

INFOSYS TECHNOLOGIES LIMITED
in Rs. crore

| Balance Sheet as at | Schedule | March 31, 2006 | March 31, 2005 |
|--|----------|---------------------|---------------------|
| SOURCES OF FUNDS | | | |
| SHAREHOLDERS' FUNDS | | | |
| Share capital | 1 | 138 | 135 |
| Reserves and surplus | 2 | <u>6,759</u> | <u>5,107</u> |
| | | <u>6,897</u> | <u>5,242</u> |
| APPLICATION OF FUNDS | | | |
| FIXED ASSETS | | | |
| Original cost | 3 | 2,837 | 2,183 |
| Less: Accumulated depreciation | | <u>1,275</u> | <u>1,006</u> |
| Net book value | | 1,562 | 1,177 |
| Add: Capital work-in-progress | | <u>571</u> | <u>318</u> |
| | | <u>2,133</u> | <u>1,495</u> |
| INVESTMENTS | 4 | 876 | 1,329 |
| DEFERRED TAX ASSETS | 5 | 56 | 34 |
| CURRENT ASSETS, LOANS AND ADVANCES | | | |
| Sundry debtors | 6 | 1,518 | 1,253 |
| Cash and bank balances | 7 | 3,279 | 1,481 |
| Loans and advances | 8 | <u>1,252</u> | <u>996</u> |
| | | <u>6,049</u> | <u>3,730</u> |
| LESS: CURRENT LIABILITIES AND PROVISIONS | | | |
| Current liabilities | 9 | 808 | 579 |
| Provisions | 10 | <u>1,409</u> | <u>767</u> |
| NET CURRENT ASSETS | | <u>3,832</u> | <u>2,384</u> |
| | | <u>6,897</u> | <u>5,242</u> |
| SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS | 22 | | |

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

As per our report attached

for BSR & 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

David L Boyles
Director

Jeffrey Lehman
Director

Bangalore
April 14, 2006

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

INFOSYS TECHNOLOGIES LIMITED
in Rs. crore, except per share data

| Profit and Loss Account for the | Schedule | Quarter ended | | Half year ended | |
|---|----------|---------------|----------------|-----------------|----------------|
| | | 2006 | March 31, 2005 | 2006 | March 31, 2005 |
| Income from software services and products | | 2,493 | 1,900 | 4,891 | 3,699 |
| Software development expenses | 11 | 1,380 | 993 | 2,657 | 1,953 |
| GROSS PROFIT | | 1,113 | 907 | 2,234 | 1,746 |
| Selling and marketing expenses | 12 | 126 | 100 | 255 | 202 |
| General and administration expenses | 13 | 183 | 144 | 343 | 269 |
| | | 309 | 244 | 598 | 471 |
| OPERATING PROFIT BEFORE INTEREST AND DEPRECIATION | | 804 | 663 | 1,636 | 1,275 |
| Interest | | - | - | - | - |
| Depreciation | | 134 | 93 | 243 | 162 |
| OPERATING PROFIT BEFORE TAX AND EXCEPTIONAL ITEM | | 670 | 570 | 1,393 | 1,113 |
| Other income, net | 14 | 70 | 33 | 69 | 79 |
| Provision for investments | | (1) | - | (1) | - |
| NET PROFIT BEFORE TAX AND EXCEPTIONAL ITEM | | 741 | 603 | 1,463 | 1,192 |
| Provision for taxation | 15 | 77 | 89 | 157 | 182 |
| NET PROFIT AFTER TAX AND BEFORE EXCEPTIONAL ITEM | | 664 | 514 | 1,306 | 1,010 |
| Income from sale of investment in Yantra Corporation (net of taxes) | | - | 45 | - | 45 |
| NET PROFIT AFTER TAX AND EXCEPTIONAL ITEM | | 664 | 559 | 1,306 | 1,055 |
| Balance Brought Forward | | 2,983 | 1,260 | 2,341 | 764 |
| Less: Residual dividend paid | | - | - | - | - |
| Additional dividend tax | | - | - | - | - |
| | | 2,983 | 1,260 | 2,341 | 764 |
| AMOUNT AVAILABLE FOR APPROPRIATION | | 3,647 | 1,819 | 3,647 | 1,819 |
| Dividend | | | | | |
| Interim | | - | - | - | - |
| Final | | 234 | 176 | 234 | 176 |
| Silver Jubilee special dividend | | 827 | - | 827 | - |
| Total dividend | | 1,061 | 176 | 1,061 | 176 |
| Dividend tax | | 149 | 25 | 149 | 25 |
| Amount transferred to general reserve | | 242 | 190 | 242 | 190 |
| Balance in profit and loss account | | 2,195 | 1,428 | 2,195 | 1,428 |
| | | 3,647 | 1,819 | 3,647 | 1,819 |
| EARNINGS PER SHARE * | | | | | |
| Equity shares of par value Rs. 5/- each | | | | | |
| Before exceptional items | | | | | |
| Basic | | 24.12 | 19.03 | 47.55 | 37.49 |
| Diluted | | 23.50 | 18.46 | 46.28 | 36.36 |
| After exceptional items | | | | | |
| Basic | | 24.12 | 20.70 | 47.55 | 39.16 |
| Diluted | | 23.50 | 20.08 | 46.28 | 37.98 |
| Number of shares used in computing earnings per share | | | | | |
| Basic | | 27,51,09,907 | 27,00,94,432 | 27,44,40,691 | 26,94,34,087 |
| Diluted | | 28,23,17,293 | 27,83,96,419 | 28,19,73,111 | 27,77,77,028 |

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

22

* refer to note 22.2.20

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

As per our report attached

 for BSR & Co.
Chartered Accountants

 Subramanian Suresh
Partner
Membership No. 83673

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INFOSYS TECHNOLOGIES LIMITED

in Rs. crore

| Cash Flow Statement for the | | Quarter ended March 31, | | Half year ended March 31, | |
|---|--------------|----------------------------|--------------|------------------------------|--|
| Schedule | 2006 | 2005 | 2006 | 2005 | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| | 741 | 603 | 1,463 | 1,192 | |
| Net profit before tax and exceptional item | | | | | |
| Adjustments to reconcile net profit before tax to cash provided by operating activities | | | | | |
| (Profit)/ loss on sale of fixed assets | - | - | - | - | |
| Depreciation and amortization | 135 | 93 | 244 | 162 | |
| Interest and dividend income | (76) | (36) | (125) | (59) | |
| Provision for investments | - | - | (1) | - | |
| Effect of exchange differences on translation of foreign currency cash and cash equivalents | (3) | 2 | 2 | 8 | |
| Changes in current assets and liabilities | | | | | |
| Sundry debtors | (204) | (270) | (274) | (360) | |
| Loans and advances | (39) | (14) | (128) | (56) | |
| Current liabilities and provisions | 17 | 4 | 164 | 8 | |
| Income taxes paid | 18 | (100) | (387) | (181) | |
| NET CASH GENERATED BY OPERATING ACTIVITIES | 342 | 282 | 958 | 714 | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Purchase of fixed assets and change in capital work-in-progress | 19 | (265) | (509) | (482) | |
| Proceeds on disposal of fixed assets | - | 2 | - | 2 | |
| Investment in subsidiaries (refer to note 22.2.16) | (9) | - | (9) | (23) | |
| Investments in securities | 20 | 1,443 | 1,572 | (241) | |
| Interest and dividend income | 76 | 36 | 125 | 59 | |
| Cash flow from investing activities before exceptional items | 1,245 | (348) | 1,179 | (685) | |
| Income from sale of investment in Yantra Corporation | - | 49 | - | 49 | |
| Less: Tax on the above | - | 4 | - | 4 | |
| Net income from sale of Investment in Yantra Corporation | - | 45 | - | 45 | |
| NET CASH USED IN INVESTING ACTIVITIES | 1,245 | (303) | 1,179 | (640) | |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Proceeds from issuance of share capital on exercise of stock options | 193 | 139 | 397 | 316 | |
| Dividends paid during the period | - | - | (177) | (134) | |
| Dividend Tax paid during the period | - | - | (25) | (18) | |
| NET CASH USED IN FINANCING ACTIVITIES | 193 | 139 | 195 | 164 | |
| Effect of exchange differences on translation of foreign currency cash and cash equivalents | 3 | (2) | (2) | (8) | |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | 1,783 | 116 | 2,330 | 230 | |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | 1,996 | 1,567 | 1,449 | 1,453 | |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 3,779 | 1,683 | 3,779 | 1,683 | |

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 22

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

As per our report attached

for BSR & Co.
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INFOSYS TECHNOLOGIES LIMITED
in Rs. crore
Schedules to the Balance Sheet as at
March 31, 2006
March 31, 2005
1 SHARE CAPITAL

Authorized

Equity shares, Rs. 5/- par value

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

150
150

Issued, Subscribed and Paid Up

Equity shares, Rs. 5/- par value*

138

135

27,55,54,980 (27,05,70,549) equity shares fully paid up

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

138
135

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

* For details of options in respect of equity shares, refer to note 22.2.11

* also refer to note 22.2.20 for details of basic and diluted shares

2 RESERVES AND SURPLUS

Capital reserve

6
6

Share premium account - As at April 1,

900

461

Add: Receipts on exercise of employee stock options

571

439

Income tax benefit arising from exercise of stock options

72
-
1,543
900

General reserve - As at April 1,

2,773

2,683

Less: Capitalized on issue of bonus shares

-

100

Add: Transferred from the Profit and Loss Account

242
190
3,015
2,773

Balance in Profit and Loss Account

2,195

1,428

6,759
5,107

INFOSYS TECHNOLOGIES LIMITED
Schedules to the Balance Sheet
FIXED ASSETS
in Rs. crore except as otherwise stated

| | Original cost | | | | Depreciation and amortization | | | | Net book value | |
|------------------------------|---------------------|---------------------------|------------------------|----------------------|-------------------------------|--------------|------------------------|----------------------|----------------------|----------------------|
| | As at April 1, 2005 | Additions during the year | Deductions/ Retirement | As at March 31, 2006 | As at April 1, 2005 | For the year | Deductions/ Retirement | As at March 31, 2006 | As at March 31, 2006 | As at March 31, 2005 |
| Land : free-hold * | 30 | 4 | - | 34 | - | - | - | - | 34 | 30 |
| leasehold | 90 | 18 | 4 | 104 | - | - | - | - | 104 | 90 |
| Buildings* | 731 | 292 | 1 | 1,022 | 119 | 60 | - | 179 | 843 | 612 |
| Plant and machinery* ^ | 389 | 177 | 7 | 559 | 216 | 96 | 7 | 305 | 254 | 173 |
| Computer equipment* ^ | 574 | 199 | 73 | 700 | 427 | 162 | 73 | 516 | 184 | 147 |
| Furniture and fixtures* ^ | 326 | 109 | 18 | 417 | 202 | 91 | 18 | 275 | 142 | 124 |
| Vehicles | 1 | - | - | 1 | - | - | - | - | 1 | 1 |
| Intangible assets ^ | | | | | | | | | | |
| Intellectual property rights | 42 | - | 42 | - | 42 | - | 42 | - | - | - |
| | 2,183 | 799 | 145 | 2,837 | 1,006 | 409 | 140 | 1,275 | 1,562 | 1,177 |
| Previous year | 1,570 | 687 | 74 | 2,183 | 803 | 268 | 66 | 1,006 | 1,177 | |

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 Progeon Limited, a subsidiary. Please refer to note 22.2.6 for details

^Amount includes the retiral of assets that are not in active use, with original cost of Rs. 121 crore and accumulated depreciation of Rs. 121 crore

INFOSYS TECHNOLOGIES LIMITED
in Rs. crore
Schedules to the Balance Sheet as at
March 31, 2006
March 31, 2005
4 INVESTMENTS
Trade (unquoted) – at cost
Long-term investments

In subsidiaries

Progeon Limited, India

2,44,99,993 (2,44,99,993) equity shares of Rs. 10/- each, fully paid

25

25

Infosys Technologies (Shanghai) Co. Limited, China

23

23

Infosys Technologies (Australia) Pty Limited, Australia

1,01,08,869 (1,01,08,869) equity shares of A\$ 0.11 par value, fully paid

66

66

Infosys Consulting, Inc., USA

1,70,00,000 (1,00,00,000) common stock of US \$1.00 par value, fully paid

76

45

190
159

In other investments*

16

16

Less: Provision for investments

14

14

2
2
Non-trade (unquoted), current investments, at the lower of cost and fair value

Liquid mutual fund units *

684
1,168
876
1,329

Aggregate amount of unquoted investments

876

1,329

* refer to note 22.2.16 for details of investments

5 DEFERRED TAX ASSETS

Fixed assets

54

31

Sundry debtors

2

3

56
34
6 SUNDRY DEBTORS

Debts outstanding for a period exceeding six months

Unsecured

considered doubtful

8

11

Other debts

Unsecured

considered good (including dues from subsidiary companies)*

1,518

1,253

considered doubtful

2

8

1,528
1,272

Less: Provision for doubtful debts

10

19

1,518
1,253

* For details of dues from subsidiary companies, refer to note 22.2.7

Includes dues from companies where directors are interested

2

-

7 CASH AND BANK BALANCES

Cash on hand

-

-

Balances with scheduled banks in Indian Rupees

In current accounts *

169

78

In deposit accounts

2,735

1,213

Balances with non-scheduled banks in foreign currency **

In current accounts

375

190

3,279
1,481

3

3

*includes balance in unclaimed dividend account

**refer to note 22.2.13 for details of balances in non-scheduled banks

INFOSYS TECHNOLOGIES LIMITED
in Rs. crore
Schedules to the Balance Sheet as at
March 31, 2006
March 31, 2005
8 LOANS AND ADVANCES

| | | |
|--|--------------|------------|
| Unsecured, considered good | | |
| Loans to subsidiary (refer to note 22.2.7) | 14 | - |
| Advances | | |
| prepaid expenses | 27 | 33 |
| for supply of goods and rendering of services * | 9 | 2 |
| others | <u>14</u> | <u>11</u> |
| | 64 | 46 |
| Unbilled revenues | 203 | 139 |
| Advance income tax | 267 | 403 |
| Loans and advances to employees ** | | |
| housing and other loans | 49 | 58 |
| salary advances | 61 | 41 |
| Electricity and other deposits | 16 | 16 |
| Rental deposits | 12 | 14 |
| Deposits with financial institution and body corporate | 580 | 268 |
| Mark to Market on options/ forward contracts | <u>-</u> | <u>11</u> |
| | 1,252 | 996 |
| Unsecured, considered doubtful | | |
| Loans and advances to employees | <u>-</u> | <u>-</u> |
| | 1,252 | 996 |
| Less: Provision for doubtful loans and advances to employees | <u>-</u> | <u>-</u> |
| | <u>1,252</u> | <u>996</u> |
| * includes advances to subsidiary company, refer to note 22.2.4 | 6 | 2 |
| ** includes dues by non-director officers of the company | - | - |
| Maximum amounts due by non-director officers at any time during the year | - | - |

9 CURRENT LIABILITIES

| | | |
|--|------------|------------|
| Sundry creditors | | |
| goods and services * | 6 | 1 |
| accrued salaries and benefits | | |
| salaries | 6 | 11 |
| bonus and incentives | 233 | 182 |
| unavailed leave | 80 | 61 |
| for other liabilities | | |
| provision for expenses | 166 | 118 |
| retention monies | 13 | 15 |
| withholding and other taxes payable | 82 | 52 |
| for purchase of intellectual property rights | 19 | 19 |
| Mark to Market on options/ forward contracts | 2 | - |
| others | <u>3</u> | <u>5</u> |
| | 610 | 464 |
| Advances received from clients | 7 | 29 |
| Unearned revenue | 188 | 83 |
| Unclaimed dividend | <u>3</u> | <u>3</u> |
| | <u>808</u> | <u>579</u> |
| * Of which, dues to subsidiary companies, refer to note 22.2.7 | 6 | 1 |

10 PROVISIONS

| | | |
|--|--------------|------------|
| Proposed dividend | 1,061 | 176 |
| Provision for | | |
| tax on dividend | 149 | 25 |
| income taxes * | 187 | 546 |
| post-sales client support and warranties | <u>12</u> | <u>20</u> |
| | <u>1,409</u> | <u>767</u> |

* refer to note 22.2.12

INFOSYS TECHNOLOGIES LIMITED
in Rs. crore

| Schedules to Profit and Loss Account for the | Quarter ended | | Half year ended | |
|--|---------------|------------|-----------------|--------------|
| | 2006 | 2005 | 2006 | 2005 |
| | March 31, | | March 31, | |
| 11 SOFTWARE DEVELOPMENT EXPENSES | | | | |
| Salaries and bonus including overseas staff expenses | 1,054 | 733 | 2,042 | 1,466 |
| Overseas group health insurance | 9 | 10 | 22 | 19 |
| Contribution to provident and other funds | 24 | 22 | 46 | 43 |
| Staff welfare | 8 | 6 | 17 | 13 |
| Technical sub-contractors - subsidiaries | 102 | 66 | 193 | 130 |
| Technical sub-contractors - others | 42 | 32 | 71 | 62 |
| Overseas travel expenses | 60 | 54 | 121 | 98 |
| Visa charges and others | 12 | 4 | 18 | 9 |
| Software packages | | | | |
| for own use | 35 | 34 | 69 | 64 |
| for service delivery to clients | 5 | 2 | 11 | 6 |
| Communication expenses | 13 | 12 | 23 | 22 |
| Computer maintenance | 5 | 3 | 12 | 7 |
| Consumables | 4 | 4 | 8 | 7 |
| Rent | 4 | 2 | 7 | 4 |
| Provision for post-sales client support and warranties | 3 | 9 | (3) | 3 |
| | <u>1,380</u> | <u>993</u> | <u>2,657</u> | <u>1,953</u> |
| 12 SELLING AND MARKETING EXPENSES | | | | |
| Salaries and bonus including overseas staff expenses | 78 | 57 | 153 | 116 |
| Contribution to provident and other funds | - | - | - | 1 |
| Staff welfare | - | - | - | - |
| Overseas group health insurance | 1 | - | 1 | - |
| Overseas travel expenses | 16 | 11 | 30 | 20 |
| Visa charges and others | 3 | 3 | 5 | 5 |
| Traveling and conveyance | 1 | 1 | 1 | 4 |
| Commission and earnout charges | (2) | 9 | 8 | 16 |
| Brand building | 11 | 8 | 25 | 16 |
| Professional charges | 7 | 4 | 11 | 9 |
| Rent | 3 | 2 | 7 | 5 |
| Marketing expenses | 4 | 3 | 7 | 5 |
| Telephone charges | 2 | 1 | 3 | 2 |
| Communication expenses | - | - | - | - |
| Printing and stationery | - | - | 1 | 1 |
| Advertisements | 1 | - | 1 | 1 |
| Office maintenance | - | - | - | - |
| Sales promotion expenses | - | 1 | 1 | 1 |
| Consumables | - | - | - | - |
| Software packages | | | | |
| for own use | - | - | - | - |
| Computer maintenance | - | - | - | - |
| Power and fuel | - | - | - | - |
| Insurance charges | - | - | - | - |
| Rates and taxes | - | - | - | - |
| Bank charges and commission | - | - | - | - |
| Miscellaneous expenses | 1 | - | 1 | - |
| | <u>126</u> | <u>100</u> | <u>255</u> | <u>202</u> |

INFOSYS TECHNOLOGIES LIMITED
in Rs. crore

| Schedules to Profit and Loss Account for the | Quarter ended | | Half year ended | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 2006 | March 31, 2005 | 2006 | March 31, 2005 |
| 13 GENERAL AND ADMINISTRATION EXPENSES | | | | |
| Salaries and bonus including overseas staff expenses | 35 | 25 | 68 | 49 |
| Overseas group health insurance | 1 | - | 1 | 1 |
| Contribution to provident and other funds | 2 | 2 | 4 | 4 |
| Professional charges | 29 | 15 | 54 | 32 |
| Telephone charges | 22 | 16 | 40 | 26 |
| Power and fuel | 17 | 11 | 32 | 22 |
| Traveling and conveyance | 18 | 14 | 34 | 22 |
| Overseas travel expenses | 2 | 3 | 5 | 4 |
| Visa charges and others | - | - | 1 | 1 |
| Office maintenance | 20 | 14 | 38 | 24 |
| Guest house maintenance* | - | - | - | - |
| Insurance charges | 6 | 8 | 11 | 15 |
| Printing and stationery | 2 | 2 | 4 | 3 |
| Donations | 4 | 4 | 8 | 12 |
| Rent | 2 | 4 | 4 | 7 |
| Advertisements | 4 | 4 | 7 | 6 |
| Repairs to building | 5 | 6 | 8 | 10 |
| Repairs to plant and machinery | 3 | 3 | 6 | 5 |
| Rates and taxes | 2 | 2 | 4 | 4 |
| Professional membership and seminar participation fees | 3 | 2 | 5 | 3 |
| Postage and courier | 1 | 1 | 2 | 2 |
| Books and periodicals | 1 | 1 | 3 | 1 |
| Provision for bad and doubtful debts | 3 | 6 | - | 12 |
| Provision for doubtful loans and advances | - | - | - | - |
| Commission to non-whole time directors | - | - | 1 | - |
| Freight charges | - | - | - | - |
| Bank charges and commission | - | - | 1 | 1 |
| Research grants | - | - | 1 | 1 |
| Auditor's remuneration | | | | |
| statutory audit fees | - | - | - | - |
| certification charges | - | - | - | - |
| others | - | - | - | - |
| out-of-pocket expenses | - | - | - | - |
| Miscellaneous expenses (refer to note 22.2.15) | <u>1</u> | <u>1</u> | <u>1</u> | <u>2</u> |
| | <u>183</u> | <u>144</u> | <u>343</u> | <u>269</u> |
| *for non-training purposes | | | | |
| 14 OTHER INCOME | | | | |
| Interest received on deposits with banks and others* | 59 | 24 | 84 | 39 |
| Dividend received on investment in liquid mutual funds (non-trade unquoted) | 16 | 12 | 40 | 20 |
| Miscellaneous income (refer to note 22.2.15) | 8 | 3 | 13 | 5 |
| Exchange differences | <u>(13)</u> | <u>(6)</u> | <u>(68)</u> | <u>15</u> |
| | <u>70</u> | <u>33</u> | <u>69</u> | <u>79</u> |
| *Tax deducted at source | <u>7</u> | <u>7</u> | <u>11</u> | <u>10</u> |
| 15 PROVISION FOR TAXATION | | | | |
| Income taxes* | 87 | 91 | 173 | 183 |
| Deferred taxes | <u>(10)</u> | <u>(2)</u> | <u>(16)</u> | <u>(1)</u> |
| | <u>77</u> | <u>89</u> | <u>157</u> | <u>182</u> |
| * refer to note 22.2.12 | | | | |

INFOSYS TECHNOLOGIES LIMITED
in Rs. crore

| Schedules to Cash Flow Statements for the | Quarter ended | | Half Year ended | |
|--|----------------|-------------------|-----------------|-------------------|
| | 2006 | March 31, 2005 | 2006 | March 31, 2005 |
| 16 CHANGE IN LOANS AND ADVANCES | | | | |
| As per the Balance Sheet * | 1,252 | 996 | 1,252 | 996 |
| Less: Deposits with financial institutions and body corporate, included in cash and cash equivalents | (500) | (202) | (500) | (202) |
| Advance income taxes separately considered | (267) | (403) | (267) | (403) |
| | 485 | 391 | 485 | 391 |
| Less: Opening balance considered | (446) | (377) | (357) | (335) |
| | <u>39</u> | <u>14</u> | <u>128</u> | <u>56</u> |
| * includes loans to subsidiary | | | | |
| 17 CHANGE IN CURRENT LIABILITIES AND PROVISIONS | | | | |
| As per the Balance Sheet | 2,217 | 1,346 | 2,217 | 1,346 |
| Add/ (Less): Provisions separately considered in the cash flow statement | | | | |
| Income taxes | (187) | (546) | (187) | (546) |
| Dividends | (1,061) | (176) | (1,061) | (176) |
| Dividend tax | (149) | (25) | (149) | (25) |
| | 820 | 599 | 820 | 599 |
| Less: Opening balance considered | (737) | (595) | (656) | (591) |
| | <u>83</u> | <u>4</u> | <u>164</u> | <u>8</u> |
| 18 INCOME TAXES PAID | | | | |
| Charge as per the Profit and Loss Account | 77 | 89 | 157 | 182 |
| Add: Increase in advance income taxes | (312) | 62 | (226) | 127 |
| Increase/(Decrease) in deferred taxes | 10 | (1) | 16 | (2) |
| Less: (Increase)/Decrease in income tax provision | 520 | (50) | 440 | (126) |
| | <u>295</u> | <u>100</u> | <u>387</u> | <u>181</u> |
| 19 PURCHASE OF FIXED ASSETS AND CHANGE IN CAPITAL WORK-IN-PROGRESS | | | | |
| As per Balance Sheet* | 138 | 129 | 333 | 417 |
| Less: Opening Capital work-in-progress | (444) | (212) | (395) | (253) |
| Add: Closing Capital work-in-progress | 571 | 318 | 571 | 318 |
| | <u>265</u> | <u>235</u> | <u>509</u> | <u>482</u> |
| * Excludes Rs 4 crore, towards movement of land from Leasehold land to Freehold land | | | | |
| 20 INVESTMENTS IN SECURITIES * | | | | |
| As per the Balance Sheet | 876 | 1,329 | 876 | 1,329 |
| Add: Provisions made on investments | (1) | - | (1) | - |
| | 875 | 1,329 | 875 | 1,329 |
| Less: Investment made in subsidiaries | (9) | - | (9) | (23) |
| Opening balance considered | (2,309) | (1,178) | (2,438) | (1,065) |
| | <u>(1,443)</u> | <u>151</u> | <u>(1,572)</u> | <u>241</u> |
| * refer to note 22.2.16 for investment and redemptions | | | | |
| 21 CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | | | | |
| As per the Balance Sheet | 3,279 | 1,481 | 3,279 | 1,481 |
| Add: Deposits with financial institutions, included herein | 500 | 202 | 500 | 202 |
| | <u>3,779</u> | <u>1,683</u> | <u>3,779</u> | <u>1,683</u> |