

INFOSYS TECHNOLOGIES LIMITED
in Rs. crore

| Balance Sheet as at | Schedule | September 30, 2006 | March 31, 2006 |
|--|-----------------|---------------------------|-----------------------|
| SOURCES OF FUNDS | | | |
| SHAREHOLDERS' FUNDS | | | |
| Share capital | 1 | 278 | 138 |
| Reserves and surplus | 2 | 8,273 | 6,759 |
| | | <u>8,551</u> | <u>6,897</u> |
| APPLICATION OF FUNDS | | | |
| FIXED ASSETS | | | |
| Original cost | 3 | 3,417 | 2,837 |
| Less: Accumulated depreciation | | 1,481 | 1,275 |
| Net book value | | <u>1,936</u> | <u>1,562</u> |
| Add: Capital work-in-progress | | 481 | 571 |
| | | <u>2,417</u> | <u>2,133</u> |
| INVESTMENTS | 4 | 3,442 | 876 |
| DEFERRED TAX ASSETS | 5 | 68 | 56 |
| CURRENT ASSETS, LOANS AND ADVANCES | | | |
| Sundry debtors | 6 | 1,957 | 1,518 |
| Cash and bank balances | 7 | 804 | 3,279 |
| Loans and advances | 8 | 1,478 | 1,252 |
| | | <u>4,239</u> | <u>6,049</u> |
| LESS: CURRENT LIABILITIES AND PROVISIONS | | | |
| Current liabilities | 9 | 1,000 | 808 |
| Provisions | 10 | 615 | 1,409 |
| NET CURRENT ASSETS | | <u>2,624</u> | <u>3,832</u> |
| | | <u>8,551</u> | <u>6,897</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

Natrajan Ramkrishna
Partner
Membership No. 32815

N. R. Narayana Murthy
Chairman
and Chief Mentor

Nandan M. Nilekani
Chief Executive Officer
and Managing Director

S. Gopalakrishnan
President,
Chief Operating Officer and
Joint Managing Director

Deepak M. Satwalekar
Director

Marti G. Subrahmanyam
Director

Omkar Goswami
Director

Rama Bijapurkar
Director

Claude Smadja
Director

Sridar A. Iyengar
Director

David L. Boyles
Director

Jeffrey Lehman
Director

S. D. Shibulal
Director

K. Dinesh
Director

T. V. Mohandas Pai
Director

Srinath Batni
Director

V. Balakrishnan
Chief Financial Officer

Bangalore
October 11, 2006

Parvatheesam K.
Company Secretary

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

| Profit and Loss Account for the | Schedule | Quarter ended September 30, | | Half-year ended September 30, | |
|---|----------|--------------------------------|--------------|----------------------------------|--------------|
| | | 2006 | 2005 | 2006 | 2005 |
| Income from software services and products | | 3,273 | 2,170 | 6,140 | 4,137 |
| Software development expenses | 11 | <u>1,796</u> | <u>1,167</u> | <u>3,411</u> | <u>2,231</u> |
| GROSS PROFIT | | 1,477 | 1,003 | 2,729 | 1,906 |
| Selling and marketing expenses | 12 | 180 | 125 | 348 | 244 |
| General and administration expenses | 13 | <u>243</u> | <u>173</u> | <u>453</u> | <u>310</u> |
| | | 423 | 298 | 801 | 554 |
| OPERATING PROFIT BEFORE INTEREST AND DEPRECIATION | | 1,054 | 705 | 1,928 | 1,352 |
| Interest | | - | - | - | - |
| Depreciation | | <u>110</u> | <u>90</u> | <u>207</u> | <u>165</u> |
| OPERATING PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS | | 944 | 615 | 1,721 | 1,187 |
| Other income, net | 14 | 66 | 45 | 195 | 76 |
| Provision for investments | | - | 1 | 3 | 1 |
| NET PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS | | 1,010 | 659 | 1,913 | 1,262 |
| Provision for taxation | 15 | <u>114</u> | <u>67</u> | <u>218</u> | <u>146</u> |
| NET PROFIT AFTER TAX BEFORE EXCEPTIONAL ITEMS | | 896 | 592 | 1,695 | 1,116 |
| Income on sale of Investments, net of taxes (refer to note 22.2.21) | | - | - | 6 | - |
| NET PROFIT AFTER TAX AND EXCEPTIONAL ITEMS | | 896 | 592 | 1,701 | 1,116 |
| Balance Brought Forward | | 2,995 | 1,952 | 2,195 | 1,428 |
| Less: Residual dividend paid | | - | - | 4 | - |
| Dividend tax on the above | | - | - | 1 | - |
| | | <u>2,995</u> | <u>1,952</u> | <u>2,190</u> | <u>1,428</u> |
| AMOUNT AVAILABLE FOR APPROPRIATION | | 3,891 | 2,544 | 3,891 | 2,544 |
| Dividend | | - | - | - | - |
| Interim | | 278 | 177 | 278 | 177 |
| Final | | - | - | - | - |
| Total dividend | | <u>278</u> | <u>177</u> | <u>278</u> | <u>177</u> |
| Dividend tax | | 39 | 25 | 39 | 25 |
| Amount transferred to general reserve | | - | - | - | - |
| Balance in profit and loss account | | <u>3,574</u> | <u>2,342</u> | <u>3,574</u> | <u>2,342</u> |
| | | 3,891 | 2,544 | 3,891 | 2,544 |
| EARNINGS PER SHARE * | | | | | |
| Equity shares of par value Rs. 5/- each | | | | | |
| Before exceptional Items | | | | | |
| Basic | | 16.15 | 10.87 | 30.61 | 20.54 |
| Diluted | | 15.79 | 10.57 | 29.90 | 19.96 |
| After exceptional Items | | | | | |
| Basic | | 16.15 | 10.87 | 30.72 | 20.54 |
| Diluted | | 15.79 | 10.57 | 30.01 | 19.96 |
| Number of shares used in computing earnings per share | | | | | |
| Basic | | 55,47,72,296 | 54,42,02,438 | 55,37,98,511 | 54,30,96,662 |
| Diluted | | 56,77,46,039 | 56,00,61,300 | 56,69,42,396 | 55,88,90,590 |

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

| | | | | |
|--|---|--|---|--|
| Natrajan Ramkrishna Partner Membership No. 32815 | N. R. Narayana Murthy Chairman and Chief Mentor | Nandan M. Nilekani Chief Executive Officer and Managing Director | S. Gopalakrishnan President, Chief Operating Officer and Joint Managing Director | Deepak M. Satwalekar Director |
| | Marti G. Subrahmanyam Director | Omkar Goswami Director | Rama Bijapurkar Director | Claude Smadja Director |
| | Sridar A. Iyengar Director | David L Boyles Director | Jeffrey Lehman Director | S. D. Shibulal Director |
| | K. Dinesh Director | T. V. Mohandas Pai Director | Srinath Batni Director | V. Balakrishnan Chief Financial Officer |
| Bangalore October 11, 2006 | Parvatheesam K. Company Secretary | | | |

INFOSYS TECHNOLOGIES LIMITED

in Rs. crore

| Cash Flow Statement for the | | Half-year ended September 30, | |
|---|----------------|----------------------------------|--|
| Schedule | 2006 | 2005 | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| | 1,913 | 1,262 | |
| Net profit before tax and exceptional items | | | |
| Adjustments to reconcile net profit before tax to cash provided by operating activities | | | |
| (Profit)/ loss on sale of fixed assets | - | - | |
| Depreciation | 207 | 165 | |
| Interest and dividend income | (117) | (78) | |
| Profit on sale of liquid mutual funds | (6) | - | |
| Provision for investments | 3 | 1 | |
| Effect of exchange differences on translation of foreign currency cash and cash equivalents | 25 | (7) | |
| Changes in current assets and liabilities | | | |
| Sundry debtors | (439) | 9 | |
| Loans and advances | 16 (211) | 34 | |
| Current liabilities and provisions | 17 198 | 57 | |
| Income taxes paid | 18 (163) | (161) | |
| NET CASH GENERATED BY OPERATING ACTIVITIES | 1,410 | 1,282 | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of fixed assets and change in capital work-in-progress | 19 (491) | (539) | |
| Proceeds on disposal of fixed assets | - | - | |
| Investment in subsidiaries (refer to note 22.2.16) | (553) | (22) | |
| Investments in securities (refer to note 22.2.16) | 20 (2,010) | (1,088) | |
| Interest and dividend income | 117 | 78 | |
| Cash flow from investing activities before exceptional items | (2,937) | (1,571) | |
| Proceeds on sale of Long Term Investments (Net of taxes) | 6 | - | |
| NET CASH USED IN INVESTING ACTIVITIES | (2,931) | (1,571) | |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from issuance of share capital on exercise of stock options | 288 | 249 | |
| Dividends paid during the period | (1,065) | (176) | |
| Dividend Tax paid during the period | (150) | (25) | |
| NET CASH USED IN FINANCING ACTIVITIES | (927) | 48 | |
| Effect of exchange differences on translation of foreign currency cash and cash equivalents | (25) | 7 | |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | (2,473) | (234) | |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | 3,779 | 1,683 | |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 1,306 | 1,449 | |
| 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.
Chartered Accountants

| | | | | |
|--|---|--|---|----------------------------------|
| Natrajan Ramkrishna Partner Membership No. 32815 | N. R. Narayana Murthy Chairman and Chief Mentor | Nandan M. Nilekani Chief Executive Officer and Managing Director | S. Gopalakrishnan President, Chief Operating Officer and Joint Managing Director | Deepak M. Satwalekar Director |
|--|---|--|---|----------------------------------|

| | | | |
|-----------------------------------|---------------------------|-----------------------------|---------------------------|
| Marti G. Subrahmanyam Director | Omkar Goswami Director | Rama Bijapurkar Director | Claude Smadja Director |
|-----------------------------------|---------------------------|-----------------------------|---------------------------|

| | | | |
|-------------------------------|-----------------------------|----------------------------|----------------------------|
| Sridar A. Iyengar Director | David L. Boyles Director | Jeffrey Lehman Director | S. D. Shibulal Director |
|-------------------------------|-----------------------------|----------------------------|----------------------------|

| | | | |
|-----------------------|--------------------------------|---------------------------|--|
| K. Dinesh Director | T. V. Mohandas Pai Director | Srinath Batni Director | V. Balakrishnan Chief Financial Officer |
|-----------------------|--------------------------------|---------------------------|--|

| | |
|-------------------------------|--------------------------------------|
| Bangalore October 11, 2006 | Parvatheesam K. Company Secretary |
|-------------------------------|--------------------------------------|

INFOSYS TECHNOLOGIES LIMITED

in Rs. crore, except as otherwise stated

Schedules to the Balance Sheet as at **September 30, 2006** **March 31, 2006**

1 SHARE CAPITAL

Authorized

Equity shares, Rs. 5/- par value

60,00,00,000 (30,00,00,000) equity shares 300 150

Issued, Subscribed and Paid Up

Equity shares, Rs. 5/- par value*

55,57,85,001 (27,55,54,980) equity shares fully paid up 278 138

[Of the above, 53,53,35,478 (25,84,92,302) equity shares, fully paid up have been issued as bonus shares by capitalization of the general reserve]

278 138

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, 1,543 900

Add: Receipts on exercise of employee stock options 286 571

Income tax benefit arising from exercise of stock options - 72

1,829 1,543

General reserve - As at April 1, 3,015 2,773

Less: Gratuity transitional liability (refer to note 22.2.22) 13 -

Less: Capitalized on issue of bonus shares 138 -

Add: Transferred from the Profit and Loss Account - 242

2,864 3,015

Balance in Profit and Loss Account 3,574 2,195

8,273 6,759

Schedules to the Balance Sheet

3 FIXED ASSETS

| | Original cost | | | | Depreciation and amortization | | | | Net book value | |
|-------------------------|---------------------|------------|------------------------|--------------------------|-------------------------------|----------------|------------------------|--------------------------|--------------------------|----------------------|
| | As at April 1, 2006 | Additions | Deductions/ Retirement | As at September 30, 2006 | As at April 1, 2006 | For the Period | Deductions/ Retirement | As at September 30, 2006 | As at September 30, 2006 | As at March 31, 2006 |
| Land : free-hold * | 34 | 4 | - | 38 | - | - | - | - | 38 | 34 |
| leasehold | 104 | 16 | 4 | 116 | - | - | - | - | 116 | 104 |
| Buildings* | 1,022 | 276 | - | 1,298 | 179 | 38 | - | 217 | 1,081 | 843 |
| Plant and machinery* | 559 | 106 | - | 665 | 305 | 47 | - | 352 | 313 | 254 |
| Computer equipment* | 700 | 121 | 1 | 820 | 516 | 93 | 1 | 608 | 212 | 184 |
| Furniture and fixtures* | 417 | 61 | - | 478 | 275 | 28 | - | 303 | 175 | 142 |
| Vehicles | 1 | 1 | - | 2 | - | 1 | - | 1 | 1 | 1 |
| | 2,837 | 585 | 5 | 3,417 | 1,275 | 207 | 1 | 1,481 | 1,936 | 1,562 |
| Previous Period | 2,183 | 462 | 6 | 2,639 | 1,006 | 165 | 6 | 1,165 | 1,474 | |
| Previous year | 2,183 | 799 | 145 | 2,837 | 1,006 | 409 | 140 | 1,275 | 1,562 | |

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 Infosys BPO , a subsidiary. Please refer to note 22.2.6 for details

INFOSYS TECHNOLOGIES LIMITED
in Rs. crore
Schedules to the Balance Sheet as at
September 30, 2006
March 31, 2006
4 INVESTMENTS
Trade (unquoted) – at cost
Long-term investments

In subsidiaries

Infosys BPO Ltd, India

3,32,49,993 (2,44,99,993) equity shares of Rs. 10/- each, fully paid

555

25

Infosys Technologies (China) Co. Limited

32

23

Infosys Technologies (Australia) Pty Limited

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

66

66

Infosys Consulting, Inc., USA

2,00,00,000 (1,70,00,000) common stock of US \$1.00 par value, fully paid

90

76

743
190

In other investments*

11

16

Less: Provision for investments

11
14

-

2

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

Liquid mutual fund units *

2,699
684
3,442
876

Aggregate amount of unquoted investments

3,442

876

* Refer to note 22.2.16 for details of investments

5 DEFERRED TAX ASSETS

Fixed assets

65

54

Sundry debtors

3
2
68
56
6 SUNDRY DEBTORS*

Debts outstanding for a period exceeding six months

Unsecured

considered doubtful

21

8

Other debts

Unsecured

considered good

1,957

1,518

considered doubtful

1
2
1,979
1,528

Less: Provision for doubtful debts

22
10
1,957
1,518

* Includes dues from companies where directors are interested

3

2

7 CASH AND BANK BALANCES

Cash on hand

-

-

Balances with scheduled banks in Indian Rupees

In current accounts *

171

169

In deposit accounts

348

2,735

Balances with non-scheduled banks in foreign currency **

In current accounts

285

375

804
3,279

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
September 30, 2006
March 31, 2006
8 LOANS AND ADVANCES

| | | |
|---|--------------|--------------|
| Unsecured, considered good | | |
| Loans to subsidiary (<i>refer to note 22.2.7</i>) | 24 | 14 |
| Advances | | |
| prepaid expenses | 28 | 27 |
| for supply of goods and rendering of services * | 16 | 9 |
| advance to gratuity trust | 8 | - |
| others | 24 | 14 |
| | <u>100</u> | <u>64</u> |
| Unbilled revenues | 330 | 203 |
| Advance income tax | 293 | 267 |
| Loans and advances to employees | | |
| housing and other loans | 43 | 49 |
| salary advances | 55 | 61 |
| Electricity and other deposits | 18 | 16 |
| Rental deposits | 12 | 12 |
| Deposits with financial institution and body corporate (<i>refer to note 22.2.14</i>) | 623 | 580 |
| Mark to Market on options/ forward contracts | 4 | - |
| | <u>1,478</u> | <u>1,252</u> |
| Unsecured, considered doubtful | | |
| Loans and advances to employees | 1 | - |
| | <u>1,479</u> | <u>1,252</u> |
| Less: Provision for doubtful loans and advances to employees | 1 | - |
| | <u>1,478</u> | <u>1,252</u> |
| <i>* Includes advances to subsidiary company</i> | 2 | 6 |

9 CURRENT LIABILITIES

| | | |
|--|--------------|------------|
| Sundry creditors | | |
| goods and services | 13 | 6 |
| accrued salaries and benefits | | |
| salaries | 13 | 6 |
| bonus and incentives | 184 | 233 |
| unavailed leave | 96 | 80 |
| for other liabilities | | |
| provision for expenses | 220 | 166 |
| retention monies | 12 | 13 |
| withholding and other taxes payable | 127 | 82 |
| for purchase of intellectual property rights | 20 | 19 |
| Mark to market on options/ forward contracts | - | 2 |
| others | 4 | 3 |
| | <u>689</u> | <u>610</u> |
| Advances received from clients | 8 | 7 |
| Unearned revenue | 300 | 188 |
| Unclaimed dividend | 3 | 3 |
| | <u>1,000</u> | <u>808</u> |

10 PROVISIONS

| | | |
|--|------------|--------------|
| Proposed dividend | 278 | 1,061 |
| Provision for | | |
| tax on dividend | 39 | 149 |
| income taxes * | 280 | 187 |
| post-sales client support and warranties | 18 | 12 |
| | <u>615</u> | <u>1,409</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 | September 30, 2005 | 2006 | September 30, 2005 |
| 11 SOFTWARE DEVELOPMENT EXPENSES | | | | |
| Salaries and bonus including overseas staff expenses | 1,343 | 865 | 2,543 | 1,645 |
| Overseas group health insurance | 23 | 12 | 40 | 23 |
| Contribution to provident and other funds | 38 | 21 | 68 | 40 |
| Staff welfare | 10 | 6 | 18 | 11 |
| Technical sub-contractors - subsidiaries | 165 | 94 | 287 | 174 |
| Technical sub-contractors - others | 54 | 24 | 97 | 55 |
| Overseas travel expenses | 65 | 57 | 135 | 111 |
| Visa charges and others | 15 | 29 | 64 | 47 |
| Software packages | | | | |
| for own use | 49 | 33 | 83 | 65 |
| for service delivery to clients | 1 | 8 | 15 | 18 |
| Communication expenses | 13 | 12 | 26 | 25 |
| Computer maintenance | 5 | 3 | 10 | 7 |
| Consumables | 7 | 4 | 12 | 7 |
| Rent | 4 | 3 | 7 | 6 |
| Provision for post-sales client support and warranties | 4 | (4) | 6 | (3) |
| | <u>1,796</u> | <u>1,167</u> | <u>3,411</u> | <u>2,231</u> |
| 12 SELLING AND MARKETING EXPENSES | | | | |
| Salaries and bonus including overseas staff expenses | 111 | 68 | 217 | 135 |
| Overseas group health insurance | 1 | 1 | 1 | 2 |
| Contribution to provident and other funds | - | - | 1 | - |
| Staff welfare | 1 | - | 1 | - |
| Overseas travel expenses | 21 | 16 | 45 | 29 |
| Visa charges and others | 1 | 1 | 1 | 4 |
| Traveling and conveyance | 1 | 1 | 2 | 2 |
| Commission and earnout charges | 11 | 8 | 19 | 18 |
| Brand building | 15 | 12 | 27 | 22 |
| Professional charges | 6 | 10 | 11 | 15 |
| Rent | 4 | 3 | 8 | 7 |
| Marketing expenses | 5 | 3 | 8 | 6 |
| Telephone charges | 1 | 1 | 2 | 2 |
| Communication expenses | - | - | - | - |
| Printing and stationery | - | 1 | 1 | 1 |
| Advertisements | 1 | - | 2 | 1 |
| Office maintenance | - | - | - | - |
| Sales promotion expenses | 1 | - | 1 | - |
| Consumables | - | - | - | - |
| Software packages | | | | |
| for own use | - | - | 1 | - |
| Computer maintenance | - | - | - | - |
| Power and fuel | - | - | - | - |
| Insurance charges | - | - | - | - |
| Rates and taxes | - | - | - | - |
| Bank charges and commission | - | - | - | - |
| Miscellaneous expenses | - | - | - | - |
| | <u>180</u> | <u>125</u> | <u>348</u> | <u>244</u> |

INFOSYS TECHNOLOGIES LIMITED
in Rs. crore

| Schedules to Profit and Loss Account for the | Quarter ended | | Half-year ended | |
|---|---------------|--------------------|-----------------|--------------------|
| | 2006 | September 30, 2005 | 2006 | September 30, 2005 |
| 13 GENERAL AND ADMINISTRATION EXPENSES | | | | |
| Salaries and bonus including overseas staff expenses | 44 | 29 | 82 | 58 |
| Overseas group health insurance | - | - | - | - |
| Contribution to provident and other funds | 3 | 2 | 6 | 4 |
| Professional charges | 38 | 25 | 66 | 40 |
| Telephone charges | 28 | 21 | 53 | 36 |
| Power and fuel | 23 | 16 | 44 | 30 |
| Traveling and conveyance | 21 | 16 | 40 | 29 |
| Overseas travel expenses | 6 | 2 | 9 | 6 |
| Visa charges and others | - | 1 | 1 | 2 |
| Office maintenance | 25 | 16 | 46 | 29 |
| Guest house maintenance* | - | - | 1 | 1 |
| Insurance charges | 7 | 5 | 12 | 11 |
| Printing and stationery | 3 | 2 | 6 | 5 |
| Donations | 5 | 5 | 9 | 8 |
| Rent | 4 | 2 | 8 | 5 |
| Advertisements | 3 | 4 | 3 | 7 |
| Repairs to building | 7 | 5 | 10 | 8 |
| Repairs to plant and machinery | 3 | 3 | 6 | 5 |
| Rates and taxes | 3 | 3 | 12 | 5 |
| Professional membership and seminar participation fees | 3 | 2 | 4 | 4 |
| Postage and courier | 2 | 1 | 5 | 3 |
| Books and periodicals | 1 | 1 | 2 | 2 |
| Provision for bad and doubtful debts | 8 | 9 | 19 | 9 |
| Provision for doubtful loans and advances | - | - | - | - |
| Commission to non-whole time directors | 1 | 1 | 1 | 1 |
| Freight charges | - | - | - | - |
| Bank charges and commission | 1 | 1 | 1 | 1 |
| Research grants | 3 | - | 5 | - |
| Auditor's remuneration | | | | |
| statutory audit fees | - | - | - | - |
| certification charges | - | - | - | - |
| others | - | - | - | - |
| out-of-pocket expenses | - | - | - | - |
| Miscellaneous expenses (refer to note 22.2.15) | 1 | 1 | 2 | 1 |
| | <u>243</u> | <u>173</u> | <u>453</u> | <u>310</u> |
| <i>*For non training purposes</i> | | | | |
| 14 OTHER INCOME, NET | | | | |
| Interest received on deposits with banks and others* | 21 | 23 | 70 | 47 |
| Dividend received on investment in liquid mutual funds (non trade unquoted) | 30 | 18 | 47 | 31 |
| Miscellaneous income (refer to note 22.2.15) | 4 | 4 | 14 | 7 |
| Exchange differences | 11 | - | 64 | (9) |
| | <u>66</u> | <u>45</u> | <u>195</u> | <u>76</u> |
| <i>*Tax deducted at source</i> | 5 | 5 | 18 | 10 |
| 15 PROVISION FOR TAXATION | | | | |
| Income taxes* | 119 | 70 | 230 | 152 |
| Deferred taxes | (5) | (3) | (12) | (6) |
| | <u>114</u> | <u>67</u> | <u>218</u> | <u>146</u> |
| <i>*Refer to note 22.2.12</i> | | | | |

INFOSYS TECHNOLOGIES LIMITED

| Schedules to Cash Flow Statements for the | <i>in Rs. crore</i> | |
|--|---------------------|--|
| | 2006 | Half-year ended September 30, 2005 |
| 16 CHANGE IN LOANS AND ADVANCES | | |
| As per the Balance Sheet* | 1,478 | 1,007 |
| Add: Gratuity transitional liability (refer to Note 22.2.22) | 13 | - |
| Less: Deposits with financial institutions and body corporates included in cash and cash equivalents | (502) | (157) |
| Advance income taxes separately considered | (293) | (493) |
| | 696 | 357 |
| Less: Opening balance considered | (485) | (391) |
| | <u>211</u> | <u>(34)</u> |
| * includes loans to subsidiary | | |
| 17 CHANGE IN CURRENT LIABILITIES AND PROVISIONS | | |
| As per the Balance Sheet | 1,615 | 1,485 |
| Less: Provisions separately considered in the cash flow statement | | |
| Income taxes | (280) | (627) |
| Dividends | (278) | (177) |
| Dividend tax | (39) | (25) |
| | 1,018 | 656 |
| Less: Opening balance considered | (820) | (599) |
| | <u>198</u> | <u>57</u> |
| 18 INCOME TAXES PAID | | |
| Charge as per the Profit and Loss Account | 218 | 146 |
| Add: Increase in advance income taxes | 26 | 90 |
| Increase/(Decrease) in deferred taxes | 12 | 6 |
| Less: (Increase)/Decrease in income tax provision | (93) | (81) |
| | <u>163</u> | <u>161</u> |
| 19 PURCHASE OF FIXED ASSETS AND CHANGE IN CAPITAL WORK-IN-PROGRESS | | |
| As per the Balance Sheet* | 581 | 462 |
| Less: Opening Capital work-in-progress | (571) | (318) |
| Add: Closing Capital work-in-progress | 481 | 395 |
| | <u>491</u> | <u>539</u> |
| * Excludes Rs 4 crore (Rs 4 crore) towards movement of land from Leasehold to Freehold | | |
| 20 INVESTMENTS IN SECURITIES * | | |
| As per the Balance Sheet | 3,442 | 2,438 |
| Add: Provisions on investments | 3 | 1 |
| | 3,445 | 2,439 |
| Less: Investment in subsidiaries | (553) | (22) |
| Profit on sale of liquid mutual funds | (6) | - |
| Opening balance considered | (876) | (1,329) |
| | <u>2,010</u> | <u>1,088</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 | 804 | 1,292 |
| Add: Deposits with financial institutions, included herein | 502 | 157 |
| | <u>1,306</u> | <u>1,449</u> |