

**CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND SUBSIDIARIES**

in Rs. crore

Consolidated Balance Sheet as at	Schedules	December 31, 2003	December 31, 2002	March 31, 2003
<b>SOURCES OF FUNDS</b>				
SHAREHOLDERS' FUNDS				
Share capital	1	33.23	33.11	33.12
Reserves and surplus	2	3,690.87	2,670.09	2,824.37
		<u>3,724.10</u>	<u>2,703.20</u>	<u>2,857.49</u>
Preference shares issued by subsidiary	3	49.00	49.00	49.00
		<u>3,773.10</u>	<u>2,752.20</u>	<u>2,906.49</u>
<b>APPLICATION OF FUNDS</b>				
FIXED ASSETS				
Original cost	4	1,499.00	1,199.09	1,279.04
Less: Depreciation and amortization		<u>749.88</u>	<u>526.48</u>	<u>578.54</u>
Net book value		<u>749.12</u>	<u>672.61</u>	<u>700.50</u>
Add: Capital work-in-progress		<u>80.47</u>	<u>86.42</u>	<u>77.39</u>
		<u>829.59</u>	<u>759.03</u>	<u>777.89</u>
INVESTMENTS	5	614.01	20.95	20.95
DEFERRED TAX ASSETS	6	32.85	35.03	36.81
CURRENT ASSETS, LOANS AND ADVANCES				
Sundry debtors	7	696.96	491.56	518.65
Cash and bank balances	8	1,616.99	1,138.72	1,346.54
Loans and advances	9	961.69	991.57	913.46
		<u>3,275.64</u>	<u>2,621.85</u>	<u>2,778.65</u>
Less: Current liabilities	10	555.71	282.17	319.60
Provisions	11	423.28	402.49	388.21
NET CURRENT ASSETS		<u>2,296.65</u>	<u>1,937.19</u>	<u>2,070.84</u>
		<u>3,773.10</u>	<u>2,752.20</u>	<u>2,906.49</u>

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 23**

The schedules referred to above and the notes thereon form an integral part of the consolidated balance sheet.

This is the consolidated balance sheet referred to in our report of even date.  
for Bharat S Raut & Co.  
Chartered Accountants

S. Balasubrahmanyam Partner Membership No. 53315	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	Philip Yeo Director	Omkar Goswami Director	Larry Pressler Director
	Rama Bijapurkar Director	Claude Smadja Director	Sridar A. Iyengar 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  
January 9, 2004

## CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND SUBSIDIARIES

Consolidated Profit and Loss Account for the		Quarter ended		Nine months ended		Year ended	
		Schedules	December 31, 2003	December 31, 2002	December 31, 2003	December 31, 2002	March 31, 2003
<i>in Rs. crore, except per share data</i>							
<b>INCOME – Software services, products and business process management</b>							
	Overseas		1,249.09	951.56	3,453.53	2,560.41	3,564.36
	Domestic		7.92	13.46	49.98	49.90	75.62
			<b>1,257.01</b>	965.02	<b>3,503.51</b>	2,610.31	<b>3,639.98</b>
Software development and business process management expenses		12	656.70	486.04	1,831.58	1,289.46	1,822.96
<b>GROSS PROFIT</b>			<b>600.31</b>	478.98	<b>1,671.93</b>	1,320.85	<b>1,817.02</b>
SELLING AND MARKETING EXPENSES		13	94.89	75.09	259.23	200.61	271.73
GENERAL AND ADMINISTRATION EXPENSES		14	92.33	71.21	267.66	192.59	275.67
			<b>187.22</b>	146.30	<b>526.89</b>	393.20	<b>547.40</b>
<b>OPERATING PROFIT BEFORE INTEREST, DEPRECIATION AND AMORTIZATION</b>			<b>413.09</b>	332.68	<b>1,145.04</b>	927.65	<b>1,269.62</b>
Interest			-	-	-	-	-
Depreciation and amortization			63.75	50.05	172.32	136.93	190.34
<b>OPERATING PROFIT AFTER INTEREST, DEPRECIATION AND AMORTIZATION</b>			<b>349.34</b>	282.63	<b>972.72</b>	790.72	<b>1,079.28</b>
Other income		15	46.46	29.78	121.56	73.07	100.26
Provision for investments			2.29	-	8.88	23.76	23.77
<b>NET PROFIT BEFORE TAX</b>			<b>393.51</b>	312.41	<b>1,085.40</b>	840.03	<b>1,155.77</b>
Provision for taxation		16	65.00	57.50	177.00	145.00	201.00
<b>NET PROFIT AFTER TAX</b>			<b>328.51</b>	254.91	<b>908.40</b>	695.03	<b>954.77</b>
<b>AMOUNT AVAILABLE FOR APPROPRIATION</b>			<b>328.51</b>	254.91	<b>908.40</b>	695.03	<b>954.77</b>
<b>DIVIDEND</b>							
Interim			-	-	96.09	82.76	82.76
Final (Subject to deduction of tax, if any)			-	-	-	-	96.05
Dividend tax			-	-	12.31	-	12.30
Amount transferred - general reserve			-	-	-	-	763.66
Balance in Profit and Loss Account			328.51	254.91	800.00	612.27	-
			<b>328.51</b>	254.91	<b>908.40</b>	695.03	<b>954.77</b>
<b>EARNINGS PER SHARE</b>							
<i>(Equity shares, par value Rs. 5/- each)</i>							
Basic			49.49	38.49	137.03	104.98	144.20
Diluted			48.59	38.01	135.73	104.12	142.89
Number of shares used in computing earnings per share							
Basic			6,63,79,862	6,62,21,577	6,62,94,021	6,62,02,947	6,62,11,068
Diluted			6,76,07,893	6,70,57,160	6,69,29,068	6,67,55,529	6,68,16,821
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS</b>		23					

The schedules referred to above and the notes thereon form an integral part of the consolidated profit and loss account.

This is the consolidated profit and loss account referred to in our report of even date.

for Bharat S Raut & Co.  
Chartered Accountants

S. Balasubrahmanyam Partner Membership No. 53315	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
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Bangalore  
January 9, 2004

## CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND SUBSIDIARIES

Consolidated Cash flow statement for the		Quarter ended		Nine months ended		<i>in Rs. crore</i>
		December 31, 2003	December 31, 2002	December 31, 2003	December 31, 2002	Year ended March 31, 2003
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>						
Profit before tax		393.51	312.41	1,085.40	840.03	1,155.77
Adjustments to reconcile profit before tax to cash provided by operating activities						
(Profit)/Loss on sale of fixed assets		(0.01)	(0.08)	(0.02)	0.05	(0.01)
Depreciation and amortization		63.75	50.05	172.32	136.93	190.34
Interest and dividend income		(26.59)	(20.37)	(73.81)	(57.87)	(80.67)
Provisions on long-term investments		2.29	-	8.88	23.76	23.77
Exchange differences on translation of foreign currency cash and cash equivalents		(4.95)	0.01	(1.09)	(2.46)	(2.06)
Changes in current assets and liabilities						
Sundry debtors		(104.37)	(31.83)	(178.31)	(154.83)	(181.92)
Loans and advances		17 21.89	(13.82)	16.45	(88.92)	(132.38)
Current liabilities and provisions		18 173.33	10.97	230.22	127.67	163.04
Income taxes paid during the period/year		19 (18.89)	(66.11)	(79.40)	(171.16)	(232.54)
<b>NET CASH GENERATED BY OPERATING ACTIVITIES</b>		<b>499.96</b>	<b>241.23</b>	<b>1,180.64</b>	<b>653.20</b>	<b>903.34</b>
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>						
Proceeds from the issue of preference share capital		-	-	-	49.00	49.00
Proceeds on exercise of stock options		61.53	7.47	66.61	10.62	13.52
Dividends paid during the period/year, including dividend tax		(108.40)	(82.76)	(216.75)	(165.49)	(165.49)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(46.87)</b>	<b>(75.29)</b>	<b>(150.14)</b>	<b>(105.87)</b>	<b>(102.97)</b>
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>						
Purchases of fixed assets and change in capital work-in-progress		20 (90.50)	(52.33)	(224.26)	(153.52)	(225.82)
Advance for acquisition of company		(50.75)	-	(50.75)	-	-
Proceeds on disposal of fixed assets		0.02	0.08	0.26	0.25	0.33
Long-term investments in securities		21 (145.54)	-	(595.92)	(0.27)	(0.27)
Interest and dividend income		26.59	20.37	73.81	57.87	80.67
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(260.18)</b>	<b>(31.88)</b>	<b>(796.86)</b>	<b>(95.67)</b>	<b>(145.09)</b>
Effect of exchange differences on translation of foreign currency cash and cash equivalents		4.95	(0.01)	1.09	2.46	2.06
<b>Net (decrease)/increase in cash and cash equivalents during the period/year</b>		<b>197.86</b>	<b>134.05</b>	<b>234.73</b>	<b>454.12</b>	<b>657.34</b>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR		1,721.17	1,347.03	1,684.30	1,026.96	1,026.96
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD/YEAR</b>		<b>22 1,919.03</b>	<b>1,481.08</b>	<b>1,919.03</b>	<b>1,481.08</b>	<b>1,684.30</b>

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 23

The schedules referred to above and the notes thereon form an integral part of the consolidated cash flow statement.

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

for Bharat S Raut & Co.  
Chartered Accountants

S. Balasubrahmanyam Partner Membership No. 53315	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
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Bangalore  
January 9, 2004

**CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND SUBSIDIARIES***in Rs. Crore*

Schedules to the Consolidated Balance Sheet as at	December 31, 2003	December 31, 2002	March 31, 2003
<b>1. SHARE CAPITAL</b>			
AUTHORIZED			
Equity shares, Rs. 5/- par value*			
10,00,00,000 equity shares	50.00	50.00	50.00
ISSUED, SUBSCRIBED AND PAID UP			
Equity shares, Rs. 5/- par value			
6,64,55,992 (6,62,29,489; 6,62,43,078) equity shares fully paid up [Of the above, 5,78,88,200 (5,78,88,200; 5,78,88,200) equity shares, fully paid up have been issued as bonus shares by capitalization of the general reserve]	33.23	33.11	33.12
	<b>33.23</b>	<b>33.11</b>	<b>33.12</b>
Forfeited shares amounted to Rs. 1,500/- * for details of options in respect of the above shares, refer to note 23.2.9			
<b>2. RESERVES AND SURPLUS</b>			
Capital reserve	5.94	5.94	5.94
Share premium account as at April 1, Add: Received during the period on conversion of stock options issued to employees	338.83 66.50 405.33	325.34 10.60 335.94	325.34 13.49 338.83
General reserve as at April 1, Add: Transfer from profit & loss account	2,479.60 -	1,715.94 -	1,715.94 763.66
Balance in profit and Loss Account	2,479.60 800.00 3,690.87	1,715.94 612.27 2,670.09	2,479.60 - 2,824.37
<b>3. PREFERENCE SHARES ISSUED BY SUBSIDIARY</b>			
AUTHORIZED			
0.0005% Cumulative convertible preference shares, Rs. 100/- par value 43,75,000 preference shares	43.75	43.75	43.75
ISSUED, SUBSCRIBED AND PAID UP			
0.0005% Cumulative convertible preference shares, Rs. 100/- par value 43,75,000 preference shares fully paid up*	43.75	43.75	43.75
Premium received on issue of preference shares	5.25 49.00	5.25 49.00	5.25 49.00

\* for details of the terms relating to the preference shares, refer to note 23.2.18

**CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND SUBSIDIARIES**

Schedules to the Consolidated Balance Sheet

## 4. FIXED ASSETS

*in Rs. crore*

Particulars	Original cost				Depreciation and amortization				Net book value		
	Cost as at April 1, 2003	Additions during the period	Deletions during the period	Cost as at December 31, 2003	As at April 1, 2003	For the period	Deductions during the period	As at December 31, 2003	As at December 31, 2003	As at December 31, 2002	As at March 31, 2003
Land – free-hold	15.87	-	-	15.87	-	-	-	-	15.87	15.87	15.87
Land – lease-hold	31.41	35.08	-	66.49	-	-	-	0.00	66.49	31.41	31.41
Buildings	385.53	50.40	-	435.93	51.11	21.78	-	72.89	363.04	308.96	334.42
Plant and machinery	227.36	40.61	0.02	267.95	113.68	35.83	0.02	149.49	118.46	112.99	113.68
Computer equipment	367.40	60.40	1.18	426.62	299.88	51.78	0.94	350.72	75.90	66.38	67.52
Furniture and fixtures	208.99	32.01	0.02	240.98	102.27	32.09	0.01	134.35	106.63	101.21	106.72
Lease –hold improvements	-	2.60	-	2.60	-	0.04	-	0.04	2.56	-	-
Vehicles	0.35	0.08	-	0.43	0.22	0.04	-	0.26	0.17	0.14	0.13
Intangible assets											
Intellectual property rights	42.13	-	-	42.13	11.38	30.75	-	42.13	-	35.65	30.75
	<b>1,279.04</b>	<b>221.18</b>	<b>1.22</b>	<b>1,499.00</b>	<b>578.54</b>	<b>172.31</b>	<b>0.97</b>	<b>749.88</b>	<b>749.12</b>	<b>672.61</b>	<b>700.50</b>
Corresponding previous period	960.60	242.27	3.78	1,199.09	393.03	136.93	3.48	526.48	672.61		
Previous year	<b>960.60</b>	<b>323.60</b>	<b>5.16</b>	<b>1,279.04</b>	<b>393.03</b>	<b>190.34</b>	<b>4.83</b>	<b>578.54</b>	<b>700.50</b>		

Note: Buildings include Rs. 250/- being the value of 5 shares of Rs. 50/- each in Mittal Towers Premises Co-operative Society Limited.

**CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND SUBSIDIARIES**

in Rs. crore

Schedules to the Consolidated Balance Sheet as at	December 31, 2003	December 31, 2002	March 31, 2003
<b>5. INVESTMENTS</b>			
<b>Trade (unquoted) - at cost</b>			
Long- term investments	38.56	53.98	53.98
Less: Provision for investments	29.77	33.03	33.03
	8.79	20.95	20.95
Non-trade (unquoted), at the lower of cost and fair value, current investments			
Mutual funds	605.22	-	-
	<b>614.01</b>	<b>20.95</b>	<b>20.95</b>
Aggregate of unquoted investments - carrying value / cost	614.01	20.95	20.95
<b>6. DEFERRED TAX ASSETS</b>			
Fixed assets	23.05	18.39	22.43
Investments	6.60	12.10	12.10
Sundry debtors	3.20	4.54	2.28
	<b>32.85</b>	<b>35.03</b>	<b>36.81</b>
<b>7. SUNDRY DEBTORS</b>			
<b>Debts outstanding for a period exceeding six months</b>			
Unsecured			
considered doubtful*	15.39	9.23	14.09
<b>Other debts</b>			
Unsecured			
considered good	696.96	491.56	518.65
considered doubtful	6.22	5.62	0.22
	718.57	506.41	532.96
Less: Provision for doubtful debts	21.61	14.85	14.31
	<b>696.96</b>	<b>491.56</b>	<b>518.65</b>
* includes dues from companies where directors are interested	-	0.03	0.03
<b>8 CASH AND BANK BALANCES</b>			
Cash on hand	0.02	0.06	0.01
Balances with scheduled banks			
In current accounts *	130.88	46.67	55.96
In deposit accounts in Indian rupees	1,295.29	998.31	1,134.58
Balances with non-scheduled banks			
In current accounts	180.55	-	155.99
In deposit accounts in foreign currency	10.25	93.68	-
	<b>1,616.99</b>	<b>1,138.72</b>	<b>1,346.54</b>
*includes balance in unclaimed dividend account	2.12	1.94	1.60
*includes balance in escrow account	10.25	-	-

**CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND SUBSIDIARIES***in Rs. crore*

Schedules to the Consolidated Balance Sheet as at	December 31, 2003	December 31, 2002	March 31, 2003
<b>9. LOANS AND ADVANCES</b>			
<b>Unsecured, considered good</b>			
Advances			
prepaid expenses	21.30	15.53	19.71
advances paid for supply of goods and rendering of services	2.39	0.81	1.77
advance for acquisition of company (retained in trust by the company's solicitors)	50.75	-	-
others	6.25	3.94	4.45
	<u>80.69</u>	<u>20.28</u>	<u>25.93</u>
Unbilled revenues	93.02	71.13	93.64
Advance income tax	340.09	407.41	290.44
Loans and advances to employees *			
housing and other loans	89.17	96.25	102.51
salary advances	30.28	29.33	33.93
Electricity and other deposits	9.07	7.72	13.37
Rental deposits	15.00	14.50	13.57
Deposits with financial institutions and body corporate	302.04	342.36	337.76
Deposits with government authorities	0.01	-	-
Other assets	2.32	2.59	2.31
	<u>881.00</u>	<u>971.29</u>	<u>887.53</u>
<b>Unsecured, considered doubtful</b>			
Loans and advances to employees	0.49	0.42	0.41
	<u>962.18</u>	<u>991.99</u>	<u>913.87</u>
Less: Provision for doubtful loans and advances to employees	0.49	0.42	0.41
	<u>961.69</u>	<u>991.57</u>	<u>913.46</u>
* includes dues by non-director officers of the company	-	0.07	0.06
Maximum amounts due by non-director officers at any time during the year	0.06	0.08	0.08
<b>10. CURRENT LIABILITIES</b>			
Sundry creditors			
for capital goods	0.51	0.61	0.85
for goods	3.90	-	1.17
for accrued salaries and benefits			
salaries	12.80	4.75	15.82
bonus and incentives	185.38	50.81	77.13
leave provisions	34.82	25.27	27.47
for other liabilities			
provision for expenses	62.56	43.45	57.97
retention monies	5.15	10.81	5.33
withholding and other taxes payable	38.40	26.37	23.60
for purchase of intellectual property rights	20.16	27.83	24.80
others	9.01	5.35	5.86
	<u>372.69</u>	<u>195.25</u>	<u>240.00</u>
Advances received from clients	96.58	29.15	15.25
Unearned revenue	84.32	55.83	62.75
Unclaimed dividend	2.12	1.94	1.60
	<u>555.71</u>	<u>282.17</u>	<u>319.60</u>
<b>11. PROVISIONS</b>			
Dividends	-	-	96.05
Provision for			
Tax on dividends	-	-	12.30
Income taxes	418.10	395.38	274.81
Post-sales client support	4.47	6.94	4.82
Gratuity and retirement benefits	0.71	0.17	0.23
	<u>423.28</u>	<u>402.49</u>	<u>388.21</u>

**CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND SUBSIDIARIES**

Schedules to the Consolidated Profit and Loss Account for the	Quarter ended		Nine months ended		<i>in Rs. crore</i>
	December 31, 2003	December 31, 2002	December 31, 2003	December 31, 2002	Year ended March 31, 2003
<b>SOFTWARE DEVELOPMENT AND BUSINESS PROCESS</b>					
<b>12. MANAGEMENT EXPENSES</b>					
Salaries and bonus including overseas staff expenses	550.64	380.16	1,494.48	1021.29	1,436.82
Staff welfare	3.86	2.16	10.00	5.48	8.03
Contribution to provident and other funds	13.31	8.85	37.58	22.14	32.52
Overseas travel expenses	42.46	43.06	129.22	122.01	166.10
Travel and conveyance	0.94	0.19	1.82	0.35	0.51
Consumables	2.61	1.77	6.40	4.19	6.30
Cost of software packages					
for own use	14.50	22.71	49.57	43.99	55.16
for service delivery to clients	2.12	2.38	14.46	10.00	13.10
Rent	1.36	-	2.83	-	-
Computer maintenance	3.15	2.58	8.73	9.90	9.33
Communication expenses	10.78	6.17	30.26	18.66	25.13
Provision for post-sales client support	(0.21)	(3.76)	(0.36)	(4.06)	(6.18)
Consultancy charges	11.18	19.77	46.59	35.51	76.14
	<b>656.70</b>	<b>486.04</b>	<b>1,831.58</b>	<b>1,289.46</b>	<b>1,822.96</b>
<b>13. SELLING AND MARKETING EXPENSES</b>					
Salaries and bonus including overseas staff expenses	59.93	41.69	161.88	105.60	145.32
Staff welfare	0.15	0.16	0.40	0.47	0.63
Contribution to provident and other funds	0.29	0.23	1.53	0.47	1.34
Overseas travel expenses	11.95	12.25	31.17	30.84	45.48
Consumables	0.06	0.07	0.14	0.14	0.21
Cost of software packages for own use	-	0.01	0.01	0.04	0.21
Computer maintenance	-	-	0.02	-	0.01
Communication expenses	0.04	0.13	0.05	0.37	0.50
Traveling and conveyance	0.60	0.37	1.27	0.82	1.20
Rent	3.93	1.29	10.83	3.40	4.79
Telephone charges	1.44	1.40	3.74	3.92	5.39
Professional charges	1.34	3.03	4.08	8.27	10.79
Printing and stationery	0.27	0.25	0.79	1.02	1.44
Advertisements	0.04	0.33	0.28	0.73	1.05
Brand building	9.16	7.04	24.39	24.40	29.33
Office maintenance	0.08	1.66	0.19	2.16	2.74
Repairs to plant & machinery	-	0.04	-	0.15	0.02
Power and fuel	0.01	-	0.04	-	0.22
Insurance charges	0.02	0.03	0.07	0.06	0.20
Rates and taxes	0.01	0.02	0.04	0.25	0.27
Bank charges and commission	0.01	0.03	0.02	0.07	0.09
Commission charges	3.33	3.28	6.24	9.70	10.78
Marketing expenses	1.88	1.65	4.49	4.96	6.77
Sales promotion expenses	0.31	0.13	0.50	0.33	0.46
Other miscellaneous expenses	0.04	-	7.06	2.44	2.49
	<b>94.89</b>	<b>75.09</b>	<b>259.23</b>	<b>200.61</b>	<b>271.73</b>



**CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND SUBSIDIARIES**

Schedules to the Consolidated Profit and Loss Account for the	Quarter ended		Nine months ended		<i>in Rs. crore</i>
	December 31, 2003	December 31, 2002	December 31, 2003	December 31, 2002	Year ended March 31, 2003
<b>14. GENERAL AND ADMINISTRATION EXPENSES</b>					
Salaries and bonus including overseas staff expenses	20.52	15.88	56.84	42.72	57.98
Staff welfare	0.08	-	0.12	0.01	0.01
Contribution to provident and other funds	1.16	0.94	3.63	2.49	3.61
Foreign travel expenses	1.65	1.70	5.63	5.65	7.78
Traveling and conveyance	5.77	4.49	15.28	11.17	16.99
Cost of software for own use	0.61	-	1.03	-	0.64
Rent	3.96	6.75	14.73	17.49	24.51
Telephone charges	6.74	5.84	21.70	14.88	21.41
Legal and professional charges	9.67	9.69	26.38	24.49	38.67
Printing and stationery	1.31	1.02	4.84	3.68	4.80
Advertisements	0.82	1.05	2.18	2.72	5.15
Office maintenance	7.43	5.06	20.09	13.02	20.24
Repairs to building	3.98	2.06	7.36	5.08	7.27
Repairs to plant and machinery	1.14	1.66	3.75	3.75	4.75
Power and fuel	7.91	5.77	22.87	16.86	22.77
Recruitment and training	0.01	0.09	0.14	0.14	0.41
Insurance charges	6.31	2.41	17.84	6.92	10.01
Rates and taxes	1.65	1.33	3.87	4.09	5.62
Donations	3.54	1.52	10.57	4.56	6.09
Auditor's remuneration					
audit fees	0.09	0.08	0.27	0.20	0.29
certification charges	-	-	-	0.02	0.03
out-of-pocket expenses	0.01	0.01	0.02	0.02	0.02
Provision for bad and doubtful debts	4.11	0.33	18.12	0.51	0.73
Provision for doubtful loans and advances	(0.05)	(0.02)	0.07	(0.07)	(0.07)
Bank charges and commission	0.20	0.18	0.61	0.51	0.67
Commission to non-whole time directors	0.47	0.24	1.25	0.72	1.12
Postage and courier	0.85	1.03	2.79	3.00	3.99
Books and periodicals	0.44	0.32	1.02	0.97	1.42
Research grants	0.18	-	0.36	-	-
Freight charges	0.32	0.16	0.62	0.43	0.58
Professional membership and seminar participation fees	1.19	0.88	2.55	2.54	3.57
Miscellaneous expenses	0.26	0.74	1.13	4.02	4.61
	<b>92.33</b>	<b>71.21</b>	<b>267.66</b>	<b>192.59</b>	<b>275.67</b>
<b>15. OTHER INCOME</b>					
Interest received on deposits with banks and others*	21.28	20.37	64.95	57.87	80.67
Dividend received on investment in mutual funds	5.31	-	8.86	-	-
Miscellaneous income	(0.25)	0.54	1.07	1.47	1.98
Exchange differences	20.12	8.87	46.68	13.73	17.61
	<b>46.46</b>	<b>29.78</b>	<b>121.56</b>	<b>73.07</b>	<b>100.26</b>
*Tax deducted at source	3.74	4.30	12.95	10.88	15.14
<b>16. PROVISION FOR TAXATION</b>					
Current Period					
Income taxes	63.98	58.95	172.12	155.81	213.59
Deferred taxes	1.02	(1.45)	3.96	(10.81)	(12.59)
	<b>65.00</b>	<b>57.50</b>	<b>176.08</b>	<b>145.00</b>	<b>201.00</b>
Prior Years	-	-	0.92	-	-
	<b>65.00</b>	<b>57.50</b>	<b>177.00</b>	<b>145.00</b>	<b>201.00</b>

## CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND SUBSIDIARIES

## INFOSYS TECHNOLOGIES LIMITED

In Rs. crore

Schedules to the Statement of Cash flows for the	Quarter ended		Nine months ended		Year ended
	December 31, 2003	December 31, 2002	December 31, 2003	December 31, 2002	March 31, 2003
<b>17. CHANGE IN LOANS AND ADVANCES</b>					
As per the Balance Sheet	961.69	991.57	961.69	991.57	913.46
Less: Deposits with financial institutions and body corporate, included in cash and cash equivalents	(302.04)	(342.36)	(302.04)	(342.36)	(337.76)
advance for acquisition of company (retained in trust by the company's solicitors)	(50.75)	-	(50.75)	-	-
Advance income taxes separately considered	(340.09)	(407.41)	(340.09)	(407.41)	(290.44)
	268.81	241.80	268.81	241.80	285.26
Less: Opening balance considered	(290.70)	(227.98)	(285.26)	(152.88)	(152.88)
	<b>(21.89)</b>	<b>13.82</b>	<b>(16.45)</b>	<b>88.92</b>	<b>132.38</b>
<b>18. CHANGE IN CURRENT LIABILITIES AND PROVISIONS</b>					
As per the Balance Sheet	978.99	684.66	978.99	684.66	707.81
Add/(Less) Provisions separately considered in the cash flow Statement:					
Income taxes	(418.10)	(395.38)	(418.10)	(395.38)	(274.81)
Dividends	-	-	-	-	(96.05)
Dividend tax	-	-	-	-	(12.30)
Proceeds received on investment pending regulatory approval	(6.02)	-	(6.02)	-	-
	554.87	289.28	554.87	289.28	324.65
Less: Non cash transactions – (Also refer note 23.2.21 b)	-	-	-	(24.50)	(24.50)
Less: Opening balance considered	(381.54)	(278.31)	(324.65)	(137.11)	(137.11)
	<b>173.33</b>	<b>10.97</b>	<b>230.22</b>	<b>127.67</b>	<b>163.04</b>
<b>19. INCOME TAXES PAID</b>					
Charge as per the Profit and Loss Account	65.00	57.50	177.00	145.00	201.00
Add: Increase in advance income taxes	(9.05)	66.11	49.65	171.16	54.19
(Increase)/Decrease in deferred taxes	(1.02)	1.45	(3.96)	10.81	12.59
Less: (Increase)/Decrease in income tax provision	(36.04)	(58.95)	(143.29)	(155.81)	(35.24)
	<b>18.89</b>	<b>66.11</b>	<b>79.40</b>	<b>171.16</b>	<b>232.54</b>
<b>20. PURCHASES OF FIXED ASSETS AND CHANGE IN CAPITAL WORK-IN-PROGRESS</b>					
As per the Balance Sheet	75.66	58.50	221.18	242.27	323.60
Less: Opening Capital work-in-progress	(65.63)	(92.59)	(77.39)	(150.67)	(150.67)
Less: Non cash transactions – (also refer note 23.2.21 b)	-	-	-	(24.50)	(24.50)
Add: Closing Capital work-in-progress	80.47	86.42	80.47	86.42	77.39
	<b>90.50</b>	<b>52.33</b>	<b>224.26</b>	<b>153.52</b>	<b>225.82</b>
<b>21. INVESTMENTS IN SECURITIES</b>					
As per the Balance Sheet	614.01	20.95	614.01	20.95	20.95
Add: Provisions on investments	2.29	-	8.88	23.76	23.77
Less: Proceeds received on investment pending regulatory approval	(6.02)	-	(6.02)	-	-
	610.28	20.95	616.87	44.71	44.72
Less: Opening balance considered	(464.74)	(20.95)	(20.95)	(44.44)	(44.45)
	<b>145.54</b>	<b>-</b>	<b>595.92</b>	<b>0.27</b>	<b>0.27</b>
<b>22. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD/YEAR</b>					
As per the Balance Sheet	1,616.99	1,138.72	1,616.99	1,138.72	1,346.54
Add: Deposits with financial institutions and body corporate, included herein	302.04	342.36	302.04	342.36	337.76
	<b>1,919.03</b>	<b>1,481.08</b>	<b>1,919.03</b>	<b>1,481.08</b>	<b>1,684.30</b>