalore

January 10, 2002

Schedules to the Statement of Cash flows	Quarter ended December 31,		Nine months ended December 31,		<i>In Rs.</i>
	2001	2000	2001	2000	Year ended March 31, 2001
1 INCOME TAXES PAID DURING THE PERIOD/YEAR					
Charge as per the Profit and Loss Account	35,00,00,000	19,50,00,000	96,50,00,000	50,96,00,000	72,71,00,000
Add:					
Tax provided on Intellectual property rights transferred	-	-	-	3,43,96,000	3,43,96,000
Increase in advance income taxes	29,21,41,086	17,50,80,939	109,61,86,569	47,71,61,475	69,33,01,439
Less: Increase/(Decrease) in income tax provision	(38,91,56,580)	(5,69,47,253)	(101,97,97,284)	(38,54,91,998)	(60,29,91,999)
	25,29,84,506	31,31,33,686	104,13,89,285	63,56,65,477	85,18,05,440
2 CHANGE IN LOANS AND ADVANCES DURING THE PERIOD/YEAR					
As per the Balance Sheet	634,58,66,530	355,39,12,507	634,58,66,530	355,39,12,507	430,27,93,623
Less: Deposits with financial institutions and body corporate, included in cash and cash equivalents	(256,79,55,563)	(152,67,65,164)	(256,79,55,563)	(152,67,65,164)	(192,67,52,157)
Advance income taxes separately considered	(233,35,84,361)	(102,12,57,828)	(233,35,84,361)	(102,12,57,828)	(123,73,97,792)
	144,43,26,606	100,58,89,515	144,43,26,606	100,58,89,515	113,86,43,674
Less: Opening balance considered	(131,96,27,433)	(92,31,73,640)	(113,86,43,674)	(79,13,78,943)	(79,13,78,943)
	12,46,99,173	8,27,15,875	30,56,82,932	21,45,10,572	34,72,64,731
3 CHANGE IN CURRENT LIABILITIES AND PROVISIONS DURING THE PERIOD/YEAR					
As per the Balance Sheet	396,80,04,709	256,89,45,135	396,80,04,709	256,89,45,135	319,85,01,451
Add/ Provisions separately considered in the cash flow					
(Less): Statement:					
Income taxes	(224,88,09,025)	(101,15,11,740)	(224,88,09,025)	(101,15,11,740)	(122,90,11,741)
Dividends	-	-	-	-	(49,61,85,878)
Dividend tax	-	-	-	-	(5,06,10,959)
	171,91,95,684	155,74,33,395	171,91,95,684	155,74,33,395	142,26,92,873
Less: Opening balance considered	(188,15,37,476)	(157,14,53,663)	(142,26,92,873)	(81,34,38,464)	(81,34,38,464)
	(16,23,41,792)	(1,40,20,268)	29,65,02,811	74,39,94,931	60,92,54,409
4 PURCHASES OF FIXED ASSETS AND CHANGE IN CAPITAL WORK-IN-PROGRESS					
As per the Balance Sheet	62,80,70,336	69,62,40,707	228,76,11,865	221,85,33,772	349,66,44,427
Less: Opening Capital work-in-progress	(236,20,20,439)	(104,58,25,080)	(170,65,04,250)	(56,96,03,505)	(56,96,03,505)
Add: Closing Capital work-in-progress	226,44,82,864	160,11,55,758	226,44,82,864	160,11,55,758	170,65,04,250
	53,05,32,761	125,15,71,385	284,55,90,479	325,00,86,025	463,35,45,172
5 LONG-TERM INVESTMENTS IN SECURITIES DURING THE PERIOD/YEAR					
As per the Balance Sheet	44,44,22,821	36,32,53,429	44,44,22,821	36,32,53,429	34,11,54,821
Add: Provisions on investments	-	13,08,00,000	-	13,08,00,000	15,28,98,608
Less: Non-cash investment (see note 7.4 below)	-	(8,93,40,000)	-	(8,93,40,000)	(8,93,40,000)
	44,44,22,821	40,47,13,429	44,44,22,821	40,47,13,429	40,47,13,429
Less: Opening balance considered	(44,44,22,821)	(36,79,66,737)	(34,11,54,821)	(13,83,48,469)	(13,83,48,469)
	-	3,67,46,692	10,32,68,000	26,63,64,960	26,63,64,960
6 CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD/YEAR					
As per the Balance Sheet	609,55,24,216	365,07,68,672	609,55,24,216	365,07,68,672	385,06,10,285
Add: Deposits with financial institutions and body corporate, included herein	256,79,55,563	152,67,65,164	256,79,55,563	152,67,65,164	192,67,52,157
	866,34,79,779	517,75,33,836	866,34,79,779	517,75,33,836	577,73,62,442

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 173,05,518 as at December 31, 2001 (as at December 31, 2000 -- Rs 70,05,983 and as at March 31, 2001 -- Rs 48,15,163) set aside for payment of dividends and accordingly is not otherwise available to the company.
- 7.3 During the year ended March 31, 2001, the company transferred intellectual property rights in OnScan – a web-based wireless enabled notification product, to OnMobile Systems, Inc., USA (formerly OnScan, Inc.) – a company incubated by Infosys. The product was transferred for a gross consideration of Rs 8,93,40,000 (approximately US\$ 2,000,000) that was received as equity preferred convertible voting and non-voting stock in OnMobile Systems, Inc. Accordingly the transaction being non-cash has not been considered in the statement of cash flows, except for the related income taxes.
- 7.4 The previous year's/periods' figures have been recast/ restated, wherever necessary, to conform to the current periods' classifications.