

CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND ITS SUBSIDIARY*in Rs. crore*

Consolidated Balance Sheet as at	Schedules	June 30, 2002
SOURCES OF FUNDS		
SHAREHOLDERS' FUNDS		
Share capital	1	33.09
Reserves and surplus	2	2,263.25
Preference shares issued by subsidiary	3	49.00
		2,345.34
APPLICATION OF FUNDS		
FIXED ASSETS		
Original cost	4	1,098.94
Less: Depreciation and amortization		431.75
Net book value		667.19
Add: Capital work-in-progress		89.14
		756.33
INVESTMENTS	5	44.71
DEFERRED TAX ASSETS	6	24.84
CURRENT ASSETS, LOANS AND ADVANCES		
Sundry debtors	7	413.89
Cash and bank balances	8	892.60
Loans and advances	9	723.17
		2,029.66
Less: Current liabilities	10	214.53
Provisions	11	295.67
NET CURRENT ASSETS		1,519.46
		2,345.34

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**17**

The schedules referred to above and the notes thereon form an integral part of the consolidated balance sheet.

This is the consolidated 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*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
July 10, 2002

CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND ITS SUBSIDIARY*in Rs. crore, except per share data*

Consolidated Profit and Loss Account for the		Schedules	Quarter ended June 30, 2002
INCOME			
Overseas			750.62
Domestic			14.10
			764.72
COST OF REVENUES		12	377.74
			386.98
GROSS PROFIT			386.98
SELLING AND MARKETING EXPENSES		13	55.27
GENERAL AND ADMINISTRATION EXPENSES		14	58.03
			113.30
			273.68
OPERATING PROFIT (PBIDT)			273.68
Interest			-
Depreciation and amortization			40.49
			233.19
OPERATING PROFIT AFTER INTEREST AND DEPRECIATION			233.19
Other income		15	24.94
			258.13
NET PROFIT BEFORE TAX			258.13
Provision for taxation		16	42.50
			215.63
NET PROFIT AFTER TAX			215.63
AMOUNT AVAILABLE FOR APPROPRIATION			215.63
Balance in Profit and Loss Account			215.63
			215.63
EARNINGS PER SHARE			
<i>(Equity shares, par value Rs. 5/- each)</i>			
Basic			32.58
Diluted			32.28
Number of shares used in computing earnings per share			
Basic			66,188,530
Diluted			66,795,945

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**17**

The schedules referred to above and the notes thereon form an integral part of the consolidated profit and loss account.

This is the consolidated profit and loss account 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 Mentor</i>	Nandan M. Nilekani <i>Chief Executive Officer , President and Managing Director</i>	S. Gopalakrishnan <i>Chief Operating Officer and Deputy Managing Director</i>	Deepak M. Satwalekar <i>Director</i>
Marti G. Subrahmanyam <i>Director</i>	Philip Yeo <i>Director</i>	Jitendra Vir Singh <i>Director</i>	Omkar Goswami <i>Director</i>	Larry Pressler <i>Director</i>
Claude Smadja <i>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>
Srinath Batni <i>Director</i>	V. Balakrishnan <i>Company Secretary and Vice President – Finance</i>			

Bangalore
July 10, 2002

CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND ITS SUBSIDIARY*in Rs. crore*

Schedules to the Consolidated Balance Sheet as at

June 30, 2002

1. SHARE CAPITAL

AUTHORIZED

Equity shares, Rs. 5/- par value*
10,00,00,000 equity shares

50.00

ISSUED, SUBSCRIBED AND PAID UP

Equity shares, Rs. 5/- par value
6,61,88,530 equity shares fully paid up

33.09

33.09

Forfeited shares amounted to Rs. 1,500/-

* for details of options in respect of the above shares, refer to note 17.2.9

2. RESERVES AND SURPLUS

Capital reserve

5.94

Share premium account as at April 1,

325.34

Add : Received during the period

on conversion of stock options issued to employees

0.40

325.74

General reserve

1,715.94

Balance in profit and Loss Account

215.63

2,263.25**3. PREFERENCE SHARES ISSUED BY SUBSIDIARY**

AUTHORIZED

0.0005% Cumulative convertible preference shares, Rs. 100/- par value
43,75,000 preference shares

43.75

ISSUED, SUBSCRIBED AND PAID UP

0.0005% Cumulative convertible preference shares, Rs. 100/- par value
43,75,000 preference shares fully paid up*

43.75

Premium received on issue of preference shares

5.25

49.00

* for details of the terms relating to the preference shares, refer to note 17.2.18

CONOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND ITS SUBSIDIARY

In Rs. crore

Schedules to the Consolidated Balance Sheet**4. FIXED ASSETS**

Particulars	Original cost				Depreciation and amortization				Net book value
	Cost as at April 1, 2002	Additions during the period	Deletions during the period	Cost as at June 30, 2002	As at April 1, 2002	For the period	Deductions during the period	As at June 30, 2002	As at June 30, 2002
Land – free-hold	15.86	-	-	15.86	-	-	-	-	15.86
Land - lease-hold	27.84	0.48	-	28.32	-	-	-	-	28.32
Buildings	285.33	49.63	-	334.96	27.89	5.15	-	33.04	301.92
Plant and machinery	183.87	18.20	0.07	202.00	77.84	7.69	0.05	85.48	116.52
Computer equipment	287.89	15.50	0.94	302.45	216.63	20.22	0.93	235.92	66.53
Furniture and fixtures	159.46	17.80	0.88	176.38	70.51	6.42	0.79	76.14	100.24
Vehicles	0.35	-	-	0.35	0.16	0.01	-	0.17	0.18
Intangible assets									
Intellectual property rights	-	38.62	-	38.62	-	1.00	-	1.00	37.62
	960.60	140.23	1.89	1,098.94	393.03	40.49	1.77	431.75	667.19

Note: Buildings include Rs. 250/- being the value of 5 shares of Rs. 50/- each in Mittal Towers Premises Co-operative Society Limited.

CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND ITS SUBSIDIARY

in Rs. crore

Schedules to the Consolidated Balance Sheet as at

June 30, 2002

5. INVESTMENTSTrade (unquoted) - at cost
Long-term investments

67.06

Less: Provision for investments

22.35

44.71

Aggregate of unquoted investments - carrying value / cost

44.71**6. DEFERRED TAX ASSETS**

Fixed assets

16.36

Investments

5.84

Sundry debtors

2.64

24.84**7. SUNDRY DEBTORS****Debts outstanding for a period exceeding six months**

Unsecured

considered doubtful

6.56

Other debts

Unsecured

considered good

413.89

considered doubtful

8.84

429.29

Less: Provision for doubtful debts

15.40

413.89**8 CASH AND BANK BALANCES**

Cash on hand

0.02

Balances with scheduled banks

In current accounts *

13.32

In deposit accounts in Indian rupees

656.27

In deposit accounts in foreign currency

148.17

Balances with non-scheduled banks

In current accounts

74.82

892.60

*includes balance in unclaimed dividend account

8.18

CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND ITS SUBSIDIARY

in Rs. crore

Schedules to the Consolidated Balance Sheet as at

June 30, 2002

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

Advances	
prepaid expenses	13.77
advances paid for supply of goods and rendering of services	2.78
others	4.57
	21.12
Unbilled revenues	46.58
Advance income tax	262.21
Loans and advances to employees *	
housing and other loans	88.32
salary advances	25.63
Electricity and other deposits	9.25
Rental deposits	11.09
Deposits with financial institutions / body corporate	256.94
Deposits with government authorities	0.01
Other assets	2.02
	723.17
Unsecured, considered doubtful	
Loans and advances to employees	0.44
	723.61
Less: Provision for doubtful loans and advances to employees	0.44
	723.17

* includes dues by non-director officers of the company	2.13
Maximum amounts due by non-director officers at any time during the year	2.40

10. CURRENT LIABILITIES

Sundry creditors	
for capital goods	0.16
for goods	0.44
for accrued salaries and benefits	
salaries	3.08
bonus and incentives	47.24
Leave provisions	23.12
for other liabilities	
provision for expenses	25.66
retention monies	9.21
withholding and other taxes payable	15.37
for purchase of intellectual property rights	27.16
others	1.97
	153.41
Advances received from clients	7.79
Unearned revenue	45.15
Unclaimed dividend	8.18
	214.53

11. PROVISIONS

Provision for	
income taxes	282.69
post-sales client support	12.98
	295.67

CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND ITS SUBSIDIARY
In Rs. crore

Schedules to the Consolidated Profit and Loss Account for the quarter ended

June 30, 2002

12. COST OF REVENUES

Salaries and bonus including overseas staff expenses	297.72
Staff welfare	1.69
Contribution to provident and other funds	6.48
Foreign travel expenses	37.23
Consumables	1.16
Cost of software packages for	
own use	9.82
service delivery to clients	6.89
Rent	0.02
Computer maintenance	1.86
Communication expenses	7.17
Consultancy charges	5.73
Provision for post-sales client support	1.97
	377.74

13. SELLING AND MARKETING EXPENSES

Salaries and bonus including overseas staff expenses	30.22
Staff welfare	0.13
Contribution to provident and other funds	0.09
Foreign travel expenses	8.70
Consumables	0.02
Cost of software packages for own use	0.01
Communication expenses	0.06
Traveling and conveyance	0.15
Rent	0.91
Telephone charges	1.06
Professional charges	2.27
Printing and stationery	0.37
Advertisements	0.16
Brand building	7.99
Office maintenance	0.13
Power and fuel	0.04
Insurance charges	0.02
Rates and taxes	0.11
Bank charges and commission	0.01
Commission charges	1.51
Marketing expenses	1.11
Sales promotion expenses	0.15
Other miscellaneous expenses	0.05
	55.27

CONSOLIDATED FINANCIAL STATEMENTS OF INFOSYS TECHNOLOGIES LIMITED AND ITS SUBSIDIARY*In Rs. crore*

Schedules to the Consolidated Profit and Loss Account for the quarter ended

June 30, 2002

14. GENERAL AND ADMINISTRATION EXPENSES

Salaries and bonus including overseas staff expenses	12.39
Contribution to provident and other funds	0.79
Foreign travel expenses	1.80
Traveling and conveyance	2.98
Rent	5.25
Telephone charges	3.65
Legal and professional charges	6.60
Printing and stationery	1.66
Advertisements	0.65
Office maintenance	3.95
Repairs to building	1.87
Repairs to plant and machinery	1.16
Power and fuel	5.70
Recruitment and training	0.02
Insurance charges	1.98
Rates and taxes	1.54
Donations	1.67
Auditor's remuneration	
audit fees	0.07
out-of-pocket expenses	0.01
Provision for bad and doubtful debts	0.07
Provision for doubtful loans and advances	(0.04)
Bank charges and commission	0.16
Commission to non-whole time directors	0.24
Postage and courier	1.25
Books and periodicals	0.24
Freight charges	0.11
Professional membership and seminar participation fees	0.82
Foreign currency translation differences	0.01
Transaction processing fee and filing fees	1.25
Preliminary expenses on incorporation of subsidiary	0.01
Miscellaneous expenses	0.17

58.03**15. OTHER INCOME**

Interest received on deposits with banks and others*	17.71
Exchange differences	6.50
Miscellaneous income	0.73

24.94

*Tax deducted at source

3.23

16. PROVISION FOR TAXATION

Current year	
Income taxes	43.12
Deferred taxes	(0.62)

42.50