

CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND SUBSIDIARIES

in Rs. crore

Consolidated Balance Sheet as at	Schedule	June 30, 2004	June 30, 2003	March 31, 2004
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS				
Share capital	1	33.43	33.12	33.32
Reserves and surplus	2	<u>3,685.96</u>	<u>3,104.35</u>	<u>3,216.26</u>
		<u>3,719.39</u>	<u>3,137.47</u>	<u>3,249.58</u>
MINORITY INTERESTS		-	-	-
PREFERENCE SHARES ISSUED BY SUBSIDIARY	3	<u>93.50</u>	<u>49.00</u>	<u>93.56</u>
		<u>3,812.89</u>	<u>3,186.47</u>	<u>3,343.14</u>
APPLICATION OF FUNDS				
FIXED ASSETS				
Original cost	4	1,710.53	1,371.49	1,633.65
Less: Depreciation and amortization		<u>861.59</u>	<u>623.30</u>	<u>809.84</u>
Net book value		<u>848.94</u>	<u>748.19</u>	<u>823.81</u>
Add: Capital work-in-progress		<u>284.85</u>	<u>45.45</u>	<u>208.05</u>
		<u>1,133.79</u>	<u>793.64</u>	<u>1,031.86</u>
INVESTMENTS	5	853.98	115.13	945.45
DEFERRED TAX ASSETS	6	44.20	38.34	39.97
CURRENT ASSETS, LOANS AND ADVANCES				
Sundry debtors	7	836.63	565.50	651.45
Cash and bank balances	8	1,077.38	1,385.42	1,721.51
Loans and advances	9	<u>761.07</u>	<u>841.53</u>	<u>721.05</u>
		<u>2,675.08</u>	<u>2,792.45</u>	<u>3,094.01</u>
LESS: CURRENT LIABILITIES AND PROVISIONS				
Current liabilities	10	517.12	357.35	580.93
Provisions	11	<u>377.04</u>	<u>195.74</u>	<u>1,187.22</u>
NET CURRENT ASSETS		<u>1,780.92</u>	<u>2,239.36</u>	<u>1,325.86</u>
		<u>3,812.89</u>	<u>3,186.47</u>	<u>3,343.14</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS				
	23			

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

As per our report attached

for Bharat S Raut & Co.
Chartered Accountants

Subramanian Suresh
Partner
Membership No. 83673

N. R. Narayana Murthy
Chairman
and Chief Mentor

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

S. Gopalakrishnan
Chief Operating Officer
and Deputy Managing
Director

Deepak M. Satwalekar
Director

Marti G. Subrahmanyam
Director

Omkar Goswami
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Larry Pressler
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Rama Bijapurkar
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Sridar A. Iyengar
Director

K. Dinesh
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S. D. Shibulal
Director

Bangalore
July 13, 2004

T. V. Mohandas Pai
Director and
Chief Financial Officer

Srinath Batni
Director

V. Balakrishnan
Company Secretary and
Senior Vice President – Finance

CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND SUBSIDIARIES

in Rs. Crore, except per share data

Consolidated Profit and Loss Account for the	Schedule	Quarter ended June 30, 2004	Quarter ended June 30, 2003	Year ended March 31, 2004
INCOME				
SOFTWARE SERVICES, PRODUCTS AND BUSINESS PROCESS MANAGEMENT				
Overseas		1,493.45	1,071.38	4,786.72
Domestic		<u>23.93</u>	<u>23.32</u>	<u>66.23</u>
		1,517.38	1,094.70	4,852.95
SOFTWARE DEVELOPMENT AND BUSINESS PROCESS MANAGEMENT EXPENSES	12	<u>805.22</u>	<u>579.60</u>	<u>2,538.67</u>
GROSS PROFIT		712.16	515.10	2,314.28
SELLING AND MARKETING EXPENSES	13	105.21	81.64	350.90
GENERAL AND ADMINISTRATION EXPENSES	14	<u>117.68</u>	<u>82.98</u>	<u>369.19</u>
		222.89	164.62	720.09
OPERATING PROFIT BEFORE INTEREST, DEPRECIATION & AMORTIZATION AND MINORITY INTEREST				
		489.27	350.48	1,594.19
INTEREST		-	-	-
DEPRECIATION AND AMORTIZATION		<u>52.53</u>	<u>45.14</u>	<u>236.73</u>
OPERATING PROFIT AFTER INTEREST, DEPRECIATION & AMORTIZATION AND MINORITY INTERESTS				
		436.74	305.34	1,357.46
OTHER INCOME	15	15.70	31.94	123.38
PROVISION FOR INVESTMENTS		<u>(0.01)</u>	<u>6.36</u>	<u>9.67</u>
NET PROFIT BEFORE TAX AND MINORITY INTERESTS		452.45	330.92	1,471.17
PROVISION FOR TAXATION	16	<u>64.11</u>	<u>52.00</u>	<u>227.54</u>
NET PROFIT BEFORE MINORITY INTERESTS		388.34	278.92	1,243.63
MINORITY INTERESTS		-	-	-
NET PROFIT AFTER TAX AND MINORITY INTERESTS		388.34	278.92	1,243.63
Balance brought forward		70.67	-	-
Less: Residual dividend paid for fiscal 2004		2.32	-	-
Dividend tax on the above		<u>0.30</u>	-	-
		68.05	-	-
AMOUNT AVAILABLE FOR APPROPRIATION		456.39	278.92	1,243.63
DIVIDEND				
Interim		-	-	96.09
Final		-	-	99.96
One-time special dividend		-	-	<u>666.41</u>
Total dividend		-	-	862.46
Dividend tax		-	-	110.50
Amount transferred - general reserve		-	-	200.00
Balance in Profit and Loss account		<u>456.39</u>	<u>278.92</u>	<u>70.67</u>
		456.39	278.92	1,243.63
EARNINGS PER SHARE *				
Equity shares of par value Rs. 5/- each				
Basic		14.54	10.53	46.85
Diluted		14.29	10.49	46.27
Number of shares used in computing earnings per share				
Basic		26,71,36,028	26,49,80,696	26,54,47,776
Diluted		27,18,51,267	26,59,17,468	26,87,87,016

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

23

* refer to note 23.3.21

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

As per our report attached

for Bharat S Raut & Co.
Chartered Accountants

Subramanian Suresh
Partner
Membership No. 83673

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Bangalore
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CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND SUBSIDIARIES

in Rs. crore

Cash Flow Statement for the	Schedule	Quarter ended June 30, 2004	Quarter ended June 30, 2003	Year ended March 31, 2004
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit before tax		452.45	330.92	1,471.17
Adjustments to reconcile net profit before tax to cash provided by operating activities				
(Profit)/Loss on sale of fixed assets		(0.07)	(0.01)	0.41
Depreciation and amortization		52.53	45.14	236.73
Interest and dividend income		(29.36)	(23.30)	(102.23)
Provisions for investments		(0.01)	6.36	9.67
Effect of exchange differences on translation of foreign currency cash and cash equivalents		(12.99)	3.20	4.91
Changes in current assets and liabilities				
Sundry debtors		(185.18)	(46.85)	(132.80)
Loans and advances	17	(34.62)	(9.47)	(17.67)
Current liabilities and provisions	18	(56.43)	37.90	262.20
Income taxes paid during the period/ year	19	(12.05)	(11.18)	(108.60)
NET CASH GENERATED BY OPERATING ACTIVITIES		174.27	332.71	1,623.79
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of fixed assets and change in capital work-in-progress	20	(154.46)	(61.13)	(425.86)
Acquisition of Expert Information Systems Pty. Limited, Australia		-	-	(66.68)
Proceeds on disposal of fixed assets		0.07	0.25	1.43
(Investments)/ disposal in securities	21	91.48	(100.54)	(934.17)
Interest and dividend income		29.36	23.30	102.23
NET CASH USED IN INVESTING ACTIVITIES		(33.55)	(138.12)	(1,323.05)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from the issue of preference share capital		(0.06)	-	44.56
Proceeds from issuance of share capital on exercise of stock options		83.93	1.06	122.27
Dividends paid during the period/ year, including dividend tax		(867.18)	(108.35)	(216.75)
NET CASH USED IN FINANCING ACTIVITIES		(783.31)	(107.29)	(49.92)
Effect of exchange differences on translation of foreign currency cash and cash equivalents		13.31	(3.20)	(5.76)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(629.28)	84.10	245.06
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR		1,929.36	1,684.30	1,684.30
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD/ YEAR	22	1,300.08	1,768.40	1,929.36
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	23			

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

As per our report attached

for Bharat S Raut & Co.
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CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND SUBSIDIARIES

in Rs. crore

Schedules to the Consolidated Balance Sheet as at June 30, 2004 June 30, 2003 March 31, 2004

1 SHARE CAPITAL

Authorized

Equity shares, Rs. 5/- par value

30,00,00,000 (10,00,00,000; 10,00,00,000) equity shares

150.00

50.00

50.00

Issued, Subscribed and Paid Up

Equity shares, Rs. 5/- par value*

6,68,68,034 (6,62,49,366; 6,66,41,056) 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]

33.43

33.12

33.32

33.43

33.12

33.32

Forfeited shares amounted to Rs. 1,500/- (Rs. 1,500/-; Rs. 1,500/-)

* For details of options in respect of equity shares, refer to note 23.3.9

* Refer to note 23.3.21

2 RESERVES AND SURPLUS

Capital reserve

5.94

5.94

5.94

Share premium account

As at April 1,

460.90

338.83

338.83

Add: Received on exercise of stock options issued to employees

83.82

1.06

122.07

544.72

339.89

460.90

Foreign currency translation adjustment

(0.69)

-

(0.85)

General reserve

As at April 1,

2,679.60

2,479.60

2,479.60

Add: Transfer from the profit and loss account

-

-

200.00

2,679.60

2,479.60

2,679.60

Balance in profit and loss account

456.39

278.92

70.67

3,685.96

3,104.35

3,216.26

3 PREFERENCE SHARES ISSUED BY SUBSIDIARY

Authorized

0.0005% Cumulative convertible preference shares, Rs. 100/- par value

87,50,000 (43,75,000, 87,50,000) preference shares

87.50

43.75

87.50

Issued, Subscribed and Paid Up

0.0005% Cumulative convertible preference shares, Rs. 100/- par value

87,50,000 (43,75,000, 87,50,000) preference shares fully paid up*

87.50

43.75

87.50

Premium received on issue of preference shares

6.00

5.25

6.06

93.50

49.00

93.56

* for details of the terms relating to the preference shares, refer to note 23.3.19

CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND SUBSIDIARIES

Schedules to the Consolidated Balance Sheet as at

4 FIXED ASSETS

in Rs. crore

Particulars	Original cost				Depreciation and amortization				Net book value		
	Cost as at April 1, 2004	Additions during the period/ year	Deletions during the period/ year	Cost as at June 30, 2004	As at April 1, 2004	For the period/ year	Deductions for the period/ year	As at June 30, 2004	As at June 30, 2004	As at June 30, 2003	As at March 31, 2004
Goodwill	40.52	-	-	40.52	-	-	-	-	40.52	-	40.52
Land – free-hold	20.05	-	-	20.05	-	-	-	-	20.05	15.87	20.05
– leasehold	70.20	15.95	-	86.15	-	-	-	-	86.15	31.41	70.20
Buildings	459.61	9.80	-	469.41	80.47	7.90	-	88.37	381.04	359.55	379.14
Plant and machinery	283.35	5.74	-	289.09	165.27	11.15	-	176.42	112.67	128.32	118.08
Computer equipment	461.84	33.80	0.57	495.07	370.37	22.92	0.57	392.72	102.35	73.43	91.47
Furniture and fixtures	252.87	12.29	0.21	264.95	151.12	10.38	0.21	161.29	103.66	112.25	101.75
Leasehold improvements	2.64	0.01	-	2.65	0.20	0.16	-	0.36	2.29	0.12	2.44
Vehicles	0.43	0.07	-	0.50	0.27	0.02	-	0.29	0.21	-	0.16
Intangible assets											
Intellectual property rights	42.14	-	-	42.14	42.14	-	-	42.14	-	27.24	-
	1,633.65	77.66	0.78	1,710.53	809.84	52.53	0.78	861.59	848.94	748.19	823.81
Previous period	1,279.04	93.07	0.62	1,371.49	578.54	45.14	0.38	623.30			
Previous year	1,279.04	361.88	7.27	1,633.65	578.54	236.73	5.43	809.84			

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 June 30, 2004 June 30, 2003 March 31, 2004

5 INVESTMENTS

Trade (unquoted) – at cost

Long- term investments	30.01	53.77	30.01
Less: Provision for investments	<u>27.97</u>	<u>38.63</u>	<u>27.97</u>
	2.04	15.14	2.04

Non-trade (unquoted), at the lower of cost and fair value, current investments

Liquid mutual funds	<u>851.94</u>	<u>99.99</u>	<u>943.41</u>
	<u>853.98</u>	<u>115.13</u>	<u>945.45</u>
Aggregate of unquoted investments - carrying value / cost	853.98	115.13	945.45

6 DEFERRED TAX ASSETS

Fixed assets	30.92	23.30	27.13
Investments	2.90	11.81	6.60
Sundry debtors	2.78	3.23	2.14
Leave provisions and others	<u>7.60</u>	<u>-</u>	<u>4.10</u>
	<u>44.20</u>	<u>38.34</u>	<u>39.97</u>

7 SUNDRY DEBTORS

Debts outstanding for a period exceeding six months			
Unsecured			
considered good	-	-	-
considered doubtful	8.80	16.22	9.07
Other debts			
Unsecured			
considered good*	836.63	565.50	651.45
considered doubtful	<u>7.84</u>	<u>1.94</u>	<u>4.29</u>
	853.27	583.66	664.81
Less: Provision for doubtful debts	<u>16.64</u>	<u>18.16</u>	<u>13.36</u>
	<u>836.63</u>	<u>565.50</u>	<u>651.45</u>
* Includes dues from companies where directors are interested	-	0.03	-

8 CASH AND BANK BALANCES

Cash on hand	0.05	0.17	0.01
Balances with scheduled banks			
In current accounts *	54.39	51.42	226.87
In deposit accounts in Indian Rupees	733.43	1,127.67	1,317.28
Balances with non-scheduled banks			
In deposit accounts in foreign currency	16.18	-	13.86
In current accounts in foreign currency	<u>273.33</u>	<u>206.16</u>	<u>163.49</u>
	<u>1,077.38</u>	<u>1,385.42</u>	<u>1,721.51</u>
*includes balance in unclaimed dividend account	6.72	2.66	1.98
*includes balance in escrow account	-	-	0.04

CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND SUBSIDIARIES

in Rs. crore

Schedules to the consolidated Balance Sheet as at June 30, 2004 June 30, 2003 March 31, 2004

9 LOANS AND ADVANCES

Unsecured, considered good			
Advances			
prepaid expenses	32.09	28.25	37.95
for supply of goods and rendering of services	7.90	2.14	5.83
Others	<u>12.21</u>	<u>6.72</u>	<u>3.65</u>
	52.20	37.11	47.43
Unbilled revenues	136.77	99.01	103.09
Advance income tax	200.82	163.82	210.27
Loans and advances to employees *			
housing and other loans	74.42	105.20	83.36
salary advances	41.05	27.27	36.37
Electricity and other deposits	14.72	10.99	9.50
Rental deposits	15.50	13.91	14.98
Deposits with financial institutions and body corporate	222.70	382.98	207.85
Deposits with government authorities	0.01	-	0.01
Other assets	<u>2.88</u>	<u>1.24</u>	<u>8.19</u>
	761.07	841.53	721.05
Unsecured, considered doubtful			
Loans and advances to employees	<u>0.11</u>	<u>0.42</u>	<u>0.09</u>
	761.18	841.95	721.14
Less: Provision for doubtful loans and advances to employees	<u>0.11</u>	<u>0.42</u>	<u>0.09</u>
	<u>761.07</u>	<u>841.53</u>	<u>721.05</u>
* includes dues by non-director officers of the company	-	-	-
Maximum amounts due by non-director officers at any time during the year	-	-	0.06

10 CURRENT LIABILITIES

Sundry creditors			
for capital goods	3.93	0.28	1.48
for goods and services	0.12	0.39	2.65
for accrued salaries and benefits			
salaries	13.63	20.70	15.22
bonus and incentives	102.74	88.86	243.78
unavailed leave	49.17	27.58	51.82
for other liabilities			
provision for expenses	69.74	70.24	63.77
retention monies	9.59	5.85	5.27
withholding and other taxes payable	51.49	22.48	44.46
for purchase of intellectual property rights	20.36	24.50	19.21
others	<u>9.98</u>	<u>6.51</u>	<u>2.25</u>
	330.75	267.39	449.91
Advances received from clients	48.61	13.47	65.19
Unearned revenue	96.73	73.83	63.85
Unclaimed dividend	6.72	2.66	1.98
Loss on forward exchange contracts	<u>34.31</u>	<u>-</u>	<u>-</u>
	<u>517.12</u>	<u>357.35</u>	<u>580.93</u>

11 PROVISIONS

Proposed dividend	-	-	766.37
Provision for			
tax on dividend	-	-	98.19
income taxes	363.74	190.54	316.74
post-sales client support and warranties	12.34	4.99	5.13
retiral benefits	<u>0.96</u>	<u>0.21</u>	<u>0.79</u>
	<u>377.04</u>	<u>195.74</u>	<u>1,187.22</u>

CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND SUBSIDIARIES

in Rs. crore

Schedules to Consolidated Profit and Loss Account for the	Quarter ended June 30, 2004	Quarter ended June 30, 2003	Year ended March 31, 2004
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12 SOFTWARE DEVELOPMENT AND BUSINESS PROCESS MANAGEMENT EXPENSES

Salaries and bonus including overseas staff expenses	652.25	457.50	2,079.57
Staff welfare	3.61	3.22	13.49
Contribution to provident and other funds	16.32	10.94	51.63
Overseas travel expenses	63.53	43.22	174.00
Consumables	3.34	1.73	10.09
Cost of software packages			
for own use	22.02	13.60	64.84
for service delivery to clients	3.53	9.91	16.12
Consultancy charges	14.27	27.14	65.78
Computer maintenance	3.07	2.30	12.26
Communication expenses	12.71	9.50	42.58
Provision for post-sales client support and warranties	7.22	0.17	0.30
Traveling and conveyance	1.35	0.37	3.44
Rent	1.68	-	4.57
Other miscellaneous expenses	0.32	-	-
	<u>805.22</u>	<u>579.60</u>	<u>2,538.67</u>

13 SELLING AND MARKETING EXPENSES

Salaries and bonus including overseas staff expenses	65.60	51.14	216.47
Staff welfare	0.18	0.08	0.75
Contribution to provident and other funds	0.39	0.43	1.82
Overseas travel expenses	13.55	9.30	42.57
Consumables	0.13	0.06	0.20
Cost of software packages			
for own use	-	0.01	0.18
Computer maintenance	0.10	0.01	0.04
Traveling and conveyance	1.38	0.33	2.29
Rent	3.09	2.96	15.19
Telephone charges	1.16	1.10	5.16
Professional charges	3.14	2.00	6.11
Printing and stationery	0.30	0.27	1.05
Advertisements	0.21	0.12	0.64
Brand building	5.77	5.73	34.23
Office maintenance	0.43	0.04	0.88
Power and fuel	-	0.02	0.04
Insurance charges	0.09	0.03	0.11
Rates and taxes	0.03	0.03	0.08
Bank charges and commission	-	0.01	0.02
Commission charges	4.17	2.27	7.27
Marketing expenses	3.89	0.85	6.45
Sales promotion expenses	0.25	0.11	0.72
Miscellaneous expenses	1.35	4.74	8.63
	<u>105.21</u>	<u>81.64</u>	<u>350.90</u>

CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND SUBSIDIARIES

in Rs. crore

Schedules to Consolidated Profit and Loss Account for the	Quarter ended June 30, 2004	Quarter ended June 30, 2003	Year ended March 31, 2004
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14 GENERAL AND ADMINISTRATION EXPENSES

Salaries and bonus including overseas staff expenses	25.92	17.76	81.93
Staff welfare	0.13	0.01	0.28
Contribution to provident and other funds	1.73	1.20	5.02
Overseas travel expenses	2.09	1.70	7.07
Traveling and conveyance	8.83	4.34	22.72
Cost of software packages			
for own use	0.42	-	1.89
Rent	4.36	7.11	19.38
Telephone charges	10.20	7.32	30.25
Professional charges	12.58	6.66	36.29
Printing and stationery	1.91	2.37	6.11
Advertisements	2.10	1.00	5.51
Office maintenance	8.36	6.29	29.32
Repairs to building	1.32	1.90	10.52
Repairs to plant and machinery	1.57	1.09	4.85
Power and fuel	9.62	7.42	30.14
Recruitment and training	0.57	0.03	1.21
Insurance charges	7.69	5.28	24.67
Rates and taxes	2.57	1.21	5.62
Donations	4.22	3.50	14.29
Auditor's remuneration			
statutory audit fees	0.20	0.09	0.63
certification charges	-	-	0.10
others	-	-	0.06
out-of-pocket expenses	0.01	0.01	0.02
Provision for bad and doubtful debts	6.33	3.29	15.99
Provision for doubtful loans and advances	0.02	0.01	0.14
Bank charges and commission	0.27	0.21	0.73
Commission to non-whole time directors	0.39	0.39	1.49
Postage and courier	1.47	1.24	3.98
Books and periodicals	0.58	0.24	1.51
Research grants	0.10	0.06	0.54
Freight charges	0.23	0.14	0.84
Professional membership and seminar participation fees	1.60	0.69	3.71
Miscellaneous expenses	0.29	0.42	2.38
	<u>117.68</u>	<u>82.98</u>	<u>369.19</u>

15 OTHER INCOME

Interest received on deposits with banks and others*	20.32	23.30	84.51
Dividend received on investment in liquid mutual funds (non-trade unquoted)	9.04	-	17.72
Miscellaneous income	0.26	1.08	1.13
Exchange differences (refer to note 23.2)	(13.92)	7.56	20.02
	<u>15.70</u>	<u>31.94</u>	<u>123.38</u>
*Tax deducted at source	4.32	4.46	16.82

16 PROVISION FOR TAXATION

Current period/ year			
Income taxes	68.50	52.61	228.54
Deferred taxes	(4.39)	(1.53)	(1.11)
	<u>64.11</u>	<u>51.08</u>	<u>227.43</u>
Prior period/ years	-	0.92	0.11
	<u>64.11</u>	<u>52.00</u>	<u>227.54</u>

CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND SUBSIDIARIES

in Rs. crore

Schedules to Consolidated Cashflow Statements for the	Quarter ended		Year ended
	June 30, 2004	June 30, 2003	March 31, 2004
17 CHANGE IN LOANS AND ADVANCES			
As per the Balance Sheet	761.07	841.53	721.05
Less: Deposits with financial institutions and body corporate, included in cash and cash equivalents	(222.70)	(382.98)	(207.85)
Advance income taxes separately considered	<u>(200.82)</u>	<u>(163.82)</u>	<u>(210.27)</u>
	337.55	294.73	302.93
Less: Opening balance considered	<u>(302.93)</u>	<u>(285.26)</u>	<u>(285.26)</u>
	<u>34.62</u>	<u>9.47</u>	<u>17.67</u>
18 CHANGE IN CURRENT LIABILITIES AND PROVISIONS			
As per the Balance Sheet	894.16	553.09	1,768.15
Add/ (Less): Provisions separately considered in the cash flow Statement			
Income taxes	(363.74)	(190.54)	(316.74)
Dividends	-	-	(766.37)
Dividend tax	<u>-</u>	<u>-</u>	<u>(98.19)</u>
	530.42	362.55	586.85
Less: Opening balance considered	<u>(586.85)</u>	<u>(324.65)</u>	<u>(324.65)</u>
	<u>(56.43)</u>	<u>37.90</u>	<u>262.20</u>
19 INCOME TAXES PAID			
Charge as per the Profit and Loss Account	64.11	52.00	227.54
Add: Increase in advance income taxes	(9.45)	(126.62)	(80.17)
Increase / (Decrease) in deferred taxes	4.39	1.53	3.16
Less: (Increase) / Decrease in income tax provision	<u>(47.00)</u>	<u>84.27</u>	<u>(41.93)</u>
	<u>12.05</u>	<u>11.18</u>	<u>108.60</u>
20 PURCHASE OF FIXED ASSETS AND CHANGE IN CAPITAL WORK-IN-PROGRESS			
As per the Balance Sheet	77.66	93.07	361.88
Less: Opening Capital work-in-progress	(208.05)	(77.39)	(77.39)
Acquisition of Expert Information Systems Pty. Limited, Australia	-	-	(66.68)
Add: Closing Capital work-in-progress	<u>284.85</u>	<u>45.45</u>	<u>208.05</u>
	<u>154.46</u>	<u>61.13</u>	<u>425.86</u>
21 INVESTMENTS IN / (DISPOSAL OF) SECURITIES *			
As per the Balance Sheet	853.98	115.13	945.45
Add: Provisions on investments	<u>(0.01)</u>	<u>6.36</u>	<u>9.67</u>
	853.97	121.49	955.12
Less: Opening balance considered	<u>(945.45)</u>	<u>(20.95)</u>	<u>(20.95)</u>
	<u>(91.48)</u>	<u>100.54</u>	<u>934.17</u>
* refer to note 23.3.14 for details of investments and redemptions			
22 CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR			
As per the Balance Sheet	1,077.38	1,385.42	1,721.51
Add: Deposits with financial institutions and body corporate, included herein	<u>222.70</u>	<u>382.98</u>	<u>207.85</u>
	<u>1,300.08</u>	<u>1,768.40</u>	<u>1,929.36</u>