

INFOSYS TECHNOLOGIES LIMITED

in Rs. crore

Balance Sheet as at Schedules **June 30, 2002** June 30, 2001 March 31, 2002**SOURCES OF FUNDS**

SHAREHOLDERS' FUNDS				
Share capital	1	33.09	33.08	33.09
Reserves and surplus	2	2,264.47	1,562.53	2,047.22
		2,297.56	1,595.61	2,080.31

APPLICATION OF FUNDS

FIXED ASSETS				
Original cost	3	1,098.70	738.74	960.60
Less: Depreciation and amortization		431.74	278.87	393.03
Net book value		666.96	459.87	567.57
Add: Capital work-in-progress		88.97	164.01	150.67
		755.93	623.88	718.24
INVESTMENTS	4	56.96	44.44	44.44
DEFERRED TAX ASSETS	5	24.84	16.59	24.22
CURRENT ASSETS, LOANS AND ADVANCES				
Sundry debtors	6	413.29	309.12	336.73
Cash and bank balances	7	887.32	446.29	772.22
Loans and advances	8	668.59	468.18	643.87
		1,969.20	1,223.59	1,752.82
Less: Current liabilities	9	213.71	154.52	126.11
Provisions	10	295.66	158.37	333.30
NET CURRENT ASSETS		1,459.83	910.70	1,293.41
		2,297.56	1,595.61	2,080.31

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
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

INFOSYS TECHNOLOGIES LIMITED*in Rs. crore, except per share data*

Profit and Loss Account for the	Schedules	Quarter ended		Year ended
		June 30, 2002	June 30, 2001	March 31, 2002
INCOME				
Software services and products				
Overseas		750.52	596.30	2,552.47
Domestic		14.10	16.22	51.12
		764.62	612.52	2,603.59
SOFTWARE DEVELOPMENT EXPENSES	11	377.39	285.56	1,224.82
GROSS PROFIT		387.23	326.96	1,378.77
SELLING AND MARKETING EXPENSES	12	55.09	27.65	129.79
GENERAL AND ADMINISTRATION EXPENSES	13	57.21	58.79	211.35
		112.30	86.44	341.14
OPERATING PROFIT (PBIDT)		274.93	240.52	1,037.63
Interest		-	-	-
Depreciation and amortization		40.48	35.48	160.65
OPERATING PROFIT AFTER INTEREST AND DEPRECIATION		234.45	205.04	876.98
Other income	14	24.90	13.49	66.41
PROFIT BEFORE TAX		259.35	218.53	943.39
Provision for taxation	15	42.50	28.50	135.43
NET PROFIT AFTER TAX		216.85	190.03	807.96
AMOUNT AVAILABLE FOR APPROPRIATION		216.85	190.03	807.96
DIVIDEND				
Interim		-	-	49.63
Final (Proposed, subject to deduction of tax if any)		-	-	82.73
Dividend Tax		-	-	5.06
Amount transferred - general reserve		-	-	670.54
Balance in Profit and Loss Account		216.85	190.03	-
		216.85	190.03	807.96
EARNINGS PER SHARE				
<i>(Equity shares, par value Rs. 5/- each)</i>				
Basic		32.76	28.72	122.12
Diluted		32.46	28.59	121.37
Number of shares used in computing earnings per share				
Basic		6,61,88,530	6,61,59,038	6,61,62,274
Diluted		6,67,95,945	6,64,65,149	6,65,67,575

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 <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>
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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>
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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>
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Srinath Batni <i>Director</i>	V. Balakrishnan <i>Company Secretary and Vice President – Finance</i>
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Bangalore
July 10, 2002

INFOSYS TECHNOLOGIES LIMITED*in Rs. crore*Schedules to the Balance Sheet as at **June 30, 2002** June 30, 2001 March 31, 2002**1. SHARE CAPITAL**

AUTHORIZED

Equity shares, Rs. 5/- par value

10,00,00,000 equity shares **50.00** 50.00 50.00

ISSUED, SUBSCRIBED AND PAID UP

Equity shares, Rs. 5/- par value*

6,61,88,530 (6,61,60,717; 6,61,86,130) equity shares fully paid up **33.09** 33.08 33.09

[Of the above, 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** **33.09**

Forfeited shares amounted to Rs. 1,500/-

* for details of options in respect of the above shares, refer to note 16.2.15

2. RESERVES AND SURPLUSCapital reserve **5.94** 5.94 5.94Share premium account as at April 1, **325.34** 320.75 320.75

Add : Received during the period / year

on conversion of stock options issued to employees **0.40** 0.41 4.59**325.74** 321.16 325.34General reserve as at April 1, **1,715.94** 1,029.87 1,029.87

Add: Cumulative effect on recognition of deferred tax assets* - 15.53 15.53

Transfer from the Profit and Loss Account - - 670.54

1,715.94 1,045.40 1,715.94Balance in profit and Loss Account **216.85** 190.03 -**2,264.47** **1,562.53** **2,047.22**

* 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

3. 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	As at June 30, 2001	As at March 31, 2002
Land – free-hold*	15.86	-	-	15.86	-	-	-	-	15.86	9.04	15.86
Land - lease-hold	27.84	0.48	-	28.32	-	-	-	-	28.32	27.58	27.84
Buildings*	285.33	49.63	-	334.96	27.89	5.15	-	33.04	301.92	172.26	257.44
Plant and machinery*	183.87	18.19	0.07	201.99	77.84	7.69	0.05	85.48	116.51	75.53	106.03
Computer equipment	287.89	15.27	0.94	302.22	216.63	20.21	0.93	235.91	66.31	105.18	71.26
Furniture and fixtures*	159.46	17.80	0.88	176.38	70.51	6.42	0.79	76.14	100.24	70.04	88.95
Vehicles	0.35	-	-	0.35	0.16	0.01	-	0.17	0.18	0.24	0.19
Intangible assets											
Intellectual property rights	-	38.62	-	38.62	-	1.00	-	1.00	37.62	-	-
	960.60	139.99	1.89	1,098.70	393.03	40.48	1.77	431.74	666.96	459.87	567.57
Previous period	631.14	108.38	0.78	738.74	244.13	35.48	0.74	278.87			
Previous year	631.14	342.72	13.26	960.60	244.13	160.65	11.75	393.03			

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

* Includes certain assets provided on operating lease to Pr ogeon Limited, a subsidiary under the same management. Please refer to note 16.2.8 for details.

INFOSYS TECHNOLOGIES LIMITED*in Rs. crore*

Schedules to the Balance Sheet as at

June 30, 2002 June 30, 2001 March 31, 2002

4. INVESTMENTS**Trade (unquoted) - at cost****Long- term investments**

Yantra Corporation, USA

20,00,000 (75,00,000; 20,00,000) common stock at US\$ 0.20 each, fully paid, par value US\$ 0.01 each

1.42 5.33 1.42

Fully paid warrant to purchase 55,00,000 (nil; 55,00,000) common stock, at US \$ 0.19 each, exercise price of US\$ 0.01 each

3.91 - 3.91

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 1.73

EC Cubed, Inc., USA

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 13.08

Alpha Thinx Mobile Phone Services AG, Austria

27,790 bearer shares at € 20 each, fully paid, par value € 1 each

2.21 2.21 2.21

Less: Provision for investments

22.35 22.35 22.35

22.35 22.35 22.35

Progeon Ltd, India, a subsidiary company, under the same management

1,22,49,993 equity shares at Rs.10/- each, fully paid, par value Rs.10/- each

12.25 - -

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

3,00,00,000 ordinary shares at US\$ 0.05 each, fully paid, par value US\$ 0.01 each

6.85 6.85 6.85

CiDRA Corporation, USA

33,333 Series D convertible preferred stock at US\$ 90 each, fully paid, par value US\$ 0.01 each

13.40 13.40 13.40

JASDIC Park Company, Japan

480 common stock at ¥ 50,000 each, fully paid, par value ¥ 50,000 each

0.75 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

80 (70; 70) ordinary shares

- - -

720 (630; 630) redeemable preference shares

2.11 1.84 1.84

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

1,00,000 common stock at US\$ 0.4348 each, fully paid, par value US\$ 0.001 each

0.20 0.20 0.20

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 0.20

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 8.55

Stratify Inc. (formerly PurpleYogi Inc.), USA

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 2.33

Workadia Inc. USA

22,00,000 Series B convertible preferred stock at US\$ 1.00 each, fully paid, par value US \$ 0.0002 each (adjusted for stock splits)

10.32 10.32 10.32

The Saraswat Co-operative Bank Limited

1,035 equity shares of Rs. 10/- each, fully paid, par value Rs. 10/-

- - -

Software Services Support Education Center Limited

1 equity share of Rs. 10/- each, fully paid, par value Rs. 10/-

- - -

56.96 44.44 44.44

Aggregate of unquoted investments - carrying value / cost

56.96 44.44 44.44

5. DEFERRED TAX ASSETS

Fixed assets

16.36 7.75 14.59

Investments

5.84 6.90 5.85

Sundry debtors

2.64 1.14 3.78

Others

- 0.80 -

24.84 16.59 24.22

INFOSYS TECHNOLOGIES LIMITED

in Rs. crore

Schedules to the Balance Sheet as at June 30, 2002 June 30, 2001 March 31, 2002**6. SUNDRY DEBTORS****Debts outstanding for a period exceeding six months**

Unsecured			
considered doubtful	6.56	13.64	7.35
Other debts			
Unsecured			
considered good*	413.29	309.12	336.73
considered doubtful	8.84	9.44	11.88
	<u>428.69</u>	<u>332.20</u>	<u>355.96</u>
Less: Provision for doubtful debts	15.40	23.08	19.23
	<u>413.29</u>	<u>309.12</u>	<u>336.73</u>

* Due by Progeon Limited, a subsidiary and company under the same management 0.12 - -

7. CASH AND BANK BALANCES

Cash on hand	0.02	0.02	0.03
Balances with scheduled banks			
In current accounts *	13.04	19.11	22.75
In deposit accounts in Indian rupees	651.27	214.16	551.62
In deposit accounts in foreign currency	148.17	139.17	147.41
Balances with non-scheduled banks**			
In current accounts	74.82	73.83	50.41
	<u>887.32</u>	<u>446.29</u>	<u>772.22</u>

* includes balance in unclaimed dividend account 8.18 1.92 1.12

** refer to note 16.2.18 for details of balances in the non-scheduled banks

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

Advances			
prepaid expenses	13.76	11.54	11.20
advances paid for supply of goods and rendering of services	2.75	3.55	1.22
others	4.57	1.96	2.17
	<u>21.08</u>	<u>17.05</u>	<u>14.59</u>
Advance to subsidiary company, under the same management	0.70	-	-
Unbilled revenues	46.58	2.60	17.74
Advance income tax	262.21	161.15	236.25
Loans and advances to employees *			
housing and other loans	88.32	57.48	81.52
salary advances	25.64	27.40	19.91
Electricity and other deposits	9.25	7.12	6.26
Rental deposits	11.09	11.16	10.14
Deposits with financial institutions and body corporate	201.91	184.22	254.74
Other assets	1.81	-	2.72
	<u>668.59</u>	<u>468.18</u>	<u>643.87</u>
Unsecured, considered doubtful			
Loans and advances to employees	0.44	0.07	0.49
	<u>669.03</u>	<u>468.25</u>	<u>644.36</u>
Less: Provision for doubtful loans and advances to employees	0.44	0.07	0.49
	<u>668.59</u>	<u>468.18</u>	<u>643.87</u>

* includes dues by non-director officers of the company 2.13 2.05 2.31

Maximum amounts due

by non-director officers at any time during the year	2.40	2.17	2.97
from subsidiary company, under the same management	0.70	-	-

INFOSYS TECHNOLOGIES LIMITED*in Rs. crore*

Schedules to the Balance Sheet as at

June 30, 2002

June 30, 2001

March 31, 2002

9. CURRENT LIABILITIES

Sundry creditors			
For goods and services	0.44	0.02	-
due to subsidiary company	0.21	-	-
For accrued salaries and benefits			
salaries	3.08	3.84	2.77
bonus and incentives	47.23	45.31	30.71
leave provisions	23.12	20.18	22.99
For other liabilities			
provision for expenses	25.53	17.31	16.38
retention monies	9.22	15.76	9.36
withholding and other taxes payable	15.37	8.18	12.76
for purchase of intellectual property rights	27.16	-	-
others	1.96	2.17	2.31
	153.32	112.77	97.28
Advances received from clients	7.79	3.54	10.81
Unearned revenue	44.42	36.29	16.90
Unclaimed dividend	8.18	1.92	1.12
	213.71	154.52	126.11

10. PROVISIONS

Dividends	-	-	82.73
Provision for			
income taxes	282.69	150.92	239.57
post-sales client support	12.97	7.45	11.00
	295.66	158.37	333.30

INFOSYS TECHNOLOGIES LIMITED*in Rs. crore*

Schedules to the Profit and Loss Account for the	Quarter ended		Year ended
	June 30, 2002	June 30, 2001	March 31, 2002
11. SOFTWARE DEVELOPMENT EXPENSES			
Salaries and bonus including overseas staff expenses	297.65	224.44	976.11
Staff welfare	1.69	1.86	6.14
Contribution to provident and other funds	6.46	6.16	25.63
Foreign travel expenses	37.06	27.20	113.12
Consumables	1.16	0.39	3.22
Cost of software packages for			
own use	9.76	7.96	34.44
service delivery to clients	6.88	4.01	9.17
Computer maintenance	1.86	1.18	7.11
Communication expenses	7.17	10.22	36.11
Consultancy charges	5.73	2.04	10.12
Provision for post-sales client support	1.97	0.10	3.65
	377.39	285.56	1,224.82
12. SELLING AND MARKETING EXPENSES			
Salaries and bonus including overseas staff expenses	30.05	15.83	61.04
Staff welfare	0.13	0.12	0.27
Contribution to provident and other funds	0.09	0.02	0.22
Foreign travel expenses	8.69	3.55	18.66
Consumables	0.02	-	0.02
Cost of software packages for own use	0.01	0.03	0.58
Communication expenses	0.06	-	0.38
Traveling and conveyance	0.15	0.90	3.14
Rent	0.91	1.06	4.30
Telephone charges	1.06	0.73	3.26
Professional charges	2.27	0.66	5.90
Printing and stationery	0.37	0.37	1.55
Advertisements	0.16	-	0.31
Brand building	7.99	1.86	13.16
Office maintenance	0.15	0.07	0.31
Repairs to plant and machinery	-	0.01	0.01
Power and fuel	0.04	0.02	0.06
Insurance charges	0.02	-	-
Rates and taxes	0.11	0.23	0.33
Bank charges and commission	0.01	0.01	0.03
Commission charges	1.52	0.52	10.82
Marketing expenses	1.11	1.54	4.67
Sales promotion expenses	0.15	0.11	0.44
Other miscellaneous expenses	0.02	0.01	0.33
	55.09	27.65	129.79

INFOSYS TECHNOLOGIES LIMITED*in Rs. crore*

Schedules to the Profit and Loss Account for the	Quarter ended		Year ended
	June 30, 2002	June 30, 2001	March 31, 2002
13. GENERAL AND ADMINISTRATION EXPENSES			
Salaries and bonus including overseas staff expenses	12.21	10.89	45.48
Contribution to provident and other funds	0.79	0.84	2.98
Foreign travel expenses	1.80	1.49	4.81
Traveling and conveyance	2.92	3.31	15.48
Rent	5.23	5.45	20.11
Telephone charges	3.64	3.51	11.45
Professional charges	6.53	3.19	16.23
Printing and stationery	1.65	2.77	4.75
Advertisements	0.65	0.61	2.78
Office maintenance	3.93	3.28	13.81
Repairs to building	1.87	2.22	8.50
Repairs to plant and machinery	1.16	0.48	2.48
Power and fuel	5.66	4.61	18.90
Insurance charges	1.98	1.28	5.34
Rates and taxes	1.17	0.67	3.93
Donations	1.67	2.43	5.12
Auditor's remuneration			
audit fees	0.06	0.05	0.21
certification charges	-	-	0.02
out-of-pocket expenses	0.01	0.01	0.02
Provision for bad and doubtful debts	0.07	6.94	13.09
Provision for doubtful loans and advances	(0.04)	-	0.42
Bank charges and commission	0.16	0.04	0.68
Commission to non-whole time directors	0.24	0.24	0.98
Postage and courier	1.25	1.17	3.23
Books and periodicals	0.25	0.33	1.14
Research grants	-	0.25	0.75
Freight charges	0.11	0.12	0.52
Professional membership and seminar participation fees	0.82	0.54	2.20
Transaction processing fee and filing fees	1.25	1.38	4.78
Other miscellaneous expenses	0.17	0.69	1.16
	57.21	58.79	211.35
14. OTHER INCOME			
Interest received on deposits with banks and others*	17.68	11.81	51.23
Exchange differences	6.50	1.26	13.26
Miscellaneous income	0.72	0.42	1.92
	24.90	13.49	66.41
*Tax deducted at source	3.23	1.71	8.28
15. PROVISION FOR TAXATION			
Current period / year			
Income taxes	43.12	29.56	143.19
Deferred taxes	(0.62)	(1.06)	(7.76)
	42.50	28.50	135.43