

INFOSYS TECHNOLOGIES LIMITED*in Rs.*

Profit and Loss Account for the	Schedule	Quarter ended		Half year ended	
		Mar 31, 2001	Mar 31, 2000	Mar 31, 2001	Mar 31, 2000
INCOME					
Software development services and products					
Overseas		552,47,00,696	271,59,54,975	1081,71,02,085	496,00,47,506
Domestic		9,40,15,896	5,74,58,216	17,22,98,796	7,74,95,443
Other income	10	10,20,87,801	8,65,78,596	24,68,19,766	15,76,79,415
		572,08,04,393	285,99,91,787	1123,62,20,647	519,52,22,364
EXPENDITURE					
Software development expenses	11	269,19,16,517	146,21,89,237	542,33,66,234	264,00,35,858
Administration and other expenses	12	59,35,32,537	23,22,49,774	105,81,98,904	40,49,79,857
Provision for investment		2,20,98,608	-	15,28,98,608	-
		330,75,47,662	169,44,39,011	663,44,63,746	304,50,15,715
Operating profit (PBIDT)		241,32,56,731	116,55,52,776	460,17,56,901	215,02,06,649
Interest		-	-	-	-
Depreciation		37,90,13,208	18,70,86,391	70,92,05,888	33,18,85,471
Profit before tax and extraordinary items		203,42,43,523	97,84,66,385	389,25,51,013	181,83,21,178
Provision for tax					
earlier periods		-	1,00,000	-	7,00,000
current period		21,75,00,000	11,99,00,000	41,25,00,000	22,13,00,000
Profit after tax before extraordinary items		181,67,43,523	85,84,66,385	348,00,51,013	159,63,21,178
Extraordinary item - provision no longer required		-	7,56,70,846	-	7,56,70,846
Net profit after tax and extraordinary items		181,67,43,523	93,41,37,231	348,00,51,013	167,19,92,024
AMOUNT AVAILABLE FOR APPROPRIATION					
Dividend					
Final (Proposed)		49,61,85,878	19,84,18,210	49,61,85,878	19,84,18,210
Dividend Tax		5,06,10,959	2,18,26,003	5,06,10,959	2,18,26,003
Amount transferred - general reserve		126,99,46,686	71,38,93,018	293,32,54,176	145,17,47,811
		181,67,43,523	93,41,37,231	348,00,51,013	167,19,92,024
EARNINGS PER SHARE					
(Equity shares, par value Rs. 5 each)					
Basic		27.46	14.12	52.61	25.28
Diluted		27.33	14.12	52.40	25.27
Number of shares used in computing earnings per share					
Basic		6,61,54,453	6,61,41,121	6,61,54,297	6,61,39,948
Diluted		6,64,65,433	6,61,57,636	6,64,09,875	6,61,57,759

SIGNIFICANT ACCOUNTING POLICIES AND 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 <i>Partner</i>	N. R. Narayana Murthy <i>Chairman and Chief Executive Officer</i>	Nandan M. Nilekani <i>Managing Director, President and Chief Operating Officer</i>	Deepak M. Satwalekar <i>Director</i>
Marti G. Subrahmanyam <i>Director</i>	Jitendra Vir Singh <i>Director</i>	Rama Bijapurkar <i>Director</i>	K Dinesh <i>Director</i>
Omkar Goswami <i>Director</i>	Larry Pressler <i>Director</i>	T.V. Mohandas Pai <i>Director and Chief Financial Officer</i>	S. Gopalakrishnan <i>Deputy Managing Director</i>
Phaneesh Murthy <i>Director</i>	S.D. Shibulal <i>Director</i>	Srinath Batni <i>Director</i>	V. Balakrishnan <i>Company Secretary and Associate Vice President - Finance</i>

Bangalore
April 11, 2001

INFOSYS TECHNOLOGIES LIMITED
in Rs.

Schedules to the Profit and Loss Account for the	Quarter ended		Half year ended	
	Mar 31, 2001	Mar 31, 2000	Mar 31, 2001	Mar 31, 2000
10 OTHER INCOME				
Interest received on deposits with banks and others (Tax deducted at source Rs.1,75,40,218, Rs. 65,94,271, Rs. 3,18,83,249 and Rs. 1,15,02,900 respectively)	10,28,45,451	7,70,68,876	20,96,55,488	14,58,56,769
Sale of special import licenses	-	-	-	72,35,156
Miscellaneous income	29,76,187	18,15,511	64,49,196	30,19,116
Exchange differences *	(37,33,837)	76,94,209	3,07,15,082	15,68,374
	<u>10,20,87,801</u>	<u>8,65,78,596</u>	<u>24,68,19,766</u>	<u>15,76,79,415</u>
* arising on translation of foreign currency deposits maintained abroad includes a realised gain of Rs. Nil and Rs. 1,52,33,885 during the quarter and six months ended March 31, 2001 (corresponding previous periods: Rs. nil).				
11 SOFTWARE DEVELOPMENT EXPENSES				
Salaries and bonus including overseas staff expenses	197,21,20,744	93,95,49,550	385,84,63,904	175,10,85,275
Staff welfare	3,03,20,554	1,75,29,404	5,21,94,445	2,96,04,937
Contribution to provident and other funds	7,70,19,823	12,15,11,664	16,52,24,713	15,98,69,609
Foreign travel expenses	37,08,01,125	26,53,63,800	81,10,58,176	46,73,32,635
Consumables	1,80,10,974	1,04,91,201	3,91,80,170	1,63,98,719
Cost of software packages for own use	3,94,64,145	2,82,13,530	12,05,96,925	7,25,02,722
banking product	1,91,84,677	2,28,32,849	4,37,02,476	2,43,83,338
Computer maintenance	2,48,27,522	80,17,724	4,48,30,790	2,26,64,991
Communication expenses	10,56,29,464	3,89,42,008	21,57,72,598	7,83,63,629
Consultancy charges	3,48,72,392	86,50,744	6,20,69,926	1,44,63,530
Provision for post-sales client support	(3,34,903)	10,86,763	1,02,72,111	33,66,473
	<u>269,19,16,517</u>	<u>146,21,89,237</u>	<u>542,33,66,234</u>	<u>264,00,35,858</u>
12 ADMINISTRATION AND OTHER EXPENSES				
Professional charges	8,93,00,244	2,48,51,031	13,98,13,635	4,60,74,250
Travelling and conveyance	5,66,91,743	2,84,28,030	10,70,25,358	4,96,48,015
Rent	5,51,04,598	2,97,62,854	9,99,45,671	5,92,54,162
Telephone charges	3,82,79,294	2,13,84,870	7,51,70,600	3,47,96,035
Office maintenance	4,23,98,151	2,48,39,062	7,17,10,888	3,99,12,624
Power and fuel	3,85,05,989	1,75,84,149	7,20,19,252	3,00,33,356
Brand building	3,03,05,829	51,20,405	5,50,24,123	99,17,816
Donations	2,44,24,320	1,27,41,504	3,93,83,820	2,07,41,504
Advertisements	2,04,83,340	1,01,73,478	3,42,02,292	1,00,04,416
Printing and stationery	1,49,16,751	63,24,523	2,64,29,909	1,22,79,075
Insurance charges	2,84,67,953	63,30,698	3,91,89,107	1,51,04,658
Repairs to building	1,43,03,937	55,77,060	2,54,39,521	73,39,396
Repairs to plant and machinery	70,54,869	21,23,856	1,52,70,230	42,63,643
Rates and taxes	76,31,815	27,05,558	83,74,525	46,37,202
Commission Charges	54,95,162	13,91,439	88,78,063	29,85,654
Bank charges and commission	16,89,196	14,91,071	50,15,140	24,58,736
Auditor's remuneration				
audit fees	4,46,250	4,46,250	8,91,750	8,92,500
certification charges	2,00,000	2,00,000	2,00,000	2,00,000
other services		4,50,000		4,50,000
out-of-pocket expenses	50,000	50,000	1,00,000	1,00,000
Bad loans and advances written off	(7,750)	(33,527)	4,141	(33,527)
Bad debts written off		1,59,20,938		1,59,20,938
Provision for doubtful loans and advances	7,11,816	-	7,11,816	-
Provision for bad and doubtful debts	7,08,65,501	(1,21,47,752)	14,35,51,088	(96,40,138)
Freight charges	12,08,496	6,23,519	33,42,258	12,66,972
Professional membership and seminar participation fees	64,95,232	41,69,864	1,26,58,455	50,57,821
Marketing expenses	1,00,35,862	81,63,966	1,98,36,010	1,63,97,423
Postage and courier	75,72,599	41,86,087	1,31,79,608	75,56,902
Books and periodicals	47,48,008	42,30,498	79,96,433	55,65,136
Commission to non-whole time directors	14,22,049	12,17,800	29,22,049	24,17,800
Sales promotion expenses	15,67,866	3,82,689	64,04,754	12,22,766
Transaction processing fee and filing fees	93,43,360	77,172	1,23,11,494	3,69,846
Research Grants	25,00,000	40,50,000	50,00,000	78,00,000
Other miscellaneous expenses	13,20,057	(5,67,318)	61,96,914	(15,124)
	<u>59,35,32,537</u>	<u>23,22,49,774</u>	<u>105,81,98,904</u>	<u>40,49,79,857</u>