

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

SHAREHOLDERS' FUNDS

| | | | | |
|----------------------|---|-----------------|-----------------|-----------------|
| Share capital | 1 | 33.11 | 33.08 | 33.09 |
| Reserves and surplus | 2 | 2,673.99 | 1,916.84 | 2,047.22 |
| | | 2,707.10 | 1,949.92 | 2,080.31 |

APPLICATION OF FUNDS

FIXED ASSETS

| | | | | |
|-------------------------------------|---|----------|--------|--------|
| Original cost | 3 | 1,194.24 | 849.45 | 960.60 |
| Less: Depreciation and amortization | | 525.74 | 350.61 | 393.03 |
| Net book value | | 668.50 | 498.84 | 567.57 |
| Add: Capital work-in-progress | | 86.41 | 226.45 | 150.67 |
| | | 754.91 | 725.29 | 718.24 |

INVESTMENTS

| | | | | |
|--|---|-------|-------|-------|
| | 4 | 33.20 | 44.44 | 44.44 |
|--|---|-------|-------|-------|

DEFERRED TAX ASSETS

| | | | | |
|--|---|-------|-------|-------|
| | 5 | 35.03 | 22.33 | 24.22 |
|--|---|-------|-------|-------|

CURRENT ASSETS, LOANS AND ADVANCES

| | | | | |
|---------------------------|----|----------|----------|----------|
| Sundry debtors | 6 | 487.32 | 310.53 | 336.73 |
| Cash and bank balances | 7 | 1,129.87 | 609.55 | 772.22 |
| Loans and advances | 8 | 948.47 | 634.58 | 643.87 |
| | | 2,565.66 | 1,554.66 | 1,752.82 |
| Less: Current liabilities | 9 | 279.38 | 163.56 | 126.11 |
| Provisions | 10 | 402.32 | 233.24 | 333.30 |
| NET CURRENT ASSETS | | 1,883.96 | 1,157.86 | 1,293.41 |

| | | | | |
|--|--|-----------------|-----------------|-----------------|
| | | 2,707.10 | 1,949.92 | 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 | Rama Bijapurkar Director | K. Dinesh Director | S. D. Shibulal Director | T. V. Mohandas Pai Director and Chief Financial Officer |
|---------------------------|-----------------------------|-----------------------|----------------------------|---------------------------------------------------------------|

| | |
|---------------------------|----------------------------------------------------------------------|
| Srinath Batni Director | V. Balakrishnan Company Secretary and Vice President – Finance |
|---------------------------|----------------------------------------------------------------------|

Bangalore
January 10, 2003

INFOSYS TECHNOLOGIES LIMITED

in Rs. crore except per share data

| Profit and Loss Account for the | Schedules | Quarter ended December 31, | | Nine months ended December 31, | | Year ended |
|-----------------------------------------------------------------------|-----------|----------------------------|---------------|--------------------------------|-----------------|-----------------|
| | | 2002 | 2001 | 2002 | 2001 | March 31, 2002 |
| INCOME | | | | | | |
| Software services and products | | | | | | |
| Overseas | | 945.18 | 648.35 | 2,552.93 | 1,882.93 | 2,552.47 |
| Domestic | | 13.46 | 12.45 | 49.90 | 40.53 | 51.12 |
| | | 958.64 | 660.80 | 2,602.83 | 1,923.46 | 2,603.59 |
| SOFTWARE DEVELOPMENT EXPENSES | 11 | 481.62 | 309.50 | 1,283.50 | 902.01 | 1,224.82 |
| GROSS PROFIT | | 477.02 | 351.30 | 1,319.33 | 1,021.45 | 1,378.77 |
| SELLING AND MARKETING EXPENSES | 12 | 73.60 | 32.85 | 198.02 | 93.96 | 129.79 |
| GENERAL AND ADMINISTRATION EXPENSES | 13 | 69.93 | 51.00 | 189.65 | 160.60 | 211.35 |
| | | 143.53 | 83.85 | 387.67 | 254.56 | 341.14 |
| OPERATING PROFIT (PBIDTA) | | 333.49 | 267.45 | 931.66 | 766.89 | 1,037.63 |
| Interest | | - | - | - | - | - |
| Depreciation & amortization | | 49.48 | 41.33 | 136.19 | 115.83 | 160.65 |
| OPERATING PROFIT AFTER INTEREST, DEPRECIATION AND AMORTIZATION | | 284.01 | 226.12 | 795.47 | 651.06 | 876.98 |
| Other income | 14 | 29.80 | 14.92 | 72.22 | 43.07 | 66.41 |
| Provision for investments | | - | - | 23.76 | - | - |
| PROFIT BEFORE TAX | | 313.81 | 241.04 | 843.93 | 694.13 | 943.39 |
| Provision for taxation | 15 | 57.50 | 35.00 | 145.00 | 96.50 | 135.43 |
| NET PROFIT AFTER TAX | | 256.31 | 206.04 | 698.93 | 597.63 | 807.96 |
| AMOUNT AVAILABLE FOR APPROPRIATION | | 256.31 | 206.04 | 698.93 | 597.63 | 807.96 |
| DIVIDEND | | | | | | |
| Interim | | - | - | 82.76 | 49.62 | 49.63 |
| Final | | - | - | - | - | 82.73 |
| Dividend Tax | | - | - | - | 5.06 | 5.06 |
| Amount transferred - general reserve | | - | - | - | - | 670.54 |
| Balance in Profit and Loss Account | | 256.31 | 206.04 | 616.17 | 542.95 | - |
| | | 256.31 | 206.04 | 698.93 | 597.63 | 807.96 |
| EARNINGS PER SHARE | | | | | | |
| <i>(equity shares, par value Rs. 5/- each)</i> | | | | | | |
| Basic | | 38.70 | 31.14 | 105.57 | 90.33 | 122.12 |
| Diluted | | 38.22 | 31.02 | 104.70 | 89.86 | 121.37 |
| Number of shares used in computing earnings per share | | | | | | |
| Basic | | 6,62,21,577 | 6,61,64,388 | 6,62,02,947 | 6,61,61,389 | 6,61,62,274 |
| Diluted | | 6,70,57,160 | 6,64,27,919 | 6,67,55,529 | 6,65,03,734 | 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> |
|---------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|-----------------------------------------|

| | | | | |
|------------------------------------------|-------------------------------|---------------------------------------|----------------------------------|-----------------------------------|
| 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> | Rama Bijapurkar <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> |
|----------------------------------|------------------------------------|------------------------------|-----------------------------------|-----------------------------------------------------------------------|

| | |
|----------------------------------|------------------------------------------------------------------------------|
| Srinath Batni <i>Director</i> | V. Balakrishnan <i>Company Secretary and Vice President – Finance</i> |
|----------------------------------|------------------------------------------------------------------------------|

Bangalore
January 10, 2003

INFOSYS TECHNOLOGIES LIMITED*in Rs. crore*Schedules to the Balance Sheet as at **December 31, 2002** December 31, 2001 March 31, 2002**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 | 50.00 | 50.00 |
|----------------------------------------------------------------------------------------------------------------|-------|-------|-------|

ISSUED, SUBSCRIBED AND PAID UP

| | | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-------|-------|
| Equity shares, Rs. 5/- (Rs. 5/-; Rs. 5/-) par value* 6,62,29,489 (6,61,69,247; 6,61,86,130) 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] | 33.11 | 33.08 | 33.09 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-------|-------|

| | | |
|--------------|--------------|--------------|
| 33.11 | 33.08 | 33.09 |
|--------------|--------------|--------------|

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

* for details of options in respect of the above shares, refer to note 16.2.14

2. RESERVES AND SURPLUS

| | | | |
|-----------------|------|------|------|
| Capital reserve | 5.94 | 5.94 | 5.94 |
|-----------------|------|------|------|

| | | | |
|---------------------------------------------------------------------------------------------|---------------|---------------|---------------|
| Share 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 | 10.60 | 1.80 | 4.59 |
| | 335.94 | 322.55 | 325.34 |

| | | | |
|---------------------------------------------------------------|-----------------|-----------------|-----------------|
| General 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 | 1,715.94 |

| | | | |
|------------------------------------|-----------------|-----------------|-----------------|
| Balance in Profit and Loss Account | 616.17 | 542.95 | - |
| | 2,673.99 | 1,916.84 | 2,047.22 |

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

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 Dec 31, 2002 | As at April 1, 2002 | For the period | Deductions during the period | As at Dec 31, 2002 | As at Dec 31, 2002 | As at Dec 31, 2001 | As at March 31, 2002 |
| Land – free-hold* | 15.86 | 0.02 | - | 15.88 | - | - | - | - | 15.88 | 15.86 | 15.86 |
| – lease-hold | 27.84 | 3.57 | - | 31.41 | - | - | - | - | 31.41 | 27.59 | 27.84 |
| Buildings* | 285.33 | 68.42 | - | 353.75 | 27.89 | 16.90 | - | 44.79 | 308.96 | 203.35 | 257.44 |
| Plant and machinery* | 183.87 | 32.96 | 0.93 | 215.90 | 77.84 | 25.83 | 0.74 | 102.93 | 112.97 | 90.25 | 106.03 |
| Computer equipment | 287.89 | 53.29 | 1.40 | 339.78 | 216.63 | 62.24 | 1.38 | 277.49 | 62.29 | 81.63 | 71.26 |
| Furniture and fixtures* | 159.46 | 35.07 | 1.45 | 193.08 | 70.51 | 22.73 | 1.36 | 91.88 | 101.20 | 79.95 | 88.95 |
| Vehicles | 0.35 | - | - | 0.35 | 0.16 | 0.05 | - | 0.21 | 0.14 | 0.21 | 0.19 |
| Intangible assets | | | | | | | | | | | |
| Intellectual property rights | - | 44.09 | - | 44.09 | - | 8.44 | - | 8.44 | 35.65 | - | - |
| | 960.60 | 237.42 | 3.78 | 1,194.24 | 393.03 | 136.19 | 3.48 | 525.74 | 668.50 | 498.84 | 567.57 |
| Previous period | 631.14 | 228.77 | 10.46 | 849.45 | 244.13 | 115.83 | 9.35 | 350.61 | | | |
| 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 Progeon Limited, a subsidiary under the same management. Please refer to note 16.2.7 for details.

INFOSYS TECHNOLOGIES LIMITED

| | <i>in Rs. crore</i> | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|-------------------|
| Schedules to the Balance Sheet as at | December 31, 2002 | December 31, 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 (nil; 55,00,000) warrant to purchase 55,00,000 common stock, at US \$ 0.19 each, exercise price of US\$ 0.01 each | 3.91 | - | 3.91 |
| 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 | 1.73 | 1.73 |
| 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 | 13.08 |
| Alpha Thinx Mobile Phone Services AG, Austria 27,790 (27,790; 27,790) bearer shares at € 20 each, fully paid, par value € 1 each | 2.21 | 2.21 | 2.21 |
| JASDIC Park Company, Japan 480 (480; 480) common stock at ¥ 50,000 each, fully paid, par value ¥ 50,000 each | 0.75 | 0.75 | 0.75 |
| 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 | 6.85 | 6.85 | 6.85 |
| 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 | 0.20 | 0.20 | 0.20 |
| 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 | 0.20 | 0.20 | 0.20 |
| 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 | 8.55 | 8.55 | 8.55 |
| Workadia Inc. USA 22,00,000 (22,00,000; 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 |
| Software Services Support Education Center Limited 1 (1; 1) equity share of Rs. 10/- each, fully paid, par value Rs. 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/- | - | - | - |
| | <u>36.14</u> | <u>49.22</u> | <u>49.22</u> |
| Less: Provision for investments | <u>33.03</u> | <u>22.35</u> | <u>22.35</u> |
| | 3.11 | 26.87 | 26.87 |
| 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 | 13.40 | 13.40 |
| 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 |
| Progeon Ltd, India, a subsidiary company, under the same management 1,22,49,993 (nil; nil) equity shares at Rs.10/- each, fully paid, par value Rs.10/- each | 12.25 | - | - |
| Stratify Inc. (formerly 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 | 2.33 | 2.33 |
| | <u>33.20</u> | <u>44.44</u> | <u>44.44</u> |
| Aggregate of unquoted investments - carrying value / cost | <u>33.20</u> | <u>44.44</u> | <u>44.44</u> |

INFOSYS TECHNOLOGIES LIMITED*in Rs. crore*Schedules to the Balance Sheet as at December 31, 2002 December 31, 2001 March 31, 2002**5. DEFERRED TAX ASSETS**

| | | | |
|----------------|--------------|--------------|--------------|
| Fixed assets | 18.39 | 10.95 | 14.59 |
| Investments | 12.10 | 6.94 | 5.85 |
| Sundry Debtors | 4.54 | 4.44 | 3.78 |
| | 35.03 | 22.33 | 24.22 |

6. SUNDRY DEBTORS

Debts outstanding for a period exceeding six months

| | | | |
|------------------------------------|---------------|---------------|---------------|
| Unsecured | | | |
| considered doubtful | 9.23 | 4.51 | 7.35 |
| Other debts | | | |
| Unsecured | | | |
| considered good* | 487.32 | 310.53 | 336.73 |
| considered doubtful | 5.62 | 14.87 | 11.88 |
| | 502.17 | 329.91 | 355.96 |
| Less: Provision for doubtful debts | 14.85 | 19.38 | 19.23 |
| | 487.32 | 310.53 | 336.73 |

* Includes due from Progeon Limited, a subsidiary company

7. CASH AND BANK BALANCES

| | | | |
|-----------------------------------------|-----------------|---------------|---------------|
| Cash on hand | 0.06 | 0.18 | 0.03 |
| Balances with scheduled banks | | | |
| in current accounts * | 42.82 | 23.31 | 22.75 |
| in deposit accounts in Indian rupees | 993.31 | 377.13 | 551.62 |
| in deposit accounts in foreign currency | - | 144.78 | 147.41 |
| Balances with non-scheduled banks** | | | |
| in current accounts | 93.68 | 64.15 | 50.41 |
| | 1,129.87 | 609.55 | 772.22 |

* includes balance in unclaimed dividend account

** Details of balances in non-scheduled banks are set out in note 16.2.17

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

| | | | |
|--------------------------------------------------------------|---------------|---------------|---------------|
| Advances | | | |
| prepaid expenses | 14.79 | 11.51 | 11.20 |
| advances paid for supply of goods and rendering of services | 0.81 | 10.58 | 1.22 |
| others | 2.92 | 2.17 | 2.17 |
| | 18.52 | 24.26 | 14.59 |
| Advance to subsidiary company, under the same management | - | - | - |
| Unbilled revenues | 71.13 | 9.07 | 17.74 |
| Advance income tax | 407.00 | 233.36 | 236.25 |
| Loans and advances to employees * | | | |
| housing and other loans | 96.25 | 72.88 | 81.52 |
| salary advances | 29.33 | 21.84 | 19.91 |
| Electricity and other deposits | 7.64 | 6.40 | 6.26 |
| Rental deposits | 14.50 | 9.97 | 10.14 |
| Deposits with financial institutions and body corporate | 302.34 | 256.80 | 254.74 |
| Other Assets | 1.76 | - | 2.72 |
| | 948.47 | 634.58 | 643.87 |
| Unsecured, considered doubtful | | | |
| Loans and advances to employees | 0.42 | 0.13 | 0.49 |
| | 948.89 | 634.71 | 644.36 |
| Less: Provision for doubtful loans and advances to employees | 0.42 | 0.13 | 0.49 |
| | 948.47 | 634.58 | 643.87 |

* includes dues by non-director officers of the company

Maximum amounts due

| | | | |
|-----------------------------------------------------------------------|------|------|------|
| - by non-director officers at any time during the period/year | 0.08 | 0.12 | 0.12 |
| - from Progeon Limited, subsidiary company, under the same management | - | - | - |

INFOSYS TECHNOLOGIES LIMITED*in Rs. crore*Schedules to the Balance Sheet as at **December 31, 2002** December 31, 2001 March 31, 2002**9. CURRENT LIABILITIES**

| | | | |
|----------------------------------------------|---------------|---------------|---------------|
| Sundry creditors | | | |
| for goods | - | - | - |
| for accrued salaries and benefits | | | |
| salaries | 4.70 | 4.54 | 2.77 |
| bonus and incentives | 50.36 | 29.65 | 30.71 |
| leave provisions | 25.27 | 21.46 | 22.99 |
| for other liabilities | | | |
| provision for expenses | 42.18 | 35.96 | 16.38 |
| retention monies | 10.81 | 15.92 | 9.36 |
| withholding and other taxes payable | 26.23 | 10.07 | 12.76 |
| due to subsidiary company | - | - | - |
| for purchase of intellectual property rights | 27.83 | - | - |
| others | 5.35 | 3.64 | 2.31 |
| | 192.73 | 121.24 | 97.28 |
| Advances received from clients | 29.15 | 12.26 | 10.81 |
| Unearned revenue | 55.56 | 28.33 | 16.90 |
| Unclaimed dividend | 1.94 | 1.73 | 1.12 |
| | 279.38 | 163.56 | 126.11 |

10. PROVISIONS

| | | | |
|---------------------------|---------------|---------------|---------------|
| Proposed dividend | - | - | 82.73 |
| Provision for | | | |
| income taxes | 395.38 | 224.88 | 239.57 |
| post-sales client support | 6.94 | 8.36 | 11.00 |
| | 402.32 | 233.24 | 333.30 |

INFOSYS TECHNOLOGIES LIMITED*in Rs. crore*

| Schedules to the Profit and Loss Account for the | Quarter ended December 31, | | Nine months ended December 31, | | Year ended |
|--------------------------------------------------|----------------------------|------|--------------------------------|------|----------------|
| | 2002 | 2001 | 2002 | 2001 | March 31, 2002 |

11. SOFTWARE DEVELOPMENT EXPENSES

| | | | | | |
|------------------------------------------------------|---------------|---------------|-----------------|---------------|-----------------|
| Salaries and bonus including overseas staff expenses | 378.90 | 252.83 | 1,019.82 | 719.81 | 976.11 |
| Staff welfare | 2.13 | 1.42 | 5.42 | 4.86 | 6.14 |
| Contribution to provident and other funds | 8.43 | 6.51 | 21.70 | 19.00 | 25.63 |
| Foreign travel expenses | 41.52 | 26.05 | 119.80 | 82.52 | 113.12 |
| Consumables | 1.77 | 1.16 | 4.19 | 2.23 | 3.22 |
| Cost of software packages for own use | 22.21 | 8.99 | 43.27 | 26.05 | 34.44 |
| service delivery to clients | 2.34 | 1.53 | 9.96 | 7.57 | 9.17 |
| Provision for post-sales client support | (3.76) | (0.04) | (4.06) | 1.01 | 3.65 |
| Computer maintenance | 2.58 | 2.01 | 6.96 | 4.92 | 7.11 |
| Communication expenses | 5.73 | 7.87 | 17.99 | 28.61 | 36.11 |
| Consultancy charges | 19.77 | 1.17 | 38.45 | 5.43 | 10.12 |
| | 481.62 | 309.50 | 1,283.50 | 902.01 | 1,224.82 |

12. SELLING AND MARKETING EXPENSES

| | | | | | |
|------------------------------------------------------|--------------|--------------|---------------|--------------|---------------|
| Salaries and bonus including overseas staff expenses | 40.24 | 14.65 | 103.25 | 45.17 | 61.04 |
| Staff welfare | 0.16 | 0.05 | 0.47 | 0.22 | 0.27 |
| Contribution to provident and other funds | 0.23 | 0.05 | 0.47 | 0.12 | 0.22 |
| Foreign travel expenses | 12.25 | 5.18 | 30.84 | 12.67 | 18.66 |
| Consumables | 0.07 | - | 0.14 | 0.01 | 0.02 |
| Cost of software packages for own use | 0.01 | 0.02 | 0.04 | 0.10 | 0.58 |
| Communication expenses | 0.13 | 0.17 | 0.37 | 0.26 | 0.38 |
| Traveling and conveyance | 0.37 | 0.51 | 0.82 | 2.88 | 3.14 |
| Rent | 1.29 | 0.77 | 3.40 | 3.40 | 4.30 |
| Telephone charges | 1.40 | 0.84 | 3.92 | 2.36 | 3.26 |
| Professional charges | 3.03 | 1.98 | 8.27 | 4.09 | 5.90 |
| Printing and stationery | 0.25 | 0.43 | 1.02 | 1.18 | 1.55 |
| Advertisements | 0.33 | 0.10 | 0.73 | 0.13 | 0.31 |
| Brand building | 7.00 | 2.53 | 24.36 | 10.19 | 13.16 |
| Office maintenance | 1.66 | 0.08 | 2.16 | 0.20 | 0.31 |
| Repairs to plant and machinery | - | - | - | 0.01 | 0.01 |
| Power and fuel | 0.04 | 0.01 | 0.15 | 0.05 | 0.06 |
| Insurance charges | 0.03 | - | 0.06 | - | - |
| Rates and taxes | 0.02 | - | 0.25 | 0.23 | 0.33 |
| Bank charges and commission | 0.03 | - | 0.07 | 0.02 | 0.03 |
| Commission charges | 3.28 | 4.13 | 9.50 | 6.13 | 10.82 |
| Marketing expenses | 1.65 | 1.19 | 4.96 | 3.84 | 4.67 |
| Sales promotion expenses | 0.13 | 0.16 | 0.33 | 0.37 | 0.44 |
| Other miscellaneous expenses | - | - | 2.44 | 0.33 | 0.33 |
| | 73.60 | 32.85 | 198.02 | 93.96 | 129.79 |

INFOSYS TECHNOLOGIES LIMITED*in Rs. crore*

| Schedules to the Profit and Loss Account for the | Quarter ended December 31, Nine months ended December 31, | | Year ended | |
|--------------------------------------------------|-----------------------------------------------------------|------|------------|---------------------|
| | 2002 | 2001 | 2002 | 2001 March 31, 2002 |

13. GENERAL AND ADMINISTRATION EXPENSES

| | | | | | |
|--------------------------------------------------------|--------------|--------------|---------------|---------------|---------------|
| Salaries and bonus including overseas staff expenses | 15.35 | 11.40 | 41.73 | 34.21 | 45.48 |
| Contribution to provident and other funds | 0.88 | 0.79 | 2.42 | 2.47 | 2.98 |
| Foreign travel expenses | 1.70 | 0.99 | 5.65 | 3.50 | 4.81 |
| Traveling and conveyance | 4.47 | 4.09 | 11.13 | 11.53 | 15.48 |
| Rent | 6.75 | 5.34 | 17.50 | 14.75 | 20.11 |
| Telephone charges | 5.82 | 2.28 | 14.83 | 9.04 | 11.45 |
| Professional charges | 9.37 | 3.61 | 23.88 | 10.09 | 16.23 |
| Printing and stationery | 1.02 | 0.71 | 3.68 | 4.13 | 4.75 |
| Advertisements | 1.05 | 0.62 | 2.72 | 2.04 | 2.78 |
| Office maintenance | 5.03 | 3.68 | 12.94 | 10.26 | 13.81 |
| Repairs to building | 2.06 | 1.29 | 5.08 | 5.07 | 8.50 |
| Repairs to plant and machinery | 1.66 | 0.58 | 3.75 | 1.84 | 2.48 |
| Power and fuel | 5.66 | 4.68 | 16.64 | 14.04 | 18.90 |
| Insurance charges | 2.34 | 1.47 | 6.80 | 3.97 | 5.34 |
| Rates and taxes | 1.33 | 1.40 | 3.60 | 3.10 | 3.93 |
| Donations | 1.52 | 0.84 | 4.56 | 4.82 | 5.12 |
| Auditor's remuneration | | | | | |
| audit fees | 0.07 | 0.05 | 0.20 | 0.16 | 0.21 |
| certification charges | - | - | - | - | 0.02 |
| out-of-pocket expenses | 0.01 | 0.01 | 0.02 | 0.02 | 0.02 |
| Provision for bad and doubtful debts | 0.33 | 2.77 | 0.51 | 13.24 | 13.09 |
| Provision for doubtful loans and advances | (0.02) | - | (0.07) | 0.06 | 0.42 |
| Bank charges and commission | 0.18 | 0.04 | 0.50 | 0.16 | 0.68 |
| Commission to non-whole time directors | 0.24 | 0.24 | 0.72 | 0.72 | 0.98 |
| Postage and courier | 1.03 | 0.77 | 3.00 | 2.70 | 3.23 |
| Books and periodicals | 0.32 | 0.29 | 0.97 | 0.87 | 1.14 |
| Research grants | - | 0.25 | - | 0.75 | 0.75 |
| Freight charges | 0.16 | 0.17 | 0.43 | 0.38 | 0.52 |
| Professional membership and seminar participation fees | 0.86 | 0.68 | 2.51 | 1.59 | 2.20 |
| Other miscellaneous expenses | 0.74 | 1.96 | 3.95 | 5.09 | 5.94 |
| | 69.93 | 51.00 | 189.65 | 160.60 | 211.35 |

14. OTHER INCOME

| | | | | | |
|------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Interest received on deposits with banks and others* | 19.52 | 12.36 | 55.89 | 35.96 | 51.23 |
| Miscellaneous income | 1.41 | 0.49 | 2.59 | 1.22 | 1.92 |
| Exchange differences | 8.87 | 2.07 | 13.74 | 5.89 | 13.26 |
| | 29.80 | 14.92 | 72.22 | 43.07 | 66.41 |
| *Tax deducted at source | 4.04 | 2.16 | 10.47 | 5.95 | 8.28 |

15. PROVISION FOR TAXATION

| | | | | | |
|---------------------|--------------|--------------|---------------|--------------|---------------|
| Current period/year | | | | | |
| Income taxes | 58.95 | 38.69 | 155.81 | 103.30 | 143.19 |
| Deferred taxes | (1.45) | (3.69) | (10.81) | (6.80) | (7.76) |
| | 57.50 | 35.00 | 145.00 | 96.50 | 135.43 |