

INFOSYS TECHNOLOGIES LIMITED
Report for the nine months ended December 31, 2000



At a glance - Indian GAAP

Rs. in crores, except per share data

	Quarter ended December 31		Nine months ended December 31		Year ended March 31, 2000
	2000	1999	2000	1999	
For the period					
Total revenue	551.54	233.52	1387.86	635.47	921.46
Export revenue	529.24	224.41	1321.56	598.10	869.70
Operating Profit (PBIDT)	218.85	98.47	567.60	262.33	378.88
Profit after tax (PAT) from ordinary activities	166.33	73.79	441.64	200.10	285.95
PBIDT as a percentage of total revenue	39.68%	42.17%	40.90%	41.28%	41.12%
PAT (from ordinary activities) as a percentage of total revenue	30.16%	31.60%	31.82%	31.49%	31.03%
Earnings per share (from ordinary activities)*	25.14	11.16	66.76	30.25	43.23
Dividend per share	NA	NA	2.50	1.50	4.50
Dividend amount	NA	NA	16.54	9.92	29.76
Capital investment	125.16	46.98	325.01	106.74	159.87

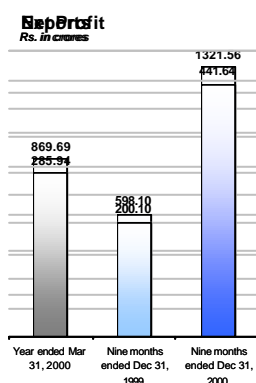
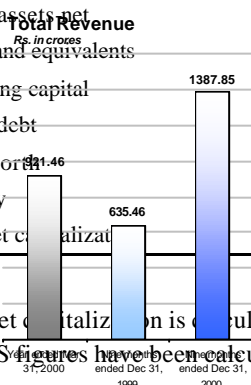
At the end of the period

Total assets			1261.09	761.26	833.30
Fixed assets net			457.23	172.92	207.34
Cash and equivalents			517.75	464.43	508.37
Working capital			767.54	587.58	612.13
Total debt			--	--	--
Net worth			1261.09	761.26	833.30
Equity			33.08	33.07	33.08
Market capitalization			37,667.93	47,843.98	59,338.17

Note:

Market capitalization is calculated by considering the Indian market price for shares outstanding at the period / year end.

* EPS figures have been calculated for the period and have not been annualized.



Letter to the shareholders

Dear shareholders:

We are pleased to report on another strong quarter. Under Indian GAAP, revenues grew by 136% over Q3FY2000 while net profits witnessed an increase of 125%. Net of separations, we added 985 employees in the quarter -- highlighting the continued vigorous growth in our business. A key driver of this performance is the de-risked nature of the Infosys business model. Prudent risk management policies, strong processes to monitor various risk factors, and a focus on diversification continue to guide our business strategy. Our strong relationships with Fortune 1000 corporations, our in-depth understanding of their decision cycles, and our track record of customer satisfaction enabled us to maintain topline predictability while ceaselessly improving overall revenue productivity.

As transformation partners to traditional economy corporations, we help them build next-generation information infrastructure for the new economy. In light of the talk of a slowdown in the US economy, we recently polled many of our large clients and believe that IT spending trends in these organizations will work in our favor. Further, we are encouraged by the intentions of most of our clients to expand the scope of their relationship with Infosys in the years to come. We continue to focus on long-term symbiotic partnerships -- evidenced by our repeat business rate of 83.4% in the quarter.

We added 26 new clients this quarter, the majority of them from the Fortune 1000 space. Significant wins include Providian, the fifth-largest bankcard provider in the US; The Bank of Nova Scotia, a leading global financial institution headquartered in Canada; Fairfax Financial Services, a leading financial-services-holding company; Suncorp Metway, Australia's sixth-largest bank and seventh largest general insurance company; Schlumberger, a leading international technical company; The Business Depot Limited, a leading office supplies company; and Dynegy Inc., a leading provider of energy and communications solutions. In the communications segment, we undertook cutting-edge projects for Cisco, the worldwide leader in networking for the Internet; Nortel Networks, a global Internet and communications leader; and Lucent Technologies, a leading provider of broadband and mobile Internet infrastructure. Further, in order to supplement our expertise in working with large corporations, we continued to work with high-quality venture-funded companies in order to garner expertise in high-potential technology areas such as wireless, broadband and optical networking.

EC Cubed Inc., a US-based provider of B2B ecommerce solutions, in which Infosys had made a strategic investment, filed for liquidation during the quarter. In line with our conservative reporting policies, pending the conclusion of liquidation proceedings, we have fully provided for this investment and for receivables from this client in our income statement for the quarter. Our investments continue to be key to Infosys' strategic objectives of gaining access to niche technologies and markets. We have recently evaluated our other investments and are comfortable with them.

We continued to globalize our operations -- our proximity development center in Chicago became operational during the quarter, as did our marketing office in Paris. Our Infosys City facility in Bangalore was formally inaugurated this quarter and includes a world-class customer care center. We continue to build capacity in our other development centers in India and abroad.

During the quarter, Infosys was ranked No. 1 in a survey by Hewitt Associates and Business Today on the best companies to work for in India. A hundred and fifty five organizations spanning several industries participated in this study. The Far Eastern Economic Review rated Infosys as the No. 1 company in India in the Review 200, an annual survey of Asia's leading companies. Infosys became the first IT company to win the IMC Ramkrishna Bajaj National Quality Award and was also judged by the Financial Technology Asia Magazine as the Best Regional Software House. The BankAway product from Infosys won the CSI-Wipro award for the Best Packaged Application for the Year 2000.

We inducted Dr. Omkar Goswami, Chief Economist to the Confederation of Indian Industry, and Sen. Larry Pressler, Former Senator, US Senate, and presently Attorney and Senior Partner, O'Connor and Hannan LLP, onto the board of directors. During the quarter, V. Balakrishnan, Associate Vice President - Finance, took up additional responsibilities as Company Secretary. On your behalf, we wish them the very best and also extend our appreciation to our fellow Infosions who contributed to yet another successful quarter in our history.

Bangalore
January 9, 2001

Sd.
Nandan M. Nilekani
*Managing Director, President and
Chief Operating Officer*

Sd.
N. R. Narayana Murthy
*Chairman and
Chief Executive Officer*

Auditors' report to the members of Infosys Technologies Limited

We have audited the attached Balance Sheet of Infosys Technologies Limited (the Company) as at December 31, 2000 and the Profit and Loss Accounts of the Company for the nine-month period and quarter ended on that date, annexed thereto, and report that:

- 1 As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 2 Further to our comments in the Annexure referred to in paragraph 1 above:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of these books;
 - (c) the Balance Sheet and Profit and Loss Accounts dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet and Profit and Loss Accounts dealt with by this report are prepared in compliance with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956, to the extent applicable;
 - (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2000; and
 - (ii) in the case of the Profit and Loss Accounts, of the profit for the nine-month period and quarter ended on that date.
- 3 We have also examined the attached Cash Flow Statements of the Company for the nine-month and quarter ended December 31, 2000. The Statements have been prepared by the Company in accordance with the requirements of Clause 32 of the listing agreements entered into with the Stock Exchanges.

*for Bharat S Raut & Co.
Chartered Accountants*

Bangalore
January 9, 2001

Balaji Swaminathan
Partner

Balance Sheet as at

in Rs.

	Dec 31, 2000	Dec 31, 1999	Mar 31, 2000
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share capital	33,07,64,335	33,06,95,500	33,07,55,000
Reserves and surplus	1228,01,09,686	728,18,83,990	800,22,73,248
	1261,08,74,021	761,25,79,490	833,30,28,248
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross block	504,18,02,852	232,93,48,993	284,03,05,143
Less: Depreciation	207,06,98,673	116,24,08,642	133,65,20,594
Net block	297,11,04,179	116,69,40,351	150,37,84,549
Add: Capital work-in-progress	160,11,55,758	56,23,06,951	56,96,03,505
	457,22,59,937	172,92,47,302	207,33,88,054
INVESTMENTS	36,32,53,429	75,48,469	13,83,48,469
CURRENT ASSETS, LOANS AND ADVANCES			
Sundry debtors	303,96,24,611	138,35,95,210	136,17,81,253
Cash and bank balances	365,07,68,672	395,23,42,087	431,79,35,730
Loans and advances	355,39,12,507	178,21,08,869	210,12,77,161
	1024,43,05,790	711,80,46,166	778,09,94,144
Less: Current liabilities	148,35,86,795	57,84,73,154	67,15,06,459
Provisions	108,53,58,340	66,37,89,293	98,81,95,960
NET CURRENT ASSETS	767,53,60,655	587,57,83,719	612,12,91,725
	1261,08,74,021	761,25,79,490	833,30,28,248

This is the Balance Sheet referred to in our report of even date.

for Bharat S Raut & Co.
Chartered Accountants

Balaji Swaminathan
Partner

N. R. Narayana Murthy
Chairman and
Chief Executive Officer

Nandan M. Nilekani
Managing Director, President and
Chief Operating Officer

Deepak M. Satwalekar
Director

Ramesh Vangal
Director

Marti G. Subrahmanyam
Director

Philip Yeo
Director

Jitendra Vir Singh
Director

Omkar Goswami
Director

S. Gopalakrishnan
Deputy Managing Director

K. Dinesh
Director

S. D. Shibulal
Director

T. V. Mohandas Pai
Director and Chief Financial Officer

Phaneesh Murthy
Director

Srinath Batni
Director

V. Viswanathan
Company Secretary

Bangalore
January 9, 2001

Profit and Loss Accounts for the

in Rs.

	Quarter ended		Nine months ended		Year ended
	Dec 31, 2000	Dec 31, 1999	Dec 31, 2000	Dec 31, 1999	Mar 31, 2000
INCOME					
Software development services and products					
Overseas	529,24,01,389	224,40,92,531	1321,55,65,725	598,10,25,956	869,69,80,931
Domestic	7,82,82,900	2,00,37,227	17,13,76,490	6,87,97,826	12,62,56,042
Other income	14,47,31,965	7,11,00,819	49,16,27,114	30,48,32,499	39,14,11,095
	551,54,16,254	233,52,30,577	1387,85,69,329	635,46,56,281	921,46,48,068
EXPENDITURE					
Software development expenses	273,14,49,717	117,78,46,621	688,98,50,133	320,04,95,341	466,26,84,578
Administration and other expenses	46,46,66,367	17,27,30,083	118,19,38,434	46,26,00,508	69,48,50,282
Provision for contingencies	--	--	--	3,33,00,000	3,33,00,000
Provision for e-inventing the company	--	--	--	3,50,00,000	3,50,00,000
Provision for investment	13,08,00,000	--	13,08,00,000	--	--
	332,69,16,084	135,05,76,704	820,25,88,567	373,13,95,849	542,58,34,860
Operating profit (PBIDT)	218,85,00,170	98,46,53,873	567,59,80,762	262,32,60,432	378,88,13,208
Interest	--	--	--	--	--
Depreciation	33,01,92,680	14,47,99,080	74,99,31,944	34,52,40,998	53,23,27,389
Profit before tax and extraordinary items	185,83,07,490	83,98,54,793	492,60,48,818	227,80,19,434	325,64,85,819
Provision for tax - earlier periods	--	6,00,000	1,40,00,000	23,00,000	24,00,000
- current period	19,50,00,000	10,14,00,000	49,56,00,000	27,47,00,000	39,46,00,000
Profit after tax before extraordinary items	166,33,07,490	73,78,54,793	441,64,48,818	200,10,19,434	285,94,85,819
Effect of extraordinary item - provision no longer required	--	--	--	--	7,56,70,846
Extraordinary income (net of tax)	--	--	5,49,44,000	--	--
Net profit after tax and extraordinary items	166,33,07,490	73,78,54,793	447,13,92,818	200,10,19,434	293,51,56,665
AMOUNT AVAILABLE FOR APPROPRIATION	166,33,07,490	73,78,54,793	447,13,92,818	200,10,19,434	293,51,56,665
Dividend					
Interim	--	--	16,53,78,418	9,92,08,200	9,92,08,200
Final	--	--	--	--	19,84,18,210
Dividend Tax	--	--	3,63,83,252	1,09,12,902	3,27,38,905
Amount transferred - general reserve	--	--	--	--	260,47,91,350
Balance in Profit & Loss Account	166,33,07,490	73,78,54,793	426,96,31,148	189,08,98,332	-
	166,33,07,490	73,78,54,793	447,13,92,818	200,10,19,434	293,51,56,665

These are the Profit & Loss Accounts referred to in our report of even date. for Bharat S Raut & Co.

Chartered Accountants

Balaji Swaminathan
Partner

N. R. Narayana Murthy
Chairman and Chief Executive Officer

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Director

V. Viswanathan
Company Secretary

Bangalore
January 9, 2001

Schedules to the Profit and Loss Accounts for the

in Rs.

	Quarter ended		Nine months ended		Year ended
	Dec 31, 2000	Dec 31, 1999	Dec 31, 2000	Dec 31, 1999	Mar 31, 2000
OTHER INCOME					
Interest received on deposits with banks and others (Tax deducted at source Rs. 1,43,43,030, Rs. 49,08,629, Rs. 2,54,72,210, Rs. 1,01,56,924 and Rs. 1,67,51,195 respectively)	10,68,10,037	6,87,87,893	27,26,13,143	18,98,10,230	26,68,79,106
Sale of special import licenses	--	72,35,156	6,77,431	2,02,31,549	2,02,31,549
Miscellaneous income	34,73,009	12,03,605	1,28,90,220	31,57,854	49,73,365
Exchange differences *	3,44,48,919	(61,25,835)	20,54,46,320	9,16,32,866	9,93,27,075
	14,47,31,965	7,11,00,819	49,16,27,114	30,48,32,499	39,14,11,095

* arising on translation of foreign currency deposits maintained abroad includes a realized gain of Rs. 1,52,33,885 and Rs. 5,06,25,885 during the quarter and nine months ended December 31, 2000 (prior periods / year : Rs. nil).

SOFTWARE DEVELOPMENT EXPENSES

Salaries and bonus including overseas staff expenses	188,63,43,160	81,15,35,725	478,65,24,542	213,58,96,745	307,54,46,295
Staff welfare	2,18,73,891	1,20,75,533	5,42,85,756	3,17,77,904	4,93,07,308
Contribution to provident and other funds	8,82,04,890	3,83,57,945	25,75,56,485	9,93,25,259	22,08,36,923
Foreign travel expenses	44,02,57,051	20,19,68,835	110,14,10,530	57,55,38,493	84,09,02,293
Consumables	2,11,69,196	59,07,518	4,06,76,271	1,65,15,050	2,70,06,251
Cost of software packages					
for own use	8,11,32,780	4,42,89,192	27,91,17,606	13,71,43,852	16,53,57,382
for banking product	2,45,17,799	15,50,489	3,78,29,076	56,15,548	2,84,48,397
Computer maintenance	2,00,03,268	1,46,47,267	4,71,14,556	2,47,25,626	3,27,43,350
Communication expenses	11,01,43,134	3,94,21,621	20,96,26,522	13,41,81,710	17,31,23,718
Consultancy charges	2,71,97,534	58,12,786	5,70,53,217	1,98,99,290	2,85,50,034
Provision for post-sales client support	1,06,07,014	22,79,710	1,86,55,572	1,98,75,864	2,09,62,627
	273,14,49,717	117,78,46,621	688,98,50,133	320,04,95,341	466,26,84,578

ADMINISTRATION AND OTHER EXPENSES

Traveling and conveyance	5,03,33,615	2,12,19,985	12,73,73,079	4,83,98,364	7,68,26,394
Rent	4,48,41,073	2,94,91,308	11,43,78,110	7,37,30,739	10,34,93,593
Telephone charges	3,68,91,306	1,34,11,165	10,19,81,069	3,80,10,382	5,93,95,252
Professional charges	5,05,13,391	2,12,23,219	11,47,21,141	5,07,17,048	7,55,68,079
Office maintenance	2,93,12,737	1,50,73,562	8,60,34,491	3,32,62,319	5,81,01,381
Brand building	2,47,18,294	47,97,411	7,48,95,563	47,97,411	99,17,816
Provision for bad and doubtful debts	7,26,85,587	25,07,614	12,18,80,048	2,15,50,851	94,03,099
Power and fuel	3,35,13,263	1,24,49,207	7,93,39,269	3,25,57,317	5,01,41,466
Printing and stationery	1,15,13,158	59,54,552	4,76,37,455	2,13,46,379	2,76,70,902
Donations	1,49,59,500	80,00,000	4,77,68,563	2,21,86,367	3,49,27,871
Advertisements	1,37,18,952	(1,69,062)	4,25,94,491	1,10,67,865	2,12,41,343
Marketing expenses	98,00,148	99,89,474	3,26,51,683	2,30,42,736	3,14,93,837
Repairs to building	1,11,35,584	17,62,336	2,52,18,521	57,67,172	1,13,44,232
Insurance charges	1,07,21,154	87,73,960	2,32,87,345	1,78,04,591	2,41,35,289
Rates and taxes	7,42,710	19,31,644	1,05,85,709	76,75,290	1,03,80,848
Postage and courier	56,07,009	33,70,815	1,52,13,860	95,70,551	1,37,56,638
Commission charges	33,82,901	15,94,215	1,24,08,622	50,79,015	64,70,454
Books and periodicals	32,48,425	13,34,638	1,21,62,970	34,83,388	77,13,886
Repairs to plant and machinery	82,15,361	21,39,787	1,55,99,302	62,89,049	84,12,905
Research grants	25,00,000	37,50,000	75,00,000	62,50,000	1,03,00,000
Bad debts written off	--	--	27,70,254	--	1,59,20,938
Bank charges and commission	33,25,944	9,67,665	42,50,287	27,30,597	42,21,668
Bad loans and advances written off	11,891	--	11,891	3,46,577	3,13,050
Auditor's remuneration					
- audit fees	4,45,500	4,46,250	13,38,750	13,38,750	17,85,000
- certification charges	--	--	--	--	2,00,000
- other services	--	--	--	--	4,50,000
- out-of-pocket expenses	50,000	50,000	1,50,000	1,50,000	2,00,000
Freight	21,33,762	4,43,453	43,63,988	17,60,484	23,84,003
Membership and participation fee	1,28,00,739	7,83,132	2,41,80,298	37,02,506	80,12,040
Other miscellaneous expenses	75,44,363	14,33,753	3,16,41,675	99,84,760	1,06,68,298
	46,46,66,367	17,27,30,083	118,19,38,434	46,26,00,508	69,48,50,282

1. Significant accounting policies and notes on accounts

Company overview

Infosys Technologies Limited ("Infosys" or "the company") is a publicly held company providing information technology ("IT") solutions principally to Fortune 1000 and emerging new economy companies. Infosys' range of services includes IT consulting, IT architecture, application development, e-commerce and Internet consulting, and software maintenance. In addition, the company develops and markets certain software products. Headquartered in Bangalore, India, Infosys has 17 state-of-the-art offshore software development facilities located throughout India that enables it to provide high quality, cost-effective services to clients in a resource-constrained environment. The company also maintains offices in North America, Europe and Asia.

1.1 Significant accounting policies

1.1.1 Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention, in accordance with Indian Generally Accepted Accounting Principles ("GAAP") comprising the accounting standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956, as adopted consistently by the company. All income and expenditure having a material bearing on the financial statements are recognized on the accrual basis.

The preparation of the financial statements in conformity with GAAP requires that the management of the company ("Management") make estimates and assumptions that affect the reported amounts of revenue and expenses of the period, reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as of the date of the financial statements. Examples of such estimates include expected contract costs to be incurred to complete software development, provision for doubtful debts, future obligations under employee retirement benefit plans and the useful lives of fixed assets. Actual results could differ from those estimates.

1.1.2 Revenue recognition

Revenue from software development on time-and-materials contracts is recognized based on software developed and billed to clients as per the terms of specific contracts. On fixed-price contracts, revenue is recognized based on milestones achieved as specified in the contracts on the percentage-of-completion basis. Revenue from rendering Annual Technical Services ("ATS") is recognized proportionately over the period in which services are rendered. Revenue from the sale of licenses for the use of software applications is recognized on transfer of the title in the user license. Interest on deployment of surplus funds is recognized using the time-proportion method, based on interest rates implicit in the transaction. Dividend income is recognized when the right to receive dividend is established. Revenue from the sale of special import licenses is recognized when the licenses are transferred.

1.1.3 Expenditure

The cost of software purchased for use in software development and services is charged to revenue in the year the software is acquired. Project costs in the nature of salaries, travel and other expenses incurred on fixed price contracts, where milestones are yet to be reached are classified as "Costs in excess of billings" in the balance sheet. Provisions are made for all known losses and liabilities. Provisions are made for future unforeseeable factors that may affect the profit on fixed-price software development contracts. Provisions are made towards likely expenses for providing post-sales client support on fixed-price contracts. The leave encashment liability of the company is provided on the basis of an actuarial valuation.

1.1.4 Fixed assets

Fixed assets are stated at cost, after reducing accumulated depreciation until the date of the balance sheet. Direct costs are capitalized until the assets are ready for use and include financing costs relating to any specific borrowing attributable to the acquisition of the fixed assets.

1.1.5 Capital work-in-progress

Advances paid to acquire fixed assets and the cost of assets not put to use before the period-end, are disclosed under capital work-in-progress.

1.1.6 Depreciation

Depreciation on fixed assets is determined using the straight-line method based on useful lives of assets as estimated by Management. Depreciation for assets purchased/ sold during the period is proportionately charged. Individual assets acquired for less than Rs. 5,000 are entirely depreciated in the year of acquisition. Management estimates the useful lives for the various fixed assets as follows:

Buildings	15 years
Plant and machinery	5 years
Computer equipment	2-5 years
Furniture and fixtures	5 years
Vehicles	5 years

1.1.7 Retirement benefits to employees

1.1.7a Gratuity

In accordance with the Payment of Gratuity Act, 1972, Infosys provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. The Gratuity plan provides a lump sum payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and the years of employment with the company. The company established the Infosys Technologies Limited Employees' Gratuity Fund Trust (the "Trust") in 1997, until which the company made contributions to a gratuity plan managed by the Life Insurance Corporation of India. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, based upon which, the company contributes to the Trust. Trustees administer the contributions made to the Trust. The funds contributed to the Trust are invested in specific designated securities as mandated by law and generally comprise central and state government bonds and debt instruments of government-owned corporations.

1.1.7b Superannuation

Apart from being covered under the Gratuity Plan described above, certain employees of Infosys are also participants of a defined contribution plan. The company makes monthly contributions to the superannuation plan (the "Plan") based on a specified percentage of each covered employee's salary. The company has no further obligations under the Plan beyond its monthly contributions.

1.1.7c Provident fund

In addition to the above benefits, eligible employees receive benefits from a provident fund, which is a defined contribution plan. Both the employee and the company make monthly contributions to this provident fund plan equal to a specified percentage of the covered employee's salary.

Infosys established a Provident Fund Trust in 1996 to which a part of the contributions are made each month. Prior thereto, the company made contributions to the provident fund plan administered by the Government of India. The remainders of the contributions are made to the Government administered provident fund. The company has no further obligations under the provident fund plan beyond its monthly contributions.

1.1.8 Research and development

Revenue expenditure incurred on research and development is charged off as incurred. Capital expenditure incurred on research and development is depreciated over the estimated useful lives of the related assets.

1.1.9 Foreign currency transactions

Sales made to overseas clients and collections deposited in foreign currency bank accounts are recorded at the exchange rate as of the date of the respective transactions. Expenditure in foreign currency is accounted at the exchange rate prevalent when such expenditure is incurred. Disbursements made out of foreign currency bank accounts are reported at a rate that approximates the actual monthly rate. Exchange differences are recorded when the amount actually received on sales or actually paid when expenditure is incurred is converted into Indian Rupee. The exchange differences arising on foreign currency transactions are recognized as income or expense in the period in which they arise.

Fixed assets purchased at overseas offices are recorded at cost, based on the exchange rate as of the date of purchase. The charge for depreciation is determined as per the company's accounting policy.

Current assets and current liabilities denominated in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet. The resulting difference is also recorded in the profit and loss account. In the case of forward contracts, the difference between the forward rate and the exchange rate on the date of the transaction is recognized as income or expense over the life of the contract.

1.1.10 Investments

Trade investments refer to the investments made with the aim of enhancing the company's business interests in software development and services. The investments are classified as current investments or long-term investments. Current investments are carried at the lower of cost and fair value. Cost for overseas investments comprises the Indian Rupee value of the consideration paid for the investment. Provisions are recorded for any decline in the carrying value as of the balance sheet date.

Long-term investments are carried at cost and provisions recorded to recognize any decline, other than temporary, in the carrying value of such investment.

The investment in the subsidiary is accounted on the cost method, whereby, the investment is carried at cost and the company recognizes only dividends received from the subsidiary as income in the profit and loss account. Provisions are recorded to recognize any decline, other than temporary, in the carrying value of the investment.

1.1.11 Income tax

Provision is made for income tax annually based on the tax liability computed after considering tax allowances and exemptions. Provisions are recorded as considered appropriate for matters under appeal due to disallowances or for other reasons.

1.2 Notes on accounts

The previous period's figures have been recast / restated, wherever necessary, to conform to the current period's classification.

1.2.1 Capital commitments and contingent liabilities

- The estimated amount of contracts remaining to be executed on capital account, and not provided for (net of advances) is Rs. 122,65,64,426 as at December 31, 2000. The amount of such contracts as at December 31, 1999 was Rs. 69,54,19,558 and as at March 31, 2000 was Rs. 80,31,29,007.
- The company has outstanding guarantees and counter guarantees of Rs. 5,24,55,000 as at December 31, 2000, to various banks, in respect of the guarantees given by the banks in favor of various government authorities. The guarantees and counter guarantees outstanding as at December 31, 1999 were Rs. 1,58,84,263 and as at March 31, 2000 were Rs. 5,26,30,000.
- Claims against the company, not acknowledged as debts, amounted to Rs. 8,75,532 as at December 31, 2000. Such claims, as at December 31, 1999 were Rs. 17,91,814 and as at March 31, 2000 were Rs. 32,89,661.

1.2.2 Quantitative details

The company is engaged in the development and maintenance of computer software. The production and sale of such software cannot be expressed in any generic unit. Hence, it is not possible to give the quantitative details of sales and certain information as required under paragraphs 3, 4C and 4D of part II of Schedule VI to the Companies Act, 1956.

1.2.3 Managerial remuneration paid to the chairman, managing director and whole-time directors

	Three months ended Dec 31,		Nine months ended Dec 31,		Year ended Mar 31,
	2000*	1999	2000*	1999	2000
Salary	44,28,013	9,73,800	1,10,70,522	29,21,400	38,00,059
Contribution to provident fund and other funds	4,79,325	3,09,780	13,49,791	9,29,340	12,08,855
Perquisites	62,31,308	11,19,870	80,59,982	26,98,239	37,32,482

* includes the remuneration paid to three directors who were co-opted into the board on May 27, 2000.

1.2.4 Managerial remuneration paid to non-whole-time directors

	Three months ended Dec 31,		Nine months ended Dec 31,		Year ended Mar 31,
	2000	1999	2000	1999	2000
Commission	--	--	--	--	48,17,800
Sitting fees	40,000	34,000	1,77,000	78,000	92,000
Reimbursement of expenses	1,99,558	4,45,123	6,98,232	9,01,728	10,13,703

1.2.5 Imports on the Cost, Insurance and Freight basis

	Three months ended Dec 31,		Nine months ended Dec 31,		Year ended Mar 31,
	2000	1999	2000	1999	2000
Capital goods	33,87,91,131	7,31,57,517	77,08,00,573	22,70,52,455	37,47,31,691
Software packages	64,03,627	20,60,167	1,56,42,543	2,28,66,965	2,54,95,652

1.2.6 Expenditure in foreign currency (on the payments basis)

	Three months ended Dec 31,		Nine months ended Dec 31,		Year ended Mar 31,
	2000	1999	2000	1999	2000
Travel expenses	33,61,54,345	18,62,06,010	79,26,44,748	49,97,76,870	70,29,13,532
Professional charges	4,10,08,733	80,48,926	7,90,58,475	2,01,25,172	4,51,95,637
Other expenditure incurred overseas for software development	145,60,82,397	62,24,10,619	342,62,24,925	154,40,25,716	221,74,57,133

1.2.7 Earnings in foreign exchange (on the receipts basis)

	<i>in Rs.</i>				
	Three months ended Dec 31,		Nine months ended Dec 31,		Year ended Mar 31,
	2000	1999	2000	1999	2000
Income from software development services and products	437,33,71,715	216,85,95,849	1172,86,45,074	565,67,38,823	833,29,73,465
Interest received on deposits with banks	4,93,37,030	4,63,87,145	10,69,20,563	13,19,57,503	18,42,65,368

1.2.8 Depreciation on assets costing less than Rs. 5,000 each

During the nine months ended December 31, 2000, the company charged depreciation at 100% in respect of assets costing less than Rs. 5,000 each, amounting to Rs. 21,85,52,260 (previous period Rs. 6,49,71,753). For the three months ended December 31, 2000 the charge is Rs. 11,81,34,465 (previous period Rs. 4,22,62,848) and for the previous year March 31, 2000 is Rs. 13,21,59,074.

1.2.9 Exchange differences

	<i>in Rs.</i>				
	Three months ended Dec 31,		Nine months ended Dec 31,		Year ended Mar 31,
	2000	1999	2000	1999	2000
Gains on the translation of Foreign currency deposits	3,44,48,919	(61,25,835)	20,54,46,320	9,16,32,866	9,93,27,075
Net realized and unrealized exchange gains - others	5,77,89,866	5,59,25,835	23,09,17,899	14,44,67,134	8,76,31,024
Total net realized and unrealized gains	9,22,38,785	4,98,00,000	43,63,64,219	23,61,00,000	18,69,58,099

Total realized and unrealized exchange gains comprise, gains on the translation of foreign currency deposits which is classified as "other income" and net realized and unrealized exchange gains, which are classified as "Income from software development services and products- overseas".

1.2.10 Research and development expenditure

	<i>in Rs.</i>				
	Three months ended Dec 31,		Nine months ended Dec 31,		Year ended Mar 31,
	2000	1999	2000	1999	2000
Capital	73,00,838	--	1,41,29,064	--	15,27,500
Revenue	3,87,87,821	2,27,65,340	11,04,47,197	6,16,17,330	8,07,35,940
Total research and development expenses	4,60,88,659	2,27,65,340	12,45,76,261	6,16,17,330	8,22,63,440

1.2.11 Provision for contingencies

The company had instituted a contingency plan effective October 1, 1998 and made a total provision of Rs. 9,99,00,000 to meet any possible disruption in client support due to the Year 2000 impact on the technology and communication infrastructure provided to the company by its vendors. For the year ended March 31, 2000, Rs. 2,42,29,154 was spent towards the Year 2000 transition effort, which was set off against the provision and the remainder of Rs. 7,56,70,846 was written back to the profit and loss account.

1.2.12 Provision for e-inventing the company

The company made a provision of Rs. 3,50,00,000 for the quarter ended September 30, 1999 towards e-inventing the company. Until March 31, 2000 the company had incurred Rs. 3,10,99,023 towards e-inventing Infosys, which was set-off against the provision earlier made. The remainder of Rs. 39,00,977 was incurred and set-off against this provision during the first quarter of the current year.

1.2.13 Unearned revenue

Unearned revenue as of December 31, 2000 amounting to Rs. 49,62,20,659 (previous period Rs. 23,11,41,772 and previous year Rs. 17,56,71,963) primarily consists of client billings on fixed-price, fixed-time-frame contracts for which the related costs have not yet been incurred.

1.2.14 Dues to small-scale industrial undertakings

As of December 31, 2000, the company had no outstanding dues to small-scale industrial undertakings (previous period Rs. nil; previous year Rs. nil).

1.2.15 Balance of unutilized money raised by issue of American Depositary Shares

During the year ended March 31, 1999, Infosys made an Initial Public Offering of American Depositary Shares ("ADS"), of US\$ 70,380,000, equivalent to Rs. 296,86,00,000. The issue proceeds net of expenses of Rs. 19,68,00,000 were entirely utilized as of the balance sheet date. The unutilized ADS proceeds as at December 31, 2000 is Rs. nil (Rs. 140,99,00,000 as at December 31, 1999 and March 31, 2000).

1.2.16 Stock option plans

The company currently has three stock option plans. These are summarized below.

1994 Stock Option Plan ("the 1994 Plan")

As of December 31, 2000, options to acquire 3,32,200 shares are outstanding with the employees under the 1994 Plan. These options were granted at an exercise price of Rs. 50 per option. Additionally, the number of shares earlier issued to employees subject to lock-in-period is 16,74,800 shares.

1998 Stock Option Plan ("the 1998 Plan")

The company's 1998 Stock Option Plan ("the 1998 Plan") provides for the grant of non-statutory stock options and incentive stock options to employees. The 1998 Plan was approved by the Board of Directors in December 1997 and by the company's shareholders in January 1998. The Government of India approved the 1998 Plan, subject to a limit of 14,70,000 equity shares representing 29,40,000 ADSs to be issued under the plan. A total of 16,00,000 equity shares corresponding to 32,00,000 ADSs are currently reserved for issue pursuant to the 1998 Plan. These options may be issued at an exercise price that is not less than 90% of the fair market value of the underlying equity share on the date of the grant. The 1998 Plan will terminate in January 2008, unless terminated earlier. All options under the 1998 Plan are exercisable for ADSs representing equity shares. A committee of the Board of Directors administers the 1998 Plan.

Number of options granted, exercised and forfeited	Three months ended Dec 31,		Nine months ended Dec 31,		Year ended Mar 31,
	2000	1999	2000	1999	2000
Options outstanding, Beginning of period/year	8,71,466	4,19,000	6,89,500	4,19,000	4,19,000
Granted	80,800	2,32,000	3,12,800	2,32,000	2,94,300
Exercised	1,400	--	2,734	--	23,800
Forfeited	6,200	--	54,900	--	--
Options outstanding, end of period/year	9,44,666	6,51,000	9,44,666	6,51,000	6,89,500
Weighted average Exercise price	US\$ 86.67 (Rs. 4,046)	US\$ 42.84 (Rs. 1,863)	US\$ 86.67 (Rs. 4,046)	US\$ 42.84 (Rs. 1,863)	US\$ 58.53 (Rs. 2,552)

1999 Stock Option Plan ("the 1999 Plan")

In fiscal 2000, the company instituted the 1999 Plan. The shareholders and the Board of Directors approved the 1999 Plan in June 1999. The 1999 Plan provides for the issue of 66,00,000 equity shares to the employees. The 1999 Plan is administered by a Compensation Committee comprising a maximum of seven members, the majority of whom are independent directors on the Board of Directors. Under the 1999 Plan, options will be issued to employees at an exercise price, which shall not be less than the Fair Market Value. Fair Market Value is the closing price of the company's shares in the stock exchange where there is the highest trading volume on a given date and if the shares are not traded on that day, the closing price on the next trading day.

Under the 1999 Plan, options may be issued to employees at exercise prices that are less than Fair Market Value only if specifically approved by the members of the company in a general meeting.

Number of options granted, exercised and forfeited	Three months ended Dec 31,		Nine months ended Dec 31,		Year ended Mar 31,
	2000	1999	2000	1999	2000
Options outstanding, beginning of period/year	18,83,000	--	10,06,800	--	--
Granted	1,78,200	9,53,200	11,32,300	9,53,200	10,14,500
Exercised	500	--	500	--	--
Forfeited	48,700	2,200	1,26,600	2,200	7,700
Options outstanding, end of period/year	20,12,000	9,51,000	20,12,000	9,51,000	10,06,800
Weighted average exercise price	Rs. 5,512	Rs. 4,065	Rs. 5,512	Rs. 4,065	Rs. 4,268

1.2.17 Pro-forma disclosures relating to the Employee Stock Option Plans ("ESOPs")

The Securities and Exchange Board of India (SEBI) recently issued the (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 which is applicable to all stock option schemes established after June 19, 1999. In accordance with these guidelines, the excess of the market price of the underlying equity shares as of the date of the grant of the options over the exercise price of the options, including up-front payments, if any is to be recognized and amortized on a straight-line basis over the vesting period. All options under the 1998 and 1999 stock option plans have been issued at fair market value, hence there are no compensation costs.

The company's 1994 stock option plan was established prior to the SEBI guidelines on stock options.

Had the stock compensation costs for this stock option plan been determined as per the guidelines issued by SEBI, the company's reported net profit would have been reduced to the pro forma amounts indicated below.

	<i>in Rs.</i>				
	Three months ended Dec 31,		Nine months ended Dec 31,		Year ended Mar 31,
	2000	1999	2000	1999	2000
Net profit:					
- As reported	166,33,07,490	73,78,54,793	447,13,92,818	200,10,19,434	293,51,56,665
- Adjusted pro forma	160,39,26,704	68,17,38,506	429,74,13,557	183,51,84,658	271,34,60,717

1.2.18 Provision for taxation

The company's profits from export activities are partly deductible from taxable income. However, most of Infosys' operations are conducted through 100% Export Oriented Units ("EOU"), which are entitled to a tax holiday for a period of ten years from the date of commencement of operations. The Government of India amended the tax incentive available to companies operating through EOUs. The period of tax exemption available to such companies has been restricted to 10 consecutive years, commencing from the earlier of, the fiscal year in which the unit commences software development, and March 31, 2000. Additionally, export related tax deductions apart from the 100% EOU scheme earlier described are being phased out by fiscal 2004. The provision for taxation includes tax liabilities in India on the company's global income as reduced by exempt incomes and any tax liabilities arising overseas on income sourced from those countries.

1.2.19 Cash and bank balances

The cash and bank balances include interest accrued but not due on fixed deposits amounting to Rs. 1,80,15,245 for the nine month period ended December 31, 2000 (previous period Rs. 32,93,237 and previous year Rs. 94,92,514).

1.2.20 Loans and advances

"Advances recoverable in cash or in kind or for value to be received" mainly comprises prepaid travel and per-diem expenses and advances to vendors for current assets.

Deposits with financial institutions and a body corporate comprise:

	<i>in Rs.</i>		
	As at Dec 31,		As at Mar 31,
	2000	1999	2000
Deposits with financial institutions:			
Housing Development Finance Corporation Limited	51,14,87,343	25,50,22,081	25,50,19,994
ICICI Limited	50,91,88,495	18,10,98,742	25,75,52,742
Deposits with body corporate:			
G E Capital Services India Limited	50,60,89,326	25,58,23,674	25,32,29,129
	152,67,65,164	69,19,44,497	76,58,01,865

The above amounts include interest accrued but not due amounting to Rs. 2,67,65,164 (corresponding previous period Rs. 1,19,44,497 and previous year Rs. 1,58,01,865). The financial institutions and the body corporate have AAA rating from Credit Rating and Information Services of India Limited ("CRISIL").

Mr. Deepak M Satwalekar, Director, is also the Director of HDFC. Mr. N R Narayana Murthy, Chairman and CEO, and Prof. Marti G. Subrahmanyam, Director, are also directors in ICICI Limited. Except as directors in these financial institutions, these persons have no direct interest in these transactions.

1.2.21 Current liabilities

Sundry creditors for other liabilities represent mainly the retention amounts payable to the vendors, and amounts accrued for various other operational expenses.

1.2.22 Fixed assets

The company has entered into lease-cum-sale agreements to acquire certain properties. In accordance with the terms of these agreements, the company has the option to purchase the properties outright at the expiry of the lease period. The company has

already paid 99% of the value of the properties at the time of entering into the lease-cum-sale agreements. These amounts are disclosed as "Land - leasehold" under "Fixed assets" in the financial statements.

1.2.23 Transfer of intellectual property rights

During the first quarter of the current fiscal, the company transferred its intellectual property rights in Onscan - a web-focussed wireless-enabled notification product, to Onscan Inc., USA, a company incubated by Infosys as part of its ongoing effort to encourage and promote budding entrepreneurs among its employees. The product was transferred for a gross consideration of Rs. 8,93,40,000 (US\$ 2 million), received as equity, preferred voting and preferred non-voting securities in Onscan Inc. The income arising out of the transfer of Rs. 5,49,44,000 (net of tax) is disclosed as an extraordinary item.

1.2.24 Investments

Purpleyogi Inc., USA

During the current quarter, the company made a strategic investment of Rs. 2,33,34,992 comprising 2,76,243 fully paid Series D Convertible Preferred Stock, par value of US\$ 0.001 each, at US\$ 1.81 each in Purpleyogi Inc., USA. Purpleyogi Inc. is a developer of infrastructure software for information management, related to empowering networks to enable next generation content management and enterprise knowledge management solutions.

M-Commerce Ventures Pte. Ltd., Singapore

Until December 31, 2000, the company has agreed to invest an aggregate amount of Singapore \$ ("S\$") 1,000,000 in M-Commerce Ventures Pte. Ltd ("MCV"), a Singapore based venture fund. As at December 31, 2000, the company made an investment of Rs. 1,84,47,700 (equivalent to S\$ 700,000), and acquired 70 capital units in MCV. Each unit in MCV represents one ordinary share of S\$ 1 each, issued at par, and nine redeemable preference shares at a par value of S\$ 1 each, with a premium of S\$ 1,110 per redeemable preference share. MCV is promoted by the Economic Development Board, Singapore and intends to focus on companies offering mobile portals, personal information management and messaging, bandwidth optimization and offer key enablers of m-commerce.

EC Cubed Inc., USA

During the current quarter, EC Cubed Inc., USA, one of the companies in which Infosys had made a strategic investment, filed for liquidation. Pending the conclusion of liquidation proceedings, the company has provided for the entire amount of investment amounting to Rs. 13,08,00,000 in its income statement.

Alpha Thinx Mobile Phone Services AG, Austria

During the second quarter of the current fiscal, the company invested Rs. 2,20,98,608 (equivalent to €555,800) and acquired 27,790 bearer shares of nominal value €1 each, at an issue price of €20 per share in Alpha Thinx Mobile Phone Services AG ("Alpha Thinx"), a Vienna-based company. Alpha Thinx operates in the wireless Internet space and plans to host interactive services for mobile users across Europe.

Asia Net Media BVI Limited, the British Virgin Islands

During the second quarter of the current fiscal, the company invested Rs. 6,84,75,000 (equivalent to US\$ 1,500,000) and acquired 3,00,00,000 Ordinary Shares of par value US\$ 0.01 each, at an issue price of US\$ 0.05 per Ordinary Share in Asia Net Media BVI Limited ("Asia Net"). Asia Net intends to leverage under-exploited offline brands in media and entertainment by delivering them through online channels and to establish a synergistic network of companies in this space.

CiDRA Corporation, USA

During the first quarter of the current fiscal, the company made a strategic investment of Rs. 13,40,08,660 comprising 33,333 fully paid Series D Convertible Preferred Stock, par value of US\$ 0.01 each, at US\$ 90 each in CiDRA Corporation, USA. CiDRA Corporation is a developer of photonic devices for high-precision wavelength management and control for next-generation optical networks.

1.2.25 Segment reporting

The company's operations predominantly relate to providing IT services, which is delivered to globally located customers.

The accounting principles that have been consistently used to record revenue, expenditure, assets and liabilities in the individual segments are as set out in the note on significant accounting policies.

While the primary segment reporting is already set out in detail in the company's balance sheet, statement of profit and loss and the various schedules and notes thereto, the secondary disclosures in relation to Revenues are as follows:

	<i>in Rs.</i>				
	Three months ended Dec 31,		Nine months ended Dec 31,		Year ended
	2000	1999	2000	1999	Mar 31, 2000
North America	401,92,65,784	182,73,81,277	1027,74,30,757	493,56,33,001	713,27,33,054
Europe	101,07,66,302	26,80,13,811	243,08,05,236	85,56,72,711	129,09,73,822
Rest of the world	32,85,91,803	19,25,10,236	84,07,03,516	39,23,29,074	52,40,04,100
India	15,67,92,365	4,73,25,253	32,96,29,820	17,10,21,495	26,69,37,092
Total	551,54,16,254	233,52,30,577	1387,85,69,329	635,46,56,281	921,46,48,068

Certain expenses such as personnel costs, communication, depreciation on plant and machinery, etc., which form a significant component of total expenses, have not being specifically allocated to these geographical segments as the underlying services are used inter-changeably between reportable segments. Management believes that it is not practicable to provide segment disclosures relating to segment costs and expenses, and consequently segment profits or losses, since detailed allocation is presently unfeasible.

Moreover, the fixed assets used in the company's business or the liabilities contracted have not been identified to any particular reportable segment as the fixed assets and services can be used inter-changeably amongst segments. Accordingly, management believes that it is currently not practicable to provide segment disclosures relating to total assets since a meaningful segregation of the available data among the various geographic segments is onerous.

1.2.26 Related party transactions

The company entered into related party transactions during the nine months with Yantra Corporation, USA, the subsidiary of the company and key management personnel.

The transactions with Yantra comprise sales of Rs. 15,76,72,000 during the nine months ended December 31, 2000. The corresponding amounts for the nine months ended December 31, 1999 and the year ended March 31, 2000 were Rs. 7,77,25,748 and Rs. 11,40,18,372 respectively. The amount due by Yantra to the company as at December 31, 2000 was Rs 1,87,57,679 (December 31, 1999 – Rs 1,00,84,800 and March 31, 2000 – nil).

Key management personnel are non-director officers of the company, who have the authority and responsibility for planning, directing and controlling the activities of the company. The table below represents details of the dues to the company by the non-director officers of the company:

	<i>in Rs.</i>		
	Nine months ended Dec 31,		Year ended Mar 31,
	2000	1999	2000
Amount due as at end of period/year	71,07,809	1,66,40,680	1,35,08,825
Maximum amount due during the period/year	2,34,98,527	1,86,66,659	2,29,89,747

1.2.27 Provisions for doubtful debts

Periodically management evaluates all customer dues to the company for collectibility. The need for provisions is assessed based on various factors including collectibility of specific dues, risk perceptions of the industry in which the customer operates and general economic factors, which could effect the customer's ability to settle. The company normally provides for debtor dues outstanding for 180 days or longer. In the nine months ended December 31, 2000, the company provided for doubtful debts of Rs. 5,31,11,414 (previous period Rs. nil and previous fiscal year Rs. nil) for dues from certain customers although the outstanding amounts were under 180 days old, since the amounts were considered doubtful of recovery. Management continues pursuing the parties for recovery of the dues, in part or full.

Statement of Cash Flows

in Rs.

	Quarter ended Dec 31,		Nine months ended Dec 31,		Year ended
	2000	1999	2000	1999	Mar 31, 2000
Cash flows from operations					
Profit before tax	185,83,07,490	83,98,54,793	492,60,48,818	227,80,19,434	325,64,85,819
Non-operating in come	(14,13,12,785)	(6,26,62,058)	(47,80,59,463)	(28,14,43,096)	(36,62,06,181)
Profit on sale of fixed assets	(7,87,388)	(4,06,879)	(7,87,388)	(8,70,656)	(8,73,015)
Provision for long-term investments	13,08,00,000	--	13,08,00,000	--	--
Increase (decrease) in provision for contingencies	--	(1,05,17,012)	--	2,27,82,988	(6,66,00,000)
Increase (decrease) in provision for e-inventing the company	--	(2,08,21,326)	(39,00,977)	1,41,78,674	39,00,977
Depreciation, depletion and amortization	33,01,92,680	14,47,99,080	74,99,31,944	34,52,40,998	53,23,27,389
Decrease (increase) in sundry debtors	(60,90,55,865)	(4,88,85,406)	(167,78,43,358)	(53,84,06,785)	(51,65,92,828)
Decrease (increase) in loans and advances	(8,27,15,875)	(9,21,43,936)	(21,45,10,572)	(26,95,41,820)	(41,49,70,588)
Increase (decrease) in current liabilities and provisions	(1,40,20,268)	(70,61,317)	74,78,95,908	17,00,06,537	42,26,37,450
Income taxes paid	(31,31,33,686)	(11,69,30,617)	(63,56,65,477)	(25,53,68,098)	(35,53,53,877)
Net cash from operations	115,82,74,303	62,52,25,322	354,39,09,435	148,45,98,176	249,47,55,146
Cash flows from financing					
Proceeds from conversion of options	72,13,119	--	82,14,625	--	1,76,25,277
Expenses relating to issue of American Depository Shares (ADS)	--	(21,00,000)	--	(2,26,30,090)	(2,35,06,514)
Expenses relating to issue of ADS linked stock options	--	--	--	--	(1,01,93,113)
Dividends paid (including dividend tax)	(20,17,61,670)	(11,01,21,102)	(42,20,05,883)	(19,92,57,109)	(19,92,57,109)
Net cash used for financing	(19,45,48,551)	(11,22,21,102)	(41,37,91,258)	(22,18,87,199)	(21,53,31,459)
Cash flows from investing					
Income from investments	10,68,10,037	6,87,87,893	27,26,13,143	18,98,10,230	26,68,79,106
Proceeds of sale of fixed assets	18,31,825	4,06,879	20,69,586	9,78,588	10,20,400
Purchases of fixed assets	(125,15,71,385)	(46,98,20,540)	(325,00,86,025)	(106,74,37,021)	(159,87,03,617)
Long-term investments	(3,67,46,692)	--	(26,63,64,960)	--	(13,08,00,000)
Net cash used for investing	(117,96,76,215)	(40,06,25,768)	(324,17,68,256)	(87,66,48,203)	(146,16,04,111)
Effect of exchange differences on translation of foreign currency deposit maintained abroad	3,44,48,919	(61,25,835)	20,54,46,320	9,16,32,866	9,93,27,075
Total increase (decrease) in cash and cash equivalents during the period	(18,15,01,544)	10,62,52,617	9,37,96,241	47,76,95,640	91,71,46,651
Cash and cash equivalents at the beginning of the period	535,90,35,380	453,80,33,967	508,37,37,595	416,65,90,944	416,65,90,944
Cash and cash equivalents at the end of the period	517,75,33,836	464,42,86,584	517,75,33,836	464,42,86,584	508,37,37,595

Note: During the nine months ended December 31, 2000, the company transferred intellectual property rights in Onscan – a web focussed wireless-enabled notification product, to Onscan Inc., USA, a company incubated by Infosys as part of its ongoing effort to encourage and promote entrepreneurs amongst its employees. The product was transferred for a gross consideration of Rs. 8.93 crore (US\$ 2 million) received as equity, preferred voting and preferred non-voting securities in Onscan Inc. and accordingly, is not considered in these statements of cash flows.

These are the Cash Flow Statements referred to in our report of even date.
for Bharat S Raut & Co.
Chartered Accountants

Balaji Swaminathan Partner	N. R. Narayana Murthy Chairman and Chief Executive Officer	Nandan M. Nilekani Managing Director, President and Chief Operating Officer	Deepak M. Satwalekar Director
Ramesh Vangal Director	Marti G. Subrahmanyam Director	Philip Yeo Director	Jitendra Vir Singh Director
Omkar Goswami Director	S. Gopalakrishnan Deputy Managing Director	K. Dinesh Director	S. D. Shibulal Director
T. V. Mohandas Pai Director and Chief Financial Officer	Phaneesh Murthy Director	Srinath Batni Director	V. Viswanathan Company Secretary

Bangalore
January 9, 2001

Statement of Cash Flows

in Rs.

	Quarter ended Dec 31,		Nine months ended Dec 31,		Year ended Mar 31, 2000
	2000	1999	2000	1999	
Reconciliation of Balance Sheet items with cash flow items					
Non-operating income					
As per Profit and Loss Account	14,47,31,965	7,11,00,819	49,16,27,114	30,48,32,499	39,14,11,095
Less: Income from operating activities	(26,31,792)	(80,31,882)	(1,27,80,263)	(2,25,18,747)	(2,43,31,899)
Profit on sale of fixed asset considered separately	(7,87,388)	(4,06,879)	(7,87,388)	(8,70,656)	(8,73,015)
Balance considered for preparing the cash flow statement	14,13,12,785	6,26,62,058	47,80,59,463	28,14,43,096	36,62,06,181
Loans and advances					
As per Balance sheet	355,39,12,507	178,21,08,869	355,39,12,507	178,21,08,869	210,12,77,161
Less: Deposits with financial institutions/body corporate, included in cash equivalents	(152,67,65,164)	(69,19,44,497)	(152,67,65,164)	(69,19,44,497)	(76,58,01,865)
Advance income taxes considered separately	(102,12,57,828)	(44,42,14,197)	(102,12,57,828)	(44,42,14,197)	(54,40,96,353)
Balance considered for preparing the cash flow statement	100,58,89,515	64,59,50,175	100,58,89,515	64,59,50,175	79,13,78,943
Current liabilities and provisions					
As per Balance sheet	256,89,45,135	124,22,62,447	256,89,45,135	124,22,62,447	165,97,02,419
Less: Provision for taxation considered separately	(101,15,11,740)	(50,61,23,365)	(101,15,11,740)	(50,61,23,365)	(62,60,19,742)
Provision for dividend considered separately	--	--	--	--	(19,84,18,210)
Provision for dividend tax considered separately	--	--	--	--	(2,18,26,003)
Provision for contingencies	--	(8,93,82,988)	--	(8,93,82,988)	--
Provision for e-inventing the company	--	(1,41,78,674)	--	(1,41,78,674)	(39,00,977)
Balance considered for preparing the cash flow statement	155,74,33,395	63,25,77,420	155,74,33,395	63,25,77,420	80,95,37,487
Income taxes paid					
As per Profit and Loss Account	19,50,00,000	10,20,00,000	50,96,00,000	27,70,00,000	39,70,00,000
Add: Provision for tax on sale of intellectual property rights	--	--	3,43,96,000	--	--
Decrease(increase) in balance in provision for taxes account	(5,69,47,253)	(10,14,38,084)	(38,54,91,998)	(27,47,65,877)	(39,46,62,254)
Increase(decrease) in balance in advance income tax account	17,50,80,939	11,63,68,701	47,71,61,475	25,31,33,975	35,30,16,131
Balance considered for preparing the cash flow statement	31,31,33,686	11,69,30,617	63,56,65,477	25,53,68,098	35,53,53,877
Purchases of fixed assets					
As per Balance sheet	69,62,40,707	32,04,12,874	221,85,33,772	65,39,65,870	117,79,35,912
Add: Closing capital work-in-progress	160,11,55,758	56,23,06,951	160,11,55,758	56,23,06,951	56,96,03,505
Less: Opening capital work-in-progress	(104,58,25,080)	(41,28,99,285)	(56,96,03,505)	(14,88,35,800)	(14,88,35,800)
Balance considered for preparing the cash flow statement	125,15,71,385	46,98,20,540	325,00,86,025	106,74,37,021	159,87,03,617
Cash and cash equivalents					
As per Balance sheet	365,07,68,672	395,23,42,087	365,07,68,672	395,23,42,087	431,79,35,730
Add: Deposits with financial institutions/body corporate considered herein	152,67,65,164	69,19,44,497	152,67,65,164	69,19,44,497	76,58,01,865
Balance considered for preparing the cash flow statement	517,75,33,836	464,42,86,584	517,75,33,836	464,42,86,584	508,37,37,595

These are the Cash Flow Statements referred to in our report of even date. for Bharat S Raut & Co.

Chartered Accountants

Balaji Swaminathan
Partner

Ramesh Vangal
Director

Omkar Goswami
Director

T. V. Mohandas Pai
Director and Chief Financial Officer

Bangalore

January 9, 2001

N. R. Narayana Murthy
Chairman and
Chief Executive Officer

Marti G. Subrahmanyam
Director

S. Gopalakrishnan
Deputy Managing Director

Phaneesh Murthy
Director

Nandan M. Nilekani
Managing Director, President and
Chief Operating Officer

Philip Yeo
Director

K. Dinesh
Director

Srinath Batni
Director

Deepak M. Satwalekar
Director

Jitendra Vir Singh
Director

S. D. Shibulal
Director

V. Viswanathan
Company Secretary

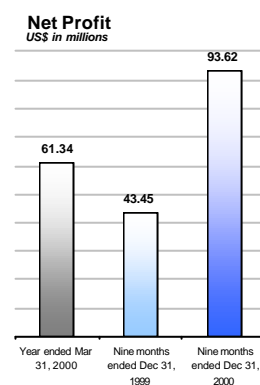
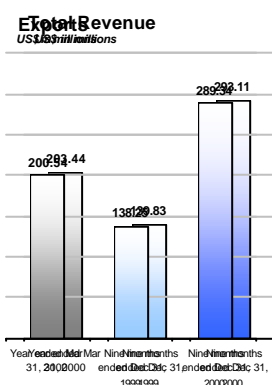
At a glance – US GAAP

US\$ in millions, except as otherwise stated

	Three months ended December 31		Nine months ended December 31		Year ended
	2000	1999	2000	1999	March 31, 2000
For the period					
Revenues	114.91	52.16	293.11	139.83	203.44
Export revenues	113.22	51.69	289.34	138.25	200.54
Operating income	38.19	15.69	96.79	42.61	60.50
Net income	34.01	15.42	93.62	43.45	61.34
Operating income as a percentage of total revenues	33.23%	30.08%	33.02%	30.47%	29.74%
Net income as a percentage of total revenues	29.60%	29.56%	31.94%	31.07%	30.15%
Basic earnings per share	\$ 0.52	\$0.24	\$1.43	\$ 0.66	\$ 0.93
Dividend declared per equity share	NA	NA	\$0.05	\$0.03	\$ 0.10
Capital investments	25.64	10.87	66.78	23.84	35.93
At the end of the period					
Total assets			304.50	195.18	219.28
Property, plant and equipment – net			97.93	39.76	47.55
Cash and cash equivalents			110.89	106.79	116.60
Working capital			156.94	131.30	137.94
Total debt			--	--	--
Stockholders' equity			271.14	179.22	198.14
Common stock			8.59	8.59	8.59
Market capitalization			12,205.15	21,825.8	13,609.67

Note:

Market capitalization is calculated by considering the Indian market price for the shares outstanding at the period / year end.



Shareholder information

1. Listing on stock exchanges in India at
 - Bangalore Stock Exchange Ltd.**
Stock Exchange Towers, No. 51, 1st Cross, J.C. Road, Bangalore – 560 027, India.
Tel.: +91-80-299 5234, Fax: +91-80-299 5242
 - The Stock Exchange, Mumbai**
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001, India.
Tel.: +91-22-265 5581, Fax: +91-22-265 8121
 - National Stock Exchange of India Ltd.**
Trade World, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, India.
Tel.: +91-22-497 2950, Fax: +91-22-491 4275 / 85
2. Listing fees
Paid for all the above stock exchanges for 2000-2001.
3. Listing on stock exchanges outside India
NASDAQ National Market in the United States
33 Whitehall Street, New York, NY-1004-4087
Tel.: +1-212-709-2400, Fax: +1-212-709-2496
4. Registered office
Electronics City, Hosur Road, Bangalore – 561 229, India.
Tel.: +91-80-852 0261, Fax: +91-80-852 0362
Homepage: www.infy.com
5. Stock market data relating to shares listed in India
 - a. The company's market capitalization is included in the computation of the BSE-30 Sensitive Index (Sensex), the BSE Dollex and S&P CNX NIFTY Index.
 - b. Monthly high and low quotations as well as the volume of shares traded at Mumbai, National and Bangalore Stock Exchanges for the three-month period ended December 31, 2000 are:

	BSE			NSE			BgSE		
	High Rs.	Low Rs.	Volume Nos.	High Rs.	Low Rs.	Volume Nos.	High Rs.	Low Rs.	Volume Nos.
October	7,714	6,102	1,41,69,566	7,725	6,120	1,57,50,857	7,700	6,110	59,794
November	8,042	7,150	1,08,26,217	8,014	7,160	1,28,90,086	8,025	7,150	47,303
December	7,680	5,416	1,51,85,245	8,042	5,422	1,67,18,910	7,872	5,411	45,266
Total			4,01,81,028			4,53,59,853			1,52,363
% of volume traded to average shares outstanding for the period			62.71% **			70.80% **			0.24% **

** The number of shares outstanding is 6,40,69,300. The equity shares underlying the American Depository Shares (ADSs) have been excluded for the purpose of this calculation.

6. Par value of equity shares
Rs.5 each fully paid-up
7. Share transfers in physical form and other communication regarding share certificates, dividends, change of address, etc., in India may be addressed to
Karvy Consultants Limited
Registrars and Share Transfer Agents
T.K.N. Complex, No. 51/2, Vanivilas Road,
Opp. National College, Basavanagudi,
Bangalore – 560 004, India.
Tel.: +91-80-662 1184/92/93, Fax: +91-80-662 1169
E-mail: bangalore@karvy.com
8. Share transfer system

Shares sent for physical transfer are generally registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respects. The share transfer committee of the company meets as often as required.

The total number of shares transferred in physical form during the three-month period ended December 31, 2000 was 1,500 (previous year – 18,110). 100.00% of transfers (previous year – 96.08%) were completed within 10 days.

Three-month period ended December 31,								
2000				1999				
Transfer period in days	No. of transferees (folios)		No. of shares	%	No. of transferees (folios)		No. of shares	%
	New	Existing			New	Existing		
1 – 10	4	--	1,500	100.00	29	12	17,400	96.08
11 – 15	--	--	--	--	1	1	110	0.61
16 – 20	--	--	--	--	--	--	--	--
* 21 and above	--	--	--	--	1	1	600	3.31
	4	--	1,500	100.00	31	14	18,110	100.00

* Delays beyond 21 days were due to compliance with legal requirements

9. Investors' services – complaints received during

Nature of complaints	Three-month period ended December 31,			
	2000		1999	
	Received	Attended to	Received	Attended to
1. Non-receipt of share certificates	--	--	--	--
2. Non-receipt of bonus shares/split shares	1	1	3	3
3. Letters from Stock Exchanges, SEBI, etc.	--	--	--	--
4. Non-receipt of dividend	21	21	19	19
	22	22	22	22

The company has attended to most of the investors' grievances/correspondence within a period of 10 days from the date of receipt of the same, during the three-month period ended December 31, 2000 except in cases of disputes or legal impediments.

10. Legal proceedings

The company is responding to various petitions, relating to the title to its shares, filed by certain parties. These are unlikely to have a significant effect on the affairs of the company.

11. Distribution of shareholding as on December 31

No. of equity shares held	2000				1999			
	No. of share-holders	% of share-holders	No. of shares	% of share-holding	No. of share-holders	% of share-holders	No. of shares #	% of share-holding
1 – 100	64,159	83.93	8,50,963	1.33	12,098	57.17	5,82,144	0.91
101 – 200	2,710	3.55	4,48,303	0.70	2,294	10.84	8,63,548	1.35
201 – 500	3,172	4.15	11,13,906	1.74	2,800	13.23	20,84,142	3.25
501 – 1000	2,673	3.50	19,76,590	3.09	2,071	9.79	31,17,150	4.87
1001 – 5000	2,953	3.86	61,51,441	9.60	1,395	6.59	57,83,822	9.03
5001 – 10000	331	0.43	23,48,692	3.67	208	0.98	29,93,362	4.67
10001 and above	440	0.58	5,02,83,733	78.47	297	1.40	4,80,14,342	74.94
Shares in transit in NSDL	-	-	8,95,672	1.40	-	-	6,30,290	0.98
	76,438	100.00	6,40,69,300	100.00	21,163	100.00	6,40,68,800	100.00

Equity shares 1 *20,83,267
underlying ADSs 1*20,70,000

Total	76,439		6,61,52,567		21,164		6,61,38,800	
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* Held by beneficial owners outside India.

Shares have been restated consequent to the 2-for-1 stock-split in February 2000.

12. Categories of shareholders as on December 31

Category	2000			1999		
	No. of shareholders	Voting strength (%)	No. of shares held	No. of shareholders	Voting strength (%)	No. of shares held #
Individuals	72,110	25.17	1,66,49,341	19,698	25.84	1,70,92,256
Companies	3,139	2.24	14,80,588	988	1.52	10,03,608
FII's	363	25.45	1,68,33,123	209	24.88	1,64,54,358
OCBs and NRIs	594	0.73	4,85,473	143	0.72	4,75,664
Founders and their families	23	29.22	1,93,32,960	18	29.44	1,94,70,260
Mutual Funds, Banks, FIs	209	12.69	83,92,143	107	13.52	89,42,364
Shares in transit in NSDL	-	1.35	8,95,672	-	0.95	6,30,290
Equity shares underlying American Depository Shares	1*	3.15	20,83,267	1*	3.13	20,70,000
Total	76,439	100.00	6,61,52,567	21,164	100.00	6,61,38,800

* Held by beneficial owners outside India.

Shares have been restated consequent to the 2-for-1 stock-split in February 2000.

13. Shares under lock-in

Employees Stock Offer Plan (ESOP) 1994

Details of shares of par value of Rs. 5 each held by employees under the Employee Stock Offer Plan (ESOP) 1994 subject to lock-in are given below. These shares are also included in the categories of shareholders given in (12) above.

No. of shares subject to lock-in as on December 31,

Period of lock-in	2000		1999	
	No. of shares	No. of employees	No. of shares #	No. of employees
4-5 years	-	-	7,84,600	1,042
3-4 years	7,56,400	1,000	5,00,800	341
2-3 years	4,82,400	332	2,04,000	151
1-2 years	1,92,800	146	2,57,200	105
0-1 years	2,43,200	102	2,12,600	74

Shares have been restated consequent to the 2-for-1 stock-split in February 2000.

As on December 31, 2000, 540 employees hold rights to 3,32,200 shares of par value of Rs. 5 each which are subject to a lock-in of 3-4 years. Currently, 1,562 employees hold shares under the 1994 Stock Offer Plan. Shares subject to lock-in held by the employees will be transferred back to the ITL Employees Welfare Trust if such employees leave the services of the company before the vesting period. As on December 31, 2000, the ITL Employees Welfare Trust holds 2,44,800 shares of par value of Rs. 5 each. The 1994 Stock Offer Plan has since been terminated.

Employees Stock Offer Plan (ESOP) 1998

The company established the 1998 Stock Offer Plan, which provides for the grant of non-statutory stock options and incentive stock options to its employees. This plan was approved by the Board of Directors in December 1997 and by the shareholders in January 1998. The Government of India has approved the 1998 plan, subject to a limit of 14,70,000 equity shares of par value Rs. 5 each representing 29,40,000 ADSs to be issued under the plan. During the quarter ended December 31, 2000, options were granted to 36 employees to acquire 80,800 ADSs corresponding to 40,400 equity shares of par value Rs. 5 each. During the three-month period ended December 31, 2000, 4 employees exercised the options to acquire 1,400 ADSs corresponding to 700 equity shares of par value of Rs. 5 each. As of December 31, 2000, 194 employees hold options to acquire 9,44,666 ADSs corresponding to 4,72,333 equity shares of par value of Rs. 5 each. Details of the number of ADSs options granted and exercised are given below.

No. of options granted and exercised

Period	Granted		Exercised		Balance ADSs options
	No. of employees	ADSs Options (Net)	No. of employees	ADSs	
Year ended March 31, 1999	32	4,01,200	20	24,934	3,76,266
Year ended March 31, 2000	67	2,73,500	4	1,200	2,72,300
Quarter ended June 30, 2000	53	1,32,600	--	--	1,32,600
Quarter ended September 30, 2000	49	82,700	--	--	82,700
Quarter ended December 31, 2000	36	80,800	--	--	80,800
Total		9,70,800		26,134	9,44,666

Employees Stock Offer Plan (ESOP) 1999

The 1999 plan was approved by the board of directors and the shareholders in June 1999 and was instituted in fiscal 2000. The plan provides for the issue of 66,00,000 equity shares of par value of Rs. 5 each to the employees. During the three-month period ended December 31, 2000, options were granted to 1,123 employees to acquire 1,78,200 equity shares of par value of Rs. 5 each. During the three-month period ended December 31, 2000, 7 employees exercised the option to acquire 500 shares of par value of Rs. 5 each. As on December 31, 2000, 8,047 employees hold options to acquire 20,12,000 shares of par value of Rs. 5 each. Details of options held by employees under the Employee Stock Offer Plan (ESOP) 1999 are given below.

No. of options granted and forfeited

Period	Granted (net)		Exercised		Balance
	No. of employees	No. of options	No. of employees	No. of options	
Year ended March 31, 2000	1,161	9,55,100	7	500	9,54,600
Quarter ended June 30, 2000	3,840	5,98,250	--	--	5,98,250
Quarter ended September 30, 2000	2,155	2,84,000	--	--	2,84,000
Quarter ended December 31, 2000	1,108	1,75,150	--	--	1,75,150
Total		20,12,500		500	20,12,000

14. Dematerialization of shares and liquidity

Your company was the first in India to pay a one-time custodial fee of Rs. 44.43 lakh to National Securities Depository Limited (NSDL). Consequently, the company's shareholders do not have to pay depository participants, the custodial fee charged by the NSDL on their holding. Over 98% of the company's shares are now held in electronic form.

15. Financial calendar (tentative and subject to change)

Financial results for the year ending March 31, 2001	April 11, 2001
Annual General Meeting for the year ending March 31, 2001	May 2001

16. Investors' correspondence in India may be addressed to:

The Company Secretary,
Investors' Service Cell,
Infosys Technologies Ltd., Electronics City,
Hosur Road, Bangalore – 561 229, India.
Tel.: +91-80-852 1518, Fax: +91-80-852 0362
(e-mail address: invest@infy.com)

Any queries relating to the financial statements of the company may be addressed to:

Mr. T. V. Mohandas Pai,
Director (F&A) and CFO,
Infosys Technologies Ltd., Electronics City,
Hosur Road, Bangalore – 561 229, India.
Tel.: +91-80-852 0396, Fax: +91-80-852 0362
(e-mail address: mdpai@infy.com)

17. Reuters code	– INFY.BO (BSE)	Bridge code	– IN;INF (BSE)	Bloomberg code	– INFO IN (BSE)
	– INFY.NS (NSE)		– IN;INFN (NSE)		– NINFO IN (NSE)
	– INFY.O (NASDAQ)		– US;INFY (NASDAQ)		

18. Stock market data relating to American Depositary Shares (ADSs)

a. ADS listed at	NASDAQ National Market in the United States
b. Ratio of ADS to equity shares	2 ADS for one equity share
c. ADS symbol	INFY

d. The American Depository Shares issued under the ADS program of the company were listed on the NASDAQ National Market in the United States on March 11, 1999. The monthly high and low quotations as well as the volume of ADSs traded at the NASDAQ National Market for the three-month period ended December 31, 2000 are:

	High		Low		Volume
	\$	Rs.	\$	Rs.	Nos.
October	137.55	12,839	105.13	9,813	25,84,900
November	147.25	13,800	112.00	10,497	13,72,600
December	141.50	13,213	90.06	8,410	29,63,900
Total					69,21,400

% of volume traded to total float

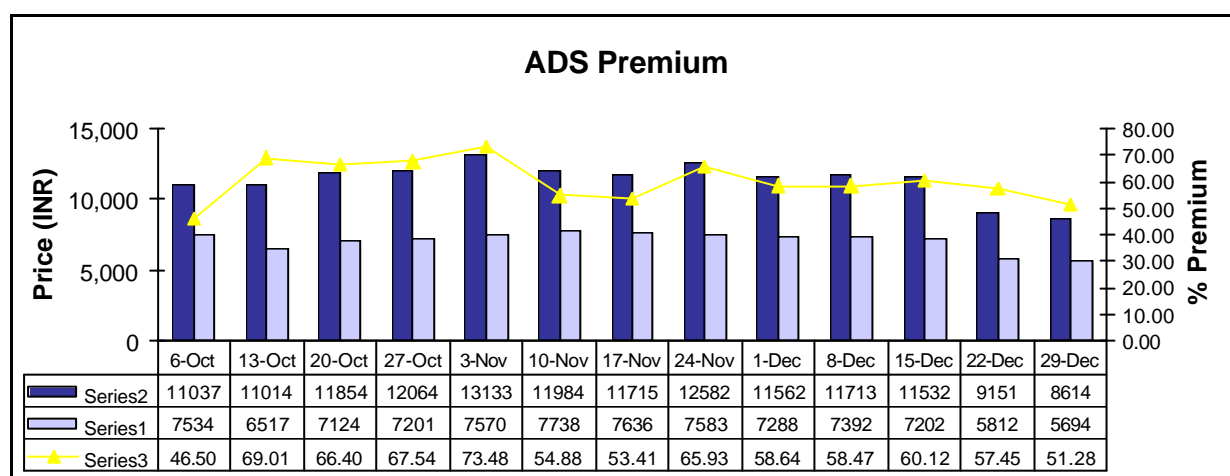
166.12%*

* 2 ADS = 1 equity share

\$ have been converted into Indian rupees at the monthly closing rates

e. Premium of American Depository Shares over the shares traded on the Indian stock exchanges

The ADS price considered for the comparison below is in \$ and has been converted into Indian Rupees at the monthly closing rates.



* 2 ADS = 1 equity share

(Source: Bloomberg)

f. Investor correspondence in the US may be addressed to

P. R. Ganapathy
Investor Relations Officer
Infosys Technologies Limited
34760, Campus Drive,
Fremont CA 94555, USA.
Tel.: +1-510-742-3030, Mobile: +1-510-872-4412,
Fax: +1-510-742-2930, E-mail: guns@infy.com

g. Name and address of the depositary bank

Deutsche Bank A.G.
Corporate Trust and Agency Services
4 Albany Street
New York, NY 10006, USA.
Tel.: +1-212-250-8500, Fax: +1-212-250-5644.
Corporate Trust and Agency Services
Deutsche Bank A.G.
1 st Floor, Kodak House
222, Dr. D. N. Road.
Fort, Mumbai – 400 001, India.
Tel.: +91-22-207 3262, Fax: +91-22-207 9614

h. Name and address of the custodian in India

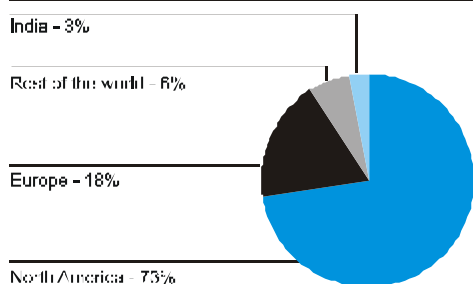
ICICI Limited
ICICI Towers
Bandra Kurla Complex
Mumbai – 400 051, India.
Tel.: +91-22-653 1414, Fax: +91-22-653 1164/65.

Segment Information

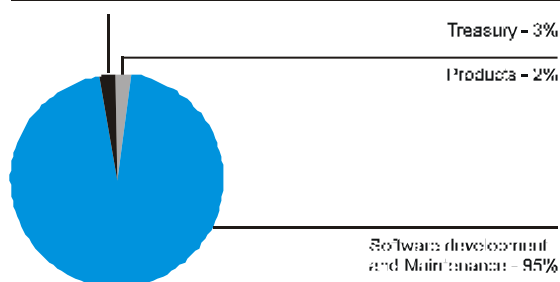
Revenue by	<i>Rs. in lakhs</i>				
	Quarter ended December 31,		Nine months ended December 31,		Year ended
	2000	1999	2000	1999	March 31, 2000
Geographical segments					
North America	40,192.66	18,273.82	1,02,774.31	49,356.35	71,327.35
Europe	10,107.66	2,680.14	24,308.05	8,556.73	12,909.74
Rest of the world	3,285.92	1,925.10	8,407.03	3,923.29	5,240.03
India	1,567.92	473.25	3,296.30	1,710.20	2,669.36
	55,154.16	23,352.31	1,38,785.69	63,546.57	92,146.48
Business segments					
Branded services	–	1,395.24	--	5,638.42	5,895.00
Products	1,226.93	444.48	3,290.21	1,576.81	2,290.12
Software development and maintenance	52,479.91	20,801.59	1,30,579.21	53,283.03	80,047.26
Treasury	1,447.32	711.00	4,916.27	3,048.31	3,914.10
	55,154.16	23,352.31	1,38,785.69	63,546.57	92,146.48

Note: Exchange differences arising on translation of foreign currency deposits kept abroad has been included under treasury.

Geographical segment - quarter ended December 31, 2000



Business segment - quarter ended December 31, 2000



Ratio analysis

	Quarter ended		Nine months ended		Year ended
	Dec 31,		Dec 31,		Mar 31,
	2000	1999	2000	1999	2000
Ratios - Financial performance					
Export revenue / total revenue (%)	95.96	96.10	95.22	94.12	94.38
Domestic revenue / total revenue (%)	1.42	0.86	1.23	1.08	1.37
Other income / total revenue (%)	2.62	3.04	3.55	4.80	4.25
Employee costs / total revenue (%)	36.20	36.91	36.74	35.67	36.31
Administration expenses / total revenue (%)	8.42	7.40	8.52	7.28	7.54
Operating expenses / total revenue (%)	60.32	57.83	59.10	58.72	58.88
Depreciation / total revenue (%)	5.99	6.20	5.40	5.43	5.78
Tax / total revenue (%)	3.54	4.37	3.67	4.36	4.31
Tax / PBT (%)	10.49	12.14	10.35	12.16	12.19
EBIDTA / total revenue (%)	39.68	42.17	40.90	41.28	41.12
PAT from ordinary activities / total revenue (%)	30.16	31.60	31.82	31.49	31.03
PAT from ordinary activities / average net worth (%) (LTM)	52.17	47.60	52.17	47.60	40.63
ROCE (PBIT/Average capital employed) (%) (LTM)	58.39	54.17	58.39	54.17	46.27
Return on invested capital (%) (LTM)	97.29	99.95	97.29	99.95	111.68
Capital output ratio (LTM)	1.60	1.48	1.60	1.48	1.31
Invested capital output ratio (LTM)	3.11	3.28	3.11	3.28	3.82
Ratios - Balance sheet					
Debt-Equity ratio			--	--	--
Debtors turnover (Days)*			62	63	56
Current ratio			3.99	5.73	4.69
Cash and equivalents / total assets (%)			41.06	61.01	61.00
Cash and equivalents / total revenue (%) (LTM)			30.93	58.85	55.17
Depreciation / average gross block (%) (LTM)			25.42	25.55	23.50
Technology investment / total revenue (%) (LTM)			6.23	6.74	5.86
Ratios - Growth**					
Export revenue (%)	136	63	121	70	74
Total revenue (%)	136	67	118	77	80
Operating expenses (%)	146	58	120	62	69
Operating profit (%)	122	80	116	104	98
Net profit (from ordinary activities) (%)	125	95	121	123	115
Per – share data (Period End)					
Earnings per share from ordinary activities (Rs.)	25.14	11.16	66.76	30.25	43.23
Earnings per share (including extraordinary items) (Rs.)	25.14	11.16	67.59	30.25	44.37
Cash earnings per share from ordinary activities (Rs.)	30.13	13.35	78.10	35.47	51.27
Cash earnings per share (including extraordinary items) (Rs.)	30.13	13.35	78.93	35.47	52.42
Book value (Rs.)			190.63	115.08	125.97
Price / earning (LTM)			71.41	196.72	207.50
Price / cash earnings (LTM)			60.64	163.77	174.96
Price / book value			29.87	62.85	71.21
EPS growth (%)	125.27	89.47	120.69	115.76	115.07
PE / EPS Growth	0.57	2.20	0.59	1.70	1.80
Dividend per share	--	--	2.50	1.50	4.50

* Annualized.

** Denotes growth compared with figures of the corresponding period in the previous year.

Note: The ratio calculations are based on Indian GAAP and have been adjusted for the stock split.

LTM - Last twelve months

Infosys Technologies Limited

United States

Addison

15305 Dallas Parkway
Suite 210
Addison, TX 75001
Tel.: 972 770 0450
Fax: 972 770 0490

Bellevue

10900 NE 4th St, #2300
Bellevue, WA 98004
Tel.: 425 990 1028
Fax: 425 990 1029

Berkeley Heights

Two Oak way
4th Floor South Wing,
Berkeley Heights, NJ 07922
Tel.: 908 286 3100
Fax: 908 286 3125

Cranford

20 Commerce Drive
Cranford, NJ 07016
Tel.: 908 497 1710
Fax: 908 497 1770

Fremont

34760 Campus Drive
Fremont, CA 94555
Tel.: 510 742 3000
Fax: 510 742 3090

Lisle

2300 Cabot Dr. Suite 250
Lisle, IL 60532
Tel.: 630 482 5000
Fax: 630 505 9144

Marietta

1950 Spectrum Circle, #400
Marietta, GA 30067
Tel.: 770 857 4428
Fax: 770 857 2258

Newport Beach

4590 MacArthur Suite 500
Newport Beach, CA 92660
Tel.: 949 475 0196
Fax: 949 475 0198

Oakbrook Terrace

One Tower Lane, #1700
Oakbrook Terrace,
IL 60181
Tel.: 630 573 6050
Fax: 630 573 6051

Quincy

Two Adams Place
Quincy, MA 02169
Tel.: 781 356 3109
Fax: 781 356 3150

Troy

100 Liberty Center,
#200 West Big Beaver
Troy, MI 48084
Tel.: 248 524 0320
Fax: 248 524 0321

Australia

Melbourne

Level 7, 505 St. Kilda Road
Melbourne, Victoria 3004
Tel.: 61 3 9868 1607
Fax: 61 3 9868 1652
Fax: 61 3 9820 0777

Sydney

Level 4, 90 Mount Street,
North Sydney, NSW 2060
Tel.: 61 2 9954 0036
Fax: 61 2 8904 1344

UK

10th Floor, Emerald House
7-15 Lansdowne Road
Croydon, Surrey
CR0 2BX

Tel.: 44 20 8774 3329
Fax: 44 20 8686 6631

France

12 av du Center,
Faubourg de l'Arche,
92419, Courbevoie Cedex
Paris
Tel.: 33 1 46 91 84 54
Fax: 33 1 46 91 88 00

Belgium

Drève Richelle 161,
Building N
1410 Waterloo, Brussels
Tel.: 322 352 8743
Fax: 322 352 8844

Canada

5140 Yonge Street
Suite 1400
Toronto, Ontario M2N 6L7
Tel.: 416 224 7420
Fax: 416 224 7449

Germany

TOPAS 2
Mergenthalerallee, 79-81
65760 Eschborn/Frankfurt
Tel.: 49 6196 920 2115
Fax: 49 6196 920 2320

Hong Kong

16F Cheung Kong Centre
2 Queen's Road Central
Central, Hong Kong
Tel.: 852 2297 2806
Fax: 852 2297 0066

Japan

4F Madre Matsuda Bldg.
4-13, Kioi-Cho,
Chiyoda-Ku
Tokyo 102-0094
Tel.: 81 3 3234 3597
Fax: 81 3 3239 3300

Sweden

Stureplan 4C, 4tr,
114 35, Stockholm
Tel.: 46 8 463 1112
Fax: 46 8 463 1114

India

Bangalore

Electronics City
Hosur Road,
Bangalore 561 229
Tel.: 080 852 0261
Fax: 080 852 0362
Reddy Building
K-310, 1st Main, 5th Block
Koramangala,
Bangalore 560 095
Tel.: 080 553 0392
Fax: 080 553 0391
Pavithra Complex, #1,27th
Main, 2nd Cross, 1st Stage
BTM Layout,
Bangalore 560 068
Tel.: 080 668 1755
Fax: 080 668 0181
Infosys Towers
No. 27, Bannerghatta Road,
3rd Phase J. P. Nagar,
Bangalore 560 076
Tel.: 080 6588668
Fax: 080 6588676

Bhubaneswar

Plot #N-1/70, Nayapalli,
Adjoining Planetarium on
NH5, Post RRL,
Bhubaneswar 751 013
Tel.: 0674 584068 - 71
Fax: 0674 583991
Plot No. E/4 Infosys City
Chandaka
Bhubaneswar 751 014
Tel.: 0674 442 194

Chennai

1st & 2nd Floor,
Alexander Square,
35 Sardar Patel Road,
Guindy,
Chennai 600 032
Tel.: 044 2300031- 40
Fax: 044 2300091
No. 138 Sholinganallur
Old Mahabalipuram Road
Chennai 600 119
Tel.: 044 496 4304
Archbishop Arokia Swamy
Building
145, Santhome High Road
Mylapore (Santhome)
Chennai 600 004
Tel.: 044 4612021
Fax: 044 4956958
Hyderabad
#1Q3-A1, First Floor,
Cyber Tower, Hitec City
Madhapur,
Hyderabad 500 033
Tel.: 040 3100242
Fax: 040 3100243

Mangalore

#16/403 Star of Bombay
Complex
3rd Floor, Kankanady
Mangalore 575 002
Tel.: 0824 439401-7 &
434401-06
Fax: 0824 439430
Kuloor Ferry Road,
Kottara Cross,
Mangalore 575 006
Tel.: 0824 451485-88
Fax: 0824 451504

Mohali (Chandigarh)

B100, Phase VIII, Industrial
Area, SAS Nagar
Mohali 160 059
Tel.: 0172 254191/92/ 94
Fax.: 0172 254193

Mumbai

85, 'C', Mittal Towers,
8th Floor
Nariman Point,
Mumbai 400 021
Tel.: 022 2846490
Fax: 022 2846489

Mysore

Sree Jayachamarajendra
College of Engineering -
Science and Technology
Entrepreneurs Park (SJCE-
STEP), Manasagangothri
Mysore 570 006
Tel.: 0821 500001 - 06
Fax: 0821 511614

New Delhi

K30, Green Park Main,
Behind Green Park Market
New Delhi 110 066
Tel.: 011 6514829/ 30
Fax: 011 6853366

Pune

3rd Floor, 321/A/3 TPS III
Shankar Seth Road
Mahatma Phule Peth
Pune 411 042
Tel.: 0212 647420/21
Fax: 0212 648226
Plot #1, Infotech Park
MIDC
Hinjawadi, Taluka Mulshi,
Pune 411 027
Tel.: 02139 32801 - 03
Fax: 02139 32832

Bankers

ICICI Bank Limited
Bank of America

Company secretary

V. Balakrishnan

Auditors

Bharat S Raut and Co.
Chartered Accountants

Independent auditors

(US GAAP)
KPMG

Visit Infosys at
www.infy.com

Send e-mail to
infosys@infy.com

Call us at:
within the U.S.
1-800-ITL INFO
outside the U.S.
91-80-852 0261

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