

CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND SUBSIDIARIES

in Rs. crore

Consolidated Balance Sheet as at	Schedule	June 30, 2009	March 31, 2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share capital	1	287	286
Reserves and surplus	2	19,550	17,968
		19,837	18,254
MINORITY INTEREST			
		-	-
		19,837	18,254
APPLICATION OF FUNDS			
FIXED ASSETS			
Original cost	3	7,359	7,093
Less: Accumulated depreciation and amortization		2,637	2,416
Net book value		4,722	4,677
Add: Capital work-in-progress		557	677
		5,279	5,354
INVESTMENTS			
DEFERRED TAX ASSETS, NET	4	1,152	-
CURRENT ASSETS, LOANS AND ADVANCES	5	135	126
Sundry debtors	6	3,417	3,672
Cash and bank balances	7	9,578	9,695
Loans and advances	8	3,489	3,279
		16,484	16,646
LESS: CURRENT LIABILITIES AND PROVISIONS			
Current liabilities	9	2,010	2,004
Provisions	10	1,203	1,868
NET CURRENT ASSETS		13,271	12,774
		19,837	18,254
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS			
	24		

Note: 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	S. Gopalakrishnan Chief Executive Officer and Managing Director	S. D. Shibulal Chief Operating Officer and Director	Deepak M. Satwalekar Director
	Prof. Marti G. Subrahmanyam Director	Dr. Omkar Goswami Director	Rama Bijapurkar Director	Claude Smadja Director
	Sridar A. Iyengar Director	David L. Boyles Director	Prof. Jeffrey S. Lehman Director	K.V.Kamath Director
	K. Dinesh Director	T. V. Mohandas Pai Director	Srinath Batni Director	V. Balakrishnan Chief Financial Officer

Bangalore
July 10, 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	Quarter ended June 30,	
		2009	2008
Income from software services, products and business process management		5,472	4,854
Software development and business process management expenses	11	2,915	2,754
GROSS PROFIT		2,557	2,100
Selling and marketing expenses	12	261	257
General and administration expenses	13	428	364
		689	621
OPERATING PROFIT BEFORE DEPRECIATION AND MINORITY INTEREST		1,868	1,479
Depreciation		222	169
OPERATING PROFIT BEFORE TAX AND MINORITY INTEREST		1,646	1,310
Other income, net	14	269	117
NET PROFIT BEFORE TAX AND MINORITY INTEREST		1,915	1,427
Provision for taxation (<i>refer to note 24.2.8</i>)	15	388	125
NET PROFIT AFTER TAX AND BEFORE MINORITY INTEREST		1,527	1,302
Minority interest		-	-
NET PROFIT AFTER TAX AND MINORITY INTEREST		1,527	1,302
Balance Brought Forward		10,560	6,828
Less: Residual dividend paid		-	1
		10,560	6,827
Balance in profit and loss account		12,087	8,129
		12,087	8,129
EARNINGS PER SHARE			
Equity shares of par value Rs. 5/- each			
Basic		26.66	22.75
Diluted		26.63	22.70
Number of shares used in computing earnings per share *			
Basic		57,29,48,830	57,21,99,447
Diluted		57,36,51,675	57,35,61,834

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

24

* Refer to note 24.2.16

Notes: 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

Natrajan Ramkrishna
Partner
Membership No. 32815

N. R. Narayana Murthy
Chairman
and Chief Mentor

S. Gopalakrishnan
Chief Executive Officer
and Managing Director

S. D. Shibulal
Chief Operating Officer
and Director

Deepak M. Satwalekar
Director

Prof. Marti G. Subrahmanyam
Director

Dr. Omkar Goswami
Director

Rama Bijapurkar
Director

Claude Smadja
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Chief Financial Officer

Bangalore
July 10, 2009

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Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND SUBSIDIARIES

in Rs. crore

Consolidated Cash Flow statement for the	Schedule	Quarter ended June 30,	
		2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit before tax and minority interest		1,915	1,427
Adjustments to reconcile net profit before tax to cash provided by operating activities			
(Profit)/ loss on sale of fixed assets		-	-
Depreciation		222	169
Interest and dividend income		(236)	(195)
Effect of exchange differences on translation of foreign currency cash and cash equivalents		20	(32)
Effect of exchange differences on translation on subsidiaries		38	27
Changes in current assets and liabilities			
Sundry debtors	16	255	(39)
Loans and advances	17	(195)	(294)
Current liabilities and provisions	18	3	248
		2,022	1,311
Income taxes paid	19	(300)	(35)
NET CASH GENERATED BY OPERATING ACTIVITIES		1,722	1,276
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets and change in capital work-in-progress	20	(147)	(337)
Payment for purchase of business, net of cash acquired		(1)	(9)
Payment for acquisition of shared service centre		-	(6)
Investments in/ disposal of securities	21	(1,152)	(81)
Proceeds from disposal of fixed assets		-	1
Interest and dividend received	22	235	95
NET CASH USED IN INVESTING ACTIVITIES		(1,065)	(337)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of share capital on exercise of stock options		18	26
Dividends paid including residual dividend		(770)	(1,556)
Dividend tax paid		-	(265)
NET CASH USED IN FINANCING ACTIVITIES		(752)	(1,795)
Effect of exchange differences on translation of foreign currency cash and cash equivalents		(20)	32
NET DECREASE IN CASH AND CASH EQUIVALENTS		(115)	(824)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		10,993	8,235
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	23	10,878	7,411
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	24		

Note: 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.
Chartered Accountants

Natrajan Ramkrishna
Partner
Membership No. 32815

N. R. Narayana Murthy
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and Chief Mentor

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Chief Financial Officer

Bangalore
July 10, 2009

Parvatheesam K.
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND SUBSIDIARIES

in Rs. crore, except as otherwise stated

Schedules to the Consolidated Balance Sheet as at

June 30, 2009 March 31, 2009

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*

57,30,59,177 (57,28,30,043) equity shares fully paid up

[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]

287

286

287

286

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

Also 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

31

(7)

Share premium account - As at April 1,

2,925

2,851

Add: Receipts on exercise of employee stock options

17

64

Income tax benefit arising from exercise of stock options

-

10

2,942

2,925

General reserve - As at April 1,

4,484

3,802

Add: Transfer from Profit and Loss account

-

682

4,484

4,484

Balance in Profit and Loss account

12,087

10,560

19,550

17,968

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, 2009	Additions/ Adjustments	Deletions/ Retirement/ Adjustments	As at June 30, 2009	As at April 1, 2009	For the period	Deletions/ Adjustments	As at June 30, 2009	As at June 30, 2009	As at March 31, 2009
Goodwill	689	-	-	689	-	-	-	-	689	689
Land: Free-hold	172	-	-	172	-	-	-	-	172	172
Leasehold	113	1	-	114	-	-	-	-	114	113
Buildings	2,913	120	-	3,033	535	50	-	585	2,448	2,378
Plant and machinery	1,183	75	-	1,258	521	62	-	583	675	662
Computer equipment	1,233	32	1	1,264	960	69	1	1,028	236	273
Furniture and fixtures	720	39	-	759	359	38	-	397	362	361
Leasehold improvements	54	-	-	54	28	3	-	31	23	26
Vehicles	4	-	-	4	1	-	-	1	3	3
Intellectual property right	12	-	-	12	12	-	-	12	-	-
	7,093	267	1	7,359	2,416	222	1	2,637	4,722	4,677
Previous year	5,439	1,999	345	7,093	1,986	761	331	2,416	4,677	

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

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

in Rs. crore, except as otherwise stated

Schedules to the Consolidated Balance Sheet as at **June 30, 2009** **March 31, 2009**

4 INVESTMENTS

Trade (unquoted) – at cost

Long- term investments

Other investments	13	12
Less: Provision made for investments	13	12
	<u>-</u>	<u>-</u>

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

Current investments

Liquid mutual funds	1,152	-
	<u>1,152</u>	<u>-</u>
Aggregate amount of unquoted investments	1,152	-

5 DEFERRED TAX ASSETS / (LIABILITIES)

Fixed assets	136	128
Sundry debtors	9	8
Others	27	27
Less: Deferred tax liability for branch profit tax	(37)	(37)
	<u>135</u>	<u>126</u>

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

in Rs. crore, except as otherwise stated

Schedules to the Consolidated Balance Sheet as at **June 30, 2009** **March 31, 2009**

6 SUNDRY DEBTORS

Debts outstanding for a period exceeding six months		
Unsecured		
Considered good	-	-
Considered doubtful	64	40
Other debts		
Unsecured		
Considered good*	3,417	3,672
Considered doubtful	61	66
	<u>3,542</u>	<u>3,778</u>
Less: Provision for doubtful debts	125	106
	<u>3,417</u>	<u>3,672</u>
	14	8

** Includes dues from companies where directors are interested*

7 CASH AND BANK BALANCES

Cash on hand	-	-
Balances with scheduled banks **		
In current accounts *	111	124
In deposit accounts	8,731	8,551
Balances with non-scheduled banks **		
In deposit accounts	317	232
In current accounts	419	788
	<u>9,578</u>	<u>9,695</u>
	5	2

**Includes balance in unclaimed dividend account (Refer note 24.2.21.a)*

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

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

in Rs. crore, except as otherwise stated

Schedules to the Consolidated Balance Sheet as at **June 30, 2009** **March 31, 2009**

8 LOANS AND ADVANCES

Unsecured, considered good		
Advances		
Prepaid expenses	33	35
For supply of goods and rendering of services	18	15
Advance to gratuity trust	2	1
Interest accrued and not due	7	6
Withholding and other taxes receivable	210	167
Others	13	8
	<u>283</u>	<u>232</u>
Unbilled revenues	873	750
Advance income taxes	287	274
MAT credit entitlement (<i>refer to note 24.2.8</i>)	284	284
Loans and advances to employees		
Housing and other loans	40	43
Salary advances	77	74
Electricity and other deposits	39	37
Rental deposits	30	34
Deposits with financial institutions (<i>refer to note 24.2.9</i>)	1,553	1,551
Mark-to-market gain on forward and options contracts	23	-
	<u>3,489</u>	<u>3,279</u>
Unsecured, considered doubtful		
Loans and advances to employees	3	3
	<u>3,492</u>	<u>3,282</u>
Less: Provision for doubtful loans and advances to employees	3	3
	<u><u>3,489</u></u>	<u><u>3,279</u></u>

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

in Rs. crore, except as otherwise stated

Schedules to the Consolidated Balance Sheet as at **June 30, 2009** **March 31, 2009**

9 CURRENT LIABILITIES

Sundry creditors		
Goods and services	10	27
Accrued salaries and benefits		
Salaries	84	71
Bonus and incentives	357	472
For other liabilities		
Provision for expenses	721	666
Retention monies	67	55
Withholding and other taxes payable	290	218
Mark-to-market loss on forward and options contracts	-	114
Payable for acquisition of subsidiary	2	3
Gratuity obligation - unamortised amount	28	29
Others	10	11
	<u>1,569</u>	<u>1,666</u>
Advances received from clients	7	5
Unearned revenue	429	331
Unclaimed dividend*	5	2
	<u>2,010</u>	<u>2,004</u>

*Refer to note 24.2.21.a

10 PROVISIONS

Proposed dividend	-	773
Provision for		
Tax on dividend	131	131
Income taxes*	691	581
Unavailed leave	296	291
Post-sales client support and warranties #	85	92
	<u>1,203</u>	<u>1,868</u>

* Refer to note 24.2.8

Refer to note 24.2.17

CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND SUBSIDIARIES

in Rs. crore, except as otherwise stated

Schedules to Consolidated Profit and Loss account for the	Quarter ended June 30,	
	2009	2008

11 SOFTWARE DEVELOPMENT AND BUSINESS PROCESS MANAGEMENT EXPENSES

Salaries and bonus including overseas staff expenses	2,432	2,234
Overseas group health insurance	36	47
Contribution to provident and other funds	68	55
Staff welfare	10	14
Overseas travel expenses	119	180
Traveling and conveyance	-	-
Technical sub-contractors	82	85
Software packages		
For own use	94	65
For service delivery to clients	11	16
Communication expenses	25	21
Rent	20	19
Computer maintenance	6	6
Consumables	6	5
Provision for post-sales client support and warranties	(2)	(4)
Miscellaneous expenses	8	11
	2,915	2,754

12 SELLING AND MARKETING EXPENSES

Salaries and bonus including overseas staff expenses	207	176
Overseas group health insurance	1	2
Contribution to provident and other funds	1	1
Staff welfare	-	1
Overseas travel expenses	20	34
Traveling and conveyance	1	1
Brand building	12	14
Commission and earnout charges	2	6
Professional charges	4	6
Rent	4	4
Marketing expenses	4	6
Telephone charges	3	3
Printing and stationery	1	-
Advertisements	-	-
Sales promotion	-	1
Communication expenses	1	1
Miscellaneous expenses	-	1
	261	257

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

in Rs. crore, except as otherwise stated

Schedules to Consolidated Profit and Loss account for the	Quarter ended June 30,	
	2009	2008
13 GENERAL AND ADMINISTRATION EXPENSES		
Salaries and bonus including overseas staff expenses	117	99
Overseas group health insurance	1	-
Contribution to provident and other funds	5	4
Staff welfare	-	-
Overseas travel expenses	4	8
Traveling and conveyance	15	23
Telephone charges	33	36
Professional charges	72	52
Power and fuel	36	36
Office maintenance	42	37
Guesthouse maintenance	1	1
Insurance charges	9	7
Printing and stationery	4	3
Rates and taxes	8	8
Donations	20	5
Rent	8	5
Advertisements	1	1
Professional membership and seminar participation fees	2	2
Repairs to building	9	6
Repairs to plant and machinery	7	4
Postage and courier	4	3
Books and periodicals	1	-
Recruitment and training	1	2
Provision for bad and doubtful debts	19	15
Commission to non-whole time directors	2	1
Auditor's remuneration		
Statutory audit fees	-	-
Bank charges and commission	-	1
Freight charges	-	-
Research grants	6	2
Miscellaneous expenses	1	3
	428	364

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

in Rs. crore, except as otherwise stated

Schedules to Consolidated Profit and Loss account for the	Quarter ended June 30,	
	2009	2008
14 OTHER INCOME, NET		
Interest received on deposits with banks and others*	226	193
Dividend received on investment in liquid mutual funds (non-trade unquoted)	10	2
Miscellaneous income, net (<i>refer to note 24.2.10</i>)	2	2
Gains/ (losses) on foreign currency	31	(80)
	269	117
<i>*includes tax deducted at source</i>	49	11
15 PROVISION FOR TAXATION		
Income taxes*	397	192
MAT credit entitlement	-	(60)
Deferred taxes	(9)	(7)
	388	125
<i>* Refer to note 24.2.8</i>		

CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND SUBSIDIARIES

in Rs. crore, except as otherwise stated

Schedules to Consolidated Cash Flow statement for the	Quarter ended June 30,	
	2009	2008
16 CHANGE IN SUNDRY DEBTORS		
As per the Balance Sheet	3,417	3,336
Less: Opening balance considered	(3,672)	(3,297)
	<u>(255)</u>	<u>39</u>
17 CHANGE IN LOANS AND ADVANCES		
As per the Balance Sheet*	3,489	3,125
Less: Gratuity obligation - unamortised amount relating to plan amendment **	(28)	(32)
Deposits with financial institutions, included in cash and cash equivalents ***	(1,300)	(1,266)
MAT credit entitlement	(284)	(235)
Advance income taxes	(287)	(138)
Interest accrued and not due	(7)	(286)
	<u>1,583</u>	<u>1,168</u>
Less: Opening balance considered	(1,388)	(874)
	<u>195</u>	<u>294</u>
* <i>Net of gratuity transitional liability</i>		
** <i>Refer to note 24.2.18</i>		
*** <i>Excludes restricted deposits held with LIC of Rs.253 crore (Rs.181 crore) for funding leave liability</i>		
18 CHANGE IN CURRENT LIABILITIES AND PROVISIONS		
As per the Balance Sheet	3,213	2,693
Less: Unclaimed dividend	(5)	(6)
Gratuity obligation - unamortised amount relating to plan ammendment	(28)	(32)
Payable for acquisition made by subsidiary	(2)	(4)
Provision for tax on dividend	(131)	-
Provision for income taxes	(691)	(479)
	<u>2,356</u>	<u>2,172</u>
Less: Opening balance considered	(2,353)	(1,924)
	<u>3</u>	<u>248</u>

CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND SUBSIDIARIES

in Rs. crore, except as otherwise stated

Schedules to Consolidated Cash Flow statement for the	Quarter ended	
	June 30,	
	2009	2008
19 INCOME TAXES PAID		
Charge as per the Profit and Loss Account	388	125
Add: Increase / (Decrease) in advance income taxes	13	(80)
Increase / (Decrease) in deferred taxes	9	7
Increase / (Decrease) in MAT credit entitlement	-	60
Less: (Increase) / Decrease in income tax provision	(110)	(77)
	<u>300</u>	<u>35</u>
20 PURCHASE OF FIXED ASSETS AND CHANGE IN CAPITAL WORK-IN-PROGRESS		
Additions as per Balance Sheet	267	323
Less: Opening capital work-in-progress	(677)	(1,324)
Add: Closing capital work-in-progress	557	1,338
	<u>147</u>	<u>337</u>
21 INVESTMENTS IN / (DISPOSAL OF) SECURITIES *		
As per the Balance Sheet	1,152	153
Less: Profit on sale of liquid mutual funds	-	-
Less: Opening balance considered	-	(72)
	<u>1,152</u>	<u>81</u>
* Refer to note 24.2.11 for details of investments and redemptions		
22 INTEREST AND DIVIDEND RECEIVED		
Interest and dividend income as per profit and loss account	236	195
Add: Opening interest accrued but not due	6	186
Less: Closing interest accrued but not due	(7)	(286)
	<u>235</u>	<u>95</u>
23 CASH AND CASH EQUIVALENTS AT THE END		
As per the Balance Sheet	9,578	6,145
Add: Deposits with financial institution and body corporate (excluding interest accrued and not due)**	1,300	1,266
	<u>10,878</u>	<u>7,411</u>
** Excludes restricted deposits held with LIC of Rs.253 crore (Rs.181 crore) for funding leave liability		