

INFOSYS TECHNOLOGIES LIMITED

		<i>in Rs. crore</i>		
Balance Sheet as at	Schedules	June 30, 2003	June 30, 2002	March 31, 2003
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS				
Share capital	1	33.12	33.09	33.12
Reserves and surplus	2	3,106.71	2,264.47	2,827.53
		3,139.83	2,297.56	2,860.65
APPLICATION OF FUNDS				
FIXED ASSETS				
Original cost	3	1,363.55	1,098.70	1,273.32
Less: Depreciation and amortization		621.03	431.74	577.15
Net book value		742.52	666.96	696.17
Add: Capital work-in-progress		44.23	88.97	76.55
		786.75	755.93	772.72
INVESTMENTS	4	127.38	56.96	33.20
DEFERRED TAX ASSETS	5	38.34	24.84	36.81
CURRENT ASSETS, LOANS AND ADVANCES				
Sundry debtors	6	557.30	413.29	512.14
Cash and bank balances	7	1,373.51	887.32	1,336.23
Loans and advances	8	942.16	668.59	872.78
		2,872.97	1,969.20	2,721.15
Less: Current liabilities	9	354.08	213.71	315.25
Provisions	10	331.53	295.66	387.98
NET CURRENT ASSETS		2,187.36	1,459.83	2,017.92
		3,139.83	2,297.56	2,860.65
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS				
	16			

The schedules referred to above and the notes thereon form an integral part of the balance sheet.

This is the balance sheet referred to in our report of even date.

for Bharat S. Raut & Co.
Chartered Accountants

S. Balasubrahmanyam <i>Partner</i>	N. R. Narayana Murthy <i>Chairman and Chief Mentor</i>	Nandan M. Nilekani <i>Chief Executive Officer, President and Managing Director</i>	S. Gopalakrishnan <i>Chief Operating Officer and Deputy Managing Director</i>	Deepak M. Satwalekar <i>Director</i>
Marti G. Subrahmanyam <i>Director</i>	Philip Yeo <i>Director</i>	Omkar Goswami <i>Director</i>	Larry Pressler <i>Director</i>	Rama Bijapurkar <i>Director</i>
Claude Smadja <i>Director</i>	Sridar A. Iyengar <i>Director</i>	K. Dinesh <i>Director</i>	S. D. Shibulal <i>Director</i>	T. V. Mohandas Pai <i>Director and Chief Financial Officer</i>
Srinath Batni <i>Director</i>	V. Balakrishnan <i>Company Secretary and Vice President – Finance</i>			

Bangalore
July 10, 2003

INFOSYS TECHNOLOGIES LIMITED

		<i>in Rs. Crore, except per share data</i>		
Profit and Loss Account for the	Schedules	Quarter ended June 30, 2003	Quarter ended June 30, 2002	Year ended March 31, 2003
INCOME				
Software services and products				
Overseas		1,058.65	750.52	3,543.51
Domestic		23.33	14.10	79.18
		1,081.98	764.62	3,622.69
SOFTWARE DEVELOPMENT EXPENSES	11	572.78	377.39	1,813.30
GROSS PROFIT		509.20	387.23	1,809.39
SELLING AND MARKETING EXPENSES	12	79.72	55.09	266.98
GENERAL AND ADMINISTRATION EXPENSES	13	81.18	57.21	270.37
		160.90	112.30	537.35
OPERATING PROFIT BEFORE INTEREST, DEPRECIATION AND AMORTIZATION		348.30	274.93	1,272.04
Interest		-	-	-
Depreciation and amortization		44.26	40.48	188.95
OPERATING PROFIT AFTER INTEREST, DEPRECIATION AND AMORTIZATION		304.04	234.45	1,083.09
Other income	14	32.44	24.90	99.61
Provision for investments		6.36	-	23.77
NET PROFIT BEFORE TAX		330.12	259.35	1,158.93
Provision for taxation	15	52.00	42.50	201.00
NET PROFIT AFTER TAX		278.12	216.85	957.93
AMOUNT AVAILABLE FOR APPROPRIATION		278.12	216.85	957.93
DIVIDEND				
Interim		-	-	82.76
Final (proposed)		-	-	96.05
Dividend Tax		-	-	12.30
Amount transferred – general reserve		-	-	766.82
Balance in Profit and Loss Account		278.12	216.85	-
		278.12	216.85	957.93
EARNINGS PER SHARE				
(equity shares, par value Rs. 5/- each)				
Basic		41.98	32.76	144.68
Diluted		41.83	32.46	143.37
Number of shares used in computing earnings per share				
Basic		6,62,45,174	6,61,88,530	6,62,11,068
Diluted		6,64,79,367	6,67,95,945	6,68,16,821
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	16			

The schedules referred to above and the notes thereon form an integral part of the profit and loss account. This is the profit and loss account referred to in our report of even date.

for Bharat S. Raut & Co.
Chartered Accountants

S. Balasubrahmanyam <i>Partner</i>	N. R. Narayana Murthy <i>Chairman and Chief Mentor</i>	Nandan M. Nilekani <i>Chief Executive Officer, President and Managing Director</i>	S. Gopalakrishnan <i>Chief Operating Officer and Deputy Managing Director</i>	Deepak M. Satwalekar <i>Director</i>
Marti G. Subrahmanyam <i>Director</i>	Philip Yeo <i>Director</i>	Omkar Goswami <i>Director</i>	Larry Pressler <i>Director</i>	Rama Bijapurkar <i>Director</i>
Claude Smadja <i>Director</i>	Sridar A. Iyengar <i>Director</i>	K. Dinesh <i>Director</i>	S. D. Shibulal <i>Director</i>	T. V. Mohandas Pai <i>Director and Chief Financial Officer</i>
Srinath Batni <i>Director</i>	V. Balakrishnan <i>Company Secretary and Vice President – Finance</i>			

Bangalore
July 10, 2003

INFOSYS TECHNOLOGIES LIMITED

Schedules to the Balance Sheet as at		<i>in Rs. crore</i>		
		June 30, 2003	June 30, 2002	March 31, 2003
1	SHARE CAPITAL			
	AUTHORIZED			
	Equity shares, Rs. 5/- (Rs. 5/-; 5/-) par value 10,00,00,000 (10,00,00,000; 10,00,00,000) equity shares	50.00	50.00	50.00
	ISSUED, SUBSCRIBED AND PAID UP			
	Equity shares, Rs. 5/- (Rs. 5/-; 5/-) par value* 6,62,49,366 (6,61,88,530; 6,62,43,078) equity shares fully paid up [Of the above, 5,78,88,200 (5,78,88,200; 5,78,88,200) equity shares, fully paid up have been issued as bonus shares by capitalization of the general reserve]	33.12	33.09	33.12
		33.12	33.09	33.12
	<i>Forfeited shares amounted to Rs. 1,500/- (Rs. 1,500/-; 1500/-)</i>			
	* for details of options in respect of the above shares, refer to note 16.2.14			
2	RESERVES AND SURPLUS			
	Capital reserve	5.94	5.94	5.94
	Share premium account as at April 1	338.83	325.34	325.34
	Add : Received during the year on exercise of stock options issued to employees	1.06	0.40	13.49
		339.89	325.74	338.83
	General reserve as at April 1	2,482.76	1,715.94	1,715.94
	Transfer from the Profit and Loss Account	-	-	766.82
		2,482.76	1,715.94	2,482.76
	Balance in Profit and Loss Account	278.12	216.85	-
		3,106.71	2,264.47	2,827.53

INFOSYS TECHNOLOGIES LIMITED

in Rs. crore

Schedules to the Balance Sheet											
3. FIXED ASSETS											
Particulars	Original cost				Depreciation and amortization				Net book value		
	Cost as at April 1, 2003	Additions during the period	Deletions during the Period	Cost as at June 30, 2003	As at April 1, 2003	For the period	Deductions during the period	As at June 30, 2003	As at June 30, 2003	As at June 30, 2002	As at March 31, 2003
Land - free-hold*	15.88	-	-	15.88	-	-	-	-	15.88	15.86	15.88
- lease-hold	31.40	-	-	31.40	-	-	-	-	31.40	28.32	31.40
Buildings*	385.54	32.00	-	417.54	51.11	6.86	-	57.97	359.57	301.92	334.43
Plant and machinery*	227.31	24.91	0.02	252.20	113.66	10.38	0.02	124.02	128.18	116.51	113.65
Computer equipment	361.74	19.29	0.43	380.60	298.51	14.53	0.34	312.70	67.90	66.31	63.23
Furniture and fixtures*	208.97	14.49	0.02	223.44	102.27	8.96	0.02	111.21	112.23	100.24	106.70
Vehicles	0.35	-	-	0.35	0.22	0.01	-	0.23	0.12	0.18	0.13
Intangible assets											
Intellectual property rights	42.13	0.01	-	42.14	11.38	3.52	-	14.90	27.24	37.62	30.75
	1,273.32	90.70	0.47	1,363.55	577.15	44.26	0.38	621.03	742.52	666.96	696.17
Previous period	960.60	139.99	1.89	1,098.70	393.03	40.48	1.77	431.74			
Previous year	960.60	317.86	5.14	1,273.32	393.03	188.95	4.83	577.15			

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 under the same management. Please refer to Note 16.2.7 for details.

INFOSYS TECHNOLOGIES LIMITED

		<i>in Rs. crore</i>		
Schedules to the Balance Sheet as at		June 30, 2003	June 30, 2002	March 31, 2003
4	INVESTMENTS			
	TRADE (UNQUOTED) – AT COST, LONG-TERM INVESTMENTS			
	Yantra Corporation, USA, 20,00,000 (20,00,000; 20,00,000) common stock at US\$ 0.20 each, fully paid, par value US\$ 0.01 each	1.42	1.42	1.42
	1 (1; 1) fully paid warrant to purchase 55,00,000 common stock, at US\$ 0.19 each, exercise price of US\$ 0.01 each	3.91	3.91	3.91
	6,36,363 (6,36,363; 6,36,363) Series A convertible preferred stock, at US\$ 0.75 each, fully paid, par value US\$ 0.01 each	1.73	1.73	1.73
	EC Cubed Inc., USA Nil (13,00,108; nil) Series D convertible preferred stock at US\$ 2.3075 each, fully paid, par value US\$ 0.001 each	–	13.08	–
	CiDRA Corporation, USA 33,333 (33,333; 33,333) Series D convertible preferred stock at US\$ 90 each, fully paid, par value US\$ 0.01 each	13.40	13.40	13.40
	Alpha Thinx Mobile Phone Services AG, Austria 27,790 (27,790; 27,790) bearer shares at € 20 each, fully paid, par value € 1 each	2.21	2.21	2.21
	JASDIC Park Company, Japan Nil (480; 480) common stock at ¥ 50,000 each, fully paid, par value ¥ 50,000 each	–	0.75	0.75
	Asia Net Media (BVI) Ltd., the British Virgin Islands 3,00,00,000 (3,00,00,000; 3,00,00,000) ordinary shares at US\$ 0.05 each, fully paid, par value US\$ 0.01 each	6.85	6.85	6.85
	OnMobile Systems Inc. (formerly Onscan Inc.), USA 1,00,000 (1,00,000; 1,00,000) common stock at US\$ 0.4348 each, fully paid, par value US\$ 0.001 each	0.20	0.20	0.20
	1,00,000 (1,00,000; 1,00,000) Series A voting convertible preferred stock at US\$ 0.4348 each, fully paid, par value US\$ 0.001 each	0.20	0.20	0.20
	44,00,000 (44,00,000; 44,00,000) Series A non-voting convertible preferred stock at US\$ 0.4348 each, fully paid, par value US\$ 0.001 each	8.55	8.55	8.55
	Stratify Inc. (formerly PurpleYogi Inc.), USA 2,76,243 (2,76,243; 2,76,243) Series D convertible preferred stock at US\$ 1.81 each fully paid, par value US\$ 0.001 each	2.33	2.33	2.33
	Workadia Inc. USA 22,00,000 (22,00,000; 22,00,000) Series B convertible preferred stock at US\$ 1.00 each, fully paid, par value US\$ 0.0002 each (adjusted for stock splits)	10.32	10.32	10.32
	Software Services Support Education Center Limited 1 (1; 1) equity share of Rs. 10/- each, fully paid, par value Rs. 10/-	–	–	–
	The Saraswat Co-operative Bank Limited, India 1,035 (1,035; 1,035) equity shares of Rs. 10/- each, fully paid, par value Rs. 10/-	–	–	–
		51.12	64.95	51.87
	Less: Provision for investments	38.63	22.35	33.03
		12.49	42.60	18.84
	M-Commerce Ventures Pte Ltd, Singapore Units in the company, each unit representing 1 ordinary share of Singapore \$1 each, fully paid, par value Singapore \$1 and 9 redeemable preferred shares of Singapore \$1, fully paid, at a premium of Singapore \$1,110 per redeemable preferred stock			
	100 (80; 80) ordinary shares	–	–	–
	900 (720; 720) redeemable preference shares	2.65	2.11	2.11
	Progeon Ltd., India, a subsidiary company, under the same management 1,22,49,993 (1,22,49,993; 1,22,49,993) equity shares of Rs. 10/- each, fully paid, par value Rs. 10/- each	12.25	12.25	12.25
		27.39	56.96	33.20

INFOSYS TECHNOLOGIES LIMITED

	<i>In Rs. crore</i>		
Schedules to the Balance Sheet as at	June 30, 2003	June 30, 2002	March 31, 2003
NON-TRADE (UNQUOTED) – AT THE LOWER OF COST AND FAIR VALUE, CURRENT INVESTMENTS			
Prudential ICICI Liquid Plan			
3,34,54,471 (nil; nil) units at a net asset value (“NAV”) of Rs. 11.97 each, at cost	40.00	-	-
J M High Liquidity Fund			
1,99,51,318 (nil; nil) units at a NAV of Rs. 10.02 each, at fair value	19.99	-	-
HDFC Mutual Liquid Fund			
1,67,72,754 (nil; nil) units of NAV of Rs. 11.93 each, at cost	20.00	-	-
Birla Cash Plus			
2,00,00,000 (nil; nil) units of NAV of Rs. 10.00 each, at cost	20.00	-	-
	<u>99.99</u>		
	<u>127.38</u>	<u>56.96</u>	<u>33.20</u>
 Aggregate of unquoted investments – carrying value / cost	 127.38	 56.96	 33.20

INFOSYS TECHNOLOGIES LIMITED

Schedules to the Balance Sheet as at		<i>in Rs. crore</i>		
		June 30, 2003	June 30, 2002	March 31, 2003
5	DEFERRED TAX ASSETS			
	Fixed assets	23.30	16.36	22.43
	Investments	11.81	5.84	12.10
	Sundry Debtors	3.23	2.64	2.28
		38.34	24.84	36.81
6	SUNDRY DEBTORS			
	Debts outstanding for a period exceeding six months			
	Unsecured			
	considered doubtful	16.22	6.56	14.09
	Other debts			
	Unsecured			
	considered good*	557.30	413.29	512.14
	considered doubtful	1.94	8.84	0.22
		575.46	428.69	526.45
	Less: Provision for doubtful debts	18.16	15.40	14.31
		557.30	413.29	512.14
	<i>*Includes due from Progeon Limited, a subsidiary company under the same management</i>	-	0.12	-
	<i>Includes due from companies in which directors are interested</i>	0.03	0.03	0.03
7	CASH AND BANK BALANCES			
	Cash on hand	0.04	0.02	0.01
	Balances with scheduled banks			
	in current accounts*	44.95	13.04	50.76
	in deposit accounts in Indian rupees	1,122.77	651.27	1,129.53
	in deposit accounts in foreign currency	-	148.17	-
	Balances with non-scheduled banks**			
	in current accounts	205.75	74.82	155.93
		1,373.51	887.32	1,336.23
	<i>* includes balance in unclaimed dividend account</i>	2.66	8.18	1.60
	<i>**refer to Note 16.2.17 for details of balances in the non-scheduled banks</i>			
8	LOANS AND ADVANCES			
	Unsecured, considered good			
	Advances			
	prepaid expenses	24.18	13.76	18.38
	advances paid for supply of goods and rendering of services	2.14	2.75	1.77
	others	6.72	4.57	3.28
		33.04	21.08	23.43
	Advance to subsidiary company under the same management	-	0.70	-
	Unbilled revenues	98.88	46.58	91.64
	Advance income tax	299.24	262.21	289.99
	Loans and advances to employees *			
	housing and other loans	105.20	88.32	102.51
	salary advances	27.27	25.64	33.93
	Electricity and other deposits	10.98	9.25	13.37
	Rental deposits	13.89	11.09	13.57
	Deposits with financial institutions and body corporate	352.56	201.91	302.28
	Other Assets	1.10	1.81	2.06
		942.16	668.59	872.78
	Unsecured, considered doubtful			
	Loans and advances to employees	0.42	0.44	0.41
		942.58	669.03	873.19
	Less: Provision for doubtful loans and advances to employees	0.42	0.44	0.41
		942.16	668.59	872.78
	<i>* includes dues by non-director officers of the company</i>	-	-	-
	Maximum amounts due			
	– by non-director officers at any time during the year	-	-	-
	– from Progeon Limited, a subsidiary company under the same management	-	0.70	-

INFOSYS TECHNOLOGIES LIMITED

		<i>in Rs. crore</i>		
Schedules to the Balance Sheet as at		June 30, 2003	June 30, 2002	March 31, 2003
9	CURRENT LIABILITIES			
	Sundry creditors			
	for goods	0.39	0.65	1.17
	for accrued salaries and benefits			
	salaries	20.57	3.08	15.61
	bonus and incentives	88.36	47.23	76.98
	leave provisions	27.58	23.12	27.47
	for other liabilities			
	provision for expenses	68.49	25.53	56.11
	retention monies	5.85	9.22	5.33
	withholding and other taxes payable	22.26	15.37	23.30
	due to subsidiary company	-	-	-
	for purchase of intellectual property rights	24.50	27.16	24.80
	others	6.21	1.96	5.78
		264.21	153.32	236.55
	Advances received from clients	13.47	7.79	15.25
	Unearned revenue	73.74	44.42	61.85
	Unclaimed dividend	2.66	8.18	1.60
		354.08	213.71	315.25
10	PROVISIONS			
	Proposed dividend	-	-	96.05
	Provision for			
	tax on dividend	-	-	12.30
	income taxes	326.53	282.69	274.81
	post-sales client support	5.00	12.97	4.82
		331.53	295.66	387.98

INFOSYS TECHNOLOGIES LIMITED

in Rs. Crore

Schedules to the Profit and Loss Account for the	Quarter ended June 30, 2003	Quarter ended June 30, 2002	Year ended March 31, 2003
11 SOFTWARE DEVELOPMENT EXPENSES			
Salaries and bonus including overseas staff expenses	454.78	297.65	1,433.85
Staff welfare	3.13	1.69	7.91
Contribution to provident and other funds	10.75	6.46	31.94
Overseas travel expenses	41.61	37.06	162.66
Consumables	1.72	1.16	6.25
Cost of software packages for			
own use	13.60	9.76	54.75
service delivery to clients	9.86	6.88	12.99
Provision for post-sales client support	0.17	1.97	(6.18)
Computer maintenance	2.30	1.86	9.33
Communication expenses	8.18	7.17	23.94
Consultancy charges	26.68	5.73	75.86
	572.78	377.39	1,813.30
12 SELLING AND MARKETING EXPENSES			
Salaries and bonus including overseas staff expenses	49.84	30.05	141.73
Staff welfare	0.08	0.13	0.62
Contribution to provident and other funds	0.38	0.09	1.34
Overseas travel expenses	8.78	8.69	45.16
Consumables	0.06	0.02	0.21
Cost of software packages for own use	0.01	0.01	0.21
Computer maintenance	0.01	-	0.01
Communication expenses	-	0.06	0.50
Traveling and conveyance	0.32	0.15	1.19
Rent	2.96	0.91	4.79
Telephone charges	1.10	1.06	5.35
Professional charges	1.96	2.27	10.63
Printing and stationery	0.27	0.37	1.43
Advertisements	0.12	0.16	1.04
Brand building	5.72	7.99	29.05
Office maintenance	0.04	0.15	2.72
Repairs to plant and machinery	-	-	0.02
Power and fuel	0.02	0.04	0.22
Insurance charges	0.03	0.02	0.20
Rates and taxes	0.03	0.11	0.27
Bank charges and commission	0.01	0.01	0.09
Commission charges	2.27	1.52	10.58
Marketing expenses	0.85	1.11	6.72
Sales promotion expenses	0.11	0.15	0.46
Other miscellaneous expenses	4.75	0.02	2.44
	79.72	55.09	266.98

INFOSYS TECHNOLOGIES LIMITED

in Rs. Crore

Schedules to the Profit and Loss Account for the	Quarter ended June 30, 2003	Quarter ended June 30, 2002	Year ended March 31, 2003
13 GENERAL AND ADMINISTRATION EXPENSES			
Salaries and bonus including overseas staff expenses	16.90	12.21	56.24
Contribution to provident and other funds	1.14	0.79	3.49
Overseas travel expenses	1.70	1.80	7.78
Traveling and conveyance	4.33	2.92	16.76
Rent	7.11	5.23	24.51
Telephone charges	7.29	3.64	21.34
Professional charges	6.49	6.53	37.99
Printing and stationery	2.34	1.65	4.80
Advertisements	0.99	0.65	5.15
Office maintenance	6.23	3.93	20.13
Repairs to building	1.90	1.87	7.27
Repairs to plant and machinery	1.09	1.16	4.75
Power and fuel	7.20	5.66	22.38
Insurance charges	5.13	1.98	9.83
Rates and taxes	1.21	1.17	5.14
Donations	3.50	1.67	6.09
Auditor's remuneration			
audit fees	0.07	0.06	0.27
certification charges	-	-	0.03
out-of-pocket expenses	0.01	0.01	0.02
Provision for bad and doubtful debts	3.29	0.07	0.73
Provision for doubtful loans and advances	0.01	(0.04)	(0.07)
Bank charges and commission	0.19	0.16	0.66
Commission to non-whole time directors	0.39	0.24	1.12
Postage and courier	1.24	1.25	3.99
Books and periodicals	0.24	0.25	1.42
Research grants	0.06	-	-
Freight charges	0.15	0.11	0.58
Professional membership and seminar participation fees	0.62	0.82	3.55
Other miscellaneous expenses	0.36	1.42	4.42
	81.18	57.21	270.37
14 OTHER INCOME			
Interest received on deposits with banks and others*	22.75	17.68	78.05
Miscellaneous income	1.83	0.72	3.89
Exchange differences	7.86	6.50	17.67
	32.44	24.90	99.61
*Tax deducted at source	4.34	3.23	14.69
15 PROVISION FOR TAXATION			
Current period/year			
Income taxes	52.61	43.12	212.09
Deferred taxes	(1.53)	(0.62)	(12.59)
	51.08	42.50	199.50
Prior years	0.92	-	1.50
	52.00	42.50	201.00