

INFOSYS TECHNOLOGIES LIMITED

in ₹ crore

Balance Sheet as at	Schedule	December 31, 2010	March 31, 2010
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share capital	1	287	287
Reserves and surplus	2	23,808	21,749
		<u>24,095</u>	<u>22,036</u>
DEFERRED TAX LIABILITIES	5	227	232
		<u>24,322</u>	<u>22,268</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Original cost	3	7,138	6,357
Less: Accumulated depreciation and amortization		3,122	2,578
Net book value		<u>4,016</u>	<u>3,779</u>
Add: Capital work-in-progress		418	409
		<u>4,434</u>	<u>4,188</u>
INVESTMENTS	4	2,216	4,626
DEFERRED TAX ASSETS	5	399	313
CURRENT ASSETS, LOANS AND ADVANCES			
Sundry debtors	6	3,959	3,244
Cash and bank balances	7	12,261	9,797
Loans and advances	8	4,072	3,898
		<u>20,292</u>	<u>16,939</u>
LESS: CURRENT LIABILITIES AND PROVISIONS			
Current liabilities	9	1,905	1,763
Provisions	10	1,114	2,035
NET CURRENT ASSETS		<u>17,273</u>	<u>13,141</u>
		<u>24,322</u>	<u>22,268</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	23		

Note: The schedules referred to above are an integral part of the Balance Sheet.

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

Natraj Ramakrishna
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

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

Bangalore
January 13, 2011

Srinath Batni
Director

V. Balakrishnan
Chief Financial Officer

K. Parvatheesam
Company Secretary

INFOSYS TECHNOLOGIES LIMITED

Profit and Loss account for the	Schedule	Quarter ended December 31,		in ₹ crore, except per share data Nine months ended December 31,	
		2010	2009	2,010	2009
Income from software services and products		6,534	5,335	18,717	15,640
Software development expenses	11	3,660	2,900	10,507	8,521
GROSS PROFIT		2,874	2,435	8,210	7,119
Selling and marketing expenses	12	320	259	902	708
General and administration expenses	13	377	282	1,093	945
		697	541	1,995	1,653
OPERATING PROFIT BEFORE DEPRECIATION		2,177	1,894	6,215	5,466
Depreciation		184	205	551	613
OPERATING PROFIT		1,993	1,689	5,664	4,853
Other income, net	14	275	223	760	720
Provision for investments		-	1	-	1
NET PROFIT BEFORE TAX		2,268	1,911	6,424	5,572
Provision for taxation (refer to note 23.2.11)	15	627	440	1,711	1,199
NET PROFIT AFTER TAX		1,641	1,471	4,713	4,373
Balance Brought Forward		14,201	12,537	13,806	10,305
Balance in profit and loss account		15,842	14,008	18,519	14,678
AMOUNT AVAILABLE FOR APPROPRIATION		15,842	14,008	18,519	14,678
Interim dividend		-	-	574	573
30 th year special dividend		-	-	1,722	-
Dividend tax		-	-	381	97
Amount transferred to general reserve		-	-	-	-
Balance in profit and loss account		15,842	14,008	15,842	14,008
		15,842	14,008	18,519	14,678
EARNINGS PER SHARE					
Equity shares of par value ₹ 5/- each					
Basic		28.59	25.66	82.11	76.30
Diluted		28.58	25.63	82.08	76.21
Number of shares used in computing earnings per share ⁽¹⁾					
Basic		57,40,80,401	57,34,36,570	57,39,71,678	57,31,87,392
Diluted		57,42,14,488	57,40,16,910	57,41,92,032	57,38,72,816
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	23				

Note: The schedules referred to above are an integral part of the Profit and Loss account.

⁽¹⁾ Refer to note 23.2.19

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

Natraj Ramakrishna 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	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
Bangalore January 13, 2011	Srinath Batni Director	V. Balakrishnan Chief Financial Officer	K. Parvathesam Company Secretary	

Cash Flow statement for the	Schedule	Nine months ended December 31,	
		2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit before tax		6,424	5,572
Adjustments to reconcile net profit before tax to cash provided by operating activities			
Depreciation		551	613
Interest and dividend income		(740)	(628)
Effect of exchange differences on translation of deferred tax liabilities		(5)	
Effect of exchange differences on translation of foreign currency cash and cash equivalents		(3)	6
Changes in current assets and liabilities			
Sundry debtors		(715)	286
Loans and advances	16	(419)	(222)
Current liabilities and provisions	17	232	308
		5,325	5,935
Income taxes paid	18	(1,799)	(1,330)
NET CASH GENERATED BY OPERATING ACTIVITIES		3,526	4,605
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets and change in capital work-in-progress	19	(843)	(395)
Investments in subsidiaries	20 (a)	(66)	(109)
Investment/(Disposal) of other securities	20 (b)	2,476	(5,155)
Interest and dividend received	21	702	624
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		2,269	(5,035)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of share capital on exercise of stock options		23	59
Repayment of loan given to subsidiary		23	-
Dividends paid including residual dividend		(3,156)	(1,345)
Dividend tax paid		(524)	(228)
NET CASH USED IN FINANCING ACTIVITIES		(3,634)	(1,514)
Effect of exchange differences on translation of foreign currency cash and cash equivalents		3	(6)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		2,164	(1,950)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		11,297	10,289
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	22	13,461	8,339
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	23		

Note: The schedules referred to above are an integral part of the Cash Flow statement.

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

Natraj Ramakrishna 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
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Prof. Marti G. Subrahmanyam Director	Dr. Omkar Goswami Director	Sridar A. Iyengar Director	David L. Boyles Director
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Prof. Jeffrey S. Lehman Director	K.V.Kamath Director	K. Dinesh Director	T. V. Mohandas Pai Director
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Bangalore January 13, 2011	Srinath Batni Director	V. Balakrishnan Chief Financial Officer	Parvatheesam K. Company Secretary
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INFOSYS TECHNOLOGIES LIMITED
in ₹ crore, except as otherwise stated

Schedules to the Balance Sheet as at	December 31, 2010	March 31, 2010
1 SHARE CAPITAL		
Authorized		
Equity shares, ₹ 5/- par value		
60,00,00,000 (60,00,00,000) equity shares	300	300
Issued, Subscribed and Paid Up		
Equity shares, ₹ 5/- par value ⁽¹⁾	287	287
57,41,29,693 (57,38,25,192) 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	287
Forfeited shares amounted to ₹ 1,500/- (₹ 1,500/-)		
⁽¹⁾ For details of options in respect of equity shares, refer to note 23.2.10 and also refer to note 23.2.19 for details of basic and diluted shares		
2 RESERVES AND SURPLUS		
Capital reserve	54	6
Add: Transferred from Profit and Loss account	-	48
	54	54
Share premium account - Opening balance	3,022	2,925
Add: Receipts on exercise of employee stock options	23	87
Income tax benefit arising from exercise of stock options	-	10
	3,045	3,022
General reserve - Opening balance	4,867	4,287
Add: Transferred from Profit and Loss account	-	580
	4,867	4,867
Balance in Profit and Loss account	15,842	13,806
	23,808	21,749

INFOSYS TECHNOLOGIES LIMITED

Schedules to the Balance Sheet

3 FIXED ASSETS

in ₹ crore, except as otherwise stated

Particulars	Original cost				Depreciation and amortization				Net book value	
	As at April 1, 2010	Additions during the period	Deductions/ Retirement during the period	As at December 31, 2010	As at April 1, 2010	For the period	Deductions during the period	As at December 31, 2010	As at December 31, 2010	As at March 31, 2010
Land : Free-hold	178	221	-	399	-	-	-	-	399	178
Leasehold	138	-	3	135	-	-	-	-	135	138
Buildings ^{(1)/(2)}	3,209	257	-	3,466	737	169	-	906	2,560	2,472
Plant and machinery ⁽²⁾	1,149	102	-	1,251	597	161	-	758	493	552
Computer equipment ⁽²⁾	1,037	166	7	1,196	882	136	7	1,011	185	155
Furniture and fixtures ⁽²⁾	629	44	-	673	347	85	-	432	241	282
Vehicles	5	1	-	6	3	-	-	3	3	2
Intellectual property right	12	-	-	12	12	-	-	12	-	-
	6,357	791	10	7,138	2,578	551	7	3,122	4,016	3,779
Previous year	5,986	787	416	6,357	2,187	807	416	2,578	3,779	

Notes: ⁽¹⁾ Buildings include ₹ 250/- being the value of 5 shares of ₹ 50/- each in Mittal Towers Premises Co-operative Society Limited.

⁽²⁾ Includes certain assets provided on operating lease to Infosys BPO, a subsidiary. Refer to note 23.2.6 for details

INFOSYS TECHNOLOGIES LIMITED
in ₹ crore, except as otherwise stated

Schedules to the Balance Sheet as at	December 31, 2010	March 31, 2010
4 INVESTMENTS ⁽¹⁾		
Long- term investments– at cost		
Trade (unquoted)		
Other investments	6	6
Less: Provision for investments	2	2
	<u>4</u>	<u>4</u>
Non-trade (unquoted)		
Subsidiaries		
Infosys BPO Limited ⁽²⁾		
3,38,22,319 (3,38,22,319) equity shares of ₹ 10/- each, fully paid	659	659
Infosys Technologies (China) Co. Limited	107	65
Infosys Technologies (Australia) Pty Limited		
1,01,08,869 (1,01,08,869) equity shares of AUD 0.11 par value, fully paid	66	66
Infosys Consulting, Inc., USA		
5,50,00,000 (5,50,00,000) common stock of USD 1.00 par value, fully paid	243	243
Infosys Technologies, S. De R.L. De C.V., Mexico	54	40
Infosys Technologies Sweden AB		
1,000 (1,000) equity shares of SEK 100 par value, fully paid	-	-
Infosys Technologies DO Brasil LTDA		
1,45,16,997 (1,07,16,997) shares of BRL 1.00 par value, fully paid	38	28
Infosys Public Services, Inc		
1,00,00,000 (1,00,00,000) common stock of USD 0.50 par value, fully paid	24	24
	<u>1,191</u>	<u>1,125</u>
Current investments – at the lower of cost and fair value		
Non-trade (unquoted)		
Liquid mutual fund units	-	2,317
Certificates of deposit	1,021	1,180
	<u>1,021</u>	<u>3,497</u>
	<u>2,216</u>	<u>4,626</u>
Aggregate amount of unquoted investments	<u>2,216</u>	<u>4,626</u>
⁽¹⁾ Refer to note 23.2.15 for details of investments		
⁽²⁾ Investments include 6,79,250 (13,36,331) options of Infosys BPO		
5 DEFERRED TAXES		
Deferred tax assets		
Fixed assets	225	201
Sundry debtors	31	28
Other assets	143	84
	<u>399</u>	<u>313</u>
Deferred tax liabilities		
Branch profit tax	227	232
	<u>227</u>	<u>232</u>

INFOSYS TECHNOLOGIES LIMITED
in ₹ crore, except as otherwise stated
Schedules to the Balance Sheet as at
December 31, 2010
March 31, 2010
6 SUNDRY DEBTORS⁽¹⁾

Debts outstanding for a period exceeding six months

Unsecured

Considered doubtful

93

79

Other debts

Unsecured

 Considered good⁽²⁾

3,959

3,244

Considered doubtful

18

21

4,070

3,344

Less: Provision for doubtful debts

111

100

3,959
3,244
⁽¹⁾ Includes dues from companies where directors are interested

1

11

⁽²⁾ Includes dues from subsidiaries (refer to note 23.2.7)

69

56

7 CASH AND BANK BALANCES⁽¹⁾

Cash on hand

-

-

Balances with scheduled banks

 In current accounts⁽²⁾

67

153

In deposit accounts

11,984

8,868

Balances with non-scheduled banks

In current accounts

210

776

12,261
9,797
⁽¹⁾ Refer to note 23.2.12 for details of balances with scheduled and non-scheduled banks

⁽²⁾ Includes balance in unclaimed dividend account (refer to note 23.2.23.a)

3

2

INFOSYS TECHNOLOGIES LIMITED
in ₹ crore, except as otherwise stated

Schedules to the Balance Sheet as at	December 31, 2010	March 31, 2010
8 LOANS AND ADVANCES		
Unsecured, considered good		
Loans to subsidiary (<i>refer to note 23.2.7</i>)	23	46
Advances		
Prepaid expenses	47	25
For supply of goods and rendering of services	13	5
Advance to gratuity trust and others	31	2
Withholding and other taxes receivable	471	321
Others	8	13
	593	412
Unbilled revenues	888	789
Advance income taxes	684	641
Interest accrued but not due	52	14
Loans and advances to employees		
Housing and other loans	40	38
Salary advances	67	62
Electricity and other deposits	57	60
Rental deposits	17	13
Deposits with financial institutions (<i>refer to note 23.2.13</i>)	1,631	1,781
Mark-to-market gain on forward and options contracts	43	88
	4,072	3,898
Unsecured, considered doubtful		
Loans and advances to employees	4	2
	4,076	3,900
Less: Provision for doubtful loans and advances to employees	4	2
	4,072	3,898

Schedules to the Balance Sheet as at December 31, 2010 March 31, 2010

9 CURRENT LIABILITIES

Sundry creditors		
Goods and services ⁽¹⁾	125	96
Accrued salaries and benefits		
Salaries	31	25
Bonus and incentives	317	421
For other liabilities		
Provision for expenses	455	375
Retention monies	20	66
Withholding and other taxes payable	361	235
Gratuity obligation - unamortised amount relating to plan amendment	23	26
Others ⁽²⁾	9	8
	1,341	1,252
Advances received from clients	19	7
Unearned revenue	542	502
Unclaimed dividend	3	2
	1,905	1,763
⁽¹⁾ Includes dues to subsidiaries (refer to note 23.2.7)	112	95
⁽²⁾ Includes deposits received from subsidiary (refer to note 23.2.7)	7	7

10 PROVISIONS

Proposed dividend	-	861
Provision for		
Tax on dividend	-	143
Income taxes ⁽¹⁾	760	719
Unavailed leave	285	239
Post-sales client support and warranties ⁽²⁾	69	73
	1,114	2,035

⁽¹⁾ Refer to note 23.2.11

⁽²⁾ Refer to note 23.2.20

INFOSYS TECHNOLOGIES LIMITED
in ₹ crore, except as otherwise stated

Schedules to Profit and Loss account for the	Quarter ended December 31,		Nine months ended December 31,	
	2010	2009	2010	2009

11 SOFTWARE DEVELOPMENT EXPENSES

Salaries and bonus including overseas staff expenses	2,724	2,225	7,809	6,634
Contribution to provident and other funds	100	60	276	183
Staff welfare	16	9	39	21
Technical sub-contractors - subsidiaries	427	330	1,199	864
Technical sub-contractors - others	130	62	352	173
Overseas travel expenses	113	116	437	302
Software packages for own use	85	100	239	254
Third party items bought for service delivery to clients	42	-	76	16
Communication expenses	6	9	27	35
Computer maintenance	6	5	19	16
Consumables	7	5	20	16
Rent	7	5	18	17
Provision for post-sales client support and warranties	(3)	(26)	(4)	(10)
	3,660	2,900	10,507	8,521

12 SELLING AND MARKETING EXPENSES

Salaries and bonus including overseas staff expenses	259	195	720	547
Contribution to provident and other funds	2	1	5	3
Staff welfare	1	-	2	1
Overseas travel expenses	25	24	74	57
Traveling and conveyance	1	1	3	2
Commission charges	3	7	7	13
Brand building	17	11	51	41
Professional charges	3	9	10	17
Rent	3	3	9	9
Marketing expenses	3	4	10	8
Telephone charges	3	3	10	8
Printing and Stationery	-	1	1	1
Communication expenses	-	-	-	1
	320	259	902	708

INFOSYS TECHNOLOGIES LIMITED
in ₹ crore, except as otherwise stated

Schedules to Profit and Loss account for the	Quarter ended December 31,		Nine months ended December 31,	
	2010	2009	2010	2009
13 GENERAL AND ADMINISTRATION EXPENSES				
Salaries and bonus including overseas staff expenses	100	84	290	245
Contribution to provident and other funds	6	4	18	13
Professional charges	80	44	197	153
Telephone charges	28	23	83	80
Power and fuel	35	29	107	91
Traveling and conveyance	20	15	56	40
Overseas travel expenses	4	4	11	8
Office maintenance expenses	46	31	130	104
Insurance charges	5	5	17	17
Printing and stationery	3	1	8	6
Donations	-	11	1	34
Rent	8	7	23	21
Advertisements	2	1	5	2
Repairs to building	11	8	31	25
Repairs to plant and machinery	9	8	23	22
Rates and taxes	12	6	30	19
Professional membership and seminar participation fees	3	1	7	5
Postage and courier	2	1	6	6
Books and periodicals	1	2	2	3
Bank charges and commission	-	-	1	1
Auditor's remuneration				
Statutory audit fees	1	1	1	1
Provision for bad and doubtful debts and advances	(1)	(21)	27	24
Commission to non-whole time directors	1	1	4	4
Freight charges	-	1	1	1
Research grants	1	15	14	20
	377	282	1,093	945

INFOSYS TECHNOLOGIES LIMITED

in ₹ crore, except as otherwise stated

Schedules to Profit and Loss account for the	Quarter ended December 31,		Nine months ended December 31,	
	2010	2009	2010	2009
14 OTHER INCOME, NET				
Interest received on deposits with banks and others ⁽¹⁾	253	151	722	556
Dividend received on investment in liquid mutual fund units (non-trade unquoted)	1	40	18	72
Miscellaneous income, net ⁽²⁾	5	10	17	22
Gains / (losses) on foreign currency, net	16	22	3	70
	<u>275</u>	<u>223</u>	<u>760</u>	<u>720</u>
⁽¹⁾ includes tax deducted at source	22	16	60	79
⁽²⁾ refer to note 23.2.6 and 23.2.14				

15 PROVISION FOR TAXATION

Income taxes ⁽¹⁾	630	542	1,797	1,361
MAT credit entitlement	-	-	-	(10)
Deferred taxes	(3)	(102)	(86)	(152)
	<u>627</u>	<u>440</u>	<u>1,711</u>	<u>1,199</u>
⁽¹⁾ Refer to note 23.2.11				

Schedules to Cash Flow statements for the	<i>in ₹ crore, except as otherwise stated</i>	
	2010	2009

16 CHANGE IN LOANS AND ADVANCES

As per the balance sheet ⁽¹⁾	4,072	3,743
Less: Gratuity obligation - unamortised amount relating to plan amendment ⁽²⁾	23	26
Deposits with financial institutions included in cash and cash equivalents ⁽³⁾	1,200	1,500
Interest accrued but not due	52	5
MAT credit entitlement	-	272
Advance income taxes	684	364
Loans to Subsidiary	23	51
	2,090	1,525
Less: Opening balance considered (net of loans to subsidiaries)	1,671	1,303
	419	222

⁽¹⁾ includes loans to subsidiary and net of gratuity transitional liability

⁽²⁾ refer to note 23.2.21

⁽³⁾ Excludes restricted deposits held with LIC of ₹ 431 crore (₹ 257 crore) for funding leave liability

17 CHANGE IN CURRENT LIABILITIES AND PROVISIONS

As per the balance sheet	3,019	2,848
Less: Unclaimed dividend	3	3
Retention monies	20	67
Gratuity obligation - unamortised amount relating to plan amendment	23	26
Provisions separately considered in Cash Flow statement		
Income taxes	760	702
	2,213	2,050
Less: Opening balance considered	1,981	1,742
	232	308

18 INCOME TAXES PAID

Charge as per the profit and loss account	1,711	1,199
Add/(Less) : Increase/(Decrease) in advance income taxes	43	96
Increase/(Decrease) in deferred taxes	86	152
Increase/(Decrease) in MAT credit entitlement	-	10
(Increase)/Decrease in income tax provision	(41)	(127)
	1,799	1,330

Schedules to Cash Flow statements for the	<i>in ₹ crore, except as otherwise stated</i>	
	Nine months ended December 31,	
	2010	2009

19 PURCHASE OF FIXED ASSETS AND CHANGE IN CAPITAL WORK-IN-PROGRESS

As per the balance sheet ⁽¹⁾	788	601
Less: Opening capital work-in-progress	409	615
Add: Closing capital work-in-progress	418	423
Add: Opening retention monies	66	53
Less: Closing retention monies	20	67
	843	395

⁽¹⁾ Net of ₹ 3 crore movement in land from leasehold to free-hold upon acquisition for the nine months ended December 31, 2010

20 (a) INVESTMENTS IN SUBSIDIARIES ⁽¹⁾

As per the balance sheet	1,191	1,114
Less: Opening balance considered	1,125	1,005
	66	109

⁽¹⁾ Refer to note 23.2.15 for investment made in subsidiaries

20 (b) INVESTMENT/(DISPOSAL) OF SECURITIES ⁽¹⁾

Opening balance considered	3,497	-
Less: Closing as per the balance sheet	1,021	5,155
	2,476	(5,155)

⁽¹⁾ Refer to note 23.2.15 for investment and redemptions

20 (c) REPAYMENT OF SUBSIDIARY LOAN

Opening balance	46	51
Less: Closing balance ⁽¹⁾	23	51
	23	-

⁽¹⁾ Net of exchange rate fluctuation of ₹4 crore as at December 31, 2009

21 INTEREST AND DIVIDEND RECEIVED

Interest and dividend income as per profit and loss account	740	628
Add: Opening interest accrued but not due	14	1
Less: Closing interest accrued but not due	52	5
	702	624

22 CASH AND CASH EQUIVALENTS AT THE END

As per the balance sheet	12,261	6,839
Add: Deposits with financial institutions ⁽¹⁾	1,200	1,500
	13,461	8,339

⁽¹⁾ Excludes restricted deposits held with LIC of ₹ 431 crore (₹ 257 crore) for funding leave liability (refer to note 23.2.23b)