

INFOSYS TECHNOLOGIES LIMITED

in Rs. crore

Balance Sheet as at	Schedule	December 31, 2004	December 31, 2003	March 31, 2004
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS				
Share capital	1	134.73	33.23	33.32
Reserves and surplus	2	<u>4,608.96</u>	<u>3,692.05</u>	<u>3,220.11</u>
		<u>4,743.69</u>	<u>3,725.28</u>	<u>3,253.43</u>
APPLICATIONS OF FUNDS				
FIXED ASSETS				
Original cost	3	2,093.07	1,481.83	1,570.23
Less: Depreciation and amortization		<u>951.39</u>	<u>744.99</u>	<u>803.41</u>
Net book value		<u>1,141.68</u>	<u>736.84</u>	<u>766.82</u>
Add: Capital work-in-progress		<u>212.14</u>	<u>79.38</u>	<u>203.48</u>
		<u>1,353.82</u>	<u>816.22</u>	<u>970.30</u>
INVESTMENTS	4	<u>1,178.18</u>	<u>615.54</u>	<u>1,027.38</u>
DEFERRED TAX ASSETS	5	<u>35.28</u>	<u>32.85</u>	<u>35.63</u>
CURRENT ASSETS, LOANS AND ADVANCES				
Sundry debtors	6	982.15	683.87	632.51
Cash and bank balances	7	1,365.25	1,603.83	1,638.01
Loans and advances	8	<u>920.28</u>	<u>807.78</u>	<u>693.22</u>
		<u>3,267.68</u>	<u>3,095.48</u>	<u>2,963.74</u>
LESS: CURRENT LIABILITIES AND PROVISIONS				
Current liabilities	9	581.12	549.96	560.44
Provisions	10	<u>510.15</u>	<u>284.85</u>	<u>1,183.18</u>
NET CURRENT ASSETS		<u>2,176.41</u>	<u>2,260.67</u>	<u>1,220.12</u>
		<u>4,743.69</u>	<u>3,725.28</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

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

Bangalore
January 12, 2005

Srinath Batni
Director

V. Balakrishnan
Company Secretary and
Senior Vice President – Finance

INFOSYS TECHNOLOGIES LIMITED

Profit and Loss Account for the		<i>in Rs. crore, except per share data</i>				
		Schedule	Quarter ended December 31,		Nine months ended December 31,	
		2004	2003	2004	2003	2004
INCOME						
SOFTWARE SERVICES AND PRODUCTS						
Overseas		1,758.87	1,227.30	4,865.56	3,401.93	4,694.69
Domestic		39.65	7.96	93.91	50.06	66.20
		1,798.52	1,235.26	4,959.47	3,451.99	4,760.89
SOFTWARE DEVELOPMENT EXPENSES	11	960.15	645.48	2,662.02	1,805.42	2,495.31
GROSS PROFIT		838.37	589.78	2,297.45	1,646.57	2,265.58
SELLING AND MARKETING EXPENSES	12	101.32	92.35	291.79	252.51	335.08
GENERAL AND ADMINISTRATION EXPENSES	13	125.86	87.25	343.88	257.15	346.85
		227.18	179.60	635.67	509.66	681.93
OPERATING PROFIT BEFORE INTEREST, DEPRECIATION AND AMORTIZATION		611.19	410.18	1,661.78	1,136.91	1,583.65
INTEREST		-	-	-	-	-
DEPRECIATION AND AMORTIZATION		69.38	62.23	175.31	168.82	230.90
OPERATING PROFIT AFTER INTEREST, DEPRECIATION AND AMORTIZATION		541.81	347.95	1,486.47	968.09	1,352.75
OTHER INCOME	14	46.77	47.48	94.99	124.21	127.39
PROVISION FOR INVESTMENTS		(0.39)	2.29	(0.33)	8.88	9.67
NET PROFIT BEFORE TAX		588.97	393.14	1,581.79	1,083.42	1,470.47
PROVISION FOR TAXATION	15	93.00	65.00	236.50	177.00	227.00
NET PROFIT AFTER TAX		495.97	328.14	1,345.29	906.42	1,243.47
BALANCE BROUGHT FORWARD		763.81	469.88	70.51	-	-
Less: Residual dividend paid for fiscal 2004		-	-	2.32	-	-
Additional dividend tax		-	-	2.27	-	-
		763.81	469.88	65.92	-	-
AMOUNT AVAILABLE FOR APPROPRIATION		1,259.78	798.02	1,411.21	906.42	1,243.47
DIVIDEND						
Interim		-	-	133.93	96.09	96.09
Final		-	-	-	-	99.96
One-time special dividend		-	-	-	-	666.41
Total dividend		-	-	133.93	96.09	862.46
Dividend tax		-	-	17.50	12.31	110.50
Amount transferred - general reserve		-	-	-	-	200.00
Balance in Profit and Loss Account		1,259.78	798.02	1,259.78	798.02	70.51
		1,259.78	798.02	1,411.21	906.42	1,243.47
EARNINGS PER SHARE *						
Equity shares of par value Rs. 5/- each						
Basic		18.45	12.36	50.22	34.18	46.84
Diluted		17.90	12.13	49.14	33.86	46.26
Number of shares used in computing earnings per share						
Basic		26,87,73,742	26,55,19,448	26,78,62,078	26,51,76,084	26,54,47,776
Diluted		27,71,10,460	27,04,31,572	27,37,70,692	26,77,16,272	26,87,87,016

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 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,
President and Managing
Director

S. Gopalakrishnan
Chief Operating Officer
and Deputy Managing
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Deepak M. Satwalekar
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Sridar A. Iyengar
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K. Dinesh
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S. D. Shibulal
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T. V. Mohandas Pai
Director and
Chief Financial Officer

Bangalore
January 12, 2005

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 December 31,		Nine months ended December 31,		Year ended
		2004	2003	2004	2003	March 31, 2004
CASH FLOWS FROM OPERATING ACTIVITIES						
Net profit before tax		588.97	393.14	1,581.79	1,083.42	1,470.47
Adjustments to reconcile net profit before tax to cash provided by operating activities						
(Profit)/Loss on sale of fixed assets		-	(0.01)	(0.12)	(0.02)	(0.04)
Depreciation and amortization		69.38	62.23	175.31	168.82	230.90
Interest and dividend income		(24.22)	(26.21)	(74.26)	(72.39)	(100.28)
Provision for investments		(0.39)	2.29	(0.33)	8.88	9.67
Effect of exchange differences on translation of foreign currency cash and cash equivalents		4.24	(4.95)	(8.48)	(1.09)	6.59
Changes in current assets and liabilities						
Sundry debtors		(90.09)	(106.61)	(349.64)	(171.73)	(120.37)
Loans and advances	16	(42.28)	16.73	(96.20)	15.21	(1.34)
Current liabilities and provisions	17	4.42	172.75	29.69	228.34	245.50
Income taxes paid during the period/ year	18	(81.96)	(18.80)	(184.41)	(79.08)	(107.13)
NET CASH GENERATED BY OPERATING ACTIVITIES		428.07	490.56	1,073.35	1,180.36	1,633.97
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of fixed assets and change in capital work-in-progress	19	(246.60)	(85.19)	(559.05)	(212.39)	(429.87)
Proceeds on disposal of fixed assets		0.12	0.01	0.34	0.09	1.43
Acquisition of Expert Information Systems Pty. Limited, Australia (Investments in) / disposal of securities	20	(112.82)	(50.75)	(150.47)	(50.75)	(66.68)
Interest and dividend income		24.22	26.21	74.26	72.39	100.28
NET CASH USED IN INVESTING ACTIVITIES		(335.08)	(244.54)	(634.92)	(775.86)	(1,332.01)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from issuance of share capital on exercise of stock options (note 22.3.25b)		176.26	61.53	300.99	66.61	122.27
Dividends paid during the period/ year, including dividend tax		(151.43)	(108.40)	(1,020.58)	(216.75)	(216.75)
NET CASH USED IN FINANCING ACTIVITIES		24.83	(46.87)	(719.59)	(150.14)	(94.48)
Effect of exchange differences on translation of foreign currency cash and cash equivalents		(4.24)	4.95	8.48	1.09	(6.59)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		113.58	204.10	(272.68)	255.45	200.89
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR		1,453.14	1,689.86	1,839.40	1,638.51	1,638.51
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD / YEAR	21	1,566.72	1,893.96	1,566.72	1,893.96	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	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
Bangalore January 12, 2005	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	December 31, 2004	December 31, 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*	134.73	33.23	33.32
26,94,56,304 (6,64,55,992; 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>134.73</u>	<u>33.23</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 for details of basic and diluted shares			
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: Receipts on exercise of stock options issued to employees	<u>299.88</u>	<u>66.50</u>	<u>122.07</u>
	<u>760.78</u>	<u>405.33</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	1,259.78	798.02	70.51
	<u>4,608.96</u>	<u>3,692.05</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		
	As at April 1, 2004	Additions during the period/ year	Deletions during the period/ year	As at December 31, 2004	As at April 1, 2004	For the the period/ year	Deductions for the period/ year	As at December 31, 2004	As at December 31, 2004	As at December 31, 2003	As at March 31, 2004
Land : free-hold*	20.05	0.15	-	20.20	-	-	-	-	20.20	15.88	20.05
leasehold	70.20	26.02	-	96.22	-	-	-	-	96.22	66.49	70.20
Buildings*	459.61	227.08	-	686.69	80.47	26.39	-	106.86	579.83	363.04	379.14
Plant and machinery*	281.39	92.35	6.28 **	367.46	165.10	40.45	6.12 **	199.43	168.03	116.81	116.29
Computer equipment	444.86	133.25	13.77 **	564.34	363.79	70.90	13.77 **	420.92	143.42	68.77	81.07
Furniture and fixtures*	251.55	71.29	7.50 **	315.34	151.64	37.50	7.44 **	181.70	133.64	105.68	99.91
Vehicles	0.43	0.25	-	0.68	0.27	0.07	-	0.34	0.34	0.17	0.16
Intangible assets											
Intellectual property rights	42.14	-	-	42.14	42.14	-	-	42.14	-	-	-
	1,570.23	550.39	27.55	2,093.07	803.41	175.31	27.33	951.39	1,141.68	736.84	766.82
Previous period	1,273.32	209.57	1.06	1,481.83	577.15	168.82	0.98	744.99			
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 details

** 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
December 31, 2004
December 31, 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	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			
1,00,00,000 (nil; nil) common stock of US \$1.00 par value, fully paid	44.87	-	-
	<u>159.07</u>	<u>16.80</u>	<u>95.74</u>
In other investments*	30.01	38.56	30.01
Less: Provision for investments	<u>27.97</u>	<u>29.77</u>	<u>27.97</u>
	2.04	8.79	2.04

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

Liquid mutual funds *	1,017.07	589.95	929.60
	<u>1,178.18</u>	<u>615.54</u>	<u>1,027.38</u>
Aggregate of unquoted investments - carrying value / cost	1,178.18	615.54	1,027.38

* refer to note 22.3.19 for details of investments

5 DEFERRED TAX ASSETS

Fixed assets	29.06	23.05	26.89
Investments	3.00	6.60	6.60
Sundry debtors	<u>3.22</u>	<u>3.20</u>	<u>2.14</u>
	<u>35.28</u>	<u>32.85</u>	<u>35.63</u>

6 SUNDRY DEBTORS

Debts outstanding for a period exceeding six months			
Unsecured			
considered doubtful	10.70	15.39	9.07
Other debts			
Unsecured			
considered good (including dues from subsidiary companies)*	982.15	683.87	632.51
considered doubtful	<u>7.51</u>	<u>6.22</u>	<u>4.29</u>
	1,000.36	705.48	645.87
Less: Provision for doubtful debts	<u>18.21</u>	<u>21.61</u>	<u>13.36</u>
	<u>982.15</u>	<u>683.87</u>	<u>632.51</u>
* For details of dues from subsidiary companies, refer to note 22.3.7	-	-	-
Includes dues from companies where directors are interested	4.67	-	0.16

7 CASH AND BANK BALANCES

Cash on hand	0.02	0.01	-
Balances with scheduled banks			
In current accounts *	62.76	126.02	179.25
In deposit accounts in Indian Rupees	1,087.20	1,291.64	1,299.28
Balances with non-scheduled banks**			
In deposit accounts in foreign currency	-	10.25	0.04
In current accounts in foreign currency	<u>215.27</u>	<u>175.91</u>	<u>159.44</u>
	<u>1,365.25</u>	<u>1,603.83</u>	<u>1,638.01</u>
*includes balance in unclaimed dividend account	3.52	2.12	1.98
*includes balance in escrow account	-	10.25	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
December 31, 2004
December 31, 2003
March 31, 2004
8 LOANS AND ADVANCES

Unsecured, considered good			
Advances			
prepaid expenses	24.13	20.03	37.32
for supply of goods and rendering of services	8.17	2.39	5.83
Others (including loans and advances to subsidiary companies)*	<u>8.25</u>	<u>5.68</u>	<u>4.51</u>
	40.55	28.10	47.66
For acquisition of company (retained in trust by the company's solicitors)	-	50.75	-
Unbilled revenues	123.44	92.16	92.86
Advance income tax	340.76	201.60	209.98
Loans and advances to employees **			
housing and other loans	61.77	89.16	83.26
salary advances	39.66	30.15	33.62
Electricity and other deposits	17.65	8.93	9.08
Rental deposits	14.54	14.96	14.93
Deposits with financial institutions and body corporate	250.47	290.13	201.39
Other assets	<u>31.44</u>	<u>1.84</u>	<u>0.44</u>
	920.28	807.78	693.22
Unsecured, considered doubtful			
Loans and advances to employees	<u>0.28</u>	<u>0.49</u>	<u>0.09</u>
	920.56	808.27	693.31
Less: Provision for doubtful loans and advances to employees	<u>0.28</u>	<u>0.49</u>	<u>0.09</u>
	<u>920.28</u>	<u>807.78</u>	<u>693.22</u>
* For details of advances to subsidiary companies, refer to note 22.3.7	3.65	-	0.85
** includes dues by non-director officers of the company	-	-	-
Maximum amounts due by non-director officers at any time during the period / year	-	0.06	0.06

9 CURRENT LIABILITIES

Sundry creditors			
for goods and services (including dues to subsidiary companies) *	2.16	1.05	11.36
for accrued salaries and benefits			
salaries	12.83	12.73	14.58
bonus and incentives	152.87	185.09	239.80
unavailed leave	48.18	34.61	41.45
for other liabilities			
provision for expenses	101.59	59.64	59.41
retention monies*	13.87	6.76	6.88
withholding and other taxes payable	72.08	37.88	34.70
for purchase of intellectual property rights	19.16	20.16	19.21
others	<u>9.55</u>	<u>9.02</u>	<u>3.02</u>
	432.29	366.94	430.41
Advances received from clients	33.97	96.58	65.19
Unearned revenue	111.34	84.32	62.86
Unclaimed dividend	<u>3.52</u>	<u>2.12</u>	<u>1.98</u>
	<u>581.12</u>	<u>549.96</u>	<u>560.44</u>
* For details of dues to subsidiary companies, refer to note 22.3.7	3.42	1.61	12.95

10 PROVISIONS

Proposed dividend	-	-	766.37
Provision for			
tax on dividend	-	-	98.19
income taxes	496.01	280.38	313.49
post-sales client support and warranties	<u>14.14</u>	<u>4.47</u>	<u>5.13</u>
	<u>510.15</u>	<u>284.85</u>	<u>1,183.18</u>

INFOSYS TECHNOLOGIES LIMITED

in Rs. crore

Schedules to Profit and Loss Account for the

	Quarter ended		Nine months ended		Year ended
	December 31,		December 31,		March 31,
	2004	2003	2004	2003	2004
11 SOFTWARE DEVELOPMENT EXPENSES					
Salaries and bonus including overseas staff expenses	742.20	545.94	2,013.99	1,483.31	2,015.47
Staff welfare	6.89	3.76	14.37	9.75	13.17
Contribution to provident and other funds	20.06	12.79	55.01	36.53	49.90
Overseas travel expenses	49.16	41.11	166.64	125.79	168.19
Consumables	2.85	2.60	9.35	6.37	8.94
Software packages					
for own use	30.69	14.50	77.50	49.57	64.84
for service delivery to clients	3.74	2.12	13.29	14.46	16.04
Technical sub-contractors	30.54	10.75	67.77	45.04	59.50
Technical sub-contractors - subsidiaries	64.17	-	186.10	-	50.39
Computer maintenance	3.79	3.03	10.53	8.47	11.89
Communication expenses	9.66	7.73	29.33	23.66	32.18
Provision for post-sales client support and warranties	(5.96)	(0.21)	12.83	(0.36)	0.30
Rent	2.36	1.36	5.31	2.83	4.50
	<u>960.15</u>	<u>645.48</u>	<u>2,662.02</u>	<u>1,805.42</u>	<u>2,495.31</u>
12 SELLING AND MARKETING EXPENSES					
Salaries and bonus including overseas staff expenses	59.22	57.97	170.52	157.17	207.25
Staff welfare	0.08	0.15	0.28	0.38	0.59
Contribution to provident and other funds	0.53	0.27	1.24	1.44	1.73
Overseas travel expenses	11.82	11.53	36.52	29.57	40.45
Consumables	0.03	0.06	0.15	0.14	0.19
Software packages					
for own use	-	-	0.01	0.01	0.18
Computer maintenance	-	-	-	0.02	0.02
Communication expenses	0.02	0.01	0.04	0.01	0.01
Traveling and conveyance	3.59	0.56	7.54	1.16	1.43
Rent	2.85	3.93	8.42	10.83	15.19
Telephone charges	0.98	1.45	3.50	3.74	5.06
Professional charges	4.62	1.32	12.64	4.06	5.75
Printing and stationery	0.27	0.25	0.80	0.77	0.99
Advertisements	0.45	0.04	0.76	0.28	0.53
Brand building	8.04	9.16	25.41	24.30	34.23
Office maintenance	0.05	0.08	0.18	0.19	0.24
Power and fuel	-	0.01	-	0.04	0.04
Insurance charges	0.11	0.03	0.16	0.07	0.11
Rates and taxes	-	0.01	0.03	0.04	0.08
Bank charges and commission	-	0.01	-	0.02	0.02
Commission charges	6.85	3.33	15.34	6.24	7.27
Marketing expenses	1.54	1.88	7.58	4.49	5.99
Sales promotion expenses	0.27	0.30	0.67	0.50	0.69
Miscellaneous expenses	-	-	-	7.04	7.04
	<u>101.32</u>	<u>92.35</u>	<u>291.79</u>	<u>252.51</u>	<u>335.08</u>

INFOSYS TECHNOLOGIES LIMITED
in Rs. crore

Schedules to Profit and Loss Account for the	Quarter ended December 31,		Nine months ended December 31,		Year ended March 31,
	2004	2003	2004	2003	2004
13 GENERAL AND ADMINISTRATION EXPENSES					
Salaries and bonus including overseas staff expenses	25.91	19.14	67.03	53.40	73.11
Contribution to provident and other funds	1.73	1.06	5.00	3.35	4.64
Overseas travel expenses	2.00	1.26	6.17	4.83	6.36
Traveling and conveyance	7.98	5.77	24.74	15.28	22.27
Rent	3.36	3.96	12.35	14.73	19.19
Telephone charges	10.24	6.57	29.83	21.33	29.21
Professional charges	16.83	8.50	40.62	24.78	33.92
Printing and stationery	1.82	1.29	5.00	4.68	5.87
Advertisements	2.51	0.82	6.98	2.18	5.50
Office maintenance	10.55	7.10	28.84	19.65	28.83
Repairs to building	3.53	3.97	7.53	7.36	10.28
Repairs to plant and machinery	2.03	1.15	5.14	3.75	4.85
Power and fuel	10.29	7.48	28.80	21.87	28.68
Insurance charges	6.64	6.07	20.81	17.26	23.73
Rates and taxes	1.61	1.64	6.12	3.79	5.38
Donations	8.00	3.55	17.05	10.57	14.29
Auditor's remuneration					
statutory audit fees	0.09	0.08	0.27	0.23	0.31
certification charges	-	-	-	-	0.03
others	0.07	-	0.07	-	0.24
out-of-pocket expenses	0.01	0.01	0.02	0.02	0.02
Provision for bad and doubtful debts	5.86	4.10	17.44	18.12	15.99
Provision for doubtful loans and advances	0.04	(0.06)	0.15	0.07	0.14
Bank charges and commission	0.28	0.19	0.85	0.54	0.73
Commission to non-whole time directors	0.38	0.47	1.16	1.25	1.49
Postage and courier	0.91	0.84	3.70	2.78	3.91
Books and periodicals	0.52	0.44	1.80	1.02	1.51
Research grants	0.24	0.18	0.43	0.36	0.54
Freight charges	0.20	0.32	0.57	0.62	0.84
Professional membership and seminar participation fees	1.55	1.19	4.37	2.46	3.57
Miscellaneous expenses	0.68	0.16	1.04	0.87	1.42
	<u>125.86</u>	<u>87.25</u>	<u>343.88</u>	<u>257.15</u>	<u>346.85</u>
14 OTHER INCOME					
Interest received on deposits with banks and others*	15.53	21.06	48.63	63.71	82.88
Dividend received on investment in liquid mutual funds (non-trade unquoted)	8.69	5.15	25.63	8.68	17.40
Miscellaneous income	2.06	1.75	6.32	5.56	7.68
Exchange differences (refer to note 22.2)	20.49	19.52	14.41	46.26	19.43
	<u>46.77</u>	<u>47.48</u>	<u>94.99</u>	<u>124.21</u>	<u>127.39</u>
*Tax deducted at source	2.29	3.66	8.89	12.18	16.55
15 PROVISION FOR TAXATION					
Current period/ year					
Income taxes	92.51	63.98	236.15	172.12	226.31
Deferred taxes	0.49	1.02	0.35	3.96	1.18
	<u>93.00</u>	<u>65.00</u>	<u>236.50</u>	<u>176.08</u>	<u>227.49</u>
Prior period/ years	-	-	-	0.92	(0.49)
	<u>93.00</u>	<u>65.00</u>	<u>236.50</u>	<u>177.00</u>	<u>227.00</u>

INFOSYS TECHNOLOGIES LIMITED

Schedules to Cash Flow Statements for the	<i>in Rs. crore</i>				
	Quarter ended December 31,		Nine months ended December 31,		Year ended March 31,
	2004	2003	2004	2003	2004
16 CHANGE IN LOANS AND ADVANCES					
As per the Balance Sheet	920.28	807.78	920.28	807.78	693.22
Less: Deposits with financial institutions and body corporate, included in cash and cash equivalents*	(201.47)	(290.13)	(201.47)	(290.13)	(201.39)
advance for acquisition of company	-	(50.75)	-	(50.75)	-
Advance income taxes separately considered	<u>(340.76)</u>	<u>(201.60)</u>	<u>(340.76)</u>	<u>(201.60)</u>	<u>(209.98)</u>
	378.05	265.30	378.05	265.30	281.85
Less: Opening balance considered	<u>(335.77)</u>	<u>(282.03)</u>	<u>(281.85)</u>	<u>(280.51)</u>	<u>(280.51)</u>
* refer to note 22.3.25c on restricted cash	<u><u>42.28</u></u>	<u><u>(16.73)</u></u>	<u><u>96.20</u></u>	<u><u>(15.21)</u></u>	<u><u>1.34</u></u>
17 CHANGE IN CURRENT LIABILITIES AND PROVISIONS					
As per the Balance Sheet	1,091.27	834.81	1,091.27	834.81	1,743.62
Add/ (Less): Provisions separately considered in the cash flow Statement					
Proceeds received on investment pending regulatory approval	-	(6.02)	-	(6.02)	-
Income taxes	(496.01)	(280.38)	(496.01)	(280.38)	(313.49)
Dividends	-	-	-	-	(766.37)
Dividend tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(98.19)</u>
	595.26	548.41	595.26	548.41	565.57
Less: Opening balance considered	<u>(590.84)</u>	<u>(375.66)</u>	<u>(565.57)</u>	<u>(320.07)</u>	<u>(320.07)</u>
	<u><u>4.42</u></u>	<u><u>172.75</u></u>	<u><u>29.69</u></u>	<u><u>228.34</u></u>	<u><u>245.50</u></u>
18 INCOME TAXES PAID					
Charge as per the Profit and Loss Account	93.00	65.00	236.50	177.00	227.00
Add: Increase in advance income taxes	64.96	(146.86)	130.78	(88.39)	(80.01)
Increase/(Decrease) in deferred taxes	(0.49)	(1.02)	(0.35)	(3.96)	(1.18)
Less: (Increase)/Decrease in income tax provision	<u>(75.51)</u>	<u>101.68</u>	<u>(182.52)</u>	<u>(5.57)</u>	<u>(38.68)</u>
	<u><u>81.96</u></u>	<u><u>18.80</u></u>	<u><u>184.41</u></u>	<u><u>79.08</u></u>	<u><u>107.13</u></u>
19 PURCHASE OF FIXED ASSETS AND CHANGE IN CAPITAL WORK-IN-PROGRESS					
As per the schedule 3 to Balance Sheet	287.09	67.81	550.39	209.57	302.95
Less: Opening Capital work-in-progress	(252.63)	(62.00)	(203.48)	(76.56)	(76.56)
Add: Closing Capital work-in-progress	<u>212.14</u>	<u>79.38</u>	<u>212.14</u>	<u>79.38</u>	<u>203.48</u>
	<u><u>246.60</u></u>	<u><u>85.19</u></u>	<u><u>559.05</u></u>	<u><u>212.39</u></u>	<u><u>429.87</u></u>
20 INVESTMENTS IN / DISPOSAL OF SECURITIES *					
As per the Balance Sheet	1,178.18	615.54	1,178.18	615.54	1,027.38
Add: Provisions on investments	(0.39)	2.29	(0.33)	8.88	9.67
Proceeds received on investment pending regulatory approval	<u>-</u>	<u>(6.02)</u>	<u>-</u>	<u>(6.02)</u>	<u>-</u>
	1,177.79	611.81	1,177.85	618.40	1,037.05
Less: Acquisition of Expert information Systems Pty Limited, Australia	-	-	-	-	(66.68)
Opening balance considered	<u>(1,064.97)</u>	<u>(476.99)</u>	<u>(1,027.38)</u>	<u>(33.20)</u>	<u>(33.20)</u>
	<u><u>112.82</u></u>	<u><u>134.82</u></u>	<u><u>150.47</u></u>	<u><u>585.20</u></u>	<u><u>937.17</u></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	1,365.25	1,603.83	1,365.25	1,603.83	1,638.01
Add: Deposits with financial institutions and body corporate, included herein*	<u>201.47</u>	<u>290.13</u>	<u>201.47</u>	<u>290.13</u>	<u>201.39</u>
* refer to note 22.3.25c on restricted cash	<u><u>1,566.72</u></u>	<u><u>1,893.96</u></u>	<u><u>1,566.72</u></u>	<u><u>1,893.96</u></u>	<u><u>1,839.40</u></u>