

CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND SUBSIDIARIES

in Rs. crore

Consolidated Balance Sheet as at	Schedule	September 30, 2004	September 30, 2003	March 31, 2004
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS				
Share capital	1	133.94	33.13	33.32
Reserves and surplus	2	<u>3,921.45</u>	<u>3,300.93</u>	<u>3,216.26</u>
		4,055.39	3,334.06	3,249.58
MINORITY INTERESTS				
		-	-	-
PREFERENCE SHARES ISSUED BY SUBSIDIARY	3	<u>93.51</u>	<u>49.00</u>	<u>93.56</u>
		<u><u>4,148.90</u></u>	<u><u>3,383.06</u></u>	<u><u>3,343.14</u></u>
APPLICATIONS OF FUNDS				
FIXED ASSETS				
Original cost	4	1,893.51	1,423.85	1,633.65
Less: Depreciation and amortization		<u>898.64</u>	<u>686.63</u>	<u>809.84</u>
Net book value		994.87	737.22	823.81
Add: Capital work-in-progress		<u>254.23</u>	<u>65.63</u>	<u>208.05</u>
		1,249.10	802.85	1,031.86
INVESTMENTS				
DEFERRED TAX ASSETS	5	966.02	464.74	945.45
CURRENT ASSETS, LOANS AND ADVANCES	6	44.50	33.87	39.97
Sundry debtors	7	926.32	592.59	651.45
Cash and bank balances	8	1,325.61	1,387.26	1,721.51
Loans and advances	9	<u>851.80</u>	<u>822.74</u>	<u>721.05</u>
		3,103.73	2,802.59	3,094.01
LESS: CURRENT LIABILITIES AND PROVISIONS				
Current liabilities	10	613.80	376.30	580.93
Provisions	11	<u>600.65</u>	<u>344.69</u>	<u>1,187.22</u>
NET CURRENT ASSETS		<u>1,889.28</u>	2,081.60	1,325.86
		<u><u>4,148.90</u></u>	<u><u>3,383.06</u></u>	<u><u>3,343.14</u></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 BSR & Co.
(formerly 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
Director

Larry Pressler
Director

Rama Bijapurkar
Director

Claude Smadja
Director

Sridar A. Iyengar
Director

K. Dinesh
Director

S. D. Shibulal
Director

Bangalore
October 12, 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		Half year ended		Year ended
		September 30, 2004	2003	September 30, 2004	2003	March 31, 2004
INCOME						
SOFTWARE SERVICES, PRODUCTS AND BUSINESS PROCESS MANAGEMENT						
Overseas		1,719.26	1,133.06	3,212.71	2,204.43	4,786.72
Domestic		30.07	18.74	54.00	42.07	66.23
		<u>1,749.33</u>	<u>1,151.80</u>	<u>3,266.71</u>	<u>2,246.50</u>	<u>4,852.95</u>
SOFTWARE DEVELOPMENT AND BUSINESS PROCESS MANAGEMENT EXPENSES	12	926.66	595.28	1,731.88	1,174.87	2,538.67
GROSS PROFIT		822.67	556.52	1,534.83	1,071.63	2,314.28
SELLING AND MARKETING EXPENSES	13	122.27	82.69	227.47	164.34	350.90
GENERAL AND ADMINISTRATION EXPENSES	14	139.37	92.37	257.04	175.35	369.19
		<u>261.64</u>	<u>175.06</u>	<u>484.51</u>	<u>339.69</u>	<u>720.09</u>
OPERATING PROFIT BEFORE INTEREST, DEPRECIATION & AMORTIZATION AND MINORITY INTEREST		561.03	381.46	1,050.32	731.94	1,594.19
INTEREST		-	-	-	-	-
DEPRECIATION AND AMORTIZATION		60.63	63.42	113.20	108.56	236.73
OPERATING PROFIT AFTER INTEREST, DEPRECIATION & AMORTIZATION AND MINORITY INTERESTS		500.40	318.04	937.12	623.38	1,357.46
OTHER INCOME	15	29.60	43.16	45.31	75.10	123.38
PROVISION FOR INVESTMENTS		0.07	0.22	0.06	6.59	9.67
NET PROFIT BEFORE TAX AND MINORITY INTERESTS		529.93	360.98	982.37	691.89	1,471.17
PROVISION FOR TAXATION	16	82.56	60.00	146.67	112.00	227.54
NET PROFIT BEFORE MINORITY INTERESTS		447.37	300.98	835.70	579.89	1,243.63
MINORITY INTERESTS		-	-	-	-	-
NET PROFIT AFTER TAX AND MINORITY INTERESTS		447.37	300.98	835.70	579.89	1,243.63
Balance brought forward		456.39	278.91	70.67	-	-
Less: Residual dividend paid for fiscal 2004		-	-	2.31	-	-
Dividend tax on the above		1.97	-	2.27	-	-
		<u>454.42</u>	<u>278.91</u>	<u>66.09</u>	-	-
AMOUNT AVAILABLE FOR APPROPRIATION		901.79	579.89	901.79	579.89	1,243.63
DIVIDEND						
Interim		133.93	96.09	133.93	96.09	96.09
Final		-	-	-	-	99.96
One-time special dividend		-	-	-	-	666.41
Total dividend		133.93	96.09	133.93	96.09	862.46
Dividend tax		17.50	12.31	17.50	12.31	110.50
Amount transferred - general reserve		-	-	-	-	200.00
Balance in Profit and Loss account		750.36	471.49	750.36	471.49	70.67
		<u>901.79</u>	<u>579.89</u>	<u>901.79</u>	<u>579.89</u>	<u>1,243.63</u>
EARNINGS PER SHARE *						
Equity shares of par value Rs. 5/- each						
Basic		16.71	11.36	31.25	21.88	46.85
Diluted		16.34	11.26	30.64	21.75	46.27
Number of shares used in computing earnings per share						
Basic		26,76,76,465	26,50,28,112	26,74,06,246	26,50,04,404	26,54,47,776
Diluted		27,37,76,678	26,72,97,616	27,27,68,201	26,66,04,340	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 BSR & Co.
 (formerly Bharat S Raut & Co.)
 Chartered Accountants

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 Partner
 Membership No. 83673

 N. R. Narayana Murthy
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CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND SUBSIDIARIES

in Rs. crore

Consolidated Cash Flow Statement for the	Schedule	Quarter ended		Half year ended		Year ended
		September 30, 2004	2003	September 30, 2004	2003	March 31, 2004
CASH FLOWS FROM OPERATING ACTIVITIES						
Net profit before tax		529.93	360.98	982.37	691.89	1,471.17
Adjustments to reconcile net profit before tax to cash provided by operating activities						
(Profit)/Loss on sale of fixed assets		(0.05)	-	(0.12)	0.01	0.41
Depreciation and amortization		60.63	63.42	113.20	108.56	236.73
Interest and dividend income		(22.92)	(23.91)	(52.28)	(47.22)	(102.23)
Provisions for investments		0.07	0.22	0.06	6.59	9.67
Effect of exchange differences on translation of foreign currency cash and cash equivalents		(1.86)	1.59	(9.01)	3.17	4.91
Changes in current assets and liabilities						
Sundry debtors		(89.69)	(27.09)	(274.87)	(73.94)	(132.80)
Loans and advances	17	(25.68)	4.03	(60.30)	(5.44)	(17.67)
Current liabilities and provisions	18	107.67	18.99	51.24	56.89	262.20
Income taxes paid during the period/ year	19	(96.94)	(49.33)	(108.83)	(60.51)	(108.60)
NET CASH GENERATED BY OPERATING ACTIVITIES		461.16	348.90	641.46	680.00	1,623.79
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of fixed assets and change in capital work-in-progress	20	(176.07)	(72.63)	(330.53)	(133.76)	(425.86)
Acquisition of Expert Information Systems Pty. Limited, Australia		-	-	-	-	(66.68)
Proceeds on disposal of fixed assets		0.14	(0.01)	0.21	0.23	1.43
(Investments) in / disposal of securities	21	(112.11)	(349.83)	(20.63)	(450.38)	(934.17)
Interest and dividend income		22.92	23.91	52.28	47.22	102.23
NET CASH USED IN INVESTING ACTIVITIES		(265.12)	(398.56)	(298.67)	(536.69)	(1,323.05)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from the issue of preference share capital		0.01	-	(0.05)	-	44.56
Proceeds from issuance of share capital on exercise of stock options (refer note 23.3.22.b)		40.81	4.02	124.74	5.08	122.27
Dividends paid during the period/ year, including dividend tax		(1.97)	-	(869.14)	(108.35)	(216.75)
NET CASH USED IN FINANCING ACTIVITIES		38.85	4.02	(744.45)	(103.27)	(49.92)
Effect of exchange differences on translation of foreign currency cash and cash equivalents		3.12	(1.59)	10.39	(3.17)	(5.76)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		238.01	(47.23)	(391.27)	36.87	245.06
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR		1,300.08	1,768.40	1,929.36	1,684.30	1,684.30
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD/ YEAR	22	1,538.09	1,721.17	1,538.09	1,721.17	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 BSR & Co.
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Chartered Accountants

Subramanian Suresh
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Membership No. 83673

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CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND SUBSIDIARIES

in Rs. crore

Schedules to the Consolidated Balance Sheet as at September 30, 2004 September 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*

26,78,60,670 (6,62,68,972; 6,66,41,056) equity shares fully paid up

133.94

33.13

33.32

[Of the above, 25,84,92,302 (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]

133.94

33.13

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

124.42

5.07

122.07

585.32

343.90

460.90

Foreign currency translation adjustment

0.53

-

(0.85)

General reserve

As at April 1,

2,679.60

2,479.60

2,479.60

Less: capitalized for issue of bonus shares

100.30

-

-

Add: Transfer from the profit and loss account

-

-

200.00

2,579.30

2,479.60

2,679.60

Balance in profit and loss account

750.36

471.49

70.67

3,921.45

3,300.93

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

6.01

5.25

6.06

93.51

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

4 FIXED ASSETS

in Rs. crore

Particulars	Original cost			Cost as at September 30, 2004	Depreciation and amortization				Net book value		
	Cost as at April 1, 2004	Additions during the period/year	Deletions during the period/year		As at April 1, 2004	For the period/year	Deductions for the period/year	As at September 30, 2004	As at September 30, 2004	As at September 30, 2003	As at March 31, 2004
Goodwill	40.52	-	-	40.52	-	-	-	-	40.52	-	40.52
Land: free-hold	20.05	0.15	-	20.20	-	-	-	-	20.20	15.87	20.05
leasehold	70.20	17.98	-	88.18	-	0.31	-	0.31	87.87	32.74	70.20
Buildings	459.61	99.05	-	558.66	80.47	16.37	-	96.84	461.82	364.31	379.14
Plant and machinery	283.35	41.17	6.14 **	318.38	165.27	24.17	6.10 **	183.34	135.04	125.16	118.08
Computer equipment	461.84	81.28	10.77 **	532.35	370.37	49.51	10.77 **	409.11	123.24	74.97	91.47
Furniture and fixtures	252.87	43.06	7.58 **	288.35	151.12	22.66	7.53 **	166.25	122.10	112.04	101.75
Leasehold improvements	2.64	1.50	-	4.14	0.20	0.14	-	0.34	3.80	-	2.44
Vehicles	0.43	0.16	-	0.59	0.27	0.04	-	0.31	0.28	0.11	0.16
Intangible assets											
Intellectual property rights	42.14	-	-	42.14	42.14	-	-	42.14	-	12.02	-
	1,633.65	284.35	24.49	1,893.51	809.84	113.20	24.40	898.64	994.87	737.22	823.81
Previous period	1,279.04	145.52	0.71	1,423.85	578.54	108.56	0.48	686.63			
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.

** amount includes the retiral of assets which are not in active use with original cost of Rs. 23.22 and accumulated depreciation of Rs. 23.17

CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND SUBSIDIARIES

in Rs. crore

Schedules to the Consolidated Balance Sheet as at	September 30, 2004	September 30, 2003	March 31, 2004
5 INVESTMENTS			
Trade (unquoted) – at cost			
Long- term investments	30.01	51.21	30.01
Less: Provision for investments	<u>27.97</u>	<u>36.28</u>	<u>27.97</u>
	2.04	14.93	2.04
Non-trade (unquoted), at the lower of cost and fair value, current investments			
Liquid mutual funds	<u>963.98</u>	<u>449.81</u>	<u>943.41</u>
	<u>966.02</u>	<u>464.74</u>	<u>945.45</u>
Aggregate of unquoted investments - carrying value / cost	966.02	464.74	945.45
6 DEFERRED TAX ASSETS			
Fixed assets	31.14	23.05	27.13
Investments	3.00	8.20	6.60
Sundry debtors	2.78	2.62	2.14
Leave provisions and others	<u>7.58</u>	<u>-</u>	<u>4.10</u>
	<u>44.50</u>	<u>33.87</u>	<u>39.97</u>
7 SUNDRY DEBTORS			
Debts outstanding for a period exceeding six months			
Unsecured			
considered good	-	-	-
considered doubtful	12.23	14.16	9.07
Other debts			
Unsecured			
considered good*	926.32	592.59	651.45
considered doubtful	<u>5.84</u>	<u>4.79</u>	<u>4.29</u>
	<u>944.39</u>	<u>611.54</u>	<u>664.81</u>
Less: Provision for doubtful debts	<u>18.07</u>	<u>18.95</u>	<u>13.36</u>
	<u>926.32</u>	<u>592.59</u>	<u>651.45</u>
* Includes dues from companies where directors are interested	1.95	1.42	0.16
8 CASH AND BANK BALANCES			
Cash on hand	0.18	0.07	0.01
Balances with scheduled banks			
In current accounts *	158.10	95.08	226.87
In deposit accounts in Indian Rupees	951.79	1,145.04	1,317.28
Balances with non-scheduled banks			
In deposit accounts in foreign currency	17.97	10.49	13.86
In current accounts in foreign currency	<u>197.57</u>	<u>136.58</u>	<u>163.49</u>
	<u>1,325.61</u>	<u>1,387.26</u>	<u>1,721.51</u>
*includes balance in unclaimed dividend account	3.38	1.78	1.98
*includes balance in escrow account	-	0.81	0.04

CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND SUBSIDIARIES

in Rs. crore

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

9 LOANS AND ADVANCES

Unsecured, considered good			
Advances			
prepaid expenses	35.15	28.41	37.95
for supply of goods and rendering of services	6.72	2.02	5.83
Others	<u>12.48</u>	<u>12.82</u>	<u>3.65</u>
	54.35	43.25	47.43
Unbilled revenues	134.39	85.58	103.09
Advance income tax	276.09	198.13	210.27
Loans and advances to employees *			
housing and other loans	67.77	101.29	83.36
salary advances	40.74	26.79	36.37
Electricity and other deposits	14.12	12.91	9.50
Rental deposits	16.44	16.16	14.98
Deposits with financial institutions and body corporate	247.48	333.91	207.85
Deposits with government authorities	0.01	-	0.01
Other assets	<u>0.41</u>	<u>4.72</u>	<u>8.19</u>
	851.80	822.74	721.05
Unsecured, considered doubtful			
Loans and advances to employees	<u>0.23</u>	<u>0.54</u>	<u>0.09</u>
	852.03	823.28	721.14
Less: Provision for doubtful loans and advances to employees	<u>0.23</u>	<u>0.54</u>	<u>0.09</u>
	<u>851.80</u>	<u>822.74</u>	<u>721.05</u>
* includes dues by non-director officers of the company	0.04	-	-
Maximum amounts due by non-director officers at any time during the year	0.04	0.06	0.06

10 CURRENT LIABILITIES

Sundry creditors			
for capital goods	2.00	0.43	1.48
for goods and services	5.39	0.65	2.65
for accrued salaries and benefits			
salaries	17.66	12.71	15.22
bonus and incentives	164.29	128.74	243.78
unavailed leave	54.06	29.42	51.82
for other liabilities			
provision for expenses	99.46	59.50	63.77
retention monies	13.15	5.97	5.27
withholding and other taxes payable	59.41	24.81	44.46
for purchase of intellectual property rights	20.62	20.27	19.21
others	<u>12.79</u>	<u>6.91</u>	<u>2.25</u>
	448.83	289.41	449.91
Advances received from clients	39.11	13.92	65.19
Unearned revenue	102.49	71.19	63.85
Loss on forward exchange contracts	19.99	-	-
Unclaimed dividend	<u>3.38</u>	<u>1.78</u>	<u>1.98</u>
	<u>613.80</u>	<u>376.30</u>	<u>580.93</u>

11 PROVISIONS

Proposed dividend	133.93	96.09	766.37
Provision for			
tax on dividend	17.50	12.31	98.19
income taxes	424.93	231.05	316.74
post-sales client support and warranties	23.92	4.67	5.13
retiral benefits	<u>0.37</u>	<u>0.57</u>	<u>0.79</u>
	<u>600.65</u>	<u>344.69</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 September 30,		Half year ended September 30,		Year ended March 31,
	2004	2003	2004	2003	2004

12 SOFTWARE DEVELOPMENT AND BUSINESS PROCESS MANAGEMENT EXPENSES

Salaries and bonus including overseas staff expenses	736.08	486.34	1,388.33	943.83	2,079.57
Staff welfare	4.60	2.93	8.21	6.14	13.49
Contribution to provident and other funds	19.85	13.34	36.16	24.28	51.63
Overseas travel expenses	66.47	43.54	130.00	86.75	174.00
Consumables	5.05	2.05	8.39	3.79	10.09
Cost of software packages					
for own use	27.74	21.47	49.77	35.07	64.84
for service delivery to clients	6.11	2.48	9.65	12.34	16.12
Cost of technical sub-contractors	24.54	8.27	38.81	35.42	65.78
Computer maintenance	4.82	3.22	7.90	5.58	12.26
Communication expenses	13.81	9.98	26.51	19.48	42.58
Provision for post-sales client support and warranties	11.58	(0.32)	18.79	(0.15)	0.30
Traveling and conveyance	2.45	0.51	3.80	0.87	3.44
Rent	2.51	1.47	4.19	1.47	4.57
Other miscellaneous expenses	1.05	-	1.37	-	-
	<u>926.66</u>	<u>595.28</u>	<u>1,731.88</u>	<u>1,174.87</u>	<u>2,538.67</u>

13 SELLING AND MARKETING EXPENSES

Salaries and bonus including overseas staff expenses	71.48	50.81	137.09	101.95	216.47
Staff welfare	0.11	0.17	0.28	0.25	0.75
Contribution to provident and other funds	0.37	0.81	0.76	1.24	1.82
Overseas travel expenses	12.96	9.92	26.51	19.22	42.57
Consumables	0.08	0.03	0.21	0.08	0.20
Cost of software packages					
for own use	-	-	0.01	0.01	0.18
Computer maintenance	0.01	0.01	0.12	0.02	0.04
Traveling and conveyance	4.94	0.29	6.32	0.62	2.29
Rent	2.56	3.95	5.64	6.90	15.19
Telephone charges	1.67	1.20	2.84	2.29	5.16
Professional charges	5.96	0.78	9.09	2.78	6.11
Printing and stationery	0.35	0.25	0.65	0.52	1.05
Advertisements	0.66	0.12	0.87	0.24	0.64
Brand building	12.67	9.41	18.44	15.15	34.23
Office maintenance	0.28	0.07	0.71	0.11	0.88
Power and fuel	-	0.01	-	0.03	0.04
Insurance charges	0.15	0.01	0.24	0.04	0.11
Rates and taxes	-	-	0.03	0.03	0.08
Bank charges and commission	-	-	-	0.01	0.02
Commission charges	6.73	0.64	8.49	2.91	7.27
Marketing expenses	0.27	1.83	6.57	2.69	6.45
Sales promotion expenses	0.34	0.09	0.58	0.20	0.72
Miscellaneous expenses	0.68	2.29	2.02	7.05	8.63
	<u>122.27</u>	<u>82.69</u>	<u>227.47</u>	<u>164.34</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		Half year ended		Year ended
	September 30, 2004	2003	September 30, 2004	2003	March 31, 2004

14 GENERAL AND ADMINISTRATION EXPENSES

Salaries and bonus including overseas staff expenses	29.28	18.57	55.20	36.32	81.93
Staff welfare	0.17	0.03	0.31	0.04	0.28
Contribution to provident and other funds	1.87	1.26	3.60	2.47	5.02
Overseas travel expenses	2.72	2.28	4.81	3.99	7.07
Traveling and conveyance	9.95	5.19	18.78	9.51	22.72
Cost of software packages for own use	0.49	0.42	0.91	0.42	1.89
Rent	6.08	3.66	10.44	10.77	19.38
Telephone charges	12.70	7.63	22.90	14.96	30.25
Professional charges	18.24	10.05	30.82	16.72	36.29
Printing and stationery	2.85	1.10	4.76	3.47	6.11
Advertisements	2.57	0.36	4.67	1.36	5.51
Office maintenance	10.70	6.43	19.06	12.72	29.32
Repairs to building	2.68	1.49	4.01	3.39	10.52
Repairs to plant and machinery	1.54	1.51	3.11	2.60	4.85
Power and fuel	10.46	7.55	20.08	14.97	30.14
Recruitment and training	0.28	0.09	0.85	0.13	1.21
Insurance charges	7.62	6.26	15.31	11.53	24.67
Rates and taxes	2.38	1.01	4.95	2.21	5.62
Donations	4.83	3.51	9.05	7.02	14.29
Auditor's remuneration					
statutory audit fees	0.22	0.10	0.42	0.18	0.63
certification charges	-	-	-	-	0.10
others	-	-	-	-	0.06
out-of-pocket expenses	0.01	0.01	0.01	0.01	0.02
Provision for bad and doubtful debts	5.26	10.73	11.58	14.02	15.99
Provision for doubtful loans and advances	0.09	0.12	0.11	0.13	0.14
Bank charges and commission	0.36	0.19	0.62	0.40	0.73
Commission to non-whole time directors	0.39	0.39	0.78	0.78	1.49
Postage and courier	1.45	0.71	2.92	1.95	3.98
Books and periodicals	0.70	0.35	1.28	0.58	1.51
Research grants	0.09	0.12	0.19	0.18	0.54
Freight charges	0.14	0.15	0.37	0.30	0.84
Professional membership and seminar participation fees	1.43	0.66	3.03	1.36	3.71
Miscellaneous expenses	1.82	0.44	2.11	0.86	2.38
	<u>139.37</u>	<u>92.37</u>	<u>257.04</u>	<u>175.35</u>	<u>369.19</u>

15 OTHER INCOME

Interest received on deposits with banks and others*	14.27	20.36	34.60	43.67	84.51
Dividend received on investment in liquid mutual funds (non-trade unquoted)	8.65	3.55	17.68	3.55	17.72
Miscellaneous income	0.25	0.25	0.51	1.32	1.13
Exchange differences (refer to note 23.2)	6.43	19.00	(7.48)	26.56	20.02
	<u>29.60</u>	<u>43.16</u>	<u>45.31</u>	<u>75.10</u>	<u>123.38</u>
*Tax deducted at source	2.44	4.30	6.74	8.57	16.82

16 PROVISION FOR TAXATION

Current period/ year					
Income taxes	82.57	55.53	151.07	108.14	228.54
Deferred taxes	(0.01)	4.47	(4.40)	2.94	(1.11)
	<u>82.56</u>	<u>60.00</u>	<u>146.67</u>	<u>111.08</u>	<u>227.43</u>
Prior period/ years	-	-	-	0.92	0.11
	<u>82.56</u>	<u>60.00</u>	<u>146.67</u>	<u>112.00</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		Half year ended		Year ended
	September 30, 2004	September 30, 2003	September 30, 2004	September 30, 2003	March 31, 2004
17 CHANGE IN LOANS AND ADVANCES					
As per the Balance Sheet	851.80	822.74	851.80	822.74	721.05
Less: Deposits with financial institutions and body corporate, included in cash and cash equivalents (refer note 23.3.22.c)	(212.48)	(333.91)	(212.48)	(333.91)	(207.85)
Advance income taxes separately considered	(276.09)	(198.13)	(276.09)	(198.13)	(210.27)
	363.23	290.70	363.23	290.70	302.93
Less: Opening balance considered	(337.55)	(294.73)	(302.93)	(285.26)	(285.26)
	<u>25.68</u>	<u>(4.03)</u>	<u>60.30</u>	<u>5.44</u>	<u>17.67</u>
18 CHANGE IN CURRENT LIABILITIES AND PROVISIONS					
As per the Balance Sheet	1,214.45	720.99	1,214.45	720.99	1,768.15
Add/ (Less): Provisions separately considered in the cash flow Statement					
Income taxes	(424.93)	(231.05)	(424.93)	(231.05)	(316.74)
Dividends	(133.93)	(96.09)	(133.93)	(96.09)	(766.37)
Dividend tax	(17.50)	(12.31)	(17.50)	(12.31)	(98.19)
	638.09	381.54	638.09	381.54	586.85
Less: Opening balance considered	(530.42)	(362.55)	(586.85)	(324.65)	(324.65)
	<u>107.67</u>	<u>18.99</u>	<u>51.24</u>	<u>56.89</u>	<u>262.20</u>
19 INCOME TAXES PAID					
Charge as per the Profit and Loss Account	82.56	60.00	146.67	112.00	227.54
Add: Increase in advance income taxes	75.27	34.31	65.82	(92.31)	(80.17)
Increase / (Decrease) in deferred taxes	0.30	(4.47)	4.53	(2.94)	3.16
Less: (Increase) / Decrease in income tax provision	(61.19)	(40.51)	(108.19)	43.76	(41.93)
	<u>96.94</u>	<u>49.33</u>	<u>108.83</u>	<u>60.51</u>	<u>108.60</u>
20 PURCHASE OF FIXED ASSETS AND CHANGE IN CAPITAL WORK-IN-PROGRESS					
As per the schedule 4 to Balance Sheet	206.69	52.45	284.35	145.52	361.88
Less: Opening Capital work-in-progress	(284.85)	(45.45)	(208.05)	(77.39)	(77.39)
Acquisition of Expert Information Systems Pty. Limited, Australia	-	-	-	-	(66.68)
Add: Closing Capital work-in-progress	254.23	65.63	254.23	65.63	208.05
	<u>176.07</u>	<u>72.63</u>	<u>330.53</u>	<u>133.76</u>	<u>425.86</u>
21 INVESTMENTS IN / (DISPOSAL OF) SECURITIES *					
As per the Balance Sheet	966.02	464.74	966.02	464.74	945.45
Add: Provisions on investments	0.07	0.22	0.06	6.59	9.67
	966.09	464.96	966.08	471.33	955.12
Less: Opening balance considered	(853.98)	(115.13)	(945.45)	(20.95)	(20.95)
	<u>112.11</u>	<u>349.83</u>	<u>20.63</u>	<u>450.38</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 PERIOD / YEAR					
As per the Balance Sheet	1,325.61	1,387.26	1,325.61	1,387.26	1,721.51
Add: Deposits with financial institutions and body corporate, included herein	212.48	333.91	212.48	333.91	207.85
	<u>1,538.09</u>	<u>1,721.17</u>	<u>1,538.09</u>	<u>1,721.17</u>	<u>1,929.36</u>