in Rs. crore Consolidated Balance Sheet as at Schedule December 31, 2005 March 31, 2005 SOURCES OF FUNDS SHAREHOLDERS' FUNDS Share capital 137 135 Reserves and surplus 2 7,175 7,312 5,090 5,225 MINORITY INTEREST PREFERENCE SHARES ISSUED BY SUBSIDIARY* 3 94 7,372 5,319 APPLICATION OF FUNDS FIXED ASSETS 4 Original cost 2,958 2,287 Less: Depreciation and amortization 1,309 1,031 Net book value 1,649 1,256 Add: Capital work-in-progress 447 318 2,096 1.574 INVESTMENTS 2,205 1,211 5 DEFERRED TAX ASSETS 6 45 57 CURRENT ASSETS, LOANS AND ADVANCES 7 Sundry debtors 1,394 1,322 Cash and bank balances 8 1,694 1,576 1,496 Loans and advances 9 1,023 4,584 3,921 LESS: CURRENT LIABILITIES AND PROVISIONS Current liabilities Provisions 849 721 656 776 10 11 NET CURRENT ASSETS 3.014 2,489 7,372 5,319 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS * refer to note 23.2.16

The schedules referred to above are an integral part of the consolidated balance sheet.

As per our report attached

for BSR & Co. Chartered Accountants

Subramanian Suresh Partner Membership No. 83673	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	Omkar Goswami	Larry Pressler	Rama Bijapurkar
	Director	Director	Director	<i>Director</i>
	Claude Smadja	Sridar A. lyengar	David L. Boyles	K. Dinesh
	Director	Director	Director	Director
Bangalore January 11, 2006	S. D. Shibulal Director	T. V. Mohandas Pai Director and Chief Financial Officer	Srinath Batni Director	V. Balakrishnan Company Secretary and Senior Vice President – Finance

Consolidated Profit and Loss Account for the	Schedule		uarter ended ecember 31.		nths ended December 31,	
		2005	2004	2005	2004	
Income from software services, products and business process management		2,532	1,876	6,897	5.142	
Software development and business process management expenses	12	1,327	992	3,644	2,723	
GROSS PROFIT		1,205	884	3,253	2,419	
Selling and marketing expenses	13	158	117	448	344	
General and administration expenses	14	186	149	547	407	
OPERATING PROFIT BEFORE INTEREST, DEPRECIATION, AMORTIZATION,		344	266	995	751	
MINORITY INTEREST		861	618	2,258	1,668	
Interest Depreciation and amortization		117	74	293	187	
OPERATING PROFIT BEFORE TAX AND MINORITY INTEREST		744	544	1,965	1,481	
Other income	15	(5)	46	68	92	
Provision for investments				1		
NET PROFIT BEFORE TAX, MINORITY INTEREST Provision for taxation	16	739 83	590 93	2,032 233	1,573 240	
NET PROFIT AFTER TAX AND BEFORE MINORITY INTEREST		656	497	1,799	1,333	
Minority interest		7		13		
NET PROFIT AFTER TAX AND MINORITY INTEREST		649	497	1,786	1,333	
Balance Brought Forward		2,350	751	1,415	70	
Less: Residual dividend paid		-	-	-	2	
Additional dividend tax		2,350		1,415	<u>2</u> 66	
		2,000		1,410	00	
AMOUNT AVAILABLE FOR APPROPRIATION Dividend		2,999	1,248	3,201	1,399	
Interim		-	-	177	134	
Final Total dividend					<u>-</u> 134	
Dividend tax				25	134	
Balance in profit and loss account		2.999	1,248	2.999	1.248	
		2,999	1,248	3,201	1,399	
EARNINGS PER SHARE *						
Equity shares of par value Rs. 5/- each Basic		23.68	18.50	65.59	49.77	
Diluted		23.02	17.95	63.73	48.69	
Number of shares used in computing earnings per share		20.02		330	.5.00	
Basic		27,37,71,476	26,87,73,742	27,22,89,379	26,78,62,078	
Diluted		28,16,04,953	27,71,10,460	28,02,43,496	27,37,70,692	
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS * refer to note 23.2.17	23					

refer to note 23.2.17

The schedules referred to above are an integral part of the consolidated profit and loss account.

As per our report attached

for BSR & Co. Chartered Accountants

Subramanian Suresh Partner Membership No. 83673	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	Omkar Goswami	Larry Pressler	Rama Bijapurkar
	Director	Director	Director	Director
	Claude Smadja	Sridar A. Iyengar	David L. Boyles	K. Dinesh
	Director	Director	Director	Director
Bangalore January 11, 2006	S. D. Shibulal Director	T. V. Mohandas Pai Director and Chief Financial Officer	Srinath Batni Director	V. Balakrishnan Company Secretary and Senior Vice President – Finance

in Rs. crore Consolidated Cash Flow Statement for the Schedule Nine months ended December 31, 2005 2004 **CASH FLOWS FROM OPERATING ACTIVITIES** Net profit before tax 2,032 1,573 Adjustments to reconcile net profit before tax to cash provided by operating activities (Profit)/ loss on sale of fixed assets Depreciation and amortization 293 187 Interest and dividend income (133)(78)Provisions for investments Effect of exchange differences on translation of foreign currency cash and cash equivalents (3) (9) Changes in current assets and liabilities Sundry debtors (387)(72)Loans and advances 17 (59) (89) Current liabilities and provisions 18 176 81 Income taxes paid during the period 19 (257)(193)1,978 **NET CASH GENERATED BY OPERATING ACTIVITIES** 1,085 **CASH FLOWS FROM INVESTING ACTIVITIES** Purchases of fixed assets and change in capital work-in-progress 20 (815) (587)Proceeds on disposal of fixed assets Investments in securities (995) 21 (111)Interest and dividend income 133 78 **NET CASH USED IN INVESTING ACTIVITIES** (1,677) (620)CASH FLOWS FROM FINANCING ACTIVITIES Proceeds from the issue of preference share capital Proceeds from issuance of share capital on exercise of stock options 453 301 Dividends paid during the period, including dividend tax (403)(1,020)**NET CASH USED IN FINANCING ACTIVITIES** 50 (719) Effect of exchange differences on translation of foreign currency cash and cash equivalents NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS 355 (246)CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD 1,790 1,929 CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD 22 2,145 1,683 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 23

The schedules referred to above are an integral part of the consolidated cash flow statement.

As per our report attached

for BSR & Co. Chartered Accountants

Subramanian Suresh Partner Membership No. 83673	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	Omkar Goswami	Larry Pressler	Rama Bijapurkar
	Director	Director	Director	Director
	Claude Smadja	Sridar A. lyengar	David L. Boyles	K. Dinesh
	Director	Director	Director	Director
Bangalore January 11, 2006	S. D. Shibulal Director	T. V. Mohandas Pai Director and Chief Financial Officer	Srinath Batni Director	V. Balakrishnan Company Secretary and Senior Vice President – Finance

in Rs. Crore except per share data

		cept per share data
Schedules to the Consolidated Balance Sheet as at	December 31, 2005	March 31, 2005
1 SHARE CAPITAL		
Authorized		
Equity shares, Rs. 5/- par value		
30,00,00,000 (30,00,00,000) equity shares	150	<u> 150</u>
Issued, Subscribed and Paid Up		
Equity shares, Rs. 5/- par value*	137	135
27,45,25,163 (27,05,70,549) equity shares fully paid up		
[Of the above, 25,84,92,302 (25,84,92,302) equity shares fully		
paid up have been issued as bonus shares by capitalization of the		
general reserve]		
gonorariosorioj	137	135
Forfeited shares amounted to Rs. 1,500/- (Rs 1,500/-)		
* For details of options in respect of equity shares, refer to note 23.2.7		
* Refer to note 23.2.17 for details of basic and diluted shares		
2 RESERVES AND SURPLUS		
Capital reserve	6	6
Capital reserve on consolidation	49	-
'		
Share premium account - As at April 1,	900	461
Add: Receipts on exercise of stock options issued to employees	<u>451</u>	439
	1,351_	900
Foreign currency translation adjustment	_	(1)
Totalgri currency translation adjustment		(1)
General reserve - As at April 1,	2,770	2,680
Less: Capitalized for issue of bonus shares	-	100
Add: Transfer from the Profit and Loss Account		190
	2,770	2,770
Balance in Profit and Loss Account	2.000	1,415
Balance in Fight and Loss Account	2,999	1,415
	7,175	5,090
3 PREFERENCE SHARES ISSUED BY SUBSIDIARY		
Authorized		
Authorized		
0.0005% Cumulative convertible preference shares, Rs. 100/- par value		00
Nil (87,50,000) preference shares	_	88
Issued, Subscribed and Paid Up		
0.0005% Cumulative convertible preference shares, Rs. 100/- par value		
nil (87,50,000) preference shares fully paid up*	-	88
Promium received on issue of preference charge		6
Premium received on issue of preference shares	_	
	_	94

^{*} Refer to note 23.2.16

Schedules to the Consolidated Balance Sheet

Particulars		Orig	ginal cost			Depreciation	n and amortization	on	Net book	value
	As at April 1, 2005	Additions	Deletions/ Retirement	As at December 31, 2005	As at April 1, 2005	For the period	Deletions/ Retirement	As at December 31, 2005	As at December 31, 2005	As at March 31, 2005
Goodwill	41	_	_	41	-	-	_	_	41	41
Land: free-hold	30	-	-	30	-	-	-	-	30	30
leasehold	90	11	-	101	-	-	-	-	101	90
Buildings	731	264	-	995	119	44	-	163	832	612
Plant and machinery	395	157	-	552	218	66	-	284	268	177
Computer equipment	610	164	7	767	446	126	7	565	202	164
Furniture and fixtures	341	85	8	418	205	55	8	252	166	136
Leasehold improvements	6	4	-	10	1	2	-	3	7	5
Vehicles	1	1	-	2	-	-	-	-	2	1
Intangible assets										
Intellectual property rights	42	-	_	42	42	-	-	42	_	-
. , , ,	2,287	686	15	2,958	1,031	293	15	1,309	1,649	1,256
Previous year	1,634	728	75	2,287	810	288	67	1,031	1	•

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

Schedules to the Consolidated Balance Sheet as at	December 31, 2005	in Rs. crore March 31, 2005
5 INVESTMENTS		
Trade (unquoted) – at cost		
Long- term investments	16	16
Less: Provision made for investments	14	14
	2	2
Non-trade (unquoted), current investments, at the lower of cost and fair value		
Liquid mutual funds	2,203	1,209
	2,205	1,211
Aggregate amount of unquoted investments	2,205	1,211
6 DEFERRED TAX ASSETS		
Fixed assets	47	33
Sundry debtors	1	3
Leave provisions and others	9	9
	<u>57</u>	45
7 SUNDRY DEBTORS		
Debts outstanding for a period exceeding six months Unsecured		
considered good	-	-
considered doubtful	9	11
Other debts		
Unsecured		
considered good*	1,394	1,322
considered doubtful	1	8
Long Books on the Lot Library	1,404	1,341
Less: Provision for doubtful debts	10	19
* Includes dues from companies where directors are interested	<u>1,394</u> -	<u>1,322</u> -
B CASH AND BANK BALANCES		
Cash on hand	_	_
Balances with scheduled banks		
In current accounts *	137	83
In deposit accounts in Indian Rupees	1,279	1,250
Balances with non-scheduled banks		
In deposit accounts in foreign currency	-	26
In current accounts in foreign currency	<u> 278</u>	217
	1,694	1,576
*includes balance in unclaimed dividend account	4	3

in Rs. crore

To supply of goods and rendering of services advance to gratuity trust others 27	Schedules to the Consolidated Balance Sheet as at	December 31, 2005	March 31, 2005
Advances prepaid expenses for supply of goods and rendering of services for supply of goods and rendering of services sadvance to gratulty trust others	9 LOANS AND ADVANCES		
Advances prepaid expenses for supply of goods and rendering of services for supply of goods and rendering of services advance to gratuity trust others	Unsecured, considered good		
prepaid expenses for supply of goods and rendering of services advance to gratuity trust others 11			
tor supply of goods and rendering of services advance to gratuity trust others 11		20	36
advance to gratuity trust others 3			2
others			-
Unbilled revenues Advance income tax Advance income tax Advance income tax Loans and advances to employees * housing and other loans salay advances Electricity and other deposits Electricity and other authorities Electricity and the electricity an		3	16
Advance income tax Loans and advances to employees * housing and other loans salary advances or employees * housing and other loans salary advances Electricity and other deposits Electricity and other authorities Electricity and other authorities Electricity and the service of the company of the service of the company Maximum amounts due by non-director officers of the company Maximum amounts due by non-director officers at any time during the period/ year 10 CURRENT LIABILITIES Sundry creditors capital goods goods and services 6 accrued salaries and benefits salaries bonus and incentives 186 197 10 companies 186 198 199 100 100 100 100 100 100 100 100 100		61	54
Loans and advances to employees * housing and other loans	Unbilled revenues	158	141
Nousing and other loans 49 55 55 56 56 56 56 56 5	Advance income tax	579	404
Nousing and other loans 49 55 55 55 55 55 55 55			
Salary advances		49	58
Electricity and other deposits 16			43
Rental deposits			17
Deposits with financial institutions and body corporate (refer note 23.2.9) 554 28 25 25 25 25 25 25 25			15
Deposits with government authorities			280
Mark to Market on options/due on forward contracts 13 Other assets 1,496 1,02 Unsecured, considered doubtful ————————————————————————————————————			
Other assets 1,496 1,026 Unsecured, considered doubtful Loans and advances to employees — — Less: Provision for doubtful loans and advances to employees 1,496 1,02 * includes dues by non-director officers of the company Maximum amounts due by non-director officers at any time during the period/ year 1.496 1,02 *10 CURRENT LIABILITIES *** -		-	10
Unsecured, considered doubtful Loans and advances to employees Less: Provision for doubtful loans and advances to employees *includes dues by non-director officers of the company Maximum amounts due by non-director officers at any time during the period/ year *Includes dues by non-director officers at any time during the period/ year *Includes dues by non-director officers at any time during the period/ year *Includes dues by non-director officers at any time during the period/ year *Includes dues by non-director officers at any time during the period/ year *Includes dues by non-director officers at any time during the period/ year *Includes dues by non-director officers at any time during the period/ year *Includes dues by non-director officers at any time during the period/ year *Includes dues by non-director officers at any time during the period/ year *Includes dues by non-director officers at any time during the period/ year *Includes dues by non-director officers at any time during the period/ year *Includes dues by non-director officers at any time during the period/ year *Includes dues by non-director officers at any time during the period/ year *Includes dues by non-director officers at any time during the period/ year *Includes dues by non-director officers at any time during the period/ year *Includes dues by non-director officers at any time during the period/ year *Includes dues by non-director officers at any time during the period/ year *Includes dues by non-director officers at any time during the period/ year *Includes dues by non-director officers at any time during the period/ year *Includes dues by non-director officers at any time during the period/ year *Includes dues by non-director officers at any time during the period/ year *Includes dues by non-director officers at any time during the period/ year *Includes dues by non-director officers at any time during the period/ year *Includes dues by non-director officers at any time during the period/ year *Includes du		- 42	
Unsecured, considered doubful Loans and advances to employees	Other assets		1
Leas: Provision for doubtful loans and advances to employees		1,496	1,023
Less: Provision for doubtful loans and advances to employees includes dues by non-director officers of the company Maximum amounts due by non-director officers at any time during the period/ year 10 CURRENT LIABILITIES Sundry creditors capital goods goods and services accrued salaries and benefits salaries bonus and incentives 186 186 19 100 190 100 100 100 100 100 100 100			
Less: Provision for doubtful loans and advances to employees * includes dues by non-director officers of the company Maximum amounts due by non-director officers at any time during the period/ year ** Includes dues by non-director officers at any time during the period/ year ** Includes dues by non-director officers at any time during the period/ year ** Includes dues by non-director officers at any time during the period/ year ** Includes dues by non-director officers at any time during the period/ year ** Includes dues by non-director officers at any time during the period/ year ** Includes dues by non-director officers at any time during the period/ year ** Includes dues by non-director officers at any time during the period/ year ** Includes dues by non-director officers at any time during the period/ year ** Includes dues by non-director officers at any time during the period/ year ** Includes dues by non-director officers at any time during the period/ year ** Includes dues by non-director officers at any time during the period/ year ** Includes dues by non-director officers at any time during the period/ year ** Includes dues by non-director officers at any time during the period/ year ** Includes dues by non-director officers at any time during the period/ year ** Includes dues by non-director officers at any time during the period/ year ** Includes dues by non-director officers at any time during the period/ year ** Includes dues by non-director officers at any time during the period/ year ** Includes dues by non-director officers at any time during the period/ year ** Includes dues by non-director officers at any time during the period/ year ** Includes dues by non-director officers at any time during the period of	Loans and advances to employees		<u>-</u>
* includes dues by non-director officers of the company Maximum amounts due by non-director officers at any time during the period/ year **Includes dues by non-director officers at any time during the period/ year **Includes dues by non-director officers at any time during the period/ year **Includes dues by non-director officers at any time during the period/ year **Includes dues by non-director officers at any time during the period/ year **Includes dues by non-director officers at any time during the period/ year **Includes dues by non-director officers at any time during the period/ year **Includes dues by non-director officers at any time during the period/ year **Includes dues by non-director officers at any time during the period/ year **Includes dues by non-director officers at any time during the period/ year **Includes dues by non-director officers at any time during the period/ year **Includes dues by non-director officers at any time during the period/ year **Includes dues by non-director officers at any time during the period/ year **Includes dues by non-director officers at any time during the period/ year **Includes dues by non-director officers at any time during the period/ year **Includes dues by non-director officers at any time during the period/ year **Includes dues by non-director officers at any time during the period/ year **Includes dues by non-director officers at any time during the period/ year **Includes dues by non-director officers at any time during the period/ year **Includes dues by non-director officers at any time during the period/ year **Includes dues by non-director officers at any time during the period of a capital year. **Includes dues by non-director of a capital year of a capital year. **Includes dues by non-director of a capital year. **Inc		1,496	1,023
* includes dues by non-director officers of the company Maximum amounts due by non-director officers at any time during the period/ year	Less: Provision for doubtful loans and advances to employees		<u>-</u>
Maximum amounts due by non-director officers at any time during the period/ year - - - - -		1,496	1,023
Maximum amounts due by non-director officers at any time during the period/ year - - - - -	* includes dues by non-director officers of the company	-	-
Sundry creditors capital goods capital goods capital goods capital goods capital goods capital goods capital goods and services capital goods capital good		-	-
accrued salaries and benefits salaries	capital goods	-	1
salaries 6 1 bonus and incentives 186 19 unavailed leave 87 7 for other liabilities 207 14 accrual for expenses 207 14 retention monies 13 1 withholding and other taxes payable 102 6 for purchase of intellectual property rights 20 1 others 3 3 Advances received from clients 13 2 Unearmed revenue 190 8 Unclaimed dividend 4 4 Mark to Market on options/due on forward contracts 12 - 11 PROVISIONS Proposed dividend - 17 Provision for - 17 tax on dividend - 2 income taxes* 709 54 post-sales client support and warranties 12 2		6	4
bonus and incentives 186 199			
unavailed leave 87 77 for other liabilities 207 14 accrual for expenses 207 14 retention monies 13 1 withholding and other taxes payable 102 6 for purchase of intellectual property rights 20 1 others 3 630 53 Advances received from clients 13 2 Unearned revenue 190 8 Unclaimed dividend 4 4 Mark to Market on options/due on forward contracts 12 - 11 PROVISIONS Proposed dividend - 17 Provision for - 2 tax on dividend - 2 income taxes* 709 54 post-sales client support and warranties 12 2	salaries	6	15
for other liabilities	bonus and incentives	186	199
accrual for expenses 207 144 retention monies 13 1 withholding and other taxes payable 102 6 for purchase of intellectual property rights 20 1 others 3 3 Advances received from clients 13 2 Unearned revenue 190 8 Unclaimed dividend 4 4 Mark to Market on options/due on forward contracts 12 - 11 PROVISIONS Proposed dividend - 17 Provision for - 2 tax on dividend - 2 income taxes* 709 54 post-sales client support and warranties 12 2	unavailed leave	87	77
accrual for expenses 207 144 retention monies 13 1 withholding and other taxes payable 102 6 for purchase of intellectual property rights 20 1 others 3 3 Advances received from clients 13 2 Unearned revenue 190 8 Unclaimed dividend 4 4 Mark to Market on options/due on forward contracts 12 - 11 PROVISIONS Proposed dividend - 17 Provision for - 2 tax on dividend - 2 income taxes* 709 54 post-sales client support and warranties 12 2	for other liabilities		
retention monies	accrual for expenses	207	141
withholding and other taxes payable for purchase of intellectual property rights 102 66 others 3 53 Advances received from clients 13 2 Unearned revenue 190 8 Unclaimed dividend 4 4 Mark to Market on options/due on forward contracts 12 - 11 PROVISIONS Proposed dividend - 17 Provision for tax on dividend income taxes* post-sales client support and warranties 709 54 post-sales client support and warranties 12 2		13	14
for purchase of intellectual property rights others 3 Advances received from clients Unearned revenue Unclaimed dividend Mark to Market on options/due on forward contracts 11 PROVISIONS Proposed dividend Provision for tax on dividend income taxes* post-sales client support and warranties 20 11 13 23 24 25 26 27 28 29 20 20 20 21 21 20 20 20 20 20 20 20 20 20 20 20 20 20			60
others 3 Advances received from clients 13 23 Advances received from clients 13 2 Unearned revenue 190 8 Unclaimed dividend 4 4 Mark to Market on options/due on forward contracts 12 - 849 65 11 PROVISIONS - 17 Proposed dividend - 17 Provision for - 2 tax on dividend - 2 income taxes* 709 54 post-sales client support and warranties 12 2			19
Advances received from clients			5
Advances received from clients 13 2 Unearned revenue 190 8 Unclaimed dividend 4 4 Mark to Market on options/due on forward contracts 12 - 849 65 11 PROVISIONS - 17 Proposed dividend roving for tax on dividend income taxes* for post-sales client support and warranties 709 54 post-sales client support and warranties 12 2			535
Unearned revenue 190 8 Unclaimed dividend 4 4 Mark to Market on options/due on forward contracts 12 - 849 65 11 PROVISIONS - 17 Proposed dividend Provision for tax on dividend income taxes* your for tax on dividend income taxes* your for taxes taxes to the following for the following f	Advances received from clients		29
Unclaimed dividend Mark to Market on options/due on forward contracts 12 - 849 65 11 PROVISIONS - 17 Proposed dividend Provision for tax on dividend income taxes* post-sales client support and warranties - 2 1 post-sales client support and warranties 12 2			89
Mark to Market on options/due on forward contracts 12 - 849 65 11 PROVISIONS - 17 Proposed dividend - 17 Provision for tax on dividend income taxes* 709 54 post-sales client support and warranties 12 2			3
Proposed dividend - 17 Provision for - 17 tax on dividend income taxes* - 2 post-sales client support and warranties 12 2			3
11 PROVISIONS Proposed dividend - 17 Provision for - 2 tax on dividend - 2 income taxes* 709 54 post-sales client support and warranties 12 2	Mark to Market on options/due on forward contracts		
Proposed dividend - 17 Provision for - 2 tax on dividend - 2 income taxes* 709 54 post-sales client support and warranties		849	656
Proposed dividend - 17 Provision for - 2 tax on dividend - 2 income taxes* 709 54 post-sales client support and warranties 12 2	11 PROVISIONS		
Provision for - 2 tax on dividend - 2 income taxes* 709 54 post-sales client support and warranties		_	176
tax on dividend - 2 income taxes* 709 54 post-sales client support and warranties			
income taxes* 709 54 post-sales client support and warranties		<u>-</u>	25
post-sales client support and warranties122		709	546
· · · · · · · · · · · · · · · · · · ·			29
	post saites offent support and warranties		776
			110

chedules to Consolidated Profit and Loss Account for the	Quarter e	ended	Nine mo	in Rs. crore nths ended
	Decembe	er 31,	December 31,	
	2005	2004	2005	200
2 SOFTWARE DEVELOPMENT AND BUSINESS PROCESS MANAGEMEN	T EXPENSES			
Salaries and bonus including overseas staff expenses	1,105	815	2,963	2,203
Contribution to provident and other funds	24	21	67	57
Staff welfare	10	8	24	16
Overseas travel expenses	78	56	258	186
Traveling and conveyance	<u>-</u>	3	-	6
Technical sub-contractors	40	34	111	72
Software packages				
for own use	35	32	102	82
for service delivery to clients	6	4	25	14
Communication expenses	14	13	46	40
Rent	7	4	19	8
Computer maintenance	7	4	15	12
Consumables	4	3	12	1
Provision for post-sales client support and warranties	(9)	(6)	(15)	1;
Miscellaneous expenses	<u> </u>	1	<u> 17</u>	;
	1.327	992	3.644	2.723
Contribution to provident and other funds	96	1	1	207
Salaries and bonus including overseas staff expenses	96	70	271	207
·		1	•	
Staff welfare	1	-	1	-
Overseas travel expenses	18	14	56	4
Traveling and conveyance	2	4	3	10
Brand building	14	8	37	27
Commission and earnout charges	11	7	28	15
Professional charges	5	5	20	14
Rent	4	3	12	9
Marketing expenses	3	2	9	8
Telephone charges	2	1	4	4
Communication Expenses	-	-	1	-
Printing and stationery	<u>-</u>	-	1	
Advertisements	_	1	1	:
Sales promotion expenses	_		1	
Office maintenance	_	_	_ '	
Insurance charges				
•				
Consumables	-	-	-	-
Software packages				
for own use	-	-	-	-
Computer maintenance	-	-	-	-
Rates and taxes	-	-	-	-
Miscellaneous expenses	<u>1</u>	<u> </u>	2	;
	158	117	448	34

December 31,	chedules to Consolidated Profit and Loss Account for the	Quarter e	ended	Nine mon	in Rs. crore	
Salaries and bonus including overseas staff expenses						
Salaries and bonus including overseas staff expenses 43 36 122 99 Contribution to provident and other funds 2 2 2 6 6 6 Staff wealizer 1 1 1 2 50 38 Staff wealizer 1 1 1 1 49 30 Staff wealizer 2 0 111 53 33 Staff wealizer 2 0 111 53 33 Staff wealizer 3 1 6 8 Staff wealizer 5 3 3 16 8 Staff wealizer 5 3 3 10 7 Staff wealizer 5 3 3 10 7 Staff wealizer 5 3 3 10 7 Staff wealizer 5 3 2 2 8 Staff wealizer 6 8 11 1 1 1 4 Staff wealizer 5 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		2005	2004	2005	2004	
Contribution to provident and other funds 2 2 2 6 6 7 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	14 GENERAL AND ADMINISTRATION EXPENSES					
Contribution to provident and other funds 2 2 2 6 6 7 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Salaries and bonus including overseas staff expenses	43	36	122	91	
Telephone charges			2	6	6	
Professional charges	Staff welfare		-	1	1	
Power and fuel	Telephone charges	20	12	60	35	
Diffice maintenance	Professional charges	27	20	70	51	
Traveling and conveyance		17	11	49	31	
Traveling and conveyance	Office maintenance	20	11	53	30	
Oversas travel expenses Insurance charges Insura		17			27	
Insurance charges Printing and stationery 3 3 3 3 9 6 8 7 8 8 9 7 7 8 8 9 9 7 7 8 8 9 9 7 7 8 9 9 7 7 9 9 9 7 7 9 9 9 7 7 9 9 9 7 7 9 9 9 7 7 9		5	3	16	8	
Printing and stationery 3		6	7	18	23	
Rates and taxes	•				8	
Donations 4					7	
Rent					17	
Advertisements					14	
Professional membership and seminar participation fees					7	
Repairs to building 3 3 11 Repairs to plant and machinery 3 2 8 5 Postage and courier 1 1 1 4 4 Books and periodicals 1 1 1 3 2 Recruitment and training 2 1 5 2 Provision for bad and doubtful debts (4) 6 6 6 11 Provision for doubtful loans and advances - - - - Commission to non-whole time directors - - 1 1 1 Auditor's remuneration - - 1 1 1 statutory audit fees - - - - - certification charges - - - - - others - - - - - - others - - - - - - others - - - - - - - ank charges and commission 1 - 1 1 - - - - - - - - - - - -					5	
Repairs to plant and machinery 3	·				7	
Postage and courier						
Books and periodicals 1					4	
Recruitment and training					-	
Provision for bad and doubtful debts						
Provision for doubtful loans and advances Commission to non-whole time directors Auditor's remuneration statutory audit fees certification charges chers others out-of-pocket expenses Bank charges and commission 1 - 1						
Commission to non-whole time directors Auditor's remuneration statutory audit fees certification charges others out-of-pocket expenses out-of-pocket expenses Bank charges and commission 1 - 1 1 1 7 1 1 7 1		(4)	ь	6	17	
Auditor's remuneration statutory audit fees		-	-	- ,	- ,	
Statutory audit fees		-	-	1	1	
Certification charges						
others - 1 - 1 - 1 - - - 1 - - - - - - - - - - - - - - <td></td> <td>-</td> <td>-</td> <td>1</td> <td>1</td>		-	-	1	1	
Out-of-pocket expenses Bank charges and commission 1 - 1 Freight charges Research grants Software packages for own use Miscellaneous expenses 1 - 1 Miscellaneous expenses 2 2 2 6 4 407 5 OTHER INCOME Interest received on deposits with banks and others* Dividend received on investment in liquid mutual funds (non-trade unquoted) Exchange differences (58) Tax deducted at source 2 1 6 76 57 27 18 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7		-	-	-	-	
Bank charges and commission 1		-	-	-	-	
Freight charges Research grants Software packages for own use 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1		-	-	-	-	
Research grants 1		1	-	1	1	
Software packages		-	-	1	1	
for own use Miscellaneous expenses 1	Research grants	1	-	1	-	
Miscellaneous expenses 2 2 6 407	Software packages					
186			-	•	1	
Interest received on deposits with banks and others*	Miscellaneous expenses				4	
Interest received on deposits with banks and others*		186	149	547	407	
Interest received on deposits with banks and others*	5 OTHER INCOME					
Dividend received on investment in liquid mutual funds (non-trade unquoted) 25 9 57 27	3 OTHER MOOME					
Dividend received on investment in liquid mutual funds (non-trade unquoted) 25 9 57 27	Interest received on deposits with banks and others*	27	16	76	51	
Miscellaneous income, net (refer to note 23.2.10) Exchange differences (5) 46 68 92 *Tax deducted at source 4 2 14 6 6 PROVISION FOR TAXATION Income taxes* Deferred taxes 81 93 245 245 245 245 245 246 33 343 343 343 343 343 343 344 244					27	
Exchange differences (58) 21 (68) 13 15 46 68 92 14 5 15 14 5 15 14 15 15			-		1	
Tax deducted at source (5) 46 68 92			21		13	
Tax deducted at source 4 2 14 5 6 PROVISION FOR TAXATION Income taxes Deferred taxes 2 - (12) (5 83 93 233 246					92	
Income taxes* 81 93 245 245 Deferred taxes 2 - (12) (5 83 93 233 246	*Tax deducted at source		2		9	
Income taxes* 81 93 245 245 Deferred taxes 2 - (12) (5 83 93 233 246						
Deferred taxes 2 - (12) (5) 83 93 233 240	6 PROVISION FOR TAXATION					
Deferred taxes 2 - (12) (5) 83 93 233 240	Income taxes*	81	93	245	245	
<u>83</u> <u>93</u> <u>233</u> <u>24</u> (-		(5)	
			93			
	* refer to note 23.2.8.	03	33	233	<u> </u>	

in Rs. crore Schedules to Consolidated Cashflow Statements for the Nine months ended December 31, 2005 2004 17 CHANGE IN LOANS AND ADVANCES As per the Balance Sheet 946 1,496 Less: Deposits with financial institutions and body corporate, included in cash and cash equivalents (451)(213)Advance income taxes separately considered (579)(341)466 392 Less: Opening balance considered (407)(303)59 89 18 CHANGE IN CURRENT LIABILITIES AND PROVISIONS As per the Balance Sheet 1,570 1,165 Add/ (Less): Provisions separately considered in the cash flow statement Income taxes (709)(497)Dividends Dividend tax 861 668 Less: Opening balance considered (685)(587)176 81 19 INCOME TAXES PAID Charge as per the Profit and Loss Account 233 240 Add: Increase in advance income taxes 175 131 Increase / (Decrease) in deferred taxes 3 12 (1<u>81)</u> Less: (Increase) / Decrease in income tax provision (163)257 193 20 PURCHASE OF FIXED ASSETS AND CHANGE IN CAPITAL WORK-IN-PROGRESS 686 581 As per the schedule 4 to Balance Sheet Less: Opening Capital work-in-progress (318)(208)Add: Closing Capital work-in-progress 447 214 815 587 21 INVESTMENTS IN SECURITIES * 2,205 As per the Balance Sheet 1,057 Add: Provisions made on investments 2,206 1,057 (1,211)Less: Opening balance considered (946)995 111 * refer to note 23.2.11 for details of investments and redemptions 22 CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD 1,694 As per the Balance Sheet 1,470 Add: Deposits with financial institutions, included herein 451 213 2,145 1,683