

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

*in Rs. crore*

<b>Consolidated Balance Sheet as at</b>	<b>Schedule</b>	<b>March 31, 2005</b>	<b>March 31, 2004</b>
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share capital	1	135.29	33.32
Reserves and surplus	2	<u>5,089.82</u>	<u>3,216.26</u>
		5,225.11	3,249.58
MINORITY INTERESTS		0.14	-
PREFERENCE SHARES ISSUED BY SUBSIDIARY	3	<u>93.51</u>	<u>93.56</u>
		<u>5,318.76</u>	<u>3,343.14</u>
<b>APPLICATIONS OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Original cost	4	2,287.31	1,633.65
Less: Depreciation and amortization		<u>1,030.83</u>	<u>809.84</u>
Net book value		1,256.48	823.81
Add: Capital work-in-progress		<u>317.67</u>	<u>208.05</u>
		1,574.15	1,031.86
INVESTMENTS	5	1,210.78	945.45
DEFERRED TAX ASSETS	6	44.37	39.97
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
Sundry debtors	7	1,322.00	651.45
Cash and bank balances	8	1,575.58	1,721.51
Loans and advances	9	<u>1,024.44</u>	<u>721.05</u>
		3,922.02	3,094.01
<b>LESS: CURRENT LIABILITIES AND PROVISIONS</b>			
Current liabilities	10	656.02	581.72
Provisions	11	<u>776.54</u>	<u>1,186.43</u>
NET CURRENT ASSETS		2,489.46	1,325.86
		<u>5,318.76</u>	<u>3,343.14</u>
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS</b>			
	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

S Balasubrahmanyam  
Partner  
Membership No. 53315

N. R. Narayana Murthy  
Chairman  
and Chief Mentor

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

S. Gopalakrishnan  
Chief Operating Officer  
and Deputy Managing  
Director

Deepak M. Satwalekar  
Director

Marti G. Subrahmanyam  
Director

Philip Yeo  
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Omkar Goswami  
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Larry Pressler  
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Rama Bijapurkar  
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Claude Smadja  
Director

Sridar A. Iyengar  
Director

K. Dinesh  
Director

Bangalore  
April 14, 2005

S. D. Shibulal  
Director

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 ITS SUBSIDIARIES**
*in Rs. crore, except per share data*

Consolidated Profit and Loss Account for the	Schedule	Quarter ended		Half year ended	
		March 31,	2004	March 31,	2004
		2005	2004	2005	2004
<b>INCOME</b>					
Software Services, Products And Business Process Management					
Overseas		1,947.48	1,333.28	3,783.45	2,582.33
Domestic		39.84	16.17	79.49	24.13
		1,987.32	1,349.45	3,862.94	2,606.46
Software Development And Business Process Management Expenses	12	1,041.31	707.09	2,032.79	1,363.79
<b>GROSS PROFIT</b>		<b>946.01</b>	<b>642.36</b>	<b>1,830.15</b>	<b>1,242.67</b>
Selling And Marketing Expenses	13	116.70	91.67	233.53	183.23
General And Administration Expenses	14	162.60	101.52	311.94	197.18
		279.30	193.19	545.47	380.41
<b>OPERATING PROFIT BEFORE INTEREST, DEPRECIATION , AMORTIZATION, MINORITY INTERESTS AND EXCEPTIONAL ITEM</b>		<b>666.71</b>	<b>449.17</b>	<b>1,284.68</b>	<b>862.26</b>
Interest		-	-	-	-
Depreciation And Amortization		99.81	64.42	173.72	128.17
<b>OPERATING PROFIT AFTER INTEREST, DEPRECIATION, AMORTIZATION AND BEFORE MINORITY INTERESTS AND EXCEPTIONAL ITEM</b>		<b>566.90</b>	<b>384.75</b>	<b>1,110.96</b>	<b>734.09</b>
Other Income	15	32.29	1.82	78.60	48.28
Provision For Investments		0.23	0.80	(0.16)	3.09
<b>NET PROFIT BEFORE TAX, MINORITY INTERESTS AND EXCEPTIONAL ITEM</b>		<b>598.96</b>	<b>385.77</b>	<b>1,189.72</b>	<b>779.28</b>
Provision For Taxation On The Above	16	85.48	50.54	178.91	115.54
<b>NET PROFIT AFTER TAX AND BEFORE MINORITY INTERESTS AND EXCEPTIONAL ITEM</b>		<b>513.48</b>	<b>335.23</b>	<b>1,010.81</b>	<b>663.74</b>
Exceptional Item - Income from sale of investment in Yantra Corporation (net of taxes)		45.19	-	45.19	-
<b>NET PROFIT AFTER TAX AND EXCEPTIONAL ITEM AND BEFORE MINORITY INTERESTS</b>		<b>558.67</b>	<b>335.23</b>	<b>1,056.00</b>	<b>663.74</b>
Minority Interest		0.03	-	0.03	-
<b>NET PROFIT AFTER TAX, EXCEPTIONAL ITEM AND MINORITY INTERESTS</b>		<b>558.64</b>	<b>335.23</b>	<b>1,055.97</b>	<b>663.74</b>
<b>Balance Brought Forward</b>		<b>1,247.69</b>	<b>800.00</b>	<b>750.36</b>	<b>471.49</b>
Less: Residual dividend paid for fiscal 2004		-	-	-	-
Additional dividend tax		-	-	-	-
		1,247.69	800.00	750.36	471.49
<b>AMOUNT AVAILABLE FOR APPROPRIATION</b>		<b>1,806.33</b>	<b>1,135.23</b>	<b>1,806.33</b>	<b>1,135.23</b>
Dividend					
Interim		-	-	-	-
Final		175.87	99.96	175.87	99.96
One-time special dividend		-	666.41	-	666.41
Total dividend		175.87	766.37	175.87	766.37
Dividend tax		24.67	98.19	24.67	98.19
Amount transferred to general reserve		190.44	200.00	190.44	200.00
Balance in Profit and Loss Account		1,415.35	70.67	1,415.35	70.67
		1,806.33	1,135.23	1,806.33	1,135.23
<b>EARNINGS PER SHARE *</b>					
Equity shares of par value Rs. 5/- each					
Before Exceptional Item					
Basic		19.01	12.59	37.52	24.96
Diluted		18.44	12.34	36.39	24.49
After Exceptional item					
Basic		20.68	12.59	39.19	24.96
Diluted		20.07	12.34	38.02	24.49
Number of shares used in computing earnings per share					
Basic		27,00,94,432	26,62,62,848	26,94,34,087	26,58,91,148
Diluted		27,83,96,419	27,16,11,704	27,77,77,028	27,10,50,836

**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.)  
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 S Balasubrahmanyam  
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CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND ITS SUBSIDIARIES

in Rs. crore

Consolidated Cash Flow Statement for the	Schedule	Quarter ended		Half year ended	
		March 31, 2005	2004	March 31, 2005	2004
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Net profit before tax and Exceptional Item		598.96	385.77	1,189.72	779.28
Adjustments to reconcile net profit before tax to cash provided by operating activities					
(Profit)/Loss on sale of fixed assets		0.69	0.43	0.69	0.42
Depreciation and amortization		99.81	64.42	173.72	128.17
Interest and dividend income		(36.33)	(28.42)	(61.84)	(55.01)
Provisions for investments		0.23	0.80	(0.16)	3.09
Effect of exchange differences on translation of foreign currency cash and cash equivalents		1.63	4.56	9.39	3.32
Changes in current assets and liabilities					
Sundry debtors		(283.63)	45.51	(395.68)	(58.86)
Loans and advances	17	(15.06)	16.63	(43.68)	(12.23)
Current liabilities and provisions	18	18.22	25.96	47.50	199.29
Income taxes paid during the period	19	(100.99)	(29.20)	(185.03)	(48.09)
<b>NET CASH GENERATED BY OPERATING ACTIVITIES</b>		<b>283.53</b>	<b>486.46</b>	<b>734.63</b>	<b>939.38</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchases of fixed assets and change in capital work-in-progress	20	(244.14)	(201.59)	(500.21)	(292.19)
Acquisition of Expert Information Systems Pty. Limited, Australia		-	(66.68)	-	(66.68)
Proceeds on disposal of fixed assets		0.64	1.15	0.75	1.18
Investments in securities	21	(153.99)	(332.24)	(244.60)	(477.78)
Interest and dividend income		36.33	28.42	61.84	55.01
Cash Flow Before Exceptional Items		(361.16)	(570.94)	(682.22)	(780.46)
Exceptional Item - Income from sale of investment in Yantra Corporation		49.48	-	49.48	-
Less: Tax on the above		4.29	-	4.29	-
Net income from sale of investment in Yantra Corporation		45.19	-	45.19	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(315.97)</b>	<b>(570.94)</b>	<b>(637.03)</b>	<b>(780.46)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from the issue of preference share capital		-	44.56	-	44.56
Proceeds from issuance of share capital on exercise of stock options (refer to note 23.3.21.b)		139.85	55.66	316.11	117.19
Dividends paid during the period, including dividend tax		-	-	(133.93)	(96.09)
Dividend tax paid during the period		-	-	(17.50)	(12.31)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>139.85</b>	<b>100.22</b>	<b>164.68</b>	<b>53.35</b>
Effect of exchange differences on translation of foreign currency cash and cash equivalents		(1.49)	(5.41)	(11.10)	(4.08)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>105.92</b>	<b>10.33</b>	<b>251.18</b>	<b>208.19</b>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		1,683.35	1,919.03	1,538.09	1,721.17
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	22	<b>1,789.27</b>	<b>1,929.36</b>	<b>1,789.27</b>	<b>1,929.36</b>
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

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

*in Rs. crore*

**Schedules to the Consolidated Balance Sheet as at**

**March 31, 2005**

**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

Issued, Subscribed and Paid Up

Equity shares, Rs. 5/- par value\*

135.29

33.32

27,05,70,549 (6,66,41,056) equity shares fully paid up

[Of the above, 25,84,92,302 (5,78,88,200) equity shares, fully paid up have been issued as bonus shares by capitalization of the general reserve]

135.29

33.32

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

\* For details of options in respect of equity shares, refer to note 23.3.7

\* Refer to note 23.3.19 for details of basic and diluted shares

**2 RESERVES AND SURPLUS**

Capital reserve - As at April 1, 2004

5.94

5.94

Add: Gain on dilution due to exercise of stock option

0.10

-

6.04

5.94

Share premium account - As at April 1, 2004

460.90

338.83

Add: Receipts on exercise of stock options issued to employees

438.97

122.07

899.87

460.90

Foreign currency translation adjustment

(1.18)

(0.85)

General reserve - As at April 1, 2004

2,679.60

2,479.60

Less: capitalized for issue of bonus shares

100.30

-

Add: Transfer from the profit and loss account

190.44

200.00

2,769.74

2,679.60

Balance in profit and loss account

1,415.35

70.67

5,089.82

3,216.26

**3 PREFERENCE SHARES ISSUED BY SUBSIDIARY**

Authorized

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

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

87.50

87.50

Issued, Subscribed and Paid Up

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

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

87.50

87.50

Premium received on issue of preference shares

6.01

6.06

93.51

93.56

\* for details of the terms relating to the preference shares, refer to note 23.3.17

CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND ITS SUBSIDIARIES

Schedules to the Consolidated Balance Sheet

4 FIXED ASSETS

in Rs. crore

Particulars	Original cost				Depreciation and amortization				Net book value	
	As at April 1, 2004	Additions during the year	Deletions/ Retirement during the year	As at March 31, 2005	As at April 1, 2004	For the year	Deletions/ Retirement during the year	As at March 31, 2005	As at March 31, 2005	As at March 31, 2004
Goodwill	40.52	-	-	40.52	-	-	-	-	40.52	40.52
Land: free-hold	20.05	9.59	-	29.64	-	-	-	-	29.64	20.05
leasehold	70.20	26.51	7.02	89.69	-	-	-	-	89.69	70.20
Buildings	459.61	272.21	0.35	731.48	80.47	38.14	0.18	118.43	613.05	379.14
Plant and machinery	283.35	124.88	12.78 **	395.45	165.27	64.25	12.24 **	217.28	178.17	118.08
Computer equipment	461.84	189.67	41.17 **	610.33	370.37	117.02	41.17 **	446.22	164.11	91.47
Furniture and fixtures	252.87	101.47	13.07 **	341.27	151.12	66.31	12.24 **	205.19	136.08	101.75
Leasehold improvements	2.64	3.47	-	6.11	0.20	1.09	-	1.29	4.82	2.44
Vehicles	0.43	0.35	0.09	0.69	0.27	0.10	0.09	0.28	0.41	0.16
Intangible assets										
Intellectual property rights	42.14	-	-	42.14	42.14	-	-	42.14	-	-
	<b>1,633.65</b>	<b>728.14</b>	<b>74.48</b>	<b>2,287.31</b>	<b>809.84</b>	<b>286.91</b>	<b>65.92</b>	<b>1,030.83</b>	<b>1,256.48</b>	<b>823.81</b>
Previous year	<b>1,279.04</b>	<b>361.88</b>	<b>7.27</b>	<b>1,633.65</b>	<b>578.54</b>	<b>236.73</b>	<b>5.43</b>	<b>809.84</b>	<b>823.81</b>	

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. 59.40 and accumulated depreciation of Rs. 58.89.

CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND ITS SUBSIDIARIES

in Rs. crore

Schedules to the Consolidated Balance Sheet as at March 31, 2005 March 31, 2004

5 INVESTMENTS

Trade (unquoted) – at cost

Long- term investments	16.10	30.01
Less: Provision for investments	14.06	27.97
	<u>2.04</u>	<u>2.04</u>

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

Liquid mutual funds	1,208.74	943.41
	<u>1,210.78</u>	<u>945.45</u>
Aggregate amount of unquoted investments	1,210.78	945.45

6 DEFERRED TAX ASSETS

Fixed assets	32.95	27.13
Investments	-	6.60
Sundry debtors	2.88	2.14
Leave provisions and others	8.54	4.10
	<u>44.37</u>	<u>39.97</u>

7 SUNDRY DEBTORS

Debts outstanding for a period exceeding six months

Unsecured		
considered good	-	-
considered doubtful	10.66	9.07

Other debts

Unsecured		
considered good*	1,322.00	651.45
considered doubtful	8.24	4.29
	<u>1,340.90</u>	<u>664.81</u>
Less: Provision for doubtful debts	18.90	13.36
	<u>1,322.00</u>	<u>651.45</u>

\* Includes dues from companies where directors are interested

8 CASH AND BANK BALANCES

Cash on hand	0.02	0.01
Balances with scheduled banks		
In current accounts *	82.76	226.87
In deposit accounts in Indian Rupees	1,250.35	1,317.28
Balances with non-scheduled banks		
In deposit accounts in foreign currency	25.48	13.86
In current accounts in foreign currency	216.97	163.49
	<u>1,575.58</u>	<u>1,721.51</u>
*includes balance in unclaimed dividend account	3.33	1.98
*includes balance in escrow account	-	0.04

CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND ITS SUBSIDIARIES

in Rs. crore

Schedules to the consolidated Balance Sheet as at March 31, 2005 March 31, 2004

9 LOANS AND ADVANCES

Unsecured, considered good		
Advances		
prepaid expenses	35.86	37.95
for supply of goods and rendering of services	2.47	5.83
Others	<u>15.66</u>	<u>3.65</u>
	53.99	47.43
Unbilled revenues	141.49	103.09
Advance income tax	403.84	210.27
Loans and advances to employees *		
housing and other loans	57.84	83.36
salary advances	43.34	36.37
Electricity and other deposits	16.63	9.50
Rental deposits	15.36	14.98
Deposits with financial institutions and body corporate	280.08	207.85
Deposits with government authorities	0.05	0.01
Other assets	<u>11.82</u>	<u>8.19</u>
	1,024.44	721.05
Unsecured, considered doubtful		
Loans and advances to employees	<u>0.23</u>	<u>0.09</u>
	1,024.67	721.14
Less: Provision for doubtful loans and advances to employees	<u>0.23</u>	<u>0.09</u>
	<u>1,024.44</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	0.76	1.48
for goods and services	3.82	2.65
for accrued salaries and benefits		
salaries	14.57	15.22
bonus and incentives	199.54	243.78
unavailed leave	76.78	51.82
for other liabilities		
accrual for expenses	140.73	63.77
retention monies	13.66	5.27
withholding and other taxes payable	60.55	44.46
for purchase of intellectual property rights	19.31	19.21
others	<u>5.64</u>	<u>3.04</u>
	535.36	450.70
Advances received from clients	28.64	65.19
Unearned revenue	88.69	63.85
Unclaimed dividend	<u>3.33</u>	<u>1.98</u>
	<u>656.02</u>	<u>581.72</u>

11 PROVISIONS

Proposed dividend	175.87	766.37
Provision for		
tax on dividend	24.67	98.19
income taxes	546.43	316.74
post-sales client support and warranties	29.57	5.13
retiral benefits	-	-
	<u>776.54</u>	<u>1,186.43</u>

CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND ITS SUBSIDIARIES

in Rs. crore

Schedules to Consolidated Profit and Loss Account for the	Quarter ended		Half year ended	
	March 31,		March 31,	
	2005	2004	2005	2004

**12 SOFTWARE DEVELOPMENT AND BUSINESS PROCESS MANAGEMENT EXPENSES**

Salaries and bonus including overseas staff expenses	822.10	584.98	1,637.19	1,135.65
Staff welfare	6.41	3.50	13.87	7.36
Contribution to provident and other funds	24.28	14.17	45.32	27.44
Overseas travel expenses	66.18	44.78	122.41	87.25
Consumables	4.15	3.70	7.09	6.29
Software packages				
for own use	33.92	15.27	66.18	29.77
for service delivery to clients	2.02	1.66	5.80	3.78
Technical sub-contractors	36.35	19.14	69.90	30.40
Computer maintenance	3.71	3.52	7.73	6.68
Communication expenses	15.75	12.31	28.94	23.09
Provision for post-sales client support and warranties	18.26	0.65	12.31	0.46
Traveling and conveyance	2.88	1.67	5.40	2.52
Rent	3.48	1.74	7.65	3.10
Other miscellaneous expenses	1.82	-	3.00	-
	<u>1,041.31</u>	<u>707.09</u>	<u>2,032.79</u>	<u>1,363.79</u>

**13 SELLING AND MARKETING EXPENSES**

Salaries and bonus including overseas staff expenses	69.71	54.59	139.65	114.52
Staff welfare	0.17	0.34	0.28	0.50
Contribution to provident and other funds	0.39	0.30	0.95	0.58
Overseas travel expenses	15.46	11.41	29.26	23.35
Consumables	0.03	0.06	0.05	0.12
Software packages				
for own use	0.14	0.17	0.15	0.18
Computer maintenance	0.01	0.02	0.01	0.02
Traveling and conveyance	0.75	1.01	4.35	1.63
Rent	2.13	4.36	5.24	4.95
Telephone charges	1.21	1.38	2.49	2.86
Professional charges	4.15	2.03	9.28	3.37
Printing and stationery	0.71	0.26	1.07	0.53
Advertisements	0.28	0.26	1.08	0.29
Brand building	8.35	9.94	16.75	19.12
Office maintenance	0.10	0.69	0.15	0.77
Power and fuel	-	-	-	0.01
Insurance charges	0.08	0.04	0.26	0.06
Rates and taxes	-	0.04	-	0.06
Bank charges and commission	-	-	-	0.01
Commission charges	9.33	1.03	16.18	4.36
Marketing expenses	2.94	1.94	4.49	3.82
Sales promotion expenses	0.35	0.19	0.71	0.53
Miscellaneous expenses	0.41	1.61	1.13	1.59
	<u>116.70</u>	<u>91.67</u>	<u>233.53</u>	<u>183.23</u>



CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND ITS SUBSIDIARIES

in Rs. crore

Schedules to Consolidated Profit and Loss Account for the	Quarter ended		Half year ended	
	March 31,		March 31,	
	2005	2004	2005	2004

**14 GENERAL AND ADMINISTRATION EXPENSES**

Salaries and bonus including overseas staff expenses	31.42	25.09	67.12	45.61
Staff welfare	0.18	0.16	0.55	0.24
Contribution to provident and other funds	2.33	1.38	4.23	2.55
Overseas travel expenses	4.17	1.53	7.20	2.79
Traveling and conveyance	14.16	7.35	22.66	13.50
Software packages				
for own use	0.19	0.86	0.56	1.47
Rent	3.94	4.66	7.50	11.95
Telephone charges	17.45	8.55	29.57	15.30
Professional charges	17.11	9.91	36.89	19.51
Printing and stationery	3.18	1.27	6.26	2.64
Advertisements	3.86	3.33	6.48	4.15
Office maintenance	14.34	9.39	25.59	16.68
Repairs to building	6.01	3.00	9.54	7.13
Repairs to plant and machinery	2.55	1.10	4.58	2.25
Power and fuel	12.46	7.27	23.58	15.17
Recruitment and training	0.66	1.07	1.44	1.07
Insurance charges	9.17	6.83	16.45	13.14
Rates and taxes	2.12	1.75	4.23	3.41
Donations	4.16	3.72	12.16	7.26
Auditor's remuneration				
statutory audit fees	0.17	0.36	0.47	0.45
certification charges	0.03	0.03	0.10	0.05
others	-	0.06	-	0.12
out-of-pocket expenses	0.01	0.01	0.01	0.01
Provision for bad and doubtful debts	6.19	(2.14)	12.04	1.97
Provision for doubtful loans and advances	(0.05)	0.07	(0.01)	0.01
Bank charges and commission	0.28	0.20	0.59	0.38
Commission to non-whole time directors	0.08	0.25	0.47	0.72
Postage and courier	1.38	1.18	2.34	2.03
Books and periodicals	0.85	0.48	1.37	0.92
Research grants	0.41	0.18	0.65	0.36
Freight charges	0.15	0.21	0.35	0.54
Professional membership and seminar participation fees	1.76	1.16	3.33	2.36
Miscellaneous expenses (refer to note 23.3.11)	1.88	1.25	3.64	1.44
	<u>162.60</u>	<u>101.52</u>	<u>311.94</u>	<u>197.18</u>

**15 OTHER INCOME**

Interest received on deposits with banks and others*	24.55	19.56	40.98	40.84
Dividend received on investment in liquid mutual funds (non-trade unquoted)	11.78	8.86	20.86	14.17
Miscellaneous income (refer to note 23.3.11)	1.16	0.06	1.15	(0.19)
Exchange differences (refer to note 23.2)	(5.20)	(26.66)	15.61	(6.54)
	<u>32.29</u>	<u>1.82</u>	<u>78.60</u>	<u>48.28</u>
*Tax deducted at source	7.52	4.43	9.95	8.16

**16 PROVISION FOR TAXATION**

Current period/ year				
Income taxes	89.88	56.42	183.76	120.40
Deferred taxes	(4.40)	(5.08)	(4.85)	(4.05)
	<u>85.48</u>	<u>51.34</u>	<u>178.91</u>	<u>116.35</u>
Prior period/ years	-	(0.80)	-	(0.81)
	<u>85.48</u>	<u>50.54</u>	<u>178.91</u>	<u>115.54</u>

CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND ITS SUBSIDIARIES

in Rs. crore

Schedules to Consolidated Cashflow Statements for the	Quarter ended		Half year ended	
	March 31, 2005	2004	March 31, 2005	2004

**17 CHANGE IN LOANS AND ADVANCES**

As per the Balance Sheet	1,024.44	860.95	1,024.44	860.95
Less: Deposits with financial institutions and body corporate, included in cash and cash equivalents (refer to note 23.3.21.c)	(213.69)	(207.85)	(213.69)	(207.85)
Advance income taxes separately considered	(403.84)	(350.17)	(403.84)	(350.17)
	406.91	302.93	406.91	302.93
Less: Opening balance considered	(391.85)	(319.56)	(363.23)	(290.70)
	15.06	(16.63)	43.68	12.23

**18 CHANGE IN CURRENT LIABILITIES AND PROVISIONS**

As per the Balance Sheet	1,432.56	1,908.05	1,432.56	1,908.05
Add/ (Less): Provisions separately considered in the cash flow statement				
Income taxes	(546.43)	(456.64)	(546.43)	(456.64)
Dividends	(175.87)	(766.37)	(175.87)	(766.37)
Proceeds received on investment pending regulatory approval	-	-	-	(6.02)
Dividend tax	(24.67)	(98.19)	(24.67)	(98.19)
	685.59	586.85	685.59	580.83
Less: Opening balance considered	(667.37)	(560.89)	(638.09)	(381.54)
	18.22	25.96	47.50	199.29

**19 INCOME TAXES PAID**

Charge as per the Profit and Loss Account	85.48	50.54	178.91	115.54
Add: Increase in advance income taxes	62.81	10.08	127.75	1.03
Increase / (Decrease) in deferred taxes	1.39	7.12	(0.13)	6.10
Less: (Increase) / Decrease in income tax provision	(48.69)	(38.54)	(121.50)	(74.58)
	100.99	29.20	185.03	48.09

**20 PURCHASE OF FIXED ASSETS AND CHANGE IN CAPITAL WORK-IN-PROGRESS**

As per the schedule 4 to Balance Sheet*	139.91	140.69	436.77	216.45
Less: Opening Capital work-in-progress	(213.44)	(80.47)	(254.23)	(65.63)
Acquisition of Expert Information Systems Pty. Limited, Australia	-	(66.68)	-	(66.68)
Add: Closing Capital work-in-progress	317.67	208.05	317.67	208.05
	244.14	201.59	500.21	292.19

\* Excludes Rs. 7.02 towards movement of land from leasehold to freehold

**21 INVESTMENTS IN / (DISPOSAL OF) SECURITIES \***

As per the Balance Sheet	1,210.78	945.45	1,210.78	945.45
Add: Provisions on investments	0.23	0.80	(0.16)	3.09
Less: Proceeds received on investment pending regulatory approval	-	-	-	(6.02)
	1,211.01	946.25	1,210.62	942.52
Less: Opening balance considered	(1,057.02)	(614.01)	(966.02)	(464.74)
	153.99	332.24	244.60	477.78

\* refer to note 23.3.12 for details of investments and redemptions

**22 CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD / YEAR**

As per the Balance Sheet	1,575.58	1,721.51	1,575.58	1,721.51
Add: Deposits with financial institutions and body corporate, included herein*	213.69	207.85	213.69	207.85
	1,789.27	1,929.36	1,789.27	1,929.36

\* refer to note 23.3.21c