

**INFOSYS TECHNOLOGIES LIMITED***in Rs.*

Profit and Loss Account for the year ended March 31,	Schedule	2001	2000
<b>INCOME</b>			
Software development services and products			
Overseas		1874,02,66,421	869,69,80,931
Domestic		26,53,92,386	12,62,56,042
Other income	10	59,37,14,915	39,14,11,095
		<b>1959,93,73,722</b>	<b>921,46,48,068</b>
<b>EXPENDITURE</b>			
Software development expenses	11	958,17,66,650	466,26,84,578
Administration and other expenses	12	177,54,70,971	69,48,50,282
Provision for investment		15,28,98,608	-
Provision for contingencies		-	3,33,00,000
Provision for e-inventing the company		-	3,50,00,000
		<b>1151,01,36,229</b>	<b>542,58,34,860</b>
Operating profit (PBIDT)		808,92,37,493	378,88,13,208
Interest		-	-
Depreciation		112,89,45,152	53,23,27,389
Profit before tax and extraordinary items		696,02,92,341	325,64,85,819
Provision for tax			
earlier years		1,40,00,000	24,00,000
current year		71,31,00,000	39,46,00,000
Profit after tax before extraordinary item		623,31,92,341	285,94,85,819
Extraordinary item - transfer of intellectual property right (net of tax)		5,49,44,000	-
- provision no longer required		-	7,56,70,846
Net profit after tax and extraordinary item		628,81,36,341	293,51,56,665
<b>AMOUNT AVAILABLE FOR APPROPRIATION</b>		<b>628,81,36,341</b>	<b>293,51,56,665</b>
Dividend			
Interim		16,53,78,418	9,92,08,200
Final (Proposed)		49,61,85,878	19,84,18,210
Dividend Tax		8,69,94,211	3,27,38,905
Amount transferred - general reserve		553,95,77,834	260,47,91,350
		<b>628,81,36,341</b>	<b>293,51,56,665</b>

**EARNINGS PER SHARE**

(Equity shares, par value Rs. 5 each)

<b>Basic</b>	95.06	44.38
<b>Diluted</b>	94.76	44.37
Number of shares used in computing earnings per share		
<b>Basic</b>	6,61,52,131	6,61,39,372
<b>Diluted</b>	6,63,58,311	6,61,57,819

## SIGNIFICANT ACCOUNTING POLICIES AND

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## NOTES ON ACCOUNTS

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*

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*

Marti G. Subrahmanyam  
*Director*

Jitendra Vir Singh  
*Director*

Rama Bijapurkar  
*Director*

K Dinesh  
*Director*

Omkar Goswami  
*Director*

Larry Pressler  
*Director*

T.V. Mohandas Pai  
*Director and  
Chief Financial Officer*

S. Gopalakrishnan  
*Deputy Managing Director*

Phaneesh Murthy  
*Director*

S.D. Shibulal  
*Director*

Srinath Batni

V. Balakrishnan  
*Company Secretary and  
Associate Vice President - Finance*

Bangalore  
April 11, 2001

**INFOSYS TECHNOLOGIES LIMITED***in Rs.*

Schedules to the Profit and Loss Account for the year ended March 31, 2001 2000

**10. OTHER INCOME**

Interest received on deposits with banks and others (Tax deducted at source Rs. 4,30,12,428 and Rs. 1,67,51,195 respectively)	37,54,58,594	26,68,79,106
Sale of special import licenses	6,77,431	2,02,31,549
Miscellaneous income	1,58,66,407	49,73,365
Exchange differences *	20,17,12,483	9,93,27,075
	<u>59,37,14,915</u>	<u>39,14,11,095</u>

\*arising on translation of foreign currency deposits maintained abroad includes a realised gain of Rs. 5,06,25,885 (previous year : Rs. Nil)

**11. SOFTWARE DEVELOPMENT EXPENSES**

Salaries and bonus including overseas staff expenses	675,86,45,286	307,54,46,295
Staff welfare	8,46,06,310	4,93,07,308
Contribution to provident and other funds	33,45,76,308	22,08,36,923
Foreign travel expenses	147,22,11,655	84,09,02,293
Consumables	5,86,87,245	2,70,06,251
Cost of software packages for own use	31,85,81,751	16,53,57,382
banking product	5,70,13,753	2,84,48,397
Computer maintenance	7,19,42,078	3,27,43,350
Communication expenses	31,52,55,986	17,31,23,718
Consultancy charges	9,19,25,609	2,85,50,034
Provision for post-sales client support	1,83,20,669	2,09,62,627
	<u>958,17,66,650</u>	<u>466,26,84,578</u>

**12. ADMINISTRATION AND OTHER EXPENSES**

Professional charges	20,40,21,385	7,55,68,079
Travelling and conveyance	18,40,64,822	7,68,26,394
Rent	16,94,82,708	10,34,93,593
Telephone charges	14,02,60,363	5,93,95,252
Office maintenance	12,84,32,642	5,81,01,381
Power and fuel	11,78,45,258	5,01,41,466
Brand building	10,52,01,392	99,17,816
Donations	7,21,92,883	3,49,27,871
Advertisements	6,30,77,831	2,12,41,343
Printing and stationery	6,25,54,206	2,76,70,902
Insurance charges	5,17,55,298	2,41,35,289
Repairs to building	3,95,22,458	1,13,44,232
Repairs to plant and machinery	2,26,54,171	84,12,905
Rates and taxes	1,82,17,524	1,03,80,848
Commission charges	1,79,03,784	64,70,454
Bank charges and commission	59,39,483	42,21,668
Auditor's remuneration		
audit fees	17,85,000	17,85,000
certification charges	2,00,000	2,00,000
other services	-	4,50,000
out-of-pocket expenses	2,00,000	2,00,000
Bad loans and advances written off	4,141	3,13,050
Bad debts written off	27,70,254	1,59,20,938
Provision for doubtful loans and advances	7,11,816	-
Provision for bad and doubtful debts	19,27,45,549	94,03,099
Freight charges	55,72,484	23,84,004
Professional membership and seminar participation fees	2,17,10,613	75,30,693
Marketing expenses	4,26,87,545	2,94,50,685
Postage and courier	2,27,86,459	1,37,56,638
Books and periodicals	1,69,10,978	77,13,886
Commission to non-whole time directors	59,22,049	48,17,800
Sales promotion expenses	70,16,656	26,70,973
Transaction processing fee and filing fees	1,52,76,339	3,69,846
Research grants	1,00,00,000	1,03,00,000
Other miscellaneous expenses	2,60,44,880	53,34,177
	<u>177,54,70,971</u>	<u>69,48,50,282</u>