

CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND SUBSIDIARIES

in Rs. crore

Consolidated Balance Sheet as at	Schedule	March 31, 2009	March 31, 2008
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share capital	1	286	286
Reserves and surplus	2	17,968	13,509
		<u>18,254</u>	<u>13,795</u>
MINORITY INTEREST		<u>-</u>	<u>-</u>
		<u>18,254</u>	<u>13,795</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Original cost	3	7,093	5,439
Less: Accumulated depreciation and amortization		2,416	1,986
Net book value		<u>4,677</u>	<u>3,453</u>
Add: Capital work-in-progress		<u>677</u>	<u>1,324</u>
		<u>5,354</u>	<u>4,777</u>
INVESTMENTS	4	-	72
DEFERRED TAX ASSETS, NET	5	126	119
CURRENT ASSETS, LOANS AND ADVANCES			
Sundry debtors	6	3,672	3,297
Cash and bank balances	7	9,695	6,950
Loans and advances	8	3,279	2,771
		<u>16,646</u>	<u>13,018</u>
LESS: CURRENT LIABILITIES AND PROVISIONS			
Current liabilities	9	2,004	1,722
Provisions	10	1,868	2,469
NET CURRENT ASSETS		<u>12,774</u>	<u>8,827</u>
		<u>18,254</u>	<u>13,795</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS			
	24		

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

As per our report attached for B S R & Co. Chartered Accountants

Natrajan Ramkrishna
Partner
Membership No. 32815

N. R. Narayana Murthy
Chairman
and Chief Mentor

Nandan M. Nilekani
Co-Chairman

S. Gopalakrishnan
Chief Executive Officer
and Managing Director

S. D. Shibulal
Chief Operating Officer

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 S. Lehman
Director

K. Dinesh
Director

T. V. Mohandas Pai
Director

Srinath Batni
Director

V. Balakrishnan
Chief Financial Officer

Bangalore
April 15, 2009

Parvatheesam K.
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND SUBSIDIARIES

in Rs. crore, except per share data

Consolidated Profit and Loss Account for the	Schedule	Year ended March 31,	
		2009	2008
Income from software services, products and business process management		21,693	16,692
Software development and business process management expenses	11	11,765	9,207
GROSS PROFIT		9,928	7,485
Selling and marketing expenses	12	1,104	916
General and administration expenses	13	1,629	1,331
		2,733	2,247
OPERATING PROFIT BEFORE DEPRECIATION AND MINORITY INTEREST		7,195	5,238
Depreciation and amortisation		761	598
OPERATING PROFIT BEFORE TAX AND MINORITY INTEREST		6,434	4,640
Other income, net	14	473	704
NET PROFIT BEFORE TAX AND MINORITY INTEREST		6,907	5,344
Provision for taxation (refer to note 24.2.8)	15	919	685
NET PROFIT AFTER TAX AND BEFORE MINORITY INTEREST		5,988	4,659
Minority interest		-	-
NET PROFIT AFTER TAX AND MINORITY INTEREST		5,988	4,659
Balance Brought Forward		6,828	4,941
Less: Residual dividend paid		1	-
Additional dividend tax		-	-
		6,827	4,941
AMOUNT AVAILABLE FOR APPROPRIATION		12,815	9,600
Dividend			
Interim		572	343
Final		773	415
Special dividend		-	1,144
Total dividend		1,345	1,902
Dividend tax		228	323
Amount transferred to General Reserve		682	547
Balance in profit and loss account		10,560	6,828
		12,815	9,600
EARNINGS PER SHARE *			
Equity shares of par value Rs. 5/- each			
Basic		104.60	81.53
Diluted		104.43	81.26
Number of shares used in computing earnings per share			
Basic		57,24,90,211	57,13,98,340
Diluted		57,34,63,181	57,33,06,887

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

24

* Refer to note 24.2.16

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

As per our report attached
for B S R & Co.
Chartered Accountants

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CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND SUBSIDIARIES

in Rs. crore

Consolidated Cash Flow Statement for the	Schedule	Year ended	
		2009	March 31, 2008
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit before tax and minority interest		6,907	5,344
Adjustments to reconcile net profit before tax to cash provided by operating activities			
(Profit)/ loss on sale of fixed assets		-	-
Depreciation and amortisation		761	598
Interest and dividend income		(876)	(681)
Profit on sale of liquid mutual funds		-	-
Profit on sale of Investments		-	-
Effect of exchange differences on translation of foreign currency cash and cash equivalents		(76)	(19)
Effect of exchange differences on translation on subsidiaries		(29)	22
Changes in current assets and liabilities			
Sundry debtors	16	(375)	(830)
Loans and advances	17	(514)	(190)
Current liabilities and provisions	18	429	410
Income taxes paid	19	(902)	(549)
NET CASH GENERATED BY OPERATING ACTIVITIES		5,325	4,105
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets and change in capital work-in-progress	20	(1,327)	(1,494)
Payment for purchase of business, net of cash acquired		(10)	(101)
Payment for acquisition of shared service centre		(6)	-
Investments in/ disposal of securities	21	72	(47)
Acquisition of minority interest in subsidiary		-	(24)
Proceeds from disposal of fixed assets		2	-
Interest and dividend received	23	1,056	546
NET CASH USED IN INVESTING ACTIVITIES		(213)	(1,120)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of share capital on exercise of stock options		64	58
Dividends paid during the period, including dividend tax		(2,494)	(835)
NET CASH USED IN FINANCING ACTIVITIES		(2,430)	(777)
Effect of exchange differences on translation of foreign currency cash and cash equivalents		76	19
NET INCREASE IN CASH AND CASH EQUIVALENTS		2,758	2,227
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		8,235	6,008
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	22	10,993	8,235
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	24		

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

As per our report attached
for B S R & Co.
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CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND SUBSIDIARIES

in Rs. crore, except per share data

Schedules to the Consolidated Balance Sheet as at	March 31, 2009	March 31, 2008
1 SHARE CAPITAL		
Authorized		
Equity shares, Rs. 5/- par value 60,00,00,000 (60,00,00,000) equity shares	300	300
Issued, Subscribed and Paid Up		
Equity shares, Rs. 5/- par value* 57,28,30,043 (57,19,95,758) equity shares fully paid up	286	286
[Of the above, 53,53,35,478 (53,53,35,478) equity shares, fully paid up have been issued as bonus shares by capitalization of the General reserve]	<u>286</u>	<u>286</u>
Forfeited shares amounted to Rs.1,500/- (Rs.1,500/-) * For details of options in respect of equity shares, refer to note 24.2.7 * Refer to note 24.2.16 for details of basic and diluted shares		
2 RESERVES AND SURPLUS		
Capital reserve	6	6
Foreign currency translation reserve	(7)	22
Share premium account - As at April 1,	2,851	2,768
Add: Receipts on exercise of employee stock options	64	58
Income Tax benefit arising from exercise of stock options	10	25
	<u>2,925</u>	<u>2,851</u>
General reserve - As at April 1,	3,802	3,255
Add: Transfer from Profit and Loss Account	682	547
	<u>4,484</u>	<u>3,802</u>
Balance in Profit and Loss Account	10,560	6,828
	<u>17,968</u>	<u>13,509</u>

CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND SUBSIDIARIES

Schedules to the Consolidated Balance Sheet

in Rs. Crore, except as otherwise stated

3 FIXED ASSETS

Particulars	Original cost				Depreciation and amortization				Net book value	
	As at April 1, 2008	Additions/ Adjustments	Deletions/ Retirement/ Adjustments	As at March 31, 2009	As at April 1, 2008	For the period	Deletions/ Retirement/ Adjustments	As at March 31, 2009	As at March 31, 2009	As at March 31, 2008
Goodwill	689	- *	-	689	-	-	-	-	689	689
Land: free-hold	131	41	-	172	-	-	-	-	172	131
leasehold	99	14	-	113	-	-	-	-	113	99
Buildings	1,958	955	-	2,913	378	157	-	535	2,378	1,580
Plant and machinery#	869	407	93	1,183	416	198	93	521	662	453
Computer equipment#	1,076	316	159	1,233	848	257	145	960	273	228
Furniture and fixtures#	581	232	93	720	327	125	93	359	361	254
Leasehold improvements	33	21	-	54	17	11	-	28	26	16
Vehicles	3	1	-	4	-	1	-	1	3	3
Intangible Asset	-	12	-	12	-	12	-	12	-	-
	5,439	1,999	345	7,093	1,986	761	331	2,416	4,677	3,453
Previous year	4,642	1,245	448	5,439	1,836	598	448	1,986	3,453	

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

During the year ended March 31, 2009 and March 31, 2008, certain assets which were old and not in use having a gross book value of Rs. 344 crore and Rs. 448 crore respectively, (net book value Nil) were retired

* During the year ended March 31, 2009 goodwill arising on acquisition of a subsidiary was adjusted on final valuation of net assets

CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND SUBSIDIARIES

in Rs. crore

Schedules to the Consolidated Balance Sheet as at March 31, 2009 March 31, 2008

4 INVESTMENTS

Trade (unquoted) – at cost

Long- term investments

Other investments	12	12
Less: Provision made for investments	12	12
	-	-

Non-trade (unquoted) - at lower of cost and fair value

Current investments

Liquid mutual funds	-	72
	-	72

Aggregate amount of unquoted investments	-	72
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5 DEFERRED TAX ASSETS / (LIABILITIES)

Fixed assets	128	91
Sundry debtors	8	7
Others	27	21
Less: Deferred Tax Liability for branch profit tax	(37)	-
	126	119

6 SUNDRY DEBTORS

Debts outstanding for a period exceeding six months

Unsecured		
considered good	-	-
considered doubtful	40	21

Other debts

Unsecured		
considered good*	3,672	3,297
considered doubtful	66	20
	3,778	3,338

Less: Provision for doubtful debts	106	41
	3,672	3,297
	8	2

* Includes dues from companies where directors are interested

7 CASH AND BANK BALANCES

Cash on hand	-	-
Balances with scheduled banks**		
In current accounts *	124	277
In deposit accounts in Indian Rupees	8,551	5,913
Balances with non-scheduled banks in foreign currencies**		
In deposit accounts	232	153
In current accounts	788	607
	9,695	6,950

*Includes balance in unclaimed dividend account (Refer note 24.2.22.a)

**Refer to note 24.2.20 for details of balances in scheduled and non-scheduled banks

CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND SUBSIDIARIES

in Rs. crore

Schedules to the Consolidated Balance Sheet as at March 31, 2009 March 31, 2008

8 LOANS AND ADVANCES

Unsecured, considered good		
Advances		
Prepaid expenses	35	33
For supply of goods and rendering of services	15	13
Advance to gratuity trust	1	12
Interest accrued and not due	6	186
Withholding and other taxes receivable	167	13
Others	8	21
	<u>232</u>	<u>278</u>
Unbilled revenues	750	482
Advance income taxes	274	218
MAT credit entitlement (refer to note 24.2.8)	284	175
Loans and advances to employees		
Housing and other loans	43	42
Salary advances	74	73
Electricity and other deposits	37	32
Rental deposits	34	25
Deposits with financial institution and body corporate (refer to note 24.2.9)	1,551	1,446
	<u>3,279</u>	<u>2,771</u>
Unsecured, considered doubtful		
Loans and advances to employees	3	1
	<u>3,282</u>	<u>2,772</u>
Less: Provision for doubtful loans and advances to employees	3	1
	<u><u>3,279</u></u>	<u><u>2,771</u></u>

9 CURRENT LIABILITIES

Sundry creditors		
Goods and services	27	53
Accrued salaries and benefits		
Salaries	71	80
Bonus and incentives	472	413
For other liabilities		
Provision for expenses	666	450
Retention monies	55	53
Withholding and other taxes payable	218	218
Mark to Market loss on forward and options contracts	114	118
Payable for acquisition of subsidiary	3	-
Gratuity obligation - unamortised amount	29	33
Others	11	10
	<u>1,666</u>	<u>1,428</u>
Advances received from clients	5	6
Unearned revenue	331	286
Unclaimed dividend (refer to note 24.2.22.a)	2	2
	<u>2,004</u>	<u>1,722</u>

10 PROVISIONS

Proposed dividend	773	1,559
Provision for		
Tax on dividend	131	265
Income taxes*	581	402
Unavailed leave	291	190
Post-sales client support and warranties #	92	53
	<u>1,868</u>	<u>2,469</u>

* Refer to note 24.2.8

Refer to note 24.2.17

Schedules to Consolidated Profit and Loss Account for the	Year ended	
	2009	March 31, 2008
11 SOFTWARE DEVELOPMENT AND BUSINESS PROCESS MANAGEMENT EXPENSES		
Salaries and bonus including overseas staff expenses	9,650	7,632
Overseas group health insurance	142	19
Contribution to provident and other funds	245	192
Staff welfare	72	58
Overseas travel expenses	609	505
Traveling and conveyance	-	2
Technical sub-contractors	396	265
Software packages		
For own use	320	225
For service delivery to clients	41	26
Communication expenses	94	79
Rent	71	49
Computer maintenance	25	27
Consumables	22	21
Provision for post-sales client support and warranties	39	45
Miscellaneous expenses	39	62
	<u>11,765</u>	<u>9,207</u>
12 SELLING AND MARKETING EXPENSES		
Salaries and bonus including overseas staff expenses	819	606
Overseas group health insurance	6	1
Contribution to provident and other funds	3	4
Staff welfare	4	3
Overseas travel expenses	110	102
Traveling and conveyance	5	4
Brand building	62	56
Commission and earnout charges	11	64
Professional charges	22	21
Rent	16	15
Marketing expenses	20	19
Telephone charges	14	8
Printing and stationery	1	1
Advertisements	2	6
Sales promotion	2	3
Communication expenses	4	2
Miscellaneous expenses	3	1
	<u>1,104</u>	<u>916</u>
13 GENERAL AND ADMINISTRATION EXPENSES		
Salaries and bonus including overseas staff expenses	444	352
Overseas group health insurance	3	(2)
Contribution to provident and other funds	17	12
Staff welfare	-	1
Overseas travel expenses	29	24
Traveling and conveyance	92	102
Telephone charges	160	133
Professional charges	237	189
Power and fuel	147	122
Office maintenance	168	136
Guesthouse maintenance	5	1
Insurance charges	26	26
Printing and stationery	12	18
Rates and taxes	34	36
Donations	21	20
Rent	27	22
Advertisements	4	7
Professional membership and seminar participation fees	10	9
Repairs to building	33	23
Repairs to plant and machinery	22	20
Postage and courier	11	11
Books and periodicals	3	4
Recruitment and training	6	3
Provision for bad and doubtful debts	75	43
Provision for doubtful loans and advances	1	-
Commission to non-whole time directors	6	4
Auditor's remuneration		
Statutory audit fees	2	1
Bank charges and commission	3	1
Freight charges	1	1
Research grants	20	4
Miscellaneous expenses	10	8
	<u>1,629</u>	<u>1,331</u>
14 OTHER INCOME, NET		
Interest received on deposits with banks and others*	871	672
Dividend received on investment in liquid mutual funds (non-trade unquoted)	5	9
Miscellaneous income, net (refer to note 24.2.10 and 24.2.21)	36	11
Gains/ (losses) on foreign currency	(439)	12
	<u>473</u>	<u>704</u>
*includes tax deducted at source	184	89
15 PROVISION FOR TAXATION		
Income taxes*	1,035	884
MAT credit entitlement	(109)	(177)
Deferred taxes	(7)	(22)
	<u>919</u>	<u>685</u>
* Refer to note 24.2.8		

Schedules to Consolidated Cashflow Statements for the

Year ended
March 31,

	2009	2008
16 CHANGE IN SUNDRY DEBTORS		
As per the Balance Sheet	3,672	3,297
Less: Opening balance considered	(3,297)	(2,436)
Sundry debtors pertaining to acquired company	-	(31)
	<u>375</u>	<u>830</u>
17 CHANGE IN LOANS AND ADVANCES		
As per the Balance Sheet*	3,279	2,771
Add: Gratuity obligation - unamortised amount relating to plan amendment (refer to note 24.2.18)	(29)	(33)
Less: Deposits with financial institutions, included in cash and cash equivalents **	(1,298)	(1,285)
MAT credit entitlement	(284)	(175)
Advance income taxes separately considered	(274)	(218)
Interest accrued and not due	(6)	(186)
	1,388	874
Less: Opening balance considered	(874)	(673)
Loans and advances pertaining to acquired company	-	(11)
	<u>514</u>	<u>190</u>
<i>* Net of gratuity transitional liability</i>		
<i>** Excludes restricted deposits held with LIC of Rs.253 crore (Rs.161 crore) for funding leave liability</i>		
18 CHANGE IN CURRENT LIABILITIES AND PROVISIONS		
As per the Balance Sheet	3,872	4,191
Add/ (Less): Unclaimed dividend	(2)	(2)
Gratuity obligation - unamortised amount relating to plan amendment	(29)	(33)
Payable for acquisition made by subsidiary	(3)	-
Payable for acquisition of shared service centre	-	(6)
Provisions separately considered in the cash flow statement		
Income taxes	(581)	(402)
Dividends	(773)	(1,559)
Dividend tax	(131)	(265)
	2,353	1,924
Less: Opening balance considered	(1,924)	(1,488)
Current liabilities and provisions pertaining to acquired company	-	(26)
	<u>429</u>	<u>410</u>
19 INCOME TAXES PAID		
Charge as per the Profit and Loss Account	919	685
Add: Increase/ (Decrease) in advance income taxes	56	(135)
Increase / (Decrease) in deferred taxes	7	27
Increase / (Decrease) in MAT credit entitlement	109	175
Less: Income tax benefit arising from exercise of stock options	(10)	(25)
(Increase)/Decrease in income tax provision	(179)	(178)
	<u>902</u>	<u>549</u>
20 PURCHASE OF FIXED ASSETS AND CHANGE IN CAPITAL WORK-IN-PROGRESS		
Additions as per Balance Sheet*	1,974	1,135
Less: Opening Capital work-in-progress	(1,324)	(965)
Add: Closing Capital work-in-progress	677	1,324
	<u>1,327</u>	<u>1,494</u>
<i>* Excludes goodwill of Rs. 100 crore and net fixed assets of Rs. 10 crore related to acquired company for the year ended March 31, 2008.</i>		
<i>* Excludes effect of exchange rate fluctuations of Rs.25 crores as at March 31,2009.</i>		
21 INVESTMENTS IN / (DISPOSAL OF) SECURITIES *		
As per the Balance Sheet	-	72
Less: Profit on sale of liquid mutual funds	-	-
Less: Opening balance considered	(72)	(25)
	<u>(72)</u>	<u>47</u>
<i>* Refer to note 24.2.11 for details of investments and redemptions</i>		
22 CASH AND CASH EQUIVALENTS AT THE END		
As per the Balance Sheet	9,695	6,950
Add: Deposits with financial institutions (excluding interest accrued and not due)**	1,298	1,285
	<u>10,993</u>	<u>8,235</u>
<i>** Excludes restricted deposits held with LIC of Rs.253 crore (Rs.161 crore) for funding leave liability</i>		
23 INTEREST AND DIVIDEND RECEIVED		
Interest accrued but not due opening balance	186	51
Add: Interest and dividend income	876	681
Less: Interest accrued but not due closing balance	(6)	(186)
	<u>1,056</u>	<u>546</u>