

INFOSYS TECHNOLOGIES LIMITED*in Rs. crore*Balance Sheet as at Schedules **March 31, 2002** March 31, 2001**SOURCES OF FUNDS**

SHAREHOLDERS' FUNDS

Share capital	1	33.09	33.08
Reserves and surplus	2	2,047.22	1,356.56
		2,080.31	1,389.64

APPLICATION OF FUNDS

FIXED ASSETS

Original cost	3	960.60	631.14
Less: Depreciation		393.03	244.13
Net book value		567.57	387.01
Add: Capital work-in-progress		150.67	170.65
		718.24	557.66

INVESTMENTS

	4	44.44	34.12
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DEFERRED TAX ASSETS

	5	24.22	-
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CURRENT ASSETS, LOANS AND ADVANCES

Sundry debtors	6	336.73	302.37
Cash and bank balances	7	772.22	385.06
Loans and advances	8	643.87	430.28
		1,752.82	1,117.71
Less: Current liabilities	9	126.11	134.92
Provisions	10	333.30	184.93
NET CURRENT ASSETS		1,293.41	797.86

		2,080.31	1,389.64
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SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

16

The schedules referred to above and the notes thereon form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.
for Bharat S Raut & Co.
Chartered Accountants

S. Balasubrahmanyam
*Partner*N. R. Narayana Murthy
*Chairman and Chief Mentor*Nandan M. Nilekani
*Chief Executive Officer, President
and Managing Director*S. Gopalakrishnan
*Chief Operating Officer and
Deputy Managing Director*Deepak M. Satwalekar
*Director*Marti G. Subrahmanyam
*Director*Philip Yeo
*Director*Jitendra Vir Singh
*Director*Omkar Goswami
*Director*Larry Pressler
*Director*Rama Bijapurkar
*Director*Claude Smadja
*Director*K. Dinesh
*Director*S. D. Shibulal
*Director*T. V. Mohandas Pai
*Director and
Chief Financial Officer*Phaneesh Murthy
*Director*Srinath Batni
*Director*V. Balakrishnan
*Company Secretary and
Vice President – Finance*Bangalore
April 10, 2002

INFOSYS TECHNOLOGIES LIMITED

in Rs. crore

Profit and Loss Account for the		Quarter ended March 31,		Half-year ended March 31,		Year ended March 31,	
	Schedules	2002	2001	2002	2001	2002	2001
INCOME							
Software services and products							
Overseas		669.54	552.47	1,317.89	1,081.71	2,552.47	1,874.02
Domestic		10.59	9.40	23.05	17.23	51.12	26.54
		680.13	561.87	1,340.94	1,098.94	2,603.59	1,900.56
SOFTWARE DEVELOPMENT EXPENSES	11	322.81	245.27	632.31	495.41	1,224.82	870.83
GROSS PROFIT		357.32	316.60	708.63	603.53	1,378.77	1,029.73
SELLING AND MARKETING EXPENSES	12	35.83	29.98	68.68	51.53	129.79	92.07
GENERAL AND ADMINISTRATION EXPENSES	13	50.75	53.30	101.76	101.22	211.35	172.82
		86.58	83.28	170.44	152.75	341.14	264.89
OPERATING PROFIT (PBITD)		270.74	233.32	538.19	450.78	1,037.63	764.84
Interest		-	-	-	-	-	-
Depreciation		44.82	37.90	86.15	70.92	160.65	112.89
OPERATING PROFIT AFTER INTEREST AND DEPRECIATION		225.92	195.42	452.04	379.86	876.98	651.95
Other income	14	23.33	10.21	38.26	24.68	66.41	59.37
Provision for investment		-	2.21	-	15.29	-	15.29
PROFIT BEFORE TAX AND EXTRA ORDINARY ITEM		249.25	203.42	490.30	389.25	943.39	696.03
Provision for taxation	15	38.93	21.75	73.93	41.25	135.43	72.71
PROFIT AFTER TAX BEFORE EXTRAORDINARY ITEM		210.32	181.67	416.37	348.00	807.96	623.32
Extraordinary item							
Transfer of intellectual property rights (net of tax)		-	-	-	-	-	5.49
NET PROFIT AFTER TAX AND EXTRAORDINARY ITEM		210.32	181.67	416.37	348.00	807.96	628.81
AMOUNT AVAILABLE FOR APPROPRIATION		210.32	181.67	416.37	348.00	807.96	628.81
DIVIDEND							
Interim		-	-	-	-	49.63	16.53
Final							
(Proposed, subject to deduction of tax at source)		82.73	49.62	82.73	49.62	82.73	49.62
Dividend Tax		-	5.06	-	5.06	5.06	8.70
Amount transferred - general reserve		127.59	126.99	333.64	293.32	670.54	553.96
Balance in Profit and Loss Account		-	-	-	-	-	-
		210.32	181.67	416.37	348.00	807.96	628.81
EARNINGS PER SHARE							
<i>(Equity shares, par value Rs. 5/- each)</i>							
Basic		31.78	27.46	62.92	52.61	122.12	95.06
Diluted		31.37	27.33	62.39	52.40	121.37	94.76
Number of shares used in computing earnings per share							
Basic		6,61,73,729	6,61,54,453	6,61,69,054	6,61,54,297	6,61,62,274	6,61,52,131
Diluted		6,70,42,627	6,64,65,433	6,67,35,273	6,64,09,875	6,65,67,575	6,63,58,311

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

16

The schedules referred to above and the notes thereon form an integral part of the Profit and Loss Account.

This is the Profit and Loss Account referred to in our report of even date.
for Bharat S Raut & Co.
Chartered Accountants

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

Bangalore
April 10, 2002

INFOSYS TECHNOLOGIES LIMITED*in Rs. crore*Schedules to the Balance Sheet as at March 31, 2002 March 31, 2001**1. SHARE CAPITAL**

AUTHORIZED

Equity shares, Rs. 5/- (Rs. 5/-) par value

10,00,00,000 (10,00,00,000) equity shares 50.00 50.00

ISSUED, SUBSCRIBED AND PAID UP

Equity shares, Rs. 5/- (Rs. 5/-) par value*

6,61,86,130 (6,61,58,117) equity shares fully paid up 33.09 33.08[Of the above, 5,78,88,200 (5,78,88,200) equity shares,
fully paid up have been issued as bonus shares by capitalization of
the general reserve]**33.09****33.08**

Forfeited shares amounted to Rs. 1,500/- (Rs. 1,500/-)

* for details of options in respect of the above shares, refer to note 16.2.16

2. RESERVES AND SURPLUSCapital reserve 5.94 5.94Share premium account as at April 1, 320.75 318.38

Add : Received during the year

on conversion of stock options issued to employees 4.59 2.37**325.34****320.75**General reserve as at April 1, 1,029.87 475.91Add: Cumulative effect on recognition of deferred tax assets* 15.53 -Transfer from the Profit and Loss Account 670.54 553.96**1,715.94****1,029.87****2,047.22****1,356.56**

* for details in respect of the above adjustment, refer to note 16.2.1

INFOSYS TECHNOLOGIES LIMITED*in Rs. crore*

Schedules to the Balance Sheet as at	March 31, 2002	March 31, 2001
4. INVESTMENTS		
Trade (unquoted) - at cost		
Long- term investments		
Yantra Corporation, USA		
20,00,000 (75,00,000) common stock at US\$ 0.20 each, fully paid, par value US\$ 0.01 each	1.42	5.33
Fully paid (nil) warrant to purchase 55,00,000 common stock, at US\$ 0.19 each, exercise price of US\$ 0.01 each	3.91	-
6,36,363 (6,36,363) Series A convertible preferred stock, at US\$ 0.75 each, fully paid, par value US\$ 0.01 each	1.73	1.73
EC Cubed Inc., USA		
13,00,108 (13,00,108) Series D convertible preferred stock at US\$ 2.3075 each, fully paid, par value US\$ 0.0001 each	13.08	13.08
Alpha Thinx Mobile Phone Services AG, Austria		
27,790 (27,790) bearer shares at € 20 each, fully paid, par value € 1 each	2.21	2.21
	22.35	22.35
Less: Provision for investments	22.35	22.35
	-	-
Asia Net Media (BVI) Ltd., the British Virgin Islands		
3,00,00,000 (3,00,00,000) ordinary shares at US\$ 0.05 each, fully paid, par value US\$ 0.01 each	6.85	6.85
CiDRA Corporation, USA		
33,333 (33,333) Series D convertible preferred stock at US\$ 90 each, fully paid, par value US\$ 0.01 each	13.40	13.40
JASDIC Park Company, Japan		
480 (480) common stock at ¥ 50,000 each, fully paid, par value ¥ 50,000 each	0.75	0.75
M-Commerce Ventures Pte Ltd, Singapore		
Units in the company, each unit representing 1 ordinary share of Singapore \$ 1 each, fully paid, par value Singapore \$ 1 and 9 redeemable preferred shares of Singapore \$ 1, fully paid, at a premium of Singapore \$ 1,110 per redeemable preferred stock	-	-
70 (70) ordinary shares	-	-
630 (630) redeemable preference shares	1.84	1.84
OnMobile Systems Inc., (formerly Onscan Inc.) USA		
1,00,000 (1,00,000) common stock at US\$ 0.4348 each, fully paid, par value US\$ 0.001 each	0.20	0.20
1,00,000 (1,00,000) Series A voting convertible preferred stock at US\$ 0.4348 each, fully paid, par value US\$ 0.001 each	0.20	0.20
44,00,000 (44,00,000) Series A non-voting convertible preferred stock at US\$ 0.4348 each, fully paid, par value US\$ 0.001 each	8.55	8.55
Stratify Inc. (formerly PurpleYogi Inc.), USA		
2,76,243 (2,76,243) Series D convertible preferred stock at US\$ 1.81 each fully paid, par value US\$ 0.001 each	2.33	2.33
Workadia Inc. USA		
22,00,000 (Nil) Series B convertible preferred stock at US\$ 1.00 each, fully paid, par value US \$ 0.0002 each (adjusted for stock splits)	10.32	-
The Saraswat Co-operative Bank Limited		
1,035 (1,035) equity shares of Rs. 10 each, fully paid, par value Rs. 10	-	-
Software Services Support Education Center Limited		
1 (1) equity share of Rs. 10 each, fully paid, par value Rs. 10	-	-
	44.44	34.12
Aggregate of unquoted investments - carrying value / cost	44.44	34.12
5. DEFERRED TAX ASSETS		
Fixed assets	14.59	-
Investments	5.85	-
Sundry debtors	3.78	-
	24.22	-

INFOSYS TECHNOLOGIES LIMITED

in Rs. crore

Schedules to the Balance Sheet as at March 31, 2002 March 31, 2001

6. SUNDRY DEBTORS

Debts outstanding for a period exceeding six months

Unsecured

considered doubtful	7.35	9.62
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Other debts

Unsecured

considered good	336.73	302.37
considered doubtful	11.88	8.55

	<u>355.96</u>	<u>320.54</u>
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Less: Provision for doubtful debts	19.23	18.17
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	<u>336.73</u>	<u>302.37</u>
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7. CASH AND BANK BALANCES

Cash on hand	0.03	0.01
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Balances with scheduled banks

in current accounts *	22.75	12.80
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in deposit accounts in Indian rupees	551.62	181.89
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in deposit accounts in foreign currency	147.41	136.36
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Balances with non-scheduled banks**

in current accounts	50.41	54.00
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	<u>772.22</u>	<u>385.06</u>
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*includes balance in unclaimed dividend account	1.12	0.48
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** refer to note 16.2.19 for details of balances in the non-scheduled banks		
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8. LOANS AND ADVANCES

Unsecured, considered good

Advances

prepaid expenses	11.20	13.75
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advances paid for supply of goods and rendering of services	1.22	4.58
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others	2.17	1.92
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	<u>14.59</u>	<u>20.25</u>
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Unbilled revenues	17.74	2.35
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Advance income tax	236.25	123.74
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Loans and advances to employees *

housing and other loans	81.52	50.46
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salary advances	19.91	24.47
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Electricity and other deposits	6.26	4.76
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Rental deposits	10.14	11.57
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Deposits with financial institutions / body corporate	254.74	192.68
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Other assets	2.72	-
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	<u>643.87</u>	<u>430.28</u>
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Unsecured, considered doubtful

Loans and advances to employees	0.49	0.07
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	<u>644.36</u>	<u>430.35</u>
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Less: Provision for doubtful loans and advances to employees	0.49	0.07
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	<u>643.87</u>	<u>430.28</u>
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* includes dues by non-director officers of the company	2.31	1.06
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Maximum amounts due by non-director officers at any time during the year	2.97	2.84
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INFOSYS TECHNOLOGIES LIMITED*in Rs. crore*

Schedules to the Balance Sheet as at	March 31, 2002	March 31, 2001
9. CURRENT LIABILITIES		
Sundry creditors		
for goods	-	0.13
for accrued salaries and benefits		
salaries	2.77	3.80
bonus and incentives	30.71	34.64
leave provisions	22.99	18.98
for other liabilities		
provision for expenses	16.38	17.71
retention monies	9.36	11.42
withholding and other taxes payable	12.76	5.50
others	2.31	1.76
	97.28	93.94
Advances received from clients	10.81	5.67
Unearned revenue	16.90	34.83
Unclaimed dividend	1.12	0.48
	126.11	134.92
10. PROVISIONS		
Dividends	82.73	49.62
Provision for		
tax on dividend	-	5.06
income taxes	239.57	122.90
post-sales client support	11.00	7.35
	333.30	184.93

INFOSYS TECHNOLOGIES LIMITED*in Rs. crore*

Schedules to the Profit and Loss Account for the	Quarter ended March 31,		Half-year ended March 31,		Year ended March 31,	
	2002	2001	2002	2001	2002	2001
11. SOFTWARE DEVELOPMENT EXPENSES						
Salaries and bonus including overseas staff expenses	256.30	177.67	509.13	348.36	976.11	605.51
Staff welfare	1.27	2.56	2.69	4.67	6.14	7.63
Contribution to provident and other funds	6.64	7.17	13.15	15.47	25.63	31.00
Foreign travel expenses	30.60	33.76	56.65	73.35	113.12	133.66
Consumables	0.98	1.80	2.14	3.92	3.22	5.87
Cost of software packages for own use	8.39	3.93	17.38	12.04	34.44	31.84
service delivery to clients	1.60	1.92	3.12	4.37	9.17	5.70
Provision for post-sales client support	2.64	(0.03)	2.60	1.03	3.65	1.83
Computer maintenance	2.19	2.47	4.21	4.44	7.11	7.13
Communication expenses	7.51	10.53	15.38	21.55	36.11	31.47
Consultancy charges	4.69	3.49	5.86	6.21	10.12	9.19
	322.81	245.27	632.31	495.41	1,224.82	870.83

12. SELLING AND MARKETING EXPENSES

Salaries and bonus including overseas staff expenses	15.87	12.61	30.53	23.27	61.04	44.25
Staff welfare	0.04	0.48	0.10	0.55	0.27	0.83
Contribution to provident and other funds	0.10	0.05	0.15	0.11	0.22	0.24
Foreign travel expenses	5.99	3.26	11.17	6.42	18.66	10.72
Consumables	0.01	-	0.01	-	0.02	-
Cost of software packages for own use	0.48	0.01	0.50	0.02	0.58	0.02
Computer maintenance	-	0.02	-	0.04	-	0.06
Communication expenses	0.12	0.03	0.29	0.02	0.38	0.05
Traveling and conveyance	0.26	0.89	0.77	1.42	3.14	2.35
Rent	0.90	0.50	1.67	1.37	4.30	2.47
Telephone charges	0.90	1.02	1.73	1.52	3.26	2.34
Professional charges	1.81	3.42	3.79	3.60	5.90	4.78
Printing and stationery	0.38	0.53	0.81	0.78	1.55	0.96
Advertisements	0.18	0.28	0.28	0.29	0.31	0.73
Brand building	2.97	3.03	5.50	5.50	13.16	10.52
Office maintenance	0.11	0.23	0.19	0.36	0.31	0.77
Repairs to plant and machinery	-	-	-	-	0.01	0.17
Power and fuel	0.02	0.02	0.03	0.03	0.06	0.08
Insurance charges	-	0.87	-	1.65	-	2.33
Rates and taxes	0.09	0.42	0.09	0.35	0.33	0.85
Bank charges and commission	0.01	0.01	0.02	0.04	0.03	0.05
Commission charges	4.69	0.55	8.81	0.89	10.82	1.79
Marketing expenses	0.83	1.00	2.02	1.98	4.67	4.27
Sales promotion expenses	0.07	0.16	0.22	0.64	0.44	0.70
Other miscellaneous expenses	-	0.59	-	0.68	0.33	0.74
	35.83	29.98	68.68	51.53	129.79	92.07

INFOSYS TECHNOLOGIES LIMITED*in Rs. crore*

Schedules to the Profit and Loss Account for the	Quarter ended March 31,		Half-year ended March 31,		Year ended March 31,	
	2002	2001	2002	2001	2002	2001
13. GENERAL AND ADMINISTRATION EXPENSES						
Salaries and bonus including overseas staff expenses	11.27	6.93	22.67	14.22	45.48	26.11
Contribution to provident and other funds	0.51	0.48	1.31	0.95	2.98	2.22
Foreign travel expenses	1.31	0.06	2.30	1.34	4.81	2.84
Traveling and conveyance	3.95	4.78	8.04	9.28	15.48	16.06
Rent	5.35	5.01	10.70	8.62	20.11	14.48
Telephone charges	2.41	2.81	4.69	6.00	11.45	11.68
Professional charges	6.14	5.51	9.75	10.38	16.23	15.62
Printing and stationery	0.63	0.96	1.33	1.86	4.75	5.30
Advertisements	0.74	1.77	1.36	3.13	2.78	5.58
Office maintenance	3.55	4.01	7.23	6.81	13.81	12.07
Repairs to building	3.43	1.43	4.72	2.54	8.50	3.95
Repairs to plant and machinery	0.64	0.71	1.22	1.53	2.48	2.09
Power and fuel	4.86	3.83	9.54	7.17	18.90	11.71
Insurance charges	1.38	1.98	2.84	2.27	5.34	2.84
Rates and taxes	0.83	0.34	2.24	0.49	3.93	0.97
Donations	0.29	2.44	1.14	3.94	5.12	7.22
Auditor's remuneration						
audit fees	0.05	0.04	0.11	0.09	0.21	0.18
certification charges	0.02	0.02	0.02	0.02	0.02	0.02
out-of-pocket expenses	0.01	0.01	0.01	0.01	0.02	0.02
Bad loans and advances written off	-	-	-	-	-	-
Bad debts written off	-	-	-	-	-	0.28
Provision for bad and doubtful debts	(0.15)	7.09	2.62	14.36	13.09	19.28
Provision for doubtful loans and advances	0.36	0.07	0.36	0.07	0.42	0.07
Bank charges and commission	0.52	0.16	0.56	0.46	0.68	0.54
Commission to non-whole time directors	0.26	0.14	0.50	0.29	0.98	0.59
Postage and courier	0.53	0.76	1.30	1.32	3.23	2.28
Books and periodicals	0.27	0.47	0.55	0.80	1.14	1.69
Research grants	-	0.25	0.25	0.50	0.75	1.00
Freight charges	0.13	0.12	0.31	0.33	0.52	0.56
Professional membership and seminar participation fees	0.61	0.65	1.30	1.27	2.20	2.17
Transaction processing fee and filing fees	0.77	0.93	2.49	1.23	4.78	1.53
Other miscellaneous expenses	0.08	(0.46)	0.30	(0.06)	1.16	1.87
	50.75	53.30	101.76	101.22	211.35	172.82
14. OTHER INCOME						
Interest received on deposits with banks and others*	15.27	10.44	27.64	21.27	51.23	38.47
Exchange differences **	7.37	(0.37)	9.44	3.07	13.26	20.17
Miscellaneous income	0.69	0.14	1.18	0.34	1.92	0.73
	23.33	10.21	38.26	24.68	66.41	59.37
*Tax deducted at source	2.33	1.75	4.49	3.19	8.28	4.30
** Includes realized exchange gains of	-	-	-	1.53	-	5.06
15. PROVISION FOR TAXATION						
Current year						
Income taxes	39.89	21.75	78.58	41.25	143.19	71.31
Deferred taxes	(0.96)	-	(4.65)	-	(7.76)	-
	38.93	21.75	73.93	41.25	135.43	71.31
Prior years	-	-	-	-	-	1.40
	38.93	21.75	73.93	41.25	135.43	72.71