Infosys announces strong fourth quarter results

Bangalore, India – April 11, 2001

Highlights

Results for the quarter ended March 31, 2001

- Total income of Rs. 572.08 crore for the fourth quarter ended March 31, 2001, an increase of 100.03% over total income of Rs. 286.00 crore for the same quarter in the previous year
- Net earnings per share increased to Rs. 27.46 from Rs. 14.12 in the same quarter in the previous year
- Net addition in employees at 921 in the quarter, including 181 laterals
- 37 new customers added in the quarter, including marquee names such as Monsanto, Vodafone Networks and Swiss Re

Results for the year ended March 31, 2001

- Total income of Rs. 1,959.94 crore for the year ended March 31, 2001, an increase of 112.70% over total income of Rs. 921.46 crore for the year ended March 31, 2000
- Net earnings per share increased to Rs. 95.06 from Rs. 44.38 in the previous year

Outlook for the quarter ending June 30, 2001 and fiscal year ending March 31, 2002

- Total income is expected to be between Rs. 580 crore and Rs. 590 crore, and earnings per share is expected to be between Rs. 27.00 and Rs. 28.00 for the quarter ending June 30, 2001
- Total income is expected to be between Rs. 2,500 crore and Rs. 2,560 crore, and earnings per share is expected to be between Rs. 118.00 and Rs. 121.00 for the fiscal year ending March 31, 2002

Results for the quarter ended March 31, 2001

The audited financial results, according to Indian GAAP, for the quarter ended March 31, 2001 were taken on record by the Board at its meeting held on April 11, 2001.

The profit and loss account is summarized below: *(in Rs. crore except per share data)*

Particulars	Quarter ended March 31,		Growth %	Quarter ended December 31,	Growth % in Q4 FY 2001 over Q3 FY 2001
	2001	2000		2000	
Income from software products and services					
Exports	552.47	271.60	103.41%	529.24	4.39%
Domestic	9.40	5.74	63.76%	7.83	20.05%
Other income					
Interest and others	10.58	7.89	34.09%	11.03	(4.08%)
Exchange differences	(0.37)	0.77	(148.05%)	3.44	(110.76%)
Total income	572.08	286.00	100.03%	551.54	3.72%
Staff costs	207.95	107.85	92.81%	199.64	4.16%
Foreign travel expenses	37.08	26.54	39.71%	44.03	(15.48%)
Other expenditure	83.51	35.05	138.26%	75.94	9.97%
Provision for investments	2.21	--	--	13.08	(83.10%)
Total expenses	330.75	169.44	95.20%	332.69	(0.58%)
Operating profit (PBIDT)	241.33	116.56	107.04%	218.85	10.27%
Depreciation	37.90	18.71	102.57%	33.02	14.78%
Provision for tax	21.75	12.00	81.25%	19.50	11.54%
Profit after tax before extraordinary item	181.68	85.85	111.62%	166.33	9.23%
Extraordinary income (net of tax)	--	7.57	--	--	--
Net profit after tax and extraordinary item	181.68	93.42	94.48%	166.33	9.23%
Earnings per share (of Rs. 5)					
Basic	27.46	14.12	94.48%	25.14	9.23 %
Diluted	27.33	14.12	93.56%	24.23	12.79 %

Fluctuations in exchange rate(s) during the quarter, with reference to the exchange rate(s) as at March 31, 2000 (March 31, 1999) led to an increase in income from software development of Rs. 31.75 crore (Rs. 8.13 crore for the quarter ended March 31, 2000) and an increase in profit before tax of Rs. 17.81 crore (Rs. 4.90 crore for the quarter ended March 31, 2000).

Other income of Rs. 10.21 crore (Rs. 8.76 crore) for the quarter includes an amount of Rs. (0.37) crore (Rs. 0.77 crore) arising from exchange differences on translation of foreign currency deposits kept abroad, which may be non-recurring. Further, during the quarter, AlphaThinx Mobile Services AG ("Alpha Thinx"), a company in which Infosys made a strategic investment, filed for liquidation. Pending the conclusion of liquidation proceedings, the company has provided for the entire amount of the investment amounting to Rs. 2.21 crore in its profit and loss account for the quarter ending March 31, 2001.

"We had a very strong quarter," said N. R. Narayana Murthy, Chairman and CEO. "**With the economic environment in North America becoming challenging, we estimate a revenue growth rate of 30% for fiscal 2002. As always, we will exploit any new opportunity for higher growth."**

Results for the year ended March 31, 2001

Total income for the year ended March 31, 2001 was Rs. 1,959.94 crore, an increase of 112.70% over Rs. 921.46 crore for the previous year. Net profit from ordinary activities was Rs. 623.32 crore, an increase of 117.98% over the corresponding amount of Rs. 285.95 crore for the year ended March 31, 2000.

Fluctuations in exchange rate(s) with reference to the exchange rate(s) as on March 31, 2000 (March 31, 1999), led to an increase in income from software development of Rs. 82.17 crore (Rs. 22.58 crore for the year ended March 31, 2000) and an increase in profit before tax of Rs. 45.37 crore (Rs. 11.63 crore for the year ended March 31, 2000).

Other income of Rs. 59.37 crore (Rs. 39.14 crore) for the year ended March 31, 2001 includes Rs. 20.17 crore (Rs. 9.93 crore) arising from exchange differences on the translation of foreign currency deposits maintained abroad, which may be non-recurring. During the year ended March 31, 2001, EC Cubed Inc. and Alpha Thinx, two companies in which Infosys made strategic investments, filed for liquidation. Pending the conclusion of liquidation proceedings, the company has provided for the entire amount of the investments amounting to Rs. 15.29 crore in its profit and loss account.

The profit and loss account is summarized below: *(in Rs. crore except per share data)*

Particulars	Year ended March 31,		% Change
	2001	2000	
Income from software products and services			
Exports	1874.03	869.70	115.48%
Domestic	26.54	12.63	110.13%
Other income			
Interest and others	39.20	29.21	34.20%
Exchange differences	20.17	9.93	103.12%
Total income	1959.94	921.47	112.70%
Staff costs	717.78	334.56	114.54%
Foreign travel expenses	147.22	84.09	75.07%
Other expenditure	270.72	117.11	131.17%
Provision for contingencies	--	3.33	--
Provision for e-inventing the company	--	3.50	--
Provision for investment	15.29	--	--
Total expenses	1151.01	542.59	112.14%
Operating profit (PBIDT)	808.93	378.88	113.50%
Depreciation	112.90	53.23	112.10%
Provision for tax	72.71	39.70	83.15%
Profit after tax before extraordinary item	623.32	285.95	117.98%
Extraordinary income (net of tax)	5.49	7.57	(27.48%)
Net profit after tax and extraordinary item	628.81	293.52	114.23%
Earnings per share (of Rs. 5)			
Basic	95.06	44.38	114.20%
Diluted	94.76	44.37	113.57%

Dividend declaration

The Board of Directors recommended a final dividend of Rs. 7.50 per share (150% on par value of Rs. 5 per share) for fiscal 2001, amounting to Rs. 54.68 crore. Including the interim dividend of Rs. 2.50 per share (50% on par value of Rs. 5 per share) amounting to Rs. 20.18 crore, the total dividend recommended for the year is Rs. 10.00 per share (200% on par value of Rs. 5 per share), amounting to Rs. 74.86 crore.

Business outlook

The company's outlook for the quarter ending June 30, 2001 and fiscal year ending March 31, 2002, under Indian GAAP and US GAAP, is as follows:

Under Indian GAAP

Quarter ending June 30, 2001 (at an assumed exchange rate of US$ 1 = Rs. 46.56):

- Total income is expected to be in the range of Rs. 580 crore to Rs. 590 crore
- Earnings per share is expected to be in the range of Rs. 27.00 to Rs. 28.00

Fiscal year ending March 31, 2002 (at an assumed exchange rate of US$ 1 = Rs. 46.56):

- Total income is expected to be in the range of Rs. 2,500 crore to Rs. 2,560 crore
- Earnings per share is expected to be in the range of Rs. 118.00 to Rs. 121.00

Under US GAAP

Quarter ending June 30, 2001

- Net revenue is expected to be in the range of $ 123 million to $ 125 million
- Earnings per ADS is expected to be in the range of $ 0.28 to $ 0.29

Fiscal year ending March 31, 2002

- Net revenue is expected to be in the range of $ 530 million to $ 545 million
- Earnings per ADS is expected to be in the range of $ 1.24 to $ 1.27

Board appointments

The Board of Directors, at its meeting held on March 29, 2001, co-opted Ms. Rama Bijapurkar, a well-known management consultant, as an Additional Director of the company with effect from March 29, 2001. Ms. Rama Bijapurkar will hold office up to the date of the next Annual General Meeting, when her appointment as a director will be placed for the approval of the members in the meeting.

The Board of Directors, at various meetings held during the course of the year co-opted:

- Sen. Larry Pressler, former Senator, US Senate and presently an Attorney and Senior Partner in O'Connor and Hannan LLP;
- Dr. Omkar Goswami, Chief Economist to the Confederation of Indian Industry,
- Prof. Jitendra Vir Singh, Vice Dean, International Academic Affairs, Wharton School, University of Pennsylvania
- Mr. Phaneesh Murthy, Mr. T. V. Mohandas Pai and Mr. Srinath Batni, hitherto officers of the company

as Additional Directors of the company, to hold office up to the date of the ensuing Annual General Meeting, when their appointments as directors will be placed for the approval of the members in the meeting.

Mr. Susim M. Dutta retired as a director of the company on May 27, 2000.

De-risking dot-com and venture-funded businesses

E-business engagements comprised 25.8% of revenues in the quarter, as against 28.3% in the quarter ended December 31, 2000. The majority of these engagements involved building robust e-commerce infrastructure for Fortune 1000 companies. Start-up and venture-funded companies accounted for 7.0% of total revenues for the quarter – down from 9.3% for the quarter ended December 31, 2000.

"As part of our de-risking strategy, we further reduced our exposure to start-up companies," said S. D. Shibulal, Director – Customer Delivery. **"However, our diverse client base, combined with several high-quality new wins in the quarter, enabled us to maintain our growth."**

The following table provides the percentage of income from dot-com and Internet, and telecom start-up companies over the last four quarters.

	Fiscal 2001			
	Q1	Q2	Q3	Q4
Dot-com and Internet start-up companies	10.9	9.5	5.8	4.0
Telecom start-up companies	6.3	2.7	3.5	3.0

Utilization rates

The utilization rate excluding trainees was 73.0% during the quarter as compared to 77.6% in the quarter ended December 31, 2000. The utilization rate excluding trainees was 78.3% during the year as compared to 79.4% in the previous year.

The reduction in utilization rates is due to accelerated hiring during the quarter. The company believes this hiring is strategic for tapping new growth opportunities.

Expansion of services and significant projects completed

Infosys acquired 37 clients in Q4 of fiscal 2001 - the highest ever in a quarter - and continued to strengthen its relationships with Fortune 1000 companies across the globe. During the quarter, Infosys expanded its client base in the United States, strengthened operations in Europe and Asia Pacific, and entered into strategic alliances with premier companies, helping them transform their businesses.

"We are in constant touch with our clients. Several of them face uncertain economic conditions," said Nandan M. Nilekani, Managing Director, President and COO. **"Our addition of 37 new clients is the highest ever during a quarter. These client wins were especially in the financial services and manufacturing sectors. We have a resilient business model that can meet the challenges thrown up by changing market conditions."**

Operations in Europe acquired new momentum with the percentage of revenues from the region going up from 18.8% last quarter to 20.5% this quarter. For the year under consideration, revenues from Europe comprise 18.8% of total revenues as compared to 14.8% in the previous year. With expansion in countries such as UK, Belgium and Germany, Europe is emerging as a key market for Infosys. Our client acquisitions this quarter included two significant ones in Europe:

Monsanto, a leading global provider of technology-based solutions and agricultural products engaged Infosys to create a Supply Chain Roadmap for the Europe Africa region. **Telenet**, a premier telecommunications company in Belgium, engaged Infosys to re-architect part of its new generation OSS systems to help address the new business lines it will be launching in the future.

With the boom in wireless services and the emergence of convergence as a global trend, Infosys' emphasis on telecommunications continued with some big wins this quarter.

Infosys has partnered with **Vodafone Networks,** UK, one of the largest mobile telecommunications companies, with interests in network operators across 25 countries. **Huawei Technologies Co. Ltd.**, the largest telecommunication equipment manufacturing company in China is another client in this sector. Huawei designs, manufactures, markets and supports a wide range of telecommunication products. Yet another win was **CopperCom**, a pioneer in DSL products and technologies. Infosys is also partnering with **Vicorp**, a global provider of telecommunications infrastructure solutions, to set up a dedicated Engineering Center providing a range of services including research, development, testing and support. Other telecom clients include **Avid Technology** and **Capro Inc**.

In the financial services industry, alliances have been formed with various companies to transform their business processes. **Deutsche Investment Trust**, Germany, is a financial services client from Europe with whom Infosys is working to re-architect a Mutual Fund customer administration system. Infosys also extended its relationship with **BHF Bank** - the ninth largest bank in Germany and a part of the ING Group - and entered into an alliance with **Deutsche Asset Management System**.

In the manufacturing domain, a significant win is **Dell** – a customer Infosys services in the UK and Japan. **Siemens Energy and Automation**, the US$ 2.1 billion company providing complete electrical, engineering and automation solutions has chosen Infosys to take over the maintenance of its mission critical Order Management and Inventory System.

Three new client acquisitions this quarter from the insurance sector are **Marsh Canada Ltd, AXA Japan,** and **Swiss Re**, one of the world's leading reinsurers. Infosys is working with these insurance companies to web-enable their processes.

Infosys also entered into significant strategic alliances during this quarter, driving growth in the respective segments. Among these is a global relationship with **TIBCO** focusing on developing, promoting, and delivering a comprehensive portfolio of Infosys business solution offerings and enterprise services built using TIBCO products. As a worldwide systems integration partner with **i2 Technologies**, Infosys provides systems implementation and integration services to customers pursuing fully integrated e-business initiatives. Infosys and **Intel** signed an agreement to jointly setup a lab in Bangalore, as part of Intel EBSP (E-Business Solution Partner) program. Intel is one of the leaders in the e-Business marketplace with Intel e-Business Network being the largest of its kind.

Projects undertaken

Infosys partnered with a **premier fashion apparel firm** in the US for the client's entire IT application needs. Infosys is involved in wide ranging aspects of the client's business including multiple systems integration, management of mission-critical wholesale business systems, and building a new merchandise planning and supply chain system.

Infosys executed projects that achieved process automation and re-engineered client activity transaction processing for a **leading financial services organization** in the US having one of the industry's largest retail branch distribution systems.

Infosys is engaged in a fast track Oracle 11i ERP implementation project with a **large retail chain** in the UK. The project involves migration of a core financial system to Oracle 11i to make it a common platform for both the core financial system and an Internet procurement application.

Banking

The last quarter saw Infosys sign up several leading banks world-wide for its banking products. Infosys is partnering with the Indian operations of **ABN Amro** for replacing their existing IT platform with a new generation e-commerce solution. Infosys entered into a partnership with **Standard Trust Bank**, the sixth largest bank in Nigeria, for implementing its IT architecture based on the web paradigm, which will enable the bank to create a unique advantage in the market. **IDBI Bank** signed up with Infosys for deploying FINACLE™ e-age banking solution, as part of its IT initiative for driving its business. Infosys will be replacing an international solution and will be providing the critical technology blocks for the bank in its new initiatives on the retail-banking front. **Punjab National Bank ("PNB")**, the largest Public Sector Bank and the second largest amongst all banks in India, has signed a strategic IT partnership with Infosys. PNB has licensed the Infosys Enterprise Banking E-Platform including FINACLE™ – the Core Banking Solution, BancsConnect – the Financial Middleware, and BankAway – the Internet Banking Solution, and intends to deploy FINACLE™ across 1500 branches over the next 3 years.

Strategic investments

Alpha Thinx, a Vienna-based company operating in the wireless Internet space, in which Infosys made a strategic investment, filed for liquidation during the quarter. Infosys had invested an amount of Rs. 2.21 crore (US$ 0.48 million) in Alpha Thinx. The company also has trade receivables amounting to approximately Rs. 1.49 crore (US$ 0.32 million) for services rendered to Alpha Thinx. Pending the conclusion of liquidation proceedings, the company has provided for the entire amount of the investment and receivables in its profit and loss account for the quarter ended March 31, 2001.

"Our investments were strategic to get access to niche technologies and markets. However, due to the changing economic environment worldwide, some of our investee companies were not able to obtain further funding to meet their growth plans," said S. Gopalakrishnan, Deputy Managing Director. **"We are closely monitoring all our investments and are making adequate provisions, where necessary."**

Liquidity

Cash and cash equivalents increased by Rs. 69.37 crore during the year after incurring capital expenditure of Rs. 463.35 crore, from Rs. 508.37 crore to Rs. 577.74 crore.

Operating cash flows for the quarter ended March 31, 2001 were Rs. 186.84 crore (Rs. 101.02 crore) and were Rs. 541.23 crore (Rs. 249.48 crore) for the year ended March 31, 2001. Free cash flows for the quarter ended March 31, 2001 were Rs. 59.98 crore (Rs. 43.95 crore) and were Rs. 69.36 crore (Rs. 91.71 crore) for the year ended March 31, 2001.

"We have a comfortable cash position at the end of the year which enables us to meet our strategic objectives in a dynamic market environment," said T. V. Mohandas Pai, Director - Finance and Administration, and Chief Financial Officer. **"We continue to focus on risk management, cost control and maintaining margins. Our business model enables us to aggressively invest for the future while maintaining liquidity without materially compromising on the margins."**

Human resources

Infosys increased its total employee strength to 9,831 as on March 31, 2001, up from 8,910 as on December 31, 2000 and 5,389 as on March 31, 2000. The strength of software professionals as on March 31, 2001 increased to 8,656 from 7,824 as on December 31, 2000 and 4,623 as on March 31, 2000. Of these 8,656 software professionals, 1,015 are still undergoing training and 148 belong to the Banking Products group.

The net addition to employees during the quarter was 921 as compared to 985 during the quarter ended December 31, 2000. Net additions to employees during the year were 4,442 as compared to 1,623 in the previous year ended March 31, 2000.

More than 1,550 employees of Infosys, most of them senior management and key employees of the company, are covered under the 1994 stock option plan, which created substantial wealth for them. Further, part of the options issued under the 1998 and 1999 stock option plan have already vested and the balance will vest over the next three years.

"We continue to focus on hiring middle-level managers, who will be critical for our growth in the years to come," said K. Dinesh, Director – Human Resources Development, Information Systems, Quality and Productivity. **"We have built a strong hiring engine which can scale up to meet the organization's requirements."**

Globalization initiatives

As part of its global expansion process, Infosys operationalized its Toronto Global Development Centre ("GDC"). The GDC in Toronto is a reiteration of Infosys' focus on Canada and commitment to the Canadian market. The GDC currently employs over 60 professionals and is fully equipped with a training center and video conferencing facilities.

The company also inaugurated its latest branch office at Sharjah. This initiative is aimed at participating in the e-enabling initiatives of banks in the Middle East.

Infrastructure development

Capital expenditure of Rs. 138.35 crore (Rs. 53.13 crore) was incurred during the quarter ended March 31, 2001 and Rs. 463.35 crore (Rs. 159.87 crore) during the year ended March 31, 2001.

Bangalore

The Management Development Center block continues to make good progress and is on schedule. An additional 60,000 square feet ("sq. ft.") of software development infrastructure to accommodate 600 professionals is in the final stages of completion. Additionally, construction has commenced on three software development blocks comprising 3,00,000 sq. ft. with a capacity to accommodate 1,800 professionals. The existing capacity at Bangalore comprises 8,82,500 sq. ft. capable of accommodating 4,500 professionals.

Pune

Phase II of the campus is progressing as per schedule. The existing leased premises are being vacated.

Mangalore

The Mangalore campus is complete and currently has a built up area of 1,98,000 sq. ft. to accommodate 950 professionals. The existing leased premises are being vacated.

Bhubaneswar

The second software development block of 75,000 sq. ft. to accommodate 600 professionals, along with a food court of 28,000 sq. ft. is nearing completion.

Chennai

Phase I of the software development center is substantially complete and getting ready for use. Phase II of the software development center comprising 2,36,000 sq. ft. to accommodate 1,300 professionals is under construction.

Hyderabad

Construction of Phase I of the new campus at Hyderabad comprising 2,73,000 sq. ft. commenced during the quarter with a capacity to accommodate 1,200 professionals.

Mysore

Phase I of the software development center and the Infosys Leadership Institute ("ILI") is progressing as per schedule.

As of March 31, 2001, the company had 16,65,800 sq. ft. of space capable of accommodating 10,100 professionals and 19,08,200 sq. ft. under construction including the ILI.

About the company

Infosys is an IT consulting and service provider, providing end-to-end consulting for global corporations. The company has partnered with several Fortune 1000 companies in building their next generation information infrastructure for competitive advantage. The Infosys portfolio of services includes e-strategy consulting and solutions, large application development and enterprise integration services. Infosys also has product co-development initiatives with numerous communication and Internet infrastructure companies that are creating the building blocks for the digital economy.

The Global Delivery Model of the company leverages talent and infrastructure in different parts of the world to provide high quality, rapid time-to-market solutions. Infosys' US headquarters is located in Fremont, California; the company also maintains offices throughout the US, Europe and Asia. For more information, contact Sumanth Cidambi at +91 (80) 852 2380 in India or visit us on the World Wide Web at www.infy.com.

Safe Harbor

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, 2000, and our Quarterly Reports filed on Form 6-K for the quarters ended June 30, 2000, September 30, 2000 and December 31, 2000. These filings are available at 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.

Infosys Technologies Limited

Balance Sheet as at

	in Rs. crore	
	March 31, 2001	March 31, 2000
SOURCES OF FUNDS		
SHAREHOLDERS' FUNDS		
Share capital	33.08	33.07
Reserves and surplus	1,356.56	800.23
	1,389.64	833.30
APPLICATION OF FUNDS		
FIXED ASSETS		
Gross block	631.14	284.03
Less : Depreciation	-244.13	-133.65
Net block	387.01	150.38
Add : Capital work-in-progress	170.65	56.96
	557.66	207.34
INVESTMENTS	34.12	13.83
CURRENT ASSETS, LOANS AND ADVANCES		
Sundry debtors	302.37	136.18
Cash and bank balances	385.06	431.79
Loans and advances	430.28	210.13
	1117.71	778.10
Less : Current liabilities	134.92	67.15
Provisions	184.93	98.82
NET CURRENT ASSETS	797.86	612.13
	1,389.64	833.30

Note: The audited Balance Sheet as at March 31, 2001 has been taken on record at the Board meeting held on April 11, 2001.

Infosys Technologies Limited
Profit and Loss Account for the **in Rs. crore except per share data**

	Quarter ended March 31,		Year ended March 31,	
	2001	2000	2001	2000
INCOME				
Software development services and products				
Overseas	552.47	271.60	1874.03	869.70
Domestic	9.40	5.74	26.54	12.62
Other income	10.21	8.66	59.37	39.14
	572.08	286.00	1959.94	921.46
EXPENDITURE				
Software development expenses	269.19	146.22	958.17	466.27
Administration and other expenses	59.35	23.22	177.55	69.48
Provision for contingencies	--	--	--	3.33
Provision for e-inventing the Company	--	--	--	3.50
Provision for investment	2.21	--	15.29	--
	330.75	169.44	1151.01	542.58
Operating profit (PBIDT)	241.32	116.56	808.92	378.88
Interest	--	--	--	--
Depreciation	37.90	18.71	112.89	53.23
Profit before tax and extraordinary items	203.42	97.85	696.03	325.65
Provision for tax - earlier periods	--	0.01	1.40	0.24
- current period	21.75	11.99	71.31	39.46
Profit after tax before extraordinary items	181.67	85.85	623.32	285.95
Effect of extraordinary item - provision no longer required	--	7.56	--	7.57
Extraordinary income (net of tax)	--	--	5.49	--
Net profit after tax and extraordinary items	181.67	93.41	628.81	293.52
AMOUNT AVAILABLE FOR APPROPRIATION	181.67	93.41	628.81	293.52
Dividend				
Interim	--	--	16.54	9.92
Final	49.62	19.84	49.62	19.84
Dividend Tax	5.06	2.18	8.70	3.27
Amount transferred - general reserve	126.99	71.39	553.95	260.48
Balance in Profit & Loss Account	--	--	--	--
	181.67	93.41	628.81	293.52
Earnings per share (of Rs. 5)*				
Basic	27.46	14.12	95.06	44.38
Diluted	27.33	14.12	94.76	44.37

*Calculated on net profit after tax and extraordinary item

Segmental revenue analysis – by geographical area

	Three months ended March 31, 2001		Three months ended March 31, 2000	
	in Rs crore	% to total	in Rs crore	% to total
North America	402.37	71.61	214.94	77.50
Europe	115.03	20.47	43.54	15.70
India	9.40	1.67	5.74	2.07
Rest of the world	35.07	6.25	13.12	4.73
Total	561.87	100.00	277.34	100.00

Reconciliation of accounts as per Indian GAAP and US GAAP

in Rs. crore

	Three months ended March 31, 2001	Year ended March 31, 2001
Net profit as per Indian GAAP	181.67	628.81
Amortization of deferred stock compensation expense	(5.76)	(23.26)
Provision for retirement benefits to employees	-	3.39
Deferred taxes	2.60	3.52
Provision for e-inventing the company/contingencies	-	(0.40)
Transfer of intellectual property rights	-	(5.63)
Net income as per US GAAP	178.51	606.43

Reasons for differences in net income as per Indian GAAP and US GAAP

Amortization of deferred stock compensation

The Accounting Principles Board Opinion No. 25 of US GAAP requires the accounting of deferred stock compensation on issue of stock options to employees, being the difference between the exercise price and the fair value as determined by the quoted market prices of the common stock on the grant date.

In complying with this requirement, Infosys has charged to revenue under US GAAP an amount of Rs. 5.76 crore and Rs 23.26 crore for the quarter and year ended March 31, 2001, respectively, as deferred stock compensation.

Provision for retirement benefits

The provision for gratuity represents the valuation performed in accordance with US GAAP.

Deferred income tax provision

US GAAP mandates that the tax element arising on timing differences in amortizing various Assets and Liabilities as per tax books and financial statements be accounted as deferred taxation and appropriate treatment be made in the income statement. There is no such requirement under Indian GAAP.

Provision for e-inventing the company / contingencies

The company had made a provision towards e-inventing the company under Indian GAAP. The expenses incurred towards e-inventing the company were set off against the provision in the Indian GAAP financial statements. Under US GAAP, this amount was charged to the income statement.

Transfer of intellectual property rights

The amount relates to the transfer of intellectual property rights to OnMobile Systems Inc., USA (formerly known as Onscan Inc.).