

Annual Report 2000-2001



Infosys[®]

INFOSYS TECHNOLOGIES LIMITED

Infosys – Technology at work

The future depends on what we do in the present.

Mahatma Gandhi
(1869 – 1948)



History is replete with instances of technological breakthroughs that have forever altered the course of humanity. The digital revolution has brought about unprecedented improvements in the price-performance equation for both information storage and processing power. The explosion of the Internet has revolutionized information availability and exchange, and has also spurred extraordinary innovations in business processes and commerce. Today, physical boundaries are becoming increasingly irrelevant and information technology is a boardroom imperative in corporations across the globe. Enhanced communication capabilities, ubiquitous information access, and real-time decision-making have contributed immensely to the rise of organizations that transcend national boundaries. We, at Infosys, believe that technological developments in the areas of enterprise solutions, embedded software, optical networking and convergence will continue to radically impact every one of us. These developments will spur new ways of doing business, help companies increase their focus on consumer needs, and facilitate innovations in the form of hi-tech products and services. This year, we bring you a collection of some of our projects that showcase the impact of leading-edge technologies on business.

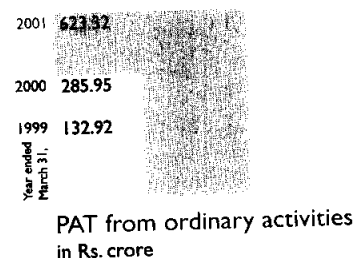
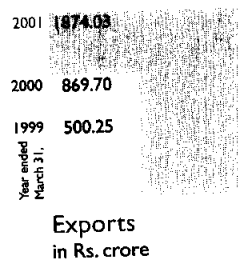
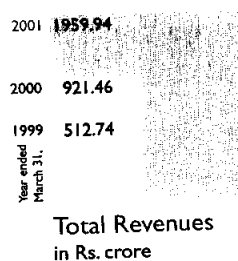
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The year at a glance

	in Rs. crore, except per share data		
	March 31, 2001	March 31, 2000	Growth %
For the year			
Total revenues	1,959.94	921.46	113
Export revenues	1,874.03	869.70	115
Operating profit (PBIDT)	808.92	378.88	114
Profit after tax (PAT) from ordinary activities	623.32	285.95	118
Profit after tax and extraordinary items	628.81	293.52	114
PBIDT as a percentage of total revenues	41.27 %	41.12 %	
PAT from ordinary activities			
as a percentage of total revenues	31.80 %	31.03 %	
Earnings per share (from ordinary activities)			
Basic	94.23	43.23	118
Diluted	93.93	43.22	117
Dividend per share	10.00	4.50	122
Dividend amount	66.16	29.76	122
Capital investment	463.35	159.87	190
PAT as a percentage of average net worth	56.08 %	40.63 %	
At the end of the year			
Total assets	1,389.64	833.30	67
Fixed assets – net	557.66	207.34	169
Cash and cash equivalents	577.74	508.37	14
Working capital	797.86	612.13	30
Total debt	–	–	–
Net worth	1,389.64	833.30	67
Equity	33.08	33.08	–
Market capitalization	26,926.35	59,338.17	(55)

Market capitalization is calculated by considering the share price at the National Stock Exchange on March 31 of the respective years on the shares outstanding as at that date.



Awards for excellence

"If a man does his best, what else is there?"

General George S. Patton

(1885 – 1945)

Our people work hard designing, developing and implementing high-quality solutions for our clients. Their focus on customer satisfaction is evident in the high repeat business we continue to secure. Further, internal functions play a critical role – both in managing the challenges of growth and in supporting the line functions. On the job, Infosys maintains an unwavering eye on creating value for the various stakeholders of the company, while demonstrating energy, fairness and professionalism in all transactions.

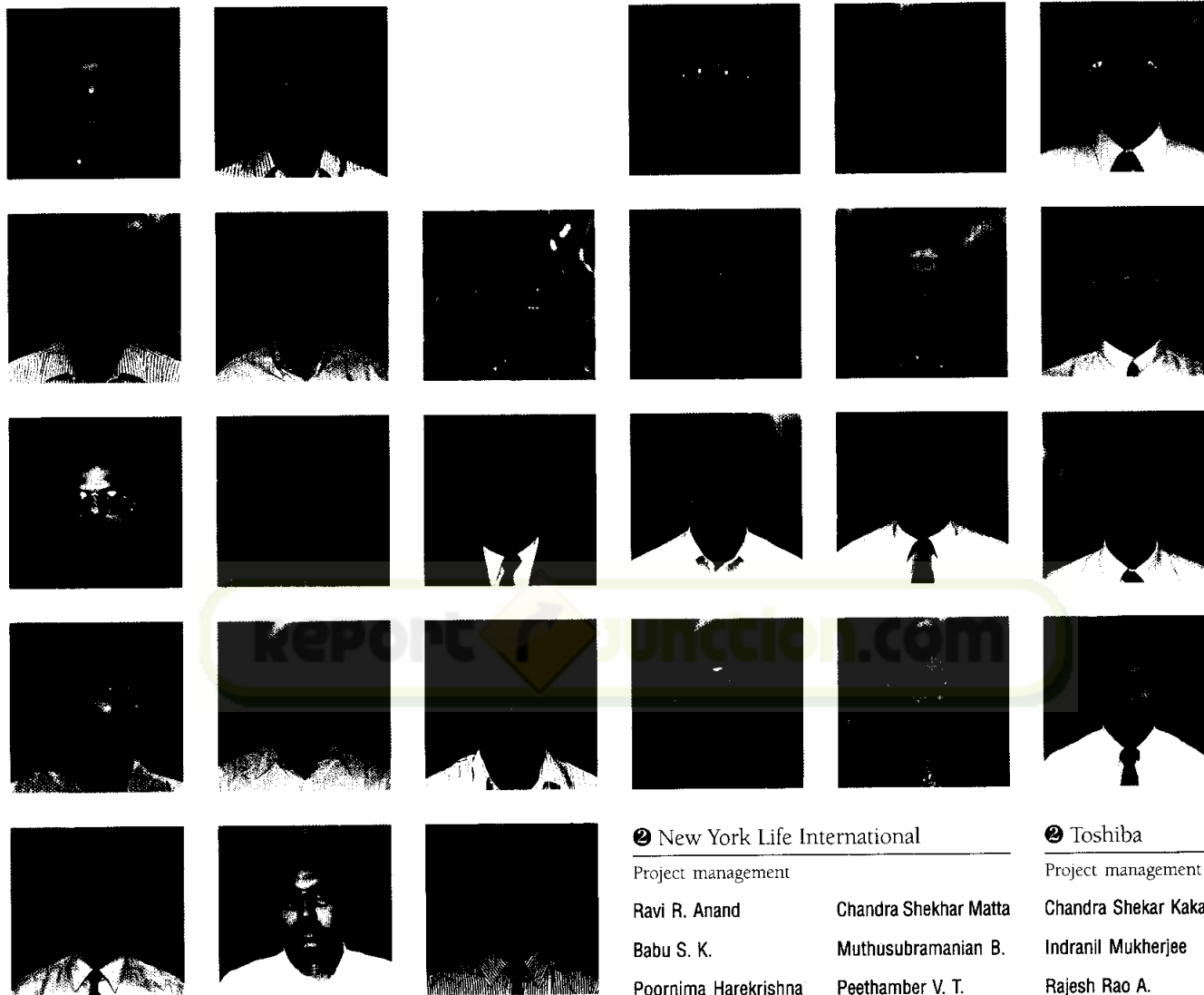
As Infosys grows to nearly 10,000 people, the process of identifying high-performers, who made valuable contributions to Infosys during the year, emerged as a tough and challenging task. A task made even more difficult by the number of high achievers we came across in the different departments in our organization – each one motivated by the vision that we have set ourselves; to be a globally respected software corporation providing best-in-class business solutions, employing best-of-breed professionals.

The people finally selected are those who qualified on a variety of factors that impacted their external and internal customers in a positive manner, thus leading to substantial benefits to Infosys. These factors include: delivering in challenging circumstances; reacting nimbly to change; rapidly assimilating new knowledge and using it in new, unstructured situations; making significant contributions to the knowledge base of the organization; successfully leading and motivating team members by setting an example; and adhering to the highest norms of values and personal integrity.

We are proud to announce the winners of this year's *Awards for excellence*.

Report Junction.com

Awards for excellence 2000-2001



① Goldman Sachs

Account management

Naresh D'Mello

Jagadish B. R.

Sajan Verghis Mathew

Sobha Meera P. R.

Joydeep Mukherjee

Satish H. C.

Sandeep Sehgal

Sridhar G.

Sriram P.

Vasudevan V. R.

① Communication & Product Services

Practice Unit management

Rajiv Kuchhal

Hariharan S. Murthy

Parameswar Y.

Ravi Kumar Shelvankar

② New York Life International

Project management

Ravi R. Anand

Babu S. K.

Poornima Harekrishna

Ritesh Khanna

Manoj O.

Chandra Shekhar Matta

Muthusubramanian B.

Peethamber V. T.

Srinath P.

② Toshiba

Project management

Chandra Shekar Kakal

Indranil Mukherjee

Rajesh Rao A.

Sriram V.



Awards for excellence 2000-2001



② EveryD.com

Project management

Shveta Arora

Navin Kumar

Amit Deshpande V.

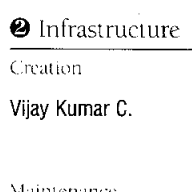
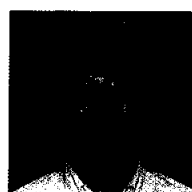
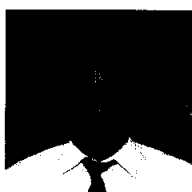
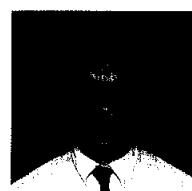
Rohit Mehra

Sudhir Subramanya Holla

George Varghese

Vaishali V. Khandekar

Ghanashyam Wagle



② Education & Research Team

Scalability & enabling
growth

Vivekanand P. Kochikar

Subrahmanya S. V.

Suresh J. K.

② HRD Team

Scalability & enabling
growth

Gagan Bhargava

Eshan Joshi

Karthikeya N. Sarma

Sreekanth Shenoy P.

George Thomas

② Globalization Initiatives

Scalability & enabling
growth

Krishnan S.

Sunil Kumar D.

Nithyanandan R.

Jayesh D. Sanghrajka

Chaitanya G.

Santosh Thangavelu

② Infrastructure

Creation

Vijay Kumar C.

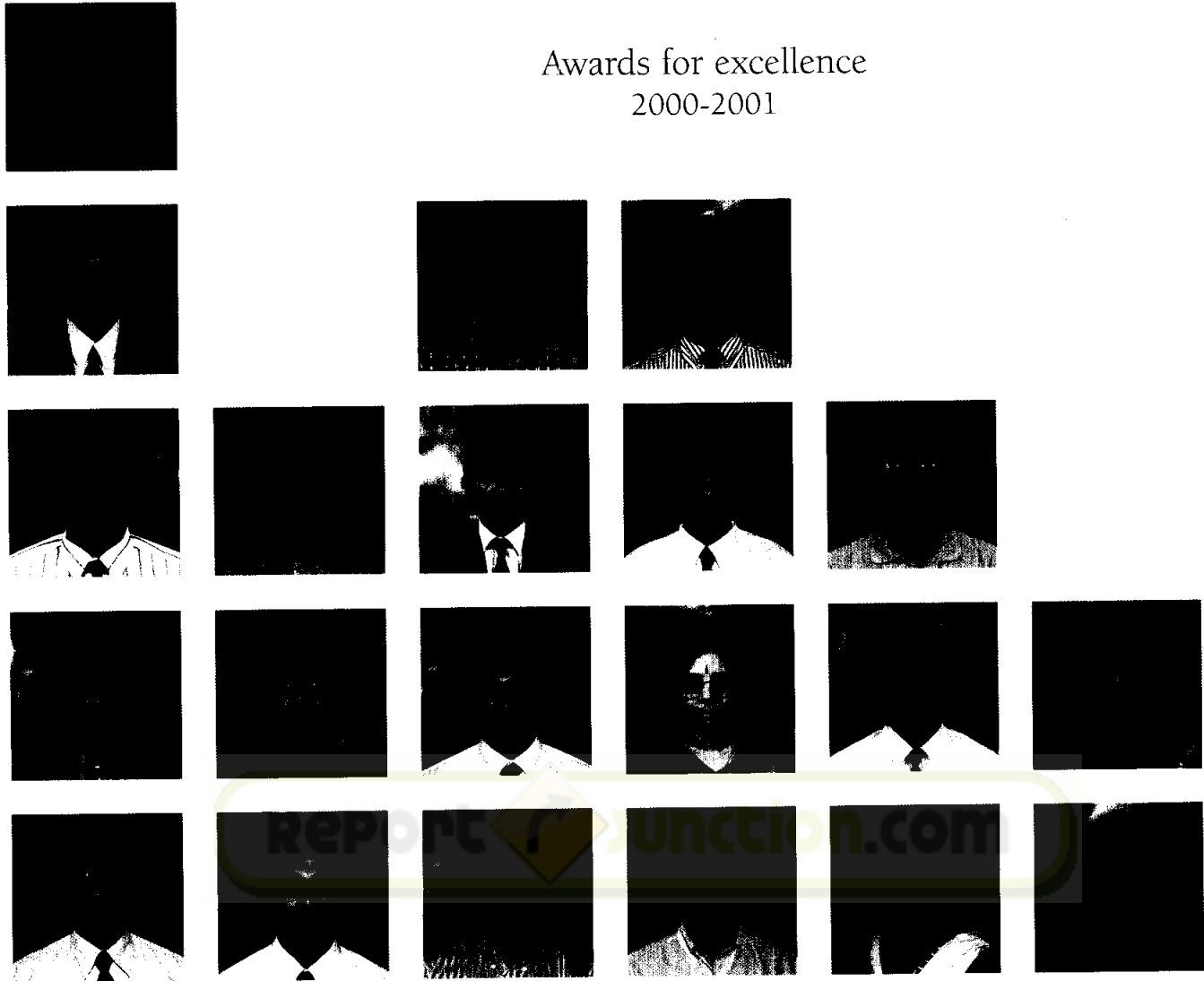
Maintenance

Binod H. R.

Ramadas Kamath U.

Col. Krishna C. V.

Awards for excellence 2000-2001



② New DC Setups

Infrastructure

Dinesh S.	Madhuranath K. V.
Ganapathy P. R.	Natarajan S.
Dass Gunalan	Vijayeendra S. Purohit
Charles Henry Hawkes	
Koushik R. N.	

③ Information Systems Team

Systems & processes

Deepak Bhalla
Nitin Gupta
Narendra Murari S.
Ramesh G.
Sivashankar J.

③ IMC Ramkrishna Bajaj Team

Systems & processes

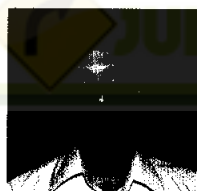
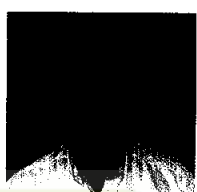
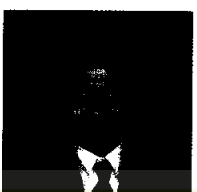
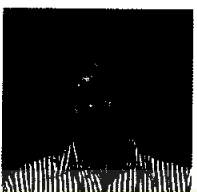
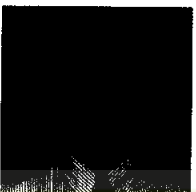
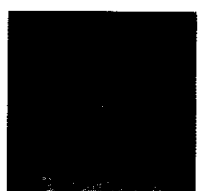
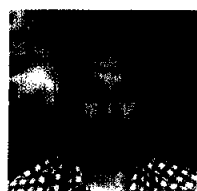
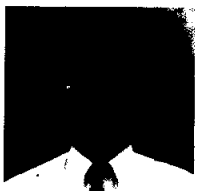
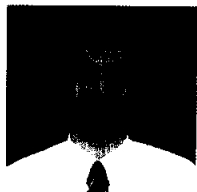
Nirmalya Barua
Jude Fernandez
Meera Govind R.
Naresh T. Raisinghani
Sukumar S.

③ Visasixers

Systems & processes

Ardhendu Sekhar Das	Khutaija Rahman
Ganesh G.	Ramesh S.
Aparna Goenka	Hema Ravichandar
Murali S. Kakolu	

Awards for excellence 2000-2001



Value Systems Champions

Bhaskar Ghosh

Vinayak Pai V.

Nandita Mohan Gurjar

Priti Jay Rao

Narendran Koduvattat

Suma Subramanian

Mohan M. M.

Internal Customer Delight Champions

Balaji V.

Rashmita Parija

Padmanabha Bhat P.

Prathviraj K. K.

Abhilash Kumar Y.

Shankar D. P.

Muthanna

Joseph Thomas A.

Banking Business Unit Management Team

Great take off

Amit Kumar Bhadra

Girish G. Vaidya

Merwin Fernandes

Rivi Varghese

Jaymalya Palit

Vinay C. S.

Rangarajan P.

Letter to the shareholders

Dear shareholders:

We are delighted to report on our performance in fiscal 2001. Under Indian GAAP, revenues grew by 113% over FY2000 while net profits from ordinary activities witnessed an increase of 118%. As transformation partners to *Fortune 500* and other established corporations, we continued to focus on building long-term relationships, reflected in our repeat business rate of 85%. We added 4,442 employees, net of separations, and signed up 122 new clients during the year.

Recent months have witnessed unprecedented turbulence in the technology sector in the US, which in turn has contributed to a slowdown in the overall economy. Technology sector valuations have dropped; revenue shortfalls, profit warnings and layoffs have become commonplace; most dot-coms are on the way to accelerated oblivion; and the urgency for large corporations to adopt new initiatives has declined.

IT budgets are now subject to careful consideration. Companies now seek to maximize the return on their IT investments and therefore focus on short-gestation projects that promise predictable, substantial payoffs. As the me-too approach to new technology experimentation fades out, CIOs increasingly focus on consolidation, integration and convergence imperatives, rather than on radical advances in technology infrastructure. There is an unmistakable shift towards value-for-money and, as a result, towards longer decision-making cycle times.

Clearly, these are challenging times for an IT services company. As self-preservation and prudence descend on US industry, the near-term demand outlook for IT services is not as rosy as in the boom years. The immediate future is therefore uncertain – which is the key reason for our FY2002 estimates of 30% growth in revenues over the year.

Our estimates are based on our current understanding of the marketplace. We continue to be in close contact with our clients and have factored in our growth expectations from both existing and new clients. We believe that increasing billing rates will be a challenge in the current environment and expect the majority of our FY2002 growth to come from increasing business volumes.

Nevertheless, we continue to be fully prepared to tap into additional business opportunities that may arise and intend to have all the ingredients of growth in place – infrastructure, people, processes and systems. Consequently, we anticipate \$ 80 million in capital expenditure, and intend to add between 1,500 and 2,000 people to our workforce during FY2002.

Indeed, it is during times like these that industries undergo profound transformations. The IT services sector has begun to witness an unprecedented flight to quality. Customers, investors and employees will gravitate towards companies that have committed high-quality management teams, deep client relationships, an impeccable track record of customer satisfaction, a de-risked business model, high financial discipline, a strong value system and, above all, the ability to manage change.

Our medium-term outlook for IT services continues to be positive. We believe that large corporations are still in the early stages of their e-business build-out and will face huge integration and enhancement imperatives with their existing systems. Further, despite the current venture funding environment, we believe that select high-quality ventures will continue to push the technology envelope and will need strong IT partnerships to achieve their vision.

Further, we strongly believe that, at the end of the ongoing turbulence, India will emerge stronger than ever as a preferred destination for IT outsourcing. With many US-based IT services players facing extinction, with value-for-money emerging as a key CIO imperative, and with the increasing recognition of the quality of its talent, India is all set to consolidate its position as a major force on the global IT services map. And Infosys, given its brand equity with Indian talent and its relationships with leading universities, continues to be the employer-of-choice for IT professionals.

Infosys continues to focus on building strong relationships with large corporations, gaining an in-depth understanding of their decision cycles, and maintaining an impeccable record in customer satisfaction. Our addition of 37 clients in Q4FY2001 was the highest ever in a quarter. Of the 122 clients added during the year, the majority were large corporations. Key wins included New York Life International, a leading life insurance firm; ABB Alstom, a global specialist in energy and transport infrastructure; Providian, the fifth-largest bankcard provider in the US; The Bank of Nova Scotia, a leading global financial institution headquartered in Canada; Schlumberger, a leading international technical company; Dynegy, a leading provider of energy and communications solutions; Monsanto, a leading global provider of technology-based solutions and agricultural