

INFOSYS TECHNOLOGIES LIMITED*in Rs.*Balance Sheet as at Schedules **December 31, 2001** December 31, 2000 March 31, 2001**SOURCES OF FUNDS**

SHAREHOLDERS' FUNDS

Share capital	1	33,08,47,735	33,07,64,335	33,07,92,085
Reserves and surplus	2	1916,84,14,713	1228,01,09,686	1356,55,99,903
		1949,92,62,448	1261,08,74,021	1389,63,91,988

APPLICATION OF FUNDS

FIXED ASSETS

Original cost	3	849,44,50,085	504,18,02,852	631,14,44,025
Less: Depreciation		350,60,89,223	207,06,98,673	244,13,15,982
Net book value		498,83,60,862	297,11,04,179	387,01,28,043
Add: Capital work-in-progress		226,44,82,864	160,11,55,758	170,65,04,250
		725,28,43,726	457,22,59,937	557,66,32,293

INVESTMENTS

	4	44,44,22,821	36,32,53,429	34,11,54,821
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DEFERRED TAX ASSETS

	5	22,33,00,000	-	-
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CURRENT ASSETS, LOANS AND ADVANCES

Sundry debtors	6	310,53,09,864	303,96,24,611	302,37,02,417
Cash and bank balances	7	609,55,24,216	365,07,68,672	385,06,10,285
Loans and advances	8	634,58,66,530	355,39,12,507	430,27,93,623
		1554,67,00,610	1024,43,05,790	1117,71,06,325
Less: Current liabilities	9	163,55,77,178	148,35,86,795	134,91,81,176
Provisions	10	233,24,27,531	108,53,58,340	184,93,20,275
NET CURRENT ASSETS		1157,86,95,901	767,53,60,655	797,86,04,874

		1949,92,62,448	1261,08,74,021	1389,63,91,988
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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 <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>
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Jitendra Vir Singh <i>Director</i>	Omkar Goswami <i>Director</i>	Larry Pressler <i>Director</i>	Rama Bijapurkar <i>Director</i>	Claude Smadja <i>Director</i>
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S. Gopalakrishnan <i>Deputy Managing Director</i>	K. Dinesh <i>Director</i>	S. D. Shibulal <i>Director</i>	T. V. Mohandas Pai <i>Director and Chief Financial Officer</i>	Phaneesh Murthy <i>Director</i>
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Srinath Batni <i>Director</i>	V. Balakrishnan <i>Company Secretary and Vice President – Finance</i>
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Bangalore
January 10, 2002

INFOSYS TECHNOLOGIES LIMITED*in Rs.*Schedules to the Balance Sheet as at **December 31, 2001** December 31, 2000 March 31, 2001**1. SHARE CAPITAL**

AUTHORIZED

Equity shares, Rs 5 (Rs 5; Rs 5) par value 10,00,00,000 (10,00,00,000; 10,00,00,000) equity shares	50,00,00,000	50,00,00,000	50,00,00,000
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ISSUED, SUBSCRIBED AND PAID UP

Equity shares, Rs. 5 (Rs 5; Rs 5) par value* 6,61,69,247 (6,61,52,567; 6,61,58,117) equity shares fully paid up [Of the above, 5,78,88,200 (5,78,88,200; 5,78,88,200) equity shares, fully paid up have been issued as bonus shares by capitalization of the general reserve]	33,08,46,235	33,07,62,835	33,07,90,585
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Add: Forfeited shares	1,500	1,500	1,500
	33,08,47,735	33,07,64,335	33,07,92,085

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

2. RESERVES AND SURPLUS

Capital reserve	5,93,54,103	5,93,54,103	5,93,54,103
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Share premium account as at April 1, Add : Received during the period/year on conversion of stock options issued to employees	320,75,30,416	318,37,81,595	318,37,81,595
	1,80,52,081	82,05,290	2,37,48,821
	322,55,82,497	319,19,86,885	320,75,30,416

General reserve as at April 1, Add: Cumulative effect on recognition of deferred tax assets* Transfer from the Profit and Loss Account	1029,87,15,384	475,91,37,550	475,91,37,550
	15,53,00,000	-	-
	-	-	553,95,77,834
	1045,40,15,384	475,91,37,550	1029,87,15,384

Balance in Profit and Loss Account	542,94,62,729	426,96,31,148	-
	1916,84,14,713	1228,01,09,686	1356,55,99,903

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

INFOSYS TECHNOLOGIES LIMITED

in Rs.

Schedules to the Balance Sheet as at

December 31, 2001 December 31, 2000 March 31, 2001

4. INVESTMENTS

Trade (unquoted) - at cost

Long-term investments

Yantra Corporation, USA, a subsidiary company

75,00,000 (75,00,000; 75,00,000) common stock at US\$ 0.20 each, fully paid, par value US\$ 0.01 each 5,32,51,600 5,32,51,600 5,32,51,600

6,36,363 (6,36,363; 6,36,363) Series A convertible preferred stock, at US\$ 0.75 each, fully paid, par value US\$ 0.01 each 1,73,44,074 1,73,44,074 1,73,44,074

EC Cubed, Inc., USA

13,00,108 (13,00,108; 13,00,108) Series D convertible preferred stock at US\$ 2.3075 each, fully paid, par value US\$ 0.0001 each 13,08,00,000 13,08,00,000 13,08,00,000

Alpha Thinx Mobile Phone Services AG, Austria

27,790 (27,790; 27,790) bearer shares at €20 each, fully paid, par value €1 each 2,20,98,608 2,20,98,608 2,20,98,608

Less: Provision for investments

22,34,94,282 22,34,94,282 22,34,94,282

22,34,94,282 20,13,95,674 22,34,94,282

- 2,20,98,608 -

Asia Net Media (BVI) Ltd., the British Virgin Islands

3,00,00,000 (3,00,00,000; 3,00,00,000) ordinary shares at US\$ 0.05 each, fully paid, par value US\$ 0.01 each 6,84,75,000 6,84,75,000 6,84,75,000

CiDRA Corporation, USA

33,333 (33,333; 33,333) Series D convertible preferred stock at US\$ 90 each, fully paid, par value US\$ 0.01 each 13,40,08,660 13,40,08,660 13,40,08,660

JASDIC Park Company, Japan

480 (480; 480) common stock at ¥ 50,000 each, fully paid, par value ¥ 50,000 each 75,38,109 75,38,109 75,38,109

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; 70) ordinary shares 1,845 1,845 1,845

630 (630; 630) redeemable preference shares 1,84,45,855 1,84,45,855 1,84,45,855

OnMobile Systems Inc., (formerly Onscan Inc.) USA

1,00,000 (1,00,000; 1,00,000) common stock at US\$ 0.4348 each, fully paid, par value US\$ 0.001 each 19,42,162 19,42,162 19,42,162

1,00,000 (1,00,000; 1,00,000) Series A voting convertible preferred stock at US\$ 0.4348 each, fully paid, par value US\$ 0.001 each 19,42,162 19,42,162 19,42,162

44,00,000 (44,00,000; 44,00,000) Series A non-voting convertible preferred stock at US\$ 0.4348 each, fully paid, par value US\$ 0.001 each 8,54,55,676 8,54,55,676 8,54,55,676

Purpleyogi Inc., USA

2,76,243 (2,76,243 ; 2,76,243) Series D convertible preferred stock at US\$ 1.81 each fully paid, par value US\$ 0.001 each 2,33,34,992 2,33,34,992 2,33,34,992

Workadia Inc. USA

22,00,000 (Nil; Nil) Series B convertible preferred stock at US\$ 1.00 each, fully paid, par value US \$ 0.0002 each 10,32,68,000 - -

Software Services Support Education Center Limited

1 (1; 1) equity share of Rs. 10 each, fully paid, par value Rs. 10 10 10 10

The Saraswat Co-operative Bank Limited

1,035 (1,035; 1,035) equity shares of Rs. 10 each, fully paid, par value Rs. 10 10,350 10,350 10,350

44,44,22,821 36,32,53,429 34,11,54,821

Aggregate of unquoted investments - carrying value / cost

44,44,22,821 36,32,53,429 34,11,54,821

5. DEFERRED TAX ASSETS

Fixed assets 10,95,00,000 - -

Investments 6,94,00,000 - -

Debtors 4,44,00,000 - -

22,33,00,000 - -

INFOSYS TECHNOLOGIES LIMITED

in Rs.

Schedules to the Balance Sheet as at December 31, 2001 December 31, 2000 March 31, 2001**6. SUNDRY DEBTORS****Debts outstanding for a period exceeding six months**

Unsecured

considered good	-	-	-
considered doubtful	4,51,33,581	9,08,95,081	9,61,74,738

Other debts

Unsecured

considered good*	310,53,09,864	303,96,24,611	302,37,02,417
considered doubtful	14,86,63,269	5,31,11,414	8,55,48,753

	329,91,06,714	318,36,31,106	320,54,25,908
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Less: Provision for doubtful debts	19,37,96,850	14,40,06,495	18,17,23,491
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	310,53,09,864	303,96,24,611	302,37,02,417
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*includes due by subsidiary - Yantra Corporation	41,68,924	1,87,57,679	99,80,017
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7. CASH AND BANK BALANCES

Cash on hand	18,13,507	4,21,274	96,062
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Balances with scheduled banks

in current accounts *	23,30,96,787	9,04,23,933	12,79,65,496
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in deposit accounts in Indian rupees	377,12,58,906	138,76,06,514	181,88,52,687
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in deposit accounts in foreign currency	144,78,71,170	134,77,68,348	136,36,28,601
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Balances with non-scheduled banks**

in current accounts	64,14,83,846	82,45,48,603	54,00,67,439
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	609,55,24,216	365,07,68,672	385,06,10,285
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*includes Rs 1,73,05,518; Rs 70,05,983 and Rs 48,15,163, representing the balances in unclaimed dividend accounts as at December 31, 2001, December 31, 2000 and March 31, 2001 respectively

**refer to note 16.2.19 for details of balances with non-scheduled banks

8. LOANS AND ADVANCES**Unsecured, considered good**

Advances

prepaid expenses	11,50,82,524	14,98,77,684	13,75,24,974
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advances paid for supply of goods and rendering of services	10,58,72,625	3,97,43,192	4,58,01,731
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others	2,17,43,574	2,03,85,112	1,92,05,252
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	24,26,98,723	21,00,05,988	20,25,31,957
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Unbilled revenues	9,07,07,251	1,31,46,648	2,34,52,011
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Advance income tax	233,35,84,361	102,12,57,828	123,73,97,792
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Loans and advances to employees *

housing and other loans	72,87,54,213	45,61,98,261	50,45,83,928
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salary advances	21,84,22,987	18,47,52,408	24,47,71,738
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Electricity and other deposits	6,40,15,085	3,78,19,046	4,76,12,044
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Rental deposits	9,97,28,347	10,39,67,164	11,56,91,996
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Deposits with financial institutions / body corporate	256,79,55,563	152,67,65,164	192,67,52,157
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	634,58,66,530	355,39,12,507	430,27,93,623
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Unsecured, considered doubtful

Loans and advances to employees	12,82,964	-	7,11,816
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	634,71,49,494	355,39,12,507	430,35,05,439
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Less: Provision for doubtful loans and advances to employees	12,82,964	-	7,11,816
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	634,58,66,530	355,39,12,507	430,27,93,623
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* includes dues by non-director officers of the company	2,24,31,923	71,07,809	1,05,74,738
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Maximum amounts due by non-director officers at any time during the year/period	2,74,03,588	2,34,98,527	2,83,52,485
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INFOSYS TECHNOLOGIES LIMITED*in Rs.*Schedules to the Balance Sheet as at December 31, 2001 December 31, 2000 March 31, 2001**9. CURRENT LIABILITIES**

Sundry creditors			
for goods	21,199	1,65,03,700	13,07,477
for accrued salaries and benefits			
salaries	4,54,46,933	4,05,43,741	3,80,31,047
bonus and incentives	29,65,17,917	27,12,87,955	34,64,37,189
leave provisions	21,45,45,500	18,31,15,181	18,97,50,132
for other liabilities			
provision for expenses	35,95,52,773	17,11,45,536	17,70,70,370
retention monies	15,91,22,971	13,65,26,577	11,39,71,400
withholding and other taxes payable	10,07,47,813	5,70,26,585	5,50,36,092
others	3,63,81,039	3,10,96,096	1,78,04,294
	121,23,36,145	90,72,45,371	93,94,08,001
Advances received from clients	12,26,10,613	7,31,14,782	5,66,97,811
Unearned revenue	28,33,24,902	49,62,20,659	34,82,60,201
Unclaimed dividend	1,73,05,518	70,05,983	48,15,163
	163,55,77,178	148,35,86,795	134,91,81,176

10. PROVISIONS

Dividends	-	-	49,61,85,878
Provision for			
tax on dividend	-	-	5,06,10,959
income taxes	224,88,09,025	101,15,11,740	122,90,11,741
post-sales client support	8,36,18,506	7,38,46,600	7,35,11,697
	233,24,27,531	108,53,58,340	184,93,20,275

INFOSYS TECHNOLOGIES LIMITED

in Rs.

Schedules to the Profit and Loss Account for the	Quarter ended December 31,		Nine months ended December 31,		Year ended
	2001	2000	2001	2000	March 31, 2001
11. SOFTWARE DEVELOPMENT EXPENSES					
Salaries and bonus including overseas staff expenses	252,82,99,726	170,68,74,953	719,81,36,772	427,83,37,885	605,50,65,446
Staff welfare	1,41,59,828	2,11,76,119	4,86,33,476	5,07,24,010	7,62,88,618
Contribution to provident and other funds	6,51,09,403	8,29,87,484	18,99,76,999	23,82,75,466	30,99,68,667
Foreign travel expenses	26,05,22,981	39,58,91,842	82,51,94,124	99,90,03,648	133,66,21,566
Consumables	1,15,55,687	2,11,69,196	2,23,05,800	4,06,76,271	5,86,87,245
Cost of software packages for own use	8,99,27,090	8,10,39,921	26,05,35,499	27,89,89,511	31,83,50,293
service delivery to clients	1,52,51,994	2,45,17,799	7,57,07,441	3,78,29,076	5,70,13,753
Provision for post-sales client support	(4,02,052)	1,06,07,014	1,01,06,810	1,86,55,572	1,83,20,669
Computer maintenance	2,01,46,659	1,97,46,312	4,91,77,197	4,66,83,745	7,13,47,686
Communication expenses	7,87,44,937	11,02,30,345	28,60,56,536	20,94,22,226	31,47,34,348
Consultancy charges	1,16,90,490	2,71,97,534	5,43,08,424	5,70,53,217	9,19,25,609
	309,50,06,743	250,14,38,519	902,01,39,078	625,56,50,627	870,83,23,900

12. SELLING AND MARKETING EXPENSES

Salaries and bonus including overseas staff expenses	14,65,40,566	10,65,60,519	45,16,64,388	31,63,24,458	44,24,50,822
Staff welfare	5,48,116	6,97,772	22,31,928	35,61,746	83,17,692
Contribution to provident and other funds	5,09,250	5,66,033	12,23,732	18,62,117	23,63,480
Foreign travel expenses	5,17,84,315	3,15,48,049	12,66,77,182	7,45,22,498	10,71,57,557
Consumables	23,592	-	1,26,549	-	-
Cost of software packages for own use	2,10,904	92,859	9,63,306	1,28,095	2,31,458
Computer maintenance	5,219	2,56,956	17,126	4,30,811	5,94,392
Communication expenses	17,09,332	(87,211)	26,05,031	2,04,296	5,21,638
Traveling and conveyance	50,58,533	52,88,507	2,87,88,012	1,46,02,177	2,34,94,934
Rent	76,96,846	86,81,745	3,39,50,783	1,96,45,951	2,46,88,860
Telephone charges	83,90,111	50,45,821	2,35,92,648	1,32,68,834	2,34,14,698
Professional charges	1,98,21,529	17,58,184	4,09,27,527	1,36,06,831	4,78,37,412
Printing and stationery	43,48,515	24,90,297	1,17,63,538	42,39,176	95,70,534
Advertisements	9,93,407	1,57,531	13,21,911	45,38,131	72,82,105
Brand building	2,52,95,458	2,47,18,294	10,19,45,833	7,48,95,563	10,52,01,392
Office maintenance	7,51,575	13,51,520	20,37,160	54,67,665	77,28,128
Repairs to plant and machinery	-	-	1,09,365	17,41,984	17,41,984
Power and fuel	1,43,019	1,68,144	4,94,284	5,59,440	7,53,535
Insurance charges	-	77,87,617	-	1,46,60,788	2,33,32,600
Rates and taxes	17,757	(7,64,193)	23,43,176	42,66,323	84,89,250
Bank charges and commission	34,448	2,95,130	1,86,776	3,78,077	5,15,576
Commission charges	4,11,71,575	33,82,901	6,12,55,217	1,24,08,622	1,79,03,784
Marketing expenses	1,19,11,154	98,00,148	3,84,01,106	3,26,51,683	4,26,87,545
Sales promotion expenses	15,29,172	48,36,888	36,94,182	54,48,790	70,16,656
Other miscellaneous expenses	42,579	8,80,118	33,08,178	15,06,085	73,82,479
	32,85,36,972	21,55,13,629	93,96,28,938	62,09,20,141	92,06,78,511

INFOSYS TECHNOLOGIES LIMITED*in Rs.*

Schedules to the Profit and Loss Account for the	Quarter ended December 31,		Nine months ended December 31,		Year ended
	2001	2000	2001	2000	March 31, 2001

13. GENERAL AND ADMINISTRATION EXPENSES

Salaries and bonus including overseas staff expenses	11,39,83,238	7,29,07,688	34,20,64,878	19,18,62,199	26,11,29,018
Contribution to provident and other funds	79,81,605	46,51,373	2,46,73,379	1,74,18,902	2,22,44,161
Foreign travel expenses	99,46,042	1,28,17,160	3,50,31,506	2,78,84,384	2,84,32,532
Traveling and conveyance	4,08,51,386	4,50,45,108	11,53,19,126	11,27,70,902	16,05,69,888
Rent	5,34,37,142	3,61,59,328	14,75,06,043	9,47,32,159	14,47,93,848
Telephone charges	2,27,88,253	3,18,45,485	9,04,29,008	8,87,12,235	11,68,45,665
Professional charges	3,61,07,753	4,87,55,207	10,09,05,743	10,11,14,310	15,61,83,973
Printing and stationery	70,58,667	90,22,861	4,12,67,527	4,33,98,279	5,29,83,672
Advertisements	62,22,692	1,35,61,421	2,03,65,901	3,80,56,360	5,57,95,726
Office maintenance	3,68,48,576	2,79,61,217	10,26,14,363	8,05,66,826	12,07,04,514
Repairs to building	1,28,65,632	1,11,35,584	5,06,90,746	2,52,18,521	3,95,22,458
Repairs to plant and machinery	58,18,703	82,15,361	1,84,06,206	1,38,57,318	2,09,12,187
Power and fuel	4,68,37,943	3,33,45,119	14,04,39,140	7,87,79,829	11,70,91,723
Insurance charges	1,46,54,203	29,33,537	3,96,82,943	86,26,557	2,84,22,698
Rates and taxes	1,40,36,232	15,06,903	3,09,57,149	63,19,386	97,28,274
Donations	84,22,889	1,49,59,500	4,82,72,214	4,77,68,563	7,21,92,883
Auditor's remuneration					
audit fees	5,37,500	4,45,500	16,12,500	13,38,750	17,85,000
certification charges	-	-	-	-	2,00,000
out-of-pocket expenses	50,000	50,000	1,50,000	1,50,000	2,00,000
Bad loans and advances written off	-	11,891	-	11,891	4,141
Bad debts written off	-	-	-	27,70,254	27,70,254
Provision for bad and doubtful debts	2,76,84,253	7,26,85,587	13,23,69,927	12,18,80,048	19,27,45,549
Provision for doubtful loans and advances	-	-	5,71,148	(1,412)	7,10,404
Bank charges and commission	4,24,953	30,30,814	16,05,124	38,72,210	54,23,907
Commission to non-whole time directors	24,00,000	15,00,000	72,00,000	45,00,000	59,22,049
Postage and courier	76,52,114	56,07,009	2,70,16,826	1,52,13,860	2,27,86,459
Books and periodicals	28,51,343	32,48,425	87,09,452	1,21,62,970	1,69,10,978
Research grants	25,00,000	25,00,000	75,00,000	75,00,000	1,00,00,000
Freight charges	17,22,183	21,33,762	38,37,545	43,63,988	55,72,484
Professional membership and seminar participation fees	68,26,016	61,63,223	1,58,56,018	1,52,15,381	2,17,10,613
Transaction processing fee and filing fees	1,72,72,533	29,68,134	4,01,64,910	59,32,979	1,52,76,339
Other miscellaneous expenses	22,60,691	39,96,739	1,08,12,040	2,32,20,150	1,86,63,813
	51,00,42,542	47,91,63,936	160,60,31,362	119,52,17,799	172,82,35,210

14. OTHER INCOME

Interest received on deposits with banks and others <i>(Tax deducted at source Rs. 2,16,26,269; Rs. 1,43,43,030; Rs. 5,95,40,347; Rs. 2,54,72,210 and Rs. 4,30,12,428 respectively)</i>	12,36,22,062	10,82,08,984	35,95,66,627	28,02,26,173	38,46,83,890
Exchange differences *	2,07,05,674	3,44,48,919	5,89,34,278	20,54,46,320	20,17,12,483
Miscellaneous income	49,26,017	20,74,062	1,22,76,462	59,54,621	73,18,542
	14,92,53,753	14,47,31,965	43,07,77,367	49,16,27,114	59,37,14,915

* refer to note 16.2.11 for details of exchange differences

15. PROVISION FOR TAXATION

Current year					
Income taxes	38,69,00,000	19,50,00,000	103,30,00,000	49,56,00,000	71,31,00,000
Deferred taxes	(3,69,00,000)	-	(6,80,00,000)	-	-
	35,00,00,000	19,50,00,000	96,50,00,000	49,56,00,000	71,31,00,000
Prior years	-	-	-	1,40,00,000	1,40,00,000
	35,00,00,000	19,50,00,000	96,50,00,000	50,96,00,000	72,71,00,000