

**Audited financial results for the quarter, half-year and year ended March 31, 2002**
*(In Rs. crore except per share data)*

	Quarter ended March 31,		Half-year ended March 31,		Year ended March 31,	
	2002	2001	2002	2001	2002	2001
Income from 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
<b>Total</b>	<b>680.13</b>	<b>561.87</b>	<b>1,340.94</b>	<b>1,098.94</b>	<b>2,603.59</b>	<b>1,900.56</b>
Software development expenses	322.81	245.27	632.31	495.41	1,224.82	870.83
<b>Gross profit</b>	<b>357.32</b>	<b>316.60</b>	<b>708.63</b>	<b>603.53</b>	<b>1,378.77</b>	<b>1,029.73</b>
Selling and marketing expenses	35.83	29.98	68.68	51.53	129.79	92.07
General and administration expenses	50.75	53.30	101.76	101.22	211.35	172.82
<b>Operating profit before interest and depreciation</b>	<b>270.74</b>	<b>233.32</b>	<b>538.19</b>	<b>450.78</b>	<b>1,037.63</b>	<b>764.84</b>
Interest	-	-	-	-	-	-
Depreciation	44.82	37.90	86.15	70.92	160.65	112.89
<b>Operating profit after interest and depreciation</b>	<b>225.92</b>	<b>195.42</b>	<b>452.04</b>	<b>379.86</b>	<b>876.98</b>	<b>651.95</b>
Other income	23.33	10.21	38.26	24.68	66.41	59.37
Provision for investments	-	(2.21)	-	(15.29)	-	(15.29)
<b>Profit before tax and extraordinary item</b>	<b>249.25</b>	<b>203.42</b>	<b>490.30</b>	<b>389.25</b>	<b>943.39</b>	<b>696.03</b>
Provision for taxation	38.93	21.75	73.93	41.25	135.43	72.71
<b>Profit after tax before extraordinary item</b>	<b>210.32</b>	<b>181.67</b>	<b>416.37</b>	<b>348.00</b>	<b>807.96</b>	<b>623.32</b>
Extraordinary item-transfer of intellectual property rights (net of taxes)	-	-	-	-	-	5.49
<b>Net profit after tax and extraordinary item</b>	<b>210.32</b>	<b>181.67</b>	<b>416.37</b>	<b>348.00</b>	<b>807.96</b>	<b>628.81</b>
Paid-up equity share capital (par value Rs. 5/- each, fully paid)	33.09	33.08	33.09	33.08	33.09	33.08
Reserves	2,047.22	1,356.56	2,047.22	1,356.56	2,047.22	1,356.56
<b>Earnings per share (par value Rs. 5/- each)</b>						
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
<b>Dividend per share (par value Rs. 5/- each)</b>	<b>12.50</b>	<b>7.50</b>	<b>12.50</b>	<b>7.50</b>	<b>20.00</b>	<b>10.00</b>
<b>Percentage</b>	<b>250</b>	<b>150</b>	<b>250</b>	<b>150</b>	<b>400</b>	<b>200</b>
<b>Aggregate of non-promoters shareholding</b>						
Number of shares	4,71,78,795	4,68,70,557	4,71,78,795	4,68,70,557	4,71,78,795	4,68,70,557
Percentage of shareholding	71.28	70.85	71.28	70.85	71.28	70.85

**Segment reporting**
*(In Rs. crore)*

	Quarter ended March 31,		Half-year ended March 31,		Year ended March 31,	
	2002	2001	2002	2001	2002	2001
<b>Revenue by industry segment</b>						
Financial services	253.75	188.46	479.96	385.02	953.98	640.78
Manufacturing	116.95	100.33	221.71	190.03	445.94	338.84
Telecom	105.05	102.73	205.12	197.80	406.79	350.11
Retail	87.77	62.47	177.60	109.19	320.40	172.86
Others	116.61	107.88	256.55	216.90	476.48	397.97
<b>Total</b>	<b>680.13</b>	<b>561.87</b>	<b>1,340.94</b>	<b>1,098.94</b>	<b>2,603.59</b>	<b>1,900.56</b>
Less: Inter-segment revenue	-	-	-	-	-	-
Net revenue from operations	680.13	561.87	1,340.94	1,098.94	2,603.59	1,900.56
<b>Segment profit before tax and interest</b>						
Financial services	92.86	69.89	172.99	147.00	350.88	237.21
Manufacturing	44.27	32.43	78.00	62.09	152.76	117.49
Telecom	44.93	51.94	94.47	95.91	191.15	167.82
Retail	40.87	30.96	84.11	50.58	151.35	71.81
Others	47.81	48.10	108.62	95.20	191.49	170.51
<b>Total</b>	<b>270.74</b>	<b>233.32</b>	<b>538.19</b>	<b>450.78</b>	<b>1,037.63</b>	<b>764.84</b>
Less: Interest	-	-	-	-	-	-
Less: Other un-allocable expenditure (excluding un-allocable income)	44.82	37.90	86.15	70.92	160.65	112.89
<b>Operating profit before tax</b>	<b>225.92</b>	<b>195.42</b>	<b>452.04</b>	<b>379.86</b>	<b>876.98</b>	<b>651.95</b>

**Notes on segment information**
*Principal segments*

The company's operations predominantly relate to providing Information Technology ("IT") services to customers operating in various industry segments. Accordingly, IT service revenues represented along industry classes comprise the primary basis of segmental information set out above.

*Segmental capital employed*

Fixed assets used in the company's business or liabilities contracted have not been identified to any of the reportable segments, as the fixed assets and liabilities contracted are used interchangeably between segments. Accordingly, no disclosures relating to total segment assets and liabilities are made.

**Notes:**

- The above audited results for the quarter, half-year and year ended March 31, 2002 have been taken on record by the Board at its meeting held on April 10, 2002. There are no qualifications in the auditors' reports issued for these periods.
- The Board of Directors at their meeting proposed a final dividend of Rs. 12.50 per share (250% on an equity share of par value of Rs. 5/- and subject to deduction of tax at source, if any), subject to the approval of members at the Annual General Meeting to be held on June 8, 2002. An interim dividend of Rs. 7.50 per share (150% on an equity share of par value of Rs. 5/-) was declared at the Board meeting on October 10, 2001. The record date for payment of dividend was November 2, 2001 and it has since been paid. Accordingly, the total dividend for the year would be Rs. 20 per share (400% on an equity share of par value of Rs. 5/- and subject to deduction of tax at source, if any).
- The register of members and share transfer books will remain closed from May 24, 2002 to June 8, 2002, both days inclusive. The Annual General Meeting of the company has been scheduled for June 8, 2002.

4. The Board of Directors at their meeting proposed to hike the FII investment limit from the existing 49% to 100%. This requires the approval of the members in the ensuing Annual General Meeting.
5. The Board of Directors at their meeting approved an investment upto US\$ 5 million for the new Business Process Management (BPM) initiative.
6. Details of expenses: (In Rs. crore)

	Quarter ended March 31,		Half-year ended March 31,		Year ended March 31,	
	2002	2001	2002	2001	2002	2001
<b>Staff costs</b>	<b>292.01</b>	207.94	<b>579.72</b>	407.59	<b>1,117.86</b>	717.78
<b>Items exceeding 10% of aggregate expenditure</b>						
Foreign Travel	<b>37.90*</b>	37.08	<b>70.13*</b>	81.11	<b>136.59*</b>	147.22

\* Provided for comparative purposes only

7. Particulars of other income are as follows (In Rs. crore)

	Quarter ended March 31,		Half-year ended March 31,		Year ended March 31,	
	2002	2001	2002	2001	2002	2001
Interest on deposits	<b>15.27</b>	10.44	<b>27.64</b>	21.27	<b>51.23</b>	38.47
Exchange difference	<b>7.37</b>	(0.37)	<b>9.44</b>	3.07	<b>13.26</b>	20.17
Miscellaneous income	<b>0.69</b>	0.14	<b>1.18</b>	0.34	<b>1.92</b>	0.73
<b>Total</b>	<b>23.33</b>	10.21	<b>38.26</b>	24.68	<b>66.41</b>	59.37

8. There were no investments during the quarter ended March 31, 2002. During the quarter ended June 30, 2001, the company invested Rs. 10.32 crore in Workadia Inc. USA ("Workadia") purchasing 22,00,000 fully paid Series "B" convertible preferred stock, par value of US\$ 0.0002, at US\$ 1.00 each (adjusted for stock splits). Workadia will provide companies with comprehensive, customizable business intranets through browser accessed hosted portals, and also offer consulting services to help customers select and deploy their intranet applications, content and services.
9. An amount of Rs.15.29 crore was provided for investments in Alpha Thinx, Austria, and EC Cubed Inc., USA, during the latter half of the year ended March 31, 2001, when the investee companies filed for liquidation.
10. During the year ended March 31, 2001, the company transferred its intellectual property rights in Onscan, a web-focused wireless-enabled notification product, to OnMobile Systems Inc. (formerly Onscan Inc.), USA, a company incubated by Infosys. The rights were transferred for Rs. 8.95 crore (US\$ 2 million), received as common, preferred voting and preferred non-voting securities in OnMobile Systems Inc. The income of Rs. 5.49 crore (net of tax) arising on the transfer is disclosed above as an extraordinary item.
11. During the quarter ended March 31, 2002, the company swapped 55,00,000 common stock in Yantra Corporation, USA ("Yantra") for a fully paid warrant to purchase 55,00,000 common stock. Accordingly, Yantra is no longer a subsidiary of the company as per the Companies Act, 1956 as on March 31, 2002.
12. Certain accounting standards became mandatory for accounting periods commencing on or after April 1, 2001. The company adopted the accounting standards on segment reporting, related party disclosures and earnings per share effective the year ended March 31, 2001, and adopted the standards on accounting for leases and income taxes effective from April 1, 2001.
13. Consequent to the standard on accounting for taxes on income becoming mandatory effective April 1, 2001, the company recorded a cumulative net deferred tax credit of Rs.15.53 crore until April 1, 2001 as an addition to the general reserves. Deferred tax credits of Rs. 0.96 crore and Rs. 7.76 crore for the quarter and year ended March 31, 2002 respectively, are included in the provisions for taxation of the referred periods.
14. During the quarter, half-year and year ended March 31, 2002 the company issued 16,883, 25,413 and 28,013 equity shares, respectively, pursuant to the exercise of stock options by certain employees.
15. Mr. Ramesh Vangal retired as a director of the company on October 24, 2001.
16. The Board of Directors co-opted Mr. Claude Smadja, Principal Advisor of the World Economic Forum, as an additional director of the company with effect from October 25, 2001. Mr. Smadja will hold office until the date of the ensuing Annual General Meeting, when his appointment as a director will be placed for the approval of the members in the meeting.
17. The Board of Directors in its meeting held on January 10, 2002 approved the following changes in the senior management of the company that will become effective from March 31, 2002:
- Mr. Nandan M. Nilekani assumed the role of Chief Executive Officer, President and Managing Director;
  - Mr. S. Gopalakrishnan assumed the role of Chief Operating Officer and Deputy Managing Director;
  - Mr. N. R. Narayana Murthy will continue as the Chairman of the Board of Directors and is designated Chairman and Chief Mentor.

**By order of the Board  
for Infosys Technologies Limited**

Bangalore, India  
April 10, 2002

**N. R. Narayana Murthy**  
Chairman and Chief Mentor

The Board has also taken on record the unaudited results for the quarter and half-year and audited results for the year ended March 31, 2002, prepared as per US GAAP. The summary of the above financial statements is as follows:

(In US\$ million except per share data)

	Quarter ended March 31, (Unaudited)		Half-year ended March 31, (Unaudited)		Year ended March 31, (Audited)	
	2002	2001	2002	2001	2002	2001
Revenues	<b>139.68</b>	120.74	<b>277.26</b>	235.65	<b>545.05</b>	413.85
Gross profit	<b>64.17</b>	59.87	<b>128.69</b>	114.20	<b>255.02</b>	200.24
Amortization of deferred stock compensation expense	<b>1.26</b>	1.26	<b>2.50</b>	2.53	<b>5.01</b>	5.08
Net income	<b>42.28</b>	38.33	<b>83.93</b>	72.33	<b>164.47</b>	131.95
Earnings per American Depositary Share						
Basic	<b>0.32</b>	0.29	<b>0.64</b>	0.55	<b>1.25</b>	1.00
Diluted	<b>0.32</b>	0.29	<b>0.63</b>	0.55	<b>1.24</b>	0.99
Total assets	<b>471.16</b>	342.35	<b>471.16</b>	342.35	<b>471.16</b>	342.35
Cash and cash equivalents	<b>210.48</b>	124.08	<b>210.48</b>	124.08	<b>210.48</b>	124.08

**Note: Two American Depositary Shares (ADS) are equivalent to one equity share.**

The reconciliation of net incomes as per Indian GAAP and US GAAP is as follows:

(In US\$ million)

	Quarter ended March 31, (Unaudited)		Half-year ended March 31, (Unaudited)		Year ended March 31, (Audited)	
	2002	2001	2002	2001	2002	2001
Net profit as per Indian GAAP	<b>43.17</b>	39.02	<b>86.06</b>	74.41	<b>169.11</b>	136.84
Amortization of deferred stock compensation expense	<b>(1.26)</b>	(1.26)	<b>(2.50)</b>	(2.53)	<b>(5.01)</b>	(5.08)
Provision for retirement benefits to employees	-	-	-	-	-	0.74
Deferred taxes	<b>0.37</b>	0.57	<b>0.37</b>	0.45	<b>0.37</b>	0.77
Provision for contingency / e-inventing the company (net)	-	-	-	-	-	(0.09)
Transfer of intellectual property rights (net of tax)	-	-	-	-	-	(1.23)
<b>Net income as per US GAAP</b>	<b>42.28</b>	<b>38.33</b>	<b>83.93</b>	<b>72.33</b>	<b>164.47</b>	<b>131.95</b>

Certain statements in this release concerning our future growth prospects are forward looking statements which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Infosys has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. Additional risks that could affect our future operating results are more fully described in our United States Securities and Exchange Commission filings including our Annual Report on Form 20-F for the fiscal year ended March 31, 2001 and quarterly report on Form 6-K for the quarters ended June 30, 2001, September 30, 2001 and December 31, 2001. These filings are available at <http://www.sec.gov>. Infosys may, from time to time, make additional written and oral forward looking statements, including statements contained in the company's filings with the Securities and Exchange Commission and our reports to shareholders. The company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company.