

INFOSYS TECHNOLOGIES LIMITED

in Rs. crore

Balance Sheet as at	Schedule	September 30, 2004	September 30, 2003	March 31, 2004
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS				
Share capital	1	133.93	33.13	33.32
Reserves and surplus	2	<u>3,937.53</u>	<u>3,302.48</u>	<u>3,220.11</u>
		<u>4,071.46</u>	<u>3,335.61</u>	<u>3,253.43</u>
APPLICATIONS OF FUNDS				
FIXED ASSETS				
Original cost	3	1,809.12	1,414.53	1,570.23
Less: Depreciation and amortization		<u>885.03</u>	<u>683.27</u>	<u>803.41</u>
Net book value		<u>924.09</u>	<u>731.26</u>	<u>766.82</u>
Add: Capital work-in-progress		<u>252.63</u>	<u>62.00</u>	<u>203.48</u>
		<u>1,176.72</u>	<u>793.26</u>	<u>970.30</u>
INVESTMENTS				
DEFERRED TAX ASSETS	4	1,064.97	476.99	1,027.38
CURRENT ASSETS, LOANS AND ADVANCES	5	35.77	33.87	35.63
Sundry debtors	6	892.06	577.26	632.51
Cash and bank balances	7	1,251.78	1,382.71	1,638.01
Loans and advances	8	<u>812.93</u>	<u>786.63</u>	<u>693.22</u>
		<u>2,956.77</u>	<u>2,746.60</u>	<u>2,963.74</u>
LESS: CURRENT LIABILITIES AND PROVISIONS				
Current liabilities	9	566.92	370.99	560.44
Provisions	10	<u>595.85</u>	<u>344.12</u>	<u>1,183.18</u>
NET CURRENT ASSETS		<u>1,794.00</u>	<u>2,031.49</u>	<u>1,220.12</u>
		<u>4,071.46</u>	<u>3,335.61</u>	<u>3,253.43</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS				
	22			

The schedules referred to above form an integral part of the 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

INFOSYS TECHNOLOGIES LIMITED

in Rs. Crore, except per share data

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 AND PRODUCTS						
Overseas		1,659.27	1,115.98	3,106.69	2,174.63	4,694.69
Domestic		<u>30.29</u>	<u>18.77</u>	<u>54.26</u>	<u>42.10</u>	<u>66.20</u>
		1,689.56	1,134.75	3,160.95	2,216.73	4,760.89
SOFTWARE DEVELOPMENT EXPENSES	11	<u>909.96</u>	<u>587.16</u>	<u>1,701.87</u>	<u>1,159.94</u>	<u>2,495.31</u>
GROSS PROFIT		779.60	547.59	1,459.08	1,056.79	2,265.58
SELLING AND MARKETING EXPENSES	12	103.08	80.44	190.47	160.16	335.08
GENERAL AND ADMINISTRATION EXPENSES	13	<u>116.78</u>	<u>88.72</u>	<u>218.02</u>	<u>169.90</u>	<u>346.85</u>
		219.86	169.16	408.49	330.06	681.93
OPERATING PROFIT BEFORE INTEREST, DEPRECIATION AND AMORTIZATION		559.74	378.43	1,050.59	726.73	1,583.65
INTEREST		-	-	-	-	-
DEPRECIATION AND AMORTIZATION		<u>56.55</u>	<u>62.33</u>	<u>105.93</u>	<u>106.59</u>	<u>230.90</u>
OPERATING PROFIT AFTER INTEREST, DEPRECIATION AND AMORTIZATION		503.19	316.10	944.66	620.14	1,352.75
OTHER INCOME	14	30.23	44.28	48.22	76.73	127.39
PROVISION FOR INVESTMENTS		<u>0.07</u>	<u>0.22</u>	<u>0.06</u>	<u>6.59</u>	<u>9.67</u>
NET PROFIT BEFORE TAX		533.35	360.16	992.82	690.28	1,470.47
PROVISION FOR TAXATION	15	<u>78.50</u>	<u>60.00</u>	<u>143.50</u>	<u>112.00</u>	<u>227.00</u>
NET PROFIT AFTER TAX		454.85	300.16	849.32	578.28	1,243.47
Balance brought forward		462.36	278.12	70.51	-	-
Less: Residual dividend paid for Fiscal 2004		-	-	2.32	-	-
Dividend tax on the above		<u>1.97</u>	<u>-</u>	<u>2.27</u>	<u>-</u>	<u>-</u>
		460.39	278.12	65.92	-	-
AMOUNT AVAILABLE FOR APPROPRIATION		915.24	578.28	915.24	578.28	1,243.47
DIVIDEND						
Interim		133.93	96.09	133.93	96.09	96.09
Final		-	-	-	-	99.96
One-time special dividend		-	-	-	-	666.41
Total dividend		<u>133.93</u>	<u>96.09</u>	<u>133.93</u>	<u>96.09</u>	<u>862.46</u>
Dividend tax		17.50	12.31	17.50	12.31	110.50
Amount transferred - general reserve		-	-	-	-	200.00
Balance in Profit and Loss account		<u>763.81</u>	<u>469.88</u>	<u>763.81</u>	<u>469.88</u>	<u>70.51</u>
		915.24	578.28	915.24	578.28	1,243.47
EARNINGS PER SHARE *						
Equity shares of par value Rs. 5/- each						
Basic		16.99	11.33	31.76	21.82	46.84
Diluted		16.61	11.23	31.14	21.69	46.26
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 ACCOUNT: 22

* refer to note 22.3.24

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

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,
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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

INFOSYS TECHNOLOGIES LIMITED
in Rs. crore

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		533.35	360.16	992.82	690.28	1,470.47
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)	(0.04)
Depreciation and amortization		56.55	62.33	105.93	106.59	230.90
Interest and dividend income		(21.77)	(23.43)	(50.04)	(46.18)	(100.28)
Provision 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		(1.13)	1.59	(8.24)	3.16	6.59
Changes in current assets and liabilities						
Sundry debtors		(73.08)	(19.96)	(259.55)	(65.12)	(120.37)
Loans and advances	16	(26.97)	8.33	(53.92)	(1.52)	(1.34)
Current liabilities and provisions	17	94.02	16.58	25.27	55.59	245.50
Income taxes paid during the period/ year	18	(94.50)	(49.22)	(102.45)	(60.28)	(107.13)
NET CASH GENERATED BY OPERATING ACTIVITIES		466.49	356.60	649.76	689.10	1,633.97
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of fixed assets and change in capital work-in-progress	19	(166.61)	(68.82)	(312.45)	(127.20)	(429.87)
Proceeds on disposal of fixed assets		0.15	(0.01)	0.22	0.09	1.43
Acquisition of Expert Information Systems Pty. Limited, Australia (Investments in) / disposal of securities	20	(133.46)	(349.83)	(37.65)	(450.38)	(937.17)
Interest and dividend income		21.77	23.43	50.04	46.18	100.28
NET CASH USED IN INVESTING ACTIVITIES		(278.15)	(395.23)	(299.84)	(531.31)	(1,332.01)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from issuance of share capital on exercise of stock options (note 22.3.25.b)		40.80	4.01	124.73	5.07	122.27
Dividends paid during the period/ year, including dividend tax		(1.97)	-	(869.15)	(108.35)	(216.75)
NET CASH USED IN FINANCING ACTIVITIES		38.83	4.01	(744.42)	(103.28)	(94.48)
Effect of exchange differences on translation of foreign currency cash and cash equivalents		1.13	(1.59)	8.24	(3.16)	(6.59)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		228.30	(36.21)	(386.26)	51.35	200.89
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR		1,224.84	1,726.07	1,839.40	1,638.51	1,638.51
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD / YEAR	21	1,453.14	1,689.86	1,453.14	1,689.86	1,839.40
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	22					

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

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	

INFOSYS TECHNOLOGIES LIMITED
in Rs. crore

Schedules to the 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	<u>150.00</u>	<u>50.00</u>	<u>50.00</u>
Issued, Subscribed and Paid Up			
Equity shares, Rs. 5/- par value*	133.93	33.13	33.32
26,78,60,670 (6,62,68,972; 6,66,41,056) equity shares fully paid up			
[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]			
	<u>133.93</u>	<u>33.13</u>	<u>33.32</u>
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 22.3.13			
* also refer to note 22.3.25			
2 RESERVES AND SURPLUS			
Capital reserve	<u>5.94</u>	<u>5.94</u>	<u>5.94</u>
Share premium account			
As at April 1,	460.90	338.83	338.83
Add: Received on exercise of stock options issued to employees	<u>124.42</u>	<u>5.07</u>	<u>122.07</u>
	<u>585.32</u>	<u>343.90</u>	<u>460.90</u>
General reserve			
As at April 1,	2,682.76	2,482.76	2,482.76
Less: capitalized for issue of bonus shares	100.30	-	-
Add: transfer from the profit and loss account	<u>-</u>	<u>-</u>	<u>200.00</u>
	<u>2,582.46</u>	<u>2,482.76</u>	<u>2,682.76</u>
Balance in profit and loss account	763.81	469.88	70.51
	<u>3,937.53</u>	<u>3,302.48</u>	<u>3,220.11</u>

INFOSYS TECHNOLOGIES LIMITED

Schedules to the Balance Sheet

3 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 September 30, 2004	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
Land : free-hold*	20.05	0.15	-	20.20	-	-	-	-	20.20	15.88	20.05
leasehold	70.20	17.98	-	88.18	-	-	-	-	88.18	32.74	70.20
Buildings*	459.61	99.06	-	558.67	80.47	16.37	-	96.84	461.83	364.33	379.14
Plant and machinery*	281.39	40.97	6.14 **	316.22	165.10	23.96	6.10 **	182.96	133.26	124.84	116.29
Computer equipment	444.86	71.85	10.77 **	505.94	363.79	43.89	10.76 **	396.92	109.02	69.32	81.07
Furniture and fixtures*	251.55	33.13	7.50 **	277.18	151.64	21.67	7.45 **	165.86	111.32	112.01	99.91
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	-	12.03	-
	1,570.23	263.30	24.41	1,809.12	803.41	105.93	24.31	885.03	924.09	731.26	766.82
Previous period	1,273.32	141.76	0.55	1,414.53	577.15	106.59	0.47	683.27			
Previous year	1,273.32	302.94	6.03	1,570.23	577.15	230.90	4.64	803.41			

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

* includes certain assets provided on operating lease to Progoen Limited, a subsidiary company. Please refer to note 22.3.6 for detail

** 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

INFOSYS TECHNOLOGIES LIMITED
in Rs. crore
Schedules to the Balance Sheet as at
September 30, 2004
September 30, 2003
March 31, 2004
4 INVESTMENTS
Trade (unquoted) – at cost

Long- term investments			
In subsidiaries			
Progeon Limited, India.			
2,44,99,993 (1,22,49,993; 2,44,99,993) equity shares of Rs. 10/- each, fully paid,	24.50	12.25	24.50
Infosys Technologies (Shanghai) Co. Limited, China	23.01	-	4.55
Infosys Technologies (Australia) Pty Limited, Australia			
1,01,08,869 (nil; 1,01,08,869) equity shares of A\$ 0.11 par value, fully paid,	66.69	-	66.69
Infosys Consulting, Inc. USA			
50,00,000 (nil; nil) common stock of US \$1.00 par value, fully paid	21.97	-	-
	<u>136.17</u>	<u>12.25</u>	<u>95.74</u>
In other 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 *	926.76	449.81	929.60
	<u>1,064.97</u>	<u>476.99</u>	<u>1,027.38</u>
Aggregate of unquoted investments - carrying value / cost	1,064.97	476.99	1,027.38

* refer to note 22.3.19 for details of investments

5 DEFERRED TAX ASSETS

Fixed assets	29.99	23.05	26.89
Investments	3.00	8.20	6.60
Sundry debtors	<u>2.78</u>	<u>2.62</u>	<u>2.14</u>
	<u>35.77</u>	<u>33.87</u>	<u>35.63</u>

6 SUNDRY DEBTORS

Debts outstanding for a period exceeding six months			
Unsecured			
considered doubtful	12.23	14.16	9.07
Other debts			
Unsecured			
considered good (including dues from subsidiary companies)*	892.06	577.26	632.51
considered doubtful	<u>5.84</u>	<u>4.79</u>	<u>4.29</u>
	910.13	596.21	645.87
Less: Provision for doubtful debts	<u>18.07</u>	<u>18.95</u>	<u>13.36</u>
	<u>892.06</u>	<u>577.26</u>	<u>632.51</u>
* For details of dues from subsidiary companies, refer to note 22.3.7	0.05	-	-
Includes dues from companies where directors are interested	1.95	1.42	0.16

7 CASH AND BANK BALANCES

Cash on hand	-	0.07	-
Balances with scheduled banks			
In current accounts *	156.29	93.63	179.25
In deposit accounts in Indian Rupees	919.95	1,142.54	1,299.28
Balances with non-scheduled banks**			
In deposit accounts in foreign currency	-	10.49	0.04
In current accounts in foreign currency	<u>175.54</u>	<u>135.98</u>	<u>159.44</u>
	<u>1,251.78</u>	<u>1,382.71</u>	<u>1,638.01</u>
*includes balance in unclaimed dividend account	3.38	1.78	1.98
*includes balance in escrow account	-	0.81	0.04

**refer to note 22.3.16 for details of balances in non-scheduled banks

INFOSYS TECHNOLOGIES LIMITED
in Rs. crore
Schedules to the Balance Sheet as at
September 30, 2004
September 30, 2003
March 31, 2004
8 LOANS AND ADVANCES

Unsecured, considered good			
Advances			
prepaid expenses	32.85	25.52	37.32
for supply of goods and rendering of services	6.59	2.02	5.83
Others (including loans and advances to subsidiary companies)*	<u>5.37</u>	<u>12.22</u>	<u>4.51</u>
	44.81	39.76	47.66
Unbilled revenues	121.94	84.81	92.86
Advance income tax	275.80	197.45	209.98
Loans and advances to employees **			
housing and other loans	67.77	101.28	83.26
salary advances	38.00	26.79	33.62
Electricity and other deposits	13.75	12.78	9.08
Rental deposits	14.50	14.53	14.93
Deposits with financial institutions and body corporate	236.36	307.15	201.39
Other assets	-	2.08	0.44
	<u>812.93</u>	<u>786.63</u>	<u>693.22</u>
Unsecured, considered doubtful			
Loans and advances to employees	<u>0.23</u>	<u>0.54</u>	<u>0.09</u>
	813.16	787.17	693.31
Less: Provision for doubtful loans and advances to employees	<u>0.23</u>	<u>0.54</u>	<u>0.09</u>
	<u>812.93</u>	<u>786.63</u>	<u>693.22</u>
* For details of advances to subsidiary companies, refer to note 22.3.7	0.99	-	0.85
** includes dues by non-director officers of the company	0.04	-	-
Maximum amounts due by non-director officers at any time during the period / year	0.04	0.06	0.06

9 CURRENT LIABILITIES

Sundry creditors			
for goods and services (including dues to subsidiary companies) *	25.42	0.65	11.36
for accrued salaries and benefits			
salaries	16.49	12.57	14.58
bonus and incentives	146.90	127.94	239.80
unavailed leave	40.07	29.42	41.45
for other liabilities			
provision for expenses	82.90	56.15	59.41
retention monies*	14.72	5.97	6.88
withholding and other taxes payable	47.48	24.30	34.70
for purchase of intellectual property rights	20.62	20.27	19.21
others	<u>11.36</u>	<u>6.91</u>	<u>3.02</u>
	405.96	284.18	430.41
Advances received from clients	36.69	13.91	65.19
Unearned revenue	100.90	71.12	62.86
Loss on forward exchange contracts	19.99	-	-
Unclaimed dividend	<u>3.38</u>	<u>1.78</u>	<u>1.98</u>
	<u>566.92</u>	<u>370.99</u>	<u>560.44</u>
* For details of dues to subsidiary companies, refer to note 22.3.7	26.56	-	12.95

10 PROVISIONS

Proposed dividend	133.93	96.09	766.37
Provision for			
tax on dividend	17.50	12.31	98.19
income taxes	420.50	231.05	313.49
post-sales client support and warranties	<u>23.92</u>	<u>4.67</u>	<u>5.13</u>
	<u>595.85</u>	<u>344.12</u>	<u>1,183.18</u>

INFOSYS TECHNOLOGIES LIMITED
in Rs. crore
Schedules to Profit and Loss Account for the

	Quarter ended		Half year ended		Year ended
	September 30,	2003	September 30,	2003	March 31,
	2004		2004		2004
11 SOFTWARE DEVELOPMENT EXPENSES					
Salaries and bonus including overseas staff expenses	674.45	482.59	1,271.79	937.37	2,015.47
Staff welfare	4.13	2.86	7.48	5.99	13.17
Contribution to provident and other funds	19.19	12.99	34.95	23.74	49.90
Overseas travel expenses	61.10	43.07	117.48	84.68	168.19
Consumables	4.15	2.05	6.50	3.77	8.94
Cost of software packages					
for own use	26.23	21.47	46.81	35.07	64.84
for service delivery to clients	6.04	2.48	9.55	12.34	16.04
Cost of technical sub-contractors	86.21	7.61	159.16	34.29	109.89
Computer maintenance	3.90	3.14	6.74	5.44	11.89
Communication expenses	10.86	7.75	19.67	15.93	32.18
Provision for post-sales client support and warranties	11.57	(0.32)	18.79	(0.15)	0.30
Rent	2.13	1.47	2.95	1.47	4.50
	<u>909.96</u>	<u>587.16</u>	<u>1,701.87</u>	<u>1,159.94</u>	<u>2,495.31</u>
12 SELLING AND MARKETING EXPENSES					
Salaries and bonus including overseas staff expenses	58.60	49.36	111.30	99.20	207.25
Staff welfare	0.08	0.15	0.20	0.23	0.59
Contribution to provident and other funds	0.34	0.79	0.71	1.17	1.73
Overseas travel expenses	11.93	9.26	24.70	18.04	40.45
Consumables	0.06	0.02	0.12	0.08	0.19
Cost of software packages					
for own use	0.01	-	0.01	0.01	0.18
Computer maintenance	-	0.01	-	0.02	0.02
Communication expenses	0.01	-	0.02	-	0.01
Traveling and conveyance	3.51	0.28	3.95	0.60	1.43
Rent	2.57	3.94	5.57	6.90	15.19
Telephone charges	1.44	1.19	2.52	2.29	5.06
Professional charges	5.18	0.78	8.02	2.74	5.75
Printing and stationery	0.30	0.25	0.53	0.52	0.99
Advertisements	0.17	0.12	0.31	0.24	0.53
Brand building	11.78	9.42	17.37	15.14	34.23
Office maintenance	0.06	0.07	0.13	0.11	0.24
Power and fuel	-	0.01	-	0.03	0.04
Insurance charges	0.02	0.01	0.05	0.04	0.11
Rates and taxes	-	-	0.03	0.03	0.08
Bank charges and commission	-	-	-	0.01	0.02
Commission charges	4.32	0.64	8.49	2.91	7.27
Marketing expenses	2.52	1.76	6.04	2.61	5.99
Sales promotion expenses	0.18	0.09	0.40	0.20	0.69
Miscellaneous expenses	-	2.29	-	7.04	7.04
	<u>103.08</u>	<u>80.44</u>	<u>190.47</u>	<u>160.16</u>	<u>335.08</u>

INFOSYS TECHNOLOGIES LIMITED
in Rs. crore
Schedules to Profit and Loss Account for the

	Quarter ended September 30,		Half year ended September 30,		Year ended March 31,
	2004	2003	2004	2003	2004
13 GENERAL AND ADMINISTRATION EXPENSES					
Salaries and bonus including overseas staff expenses	21.06	17.36	41.12	34.26	73.11
Contribution to provident and other funds	1.70	1.15	3.27	2.29	4.64
Overseas travel expenses	2.12	1.87	4.17	3.57	6.36
Traveling and conveyance	8.79	5.18	16.76	9.51	22.27
Rent	4.97	3.66	8.99	10.77	19.19
Telephone charges	10.95	7.47	19.59	14.76	29.21
Professional charges	14.70	9.79	23.79	16.28	33.92
Printing and stationery	1.89	1.05	3.18	3.39	5.87
Advertisements	2.38	0.37	4.47	1.36	5.50
Office maintenance	10.02	6.32	18.29	12.55	28.83
Repairs to building	2.68	1.49	4.00	3.39	10.28
Repairs to plant and machinery	1.54	1.51	3.11	2.60	4.85
Power and fuel	9.66	7.19	18.51	14.39	28.68
Insurance charges	7.05	6.06	14.17	11.19	23.73
Rates and taxes	2.22	0.94	4.51	2.15	5.38
Donations	4.83	3.52	9.05	7.02	14.29
Auditor's remuneration					
statutory audit fees	0.09	0.08	0.18	0.15	0.31
certification charges	-	-	-	-	0.03
others	-	-	-	-	0.24
out-of-pocket expenses	-	-	0.01	0.01	0.02
Provision for bad and doubtful debts	5.25	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	0.33	0.16	0.57	0.35	0.73
Commission to non-whole time directors	0.39	0.39	0.78	0.78	1.49
Postage and courier	1.42	0.70	2.79	1.94	3.91
Books and periodicals	0.70	0.34	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	1.37	0.65	2.82	1.27	3.57
Miscellaneous expenses	0.35	0.35	0.36	0.71	1.42
	<u>116.78</u>	<u>88.72</u>	<u>218.02</u>	<u>169.90</u>	<u>346.85</u>
14 OTHER INCOME					
Interest received on deposits with banks and others*	13.47	19.90	33.10	42.65	82.88
Dividend received on investment in liquid mutual funds (non-trade unquoted)	8.30	3.53	16.94	3.53	17.40
Miscellaneous income	2.28	1.97	4.26	3.81	7.68
Exchange differences (refer to note 22.2)	6.18	18.88	(6.08)	26.74	19.43
	<u>30.23</u>	<u>44.28</u>	<u>48.22</u>	<u>76.73</u>	<u>127.39</u>
*Tax deducted at source	2.35	4.19	6.60	8.52	16.55
15 PROVISION FOR TAXATION					
Current period/ year					
Income taxes	78.26	55.53	143.64	108.14	226.31
Deferred taxes	0.24	4.47	(0.14)	2.94	1.18
	<u>78.50</u>	<u>60.00</u>	<u>143.50</u>	<u>111.08</u>	<u>227.49</u>
Prior period/ years	-	-	-	0.92	(0.49)
	<u>78.50</u>	<u>60.00</u>	<u>143.50</u>	<u>112.00</u>	<u>227.00</u>

INFOSYS TECHNOLOGIES LIMITED

Schedules to Cash Flow Statements for the	<i>in Rs. crore</i>				
	Quarter ended September 30,		Half year ended September 30,		Year ended March 31,
	2004	2003	2004	2003	2004
16 CHANGE IN LOANS AND ADVANCES					
As per the Balance Sheet	812.93	786.63	812.93	786.63	693.22
Less: Deposits with financial institutions and body corporate, included in cash and cash equivalents	(201.36)	(307.15)	(201.36)	(307.15)	(201.39)
Advance income taxes separately considered	<u>(275.80)</u>	<u>(197.45)</u>	<u>(275.80)</u>	<u>(197.45)</u>	<u>(209.98)</u>
	335.77	282.03	335.77	282.03	281.85
Less: Opening balance considered	<u>(308.80)</u>	<u>(290.36)</u>	<u>(281.85)</u>	<u>(280.51)</u>	<u>(280.51)</u>
	<u>26.97</u>	<u>(8.33)</u>	<u>53.92</u>	<u>1.52</u>	<u>1.34</u>
17 CHANGE IN CURRENT LIABILITIES AND PROVISIONS					
As per the Balance Sheet	1,162.77	715.11	1,162.77	715.11	1,743.62
Add/ (Less): Provisions separately considered in the cash flow Statement					
Income taxes	(420.50)	(231.05)	(420.50)	(231.05)	(313.49)
Dividends	(133.93)	(96.09)	(133.93)	(96.09)	(766.37)
Dividend tax	<u>(17.50)</u>	<u>(12.31)</u>	<u>(17.50)</u>	<u>(12.31)</u>	<u>(98.19)</u>
	590.84	375.66	590.84	375.66	565.57
Less: Opening balance considered	<u>(496.82)</u>	<u>(359.08)</u>	<u>(565.57)</u>	<u>(320.07)</u>	<u>(320.07)</u>
	<u>94.02</u>	<u>16.58</u>	<u>25.27</u>	<u>55.59</u>	<u>245.50</u>
18 INCOME TAXES PAID					
Charge as per the Profit and Loss Account	78.50	60.00	143.50	112.00	227.00
Add: Increase in advance income taxes	74.98	34.20	65.82	(92.54)	(80.01)
Increase/(Decrease) in deferred taxes	(0.24)	(4.47)	0.14	(2.94)	(1.18)
Less: (Increase)/Decrease in income tax provision	<u>(58.74)</u>	<u>(40.51)</u>	<u>(107.01)</u>	<u>43.76</u>	<u>(38.68)</u>
	<u>94.50</u>	<u>49.22</u>	<u>102.45</u>	<u>60.28</u>	<u>107.13</u>
19 PURCHASE OF FIXED ASSETS AND CHANGE IN CAPITAL WORK-IN-PROGRESS					
As per the schedule 3 to Balance Sheet	197.05	51.05	263.30	141.76	302.95
Less: Opening Capital work-in-progress	(283.07)	(44.23)	(203.48)	(76.56)	(76.56)
Add: Closing Capital work-in-progress	<u>252.63</u>	<u>62.00</u>	<u>252.63</u>	<u>62.00</u>	<u>203.48</u>
	<u>166.61</u>	<u>68.82</u>	<u>312.45</u>	<u>127.20</u>	<u>429.87</u>
20 INVESTMENTS IN / DISPOSAL OF SECURITIES *					
As per the Balance Sheet	1,064.97	476.99	1,064.97	476.99	1,027.38
Add: Provisions on investments	<u>0.07</u>	<u>0.22</u>	<u>0.06</u>	<u>6.59</u>	<u>9.67</u>
	1,065.04	477.21	1,065.03	483.58	1,037.05
Less: Opening balance considered	<u>(931.58)</u>	<u>(127.38)</u>	<u>(1,027.38)</u>	<u>(33.20)</u>	<u>(33.20)</u>
	<u>133.46</u>	<u>349.83</u>	<u>37.65</u>	<u>450.38</u>	<u>1,003.85</u>
* refer to note 22.3.19 for investment and redemptions					
21 CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD / YEAR					
As per the Balance Sheet	1,251.78	1,382.71	1,251.78	1,382.71	1,638.01
Add: Deposits with financial institutions and body corporate, included herein	<u>201.36</u>	<u>307.15</u>	<u>201.36</u>	<u>307.15</u>	<u>201.39</u>
	<u>1,453.14</u>	<u>1,689.86</u>	<u>1,453.14</u>	<u>1,689.86</u>	<u>1,839.40</u>