Persistent Systems Limited

CONDENSED CONSOLIDATED BALANCE SHEET AS AT JUNE 30, 2016

	Notes	As at June 30, 2016 In ₹ Million	As at June 30, 2015 In ₹ Million	As at March 31, 2016 In ₹ Million
ASSETS				
Non-current assets				
Property, Plant and Equipment	6.1	2,881.02	3,034.62	2,968.21
Capital work-in-progress		60.55	79.49	23.64
Goodwill	6.2	79.36	-	77.87
Goodwill on consolidation		-	24.36	-
Other Intangible assets	6.3	2,463.18	963.68	1,325.15
Intangible assets under development		421.00		241.63
		5,905.11	**4,102.15**	**4,636.50**
Financial assets				
- Investments	7	1,872.21	2,588.07	1,469.29
- Loans	8	105.18	64.68	86.23
-Other non-current financial assets	9	917.64	513.48	870.10
Deferred tax assets (net)	10	253.03	311.11	177.43
Other non-current assets	11	114.75	94.65	649.13
		9,167.92	**7,674.14**	**7,888.68**
Current assets				
Financial assets				
- Investments	12	4,003.35	4,611.48	4,914.36
- Trade receivables	13	4,053.89	3,679.82	4,275.49
- Cash and cash equivalents	14	926.30	945.99	1,400.19
- Other bank balances	15	45.27	30.00	38.76
- Loans	16	5.86	9.41	9.12
- Other current financial assets	17	114.08	78.73	164.40
Current tax assets (net)		-	-	153.12
Other current assets	18	2,956.86	1,286.95	2,402.90
		12,105.61	**10,642.38**	**13,358.34**
TOTAL		**21,273.53**	**18,316.52**	**21,247.02**
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	5	800.00	800.00	800.00
Other equity		16,593.20	14,558.32	15,826.25
		17,393.20	**15,358.32**	**16,626.25**
LIABILITIES				
Non- current liabilities				
Financial liabilities				
- Borrowings	19	26.92	29.55	26.91
Provisions	20	134.54	109.54	124.41
Deferred tax liabilities (net)	10	-	1.26	-
		161.46	**140.35**	**151.32**
Current liabilities				
Financial liabilities				
- Trade payables	21	1,253.40	630.33	1,599.32
- Deferred payment liabilities		2.28	21.00	4.34
- Other financial liabilities	22	555.06	525.17	534.63
Other current liabilities	23	887.32	578.00	1,107.53
Provisions	24	1,000.60	930.48	1,223.63
Current tax liabilities (net)		20.21	132.87	-
		3,718.87	**2,817.85**	**4,469.45**
TOTAL		**21,273.53**	**18,316.52**	**21,247.02**
Summary of significant accounting policies	4			

The accompanying notes are an integral part of the condensed consolidated financial statements

As per our report of even date

For Deloitte Haskins and Sells LLP ICAI Firm registration no. 117366W/W-100018 Chartered Accountants	For JOSHI APTE & CO ICAI Firm registration no. 104370W Chartered Accountants	For and on behalf of the Board of Directors of Persistent Systems Limited	
per Hemant M. Joshi Partner Membership no. 038019	per C. K. Joshi Partner Membership no. 030428	Dr. Anand Deshpande Chairman and Managing Director	Kiran Umrootkar Director
		Sunil Sapre Chief Financial Officer	Amit Atre Company Secretary
Place: Pune Date : July 23, 2016	Place: Pune Date : July 23, 2016		Place: Pune Date : July 23, 2016

Persistent Systems Limited

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE QUARTER ENDED JUNE 30, 2016.

	Notes	For the quarter ended		For the year ended
		June 30, 2016	June 30, 2015	March 31, 2016
		In ₹ Million	In ₹ Million	In ₹ Million
Income				
Revenue from operations (net)	25	7,017.77	5,004.16	23,123.31
Other income	26	253.49	160.42	772.88
Total income (A)		**7,271.26**	**5,164.58**	**23,896.19**
Expenses				
Employee benefits expense	27.1	4,412.47	3,065.47	14,067.60
Cost of technical professionals	27.2	431.97	307.23	1,586.63
Finance costs		0.19	0.26	0.92
Depreciation and amortization expense	6.4	342.81	226.61	990.13
Other expenses	28	1,115.82	769.04	3,554.00
Total expenses (B)		**6,303.26**	**4,368.61**	**20,199.28**
Profit before tax (A - B)		**968.00**	**795.97**	**3,696.91**
Tax expense				
Current tax		314.28	324.98	916.59
Tax credit in respect of earlier years		-	(6.14)	(25.70)
Deferred tax charge / (credit)		(79.14)	(84.36)	33.03
Total tax expense		**235.14**	**234.48**	**923.92**
Net profit for the period / year (C)		**732.86**	**561.49**	**2,772.99**
Other comprehensive income				
Items that will not be reclassified to profit and loss (D)				
- Remeasurements of the defined benefit liabilities / (asset)		40.22	109.17	222.67
- Tax effect on remeasurements of the defined benefit liabilities / (asset)		(6.58)	(20.26)	(43.07)
		33.64	**88.91**	**179.60**
Items that may be reclassified to profit and loss (E)				
- Effective portion of cash flow hedge		(52.84)	(29.15)	58.37
- Exchange differences in translating the financial statements of foreign operations		84.92	32.22	58.20
		32.08	**3.07**	**116.57**
Total other comprehensive income for the period / year (D) + (E)		**65.72**	**91.98**	**296.17**
Total comprehensive income for the period / year (C) + (D) + (E)		**798.58**	**653.47**	**3,069.16**
Earnings per equity share **[Nominal value of share ₹10 (Corresponding period / Previous year: ₹10)]**	29			
Basic (In ₹)		9.16	7.06	34.74
Diluted (In ₹)		9.16	7.02	34.66
	4			

The accompanying notes are an integral part of the condensed consolidated financial statements

As per our report of even date

For Deloitte Haskins and Sells LLP
ICAI Firm registration no. 117366W/W-100018
Chartered Accountants

For JOSHI APTE & CO
ICAI Firm registration no. 104370W
Chartered Accountants

For and on behalf of the Board of Directors of
Persistent Systems Limited

per Hemant M. Joshi
Partner
Membership no. 038019

per C. K. Joshi
Partner
Membership no. 030428

Dr. Anand Deshpande
Chairman and
Managing Director

Kiran Umrootkar
Director

Sunil Sapre
Chief Financial Officer

Amit Atre
Company Secretary

Place: Pune
Date : July 23, 2016

Place: Pune
Date : July 23, 2016

Place: Pune
Date : July 23, 2016

Persistent Systems Limited

CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER ENDED JUNE 30, 2016

		For the quarter ended		For the year ended
		June 30, 2016 In ₹ Million	June 30, 2015 In ₹ Million	March 31, 2016 In ₹ Million
Cash flow from operating activities				
Profit before tax		**968.00**	**795.97**	**3,696.91**
Adjustments for:				
Interest income		(37.71)	(31.09)	(148.43)
Finance income on lease deposits		(1.01)	(0.55)	(2.55)
Finance costs		0.19	0.26	0.92
Dividend income		(53.91)	(53.93)	(226.50)
Depreciation and amortization expense		342.81	226.61	990.13
Amortization of lease premium		-	0.11	0.52
Unrealised exchange loss/ (gain) (net)		(35.92)	2.92	67.78
Change in foreign currency translation reserve		(12.85)	13.05	(37.06)
Exchange loss/ (gain) on derivative contracts		(2.52)	(0.56)	1.28
Exchange (gain) / loss on translation of foreign currency cash and cash equivalents		(6.12)	(3.85)	(8.11)
Bad debts		35.53	2.42	205.01
Provision for doubtful receivables (net)		(15.54)	4.30	(196.10)
Employee stock compensation expenses		11.77	3.76	34.48
Provision for doubtful deposits and advances		-	-	0.06
Provision for diminution in value of non-current investments		8.36	-	-
Remeasurements of the defined benefit liabilities / (asset)		40.22	109.17	222.67
Advances written off		-	-	29.55
Excess provision in respect of earlier years written back		-	-	(0.01)
(Gain)/ loss on fair valuation of mutual funds		(37.92)	38.13	14.16
Profit on sale of investments (net)		(36.74)	(39.42)	(228.06)
Loss / (profit) on sale of fixed assets (net)		0.02	(0.51)	(9.29)
Operating profit before working capital changes		**1,166.66**	**1,066.79**	**4,407.36**
Movements in working capital :				
(Increase) / Decrease in non-current and current loans		(15.52)	(8.19)	122.18
(Increase) / Decrease in other non current assets		(45.91)	(4.02)	5.25
(Increase) in other current assets		(553.96)	(88.59)	(1,204.54)
Decrease / (Increase) in trade receivables		259.41	(104.61)	(644.66)
(Decrease) / Increase in trade payables and current liabilities		(745.06)	8.11	923.70
(Decrease) in provisions		(212.90)	(349.76)	(56.54)
Operating (loss) / profit after working capital changes		**(147.29)**	**519.73**	**3,552.75**
Direct taxes paid (net of refunds)		(140.95)	(164.08)	(1,012.15)
Net cash (used in) / generated from operating activities	**(A)**	**(288.24)**	**355.65**	**2,540.60**
Cash flows from investing activities				
Payment towards capital expenditure		(805.97)	(239.28)	(1,659.35)
Proceeds from sale of fixed assets		0.60	1.12	11.94
Payment towards acquisition of subsidiaries (net of bank balance acquired ₹ 37.47 million for the year ended March 31, 2016)		-	-	(307.01)
Purchase of government securities		(448.75)	-	(243.26)
Proceeds from sale of government securities		396.12	-	456.20
Purchase of non-current investments		-	(22.27)	(72.63)
Investments in mutual funds		(1,986.27)	(3,333.39)	(13,397.46)
Proceeds from sale / maturity of mutual funds		2,625.87	3,127.92	14,023.20
Proceeds from sale of other current investments		-	-	20.34
Investments in bank deposits having original maturity over three months		-	(500.25)	(522.73)
Investments in Deposit with financial institution		(35.00)		(300.00)
Maturity of bank deposits having original maturity over three months		-	400.00	400.00
Inter corporate deposits refunded		0.04	0.04	0.15
Interest received		7.68	125.11	202.36
Dividends received		53.91	53.93	226.50
Net cash (used in) investing activities	**(B)**	**(191.77)**	**(387.07)**	**(1,161.75)**
Cash flows from financing activities				
(Repayment of) long term borrowings		-	(13.85)	(14.61)
Interest paid		-	-	(0.44)
Dividends paid		(0.27)	(0.01)	(1,039.51)
Tax on dividend paid		-	-	(211.73)
Net cash (used in) financing activities	**(C)**	**(0.27)**	**(13.86)**	**(1,266.29)**

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Persistent Systems Limited

CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER ENDED JUNE 30, 2016

	For the quarter ended		For the year ended
	June 30, 2016	June 30, 2015	March 31, 2016
	In ₹ Million	In ₹ Million	In ₹ Million
Net (decrease) / increase in cash and cash equivalents (A + B + C)	(480.28)	(45.28)	112.56
Cash and cash equivalents at the beginning of the period / year	1,401.40	988.13	988.13
Cash and cash equivalents acquired on acquisition	-	-	292.60
Effect of exchange difference on translation of foreign currency cash and cash equivalents	6.12	3.85	8.11
Cash and cash equivalents at the end of the period / year	**927.24**	**946.70**	**1,401.40**
Components of cash and cash equivalents			
Cash on hand (Refer note 14)	0.16	0.13	0.16
Balances with banks			
On current accounts # (Refer note 14)	798.13	756.94	1,031.74
On saving accounts (Refer note 14)	2.18	0.09	0.08
On Exchange Earner's Foreign Currency accounts (Refer note 14)	125.83	188.83	368.21
On unpaid dividend accounts* (Refer note 15)	0.94	0.71	1.21
Cash and cash equivalents	**927.24**	**946.70**	**1,401.40**

Out of the balance the Company can utilise ₹ 1.19 million (Corresponding period ₹ 1.16 million/ Previous year ₹ 1.19 million) only towards research and development activities specified in the loan agreement.

* The Group can utilize these balances only towards settlement of the respective unpaid dividend.

Summary of significant accounting policies - Refer note 4

The accompanying notes are an integral part of the condensed consolidated financial statements

As per our report of even date

For Deloitte Haskins and Sells LLP
ICAI Firm registration no. 117366W/W-100018
Chartered Accountants

per Hemant M. Joshi
Partner
Membership no. 038019

Place: Pune
Date : July 23, 2016

For JOSHI APTE & CO
ICAI Firm registration no. 104370W
Chartered Accountants

per C. K. Joshi
Partner
Membership no. 030428

Place: Pune
Date : July 23, 2016

For and on behalf of the Board of Directors of
Persistent Systems Limited

Dr. Anand Deshpande
Chairman and
Managing Director

Kiran Umrootkar
Director

Sunil Sapre
Chief Financial Officer

Amit Atre
Company Secretary

Place: Pune
Date : July 23, 2016

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Persistent Systems Limited

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED JUNE 30, 2

A. Share capital

(Refer note 5)

(In ₹ Million)

Balance as at April 1, 2016	Changes in equity share capital during the period	Balance as at June 30, 2016
800.00	-	800.00

(In ₹ Million)

Balance as at April 1, 2015	Changes in equity share capital during the period	Balance as at June 30, 2015
800.00	-	800.00

(In ₹ Million)

Balance as at April 1, 2015	Changes in equity share capital during the year	Balance as at March 31, 2016
800.00	-	800.00

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Persistent Systems Limited

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED JUNE 30, 2016

B. Other equity

(In ₹ Million)

Particulars	Reserves and surplus					Items of other comprehensive income			Total
	Securities premium reserve	General reserve	Share options outstanding reserve	Capital reserve	Retained earnings	Effective portion of cash flow hedges	Exchange differences on translating the financial statements of foreign operations	Remeasurements of the defined benefit liabilities / asset	
Balance as at April 1, 2016	1,336.70	6,641.78	147.09	73.25	7,123.79	139.91	184.13	179.60	15,826.25
Net profit for the period	-	-	-	-	732.86	-	-	-	732.86
Other comprehensive income for the period	-	-	-	-	-	(52.84)	84.92	33.64	65.72
Employee stock compensation expenses	-	-	11.77	-	-	-	-	-	11.77
Adjustments towards employees stock options	-	0.15	(0.15)	-	-	-	-	-	-
Other changes during the period	-	-	-	(43.40)	-	-	-	-	(43.40)
Balance at June 30, 2016	**1,336.70**	**6,641.93**	**158.71**	**29.85**	**7,856.65**	**87.07**	**269.05**	**213.24**	**16,593.20**

(In ₹ Million)

Particulars	Reserves and surplus					Items of other comprehensive income			Total
	Securities premium reserve	General reserve	Share options outstanding reserve	Capital reserve	Retained earnings	Effective portion of cash flow hedges	Exchange differences on translating the financial statements of foreign operations	Remeasurements of the defined benefit liabilities / asset	
Balance as at April 1, 2015	1,336.70	5,562.61	55.65	-	6,092.86	81.54	125.93	-	13,255.29
Ind AS adjustments on first time adoption (Refer note 32)	-	-	74.29	-	571.51	-	-	-	645.80
Net profit for the period	-	-	-	-	561.49	-	-	-	561.49
Other comprehensive income for the period	-	-	-	-	-	(29.15)	32.22	88.91	91.98
Employee stock compensation expenses	-	-	3.76	-	-	-	-	-	3.76
Adjustments towards employees stock options	-	2.35	(2.35)	-	-	-	-	-	-
Other changes during the period	-	-	-	-	-	-	-	-	-
Balance at June 30, 2015	**1,336.70**	**5,564.96**	**131.35**	**-**	**7,225.86**	**52.39**	**158.15**	**88.91**	**14,558.32**

(In ₹ Million)

Particulars	Reserves and surplus					Items of other comprehensive income			Total
	Securities premium reserve	General reserve	Share options outstanding reserve	Capital reserve	Retained earnings	Effective portion of cash flow hedges	Exchange differences on translating the financial statements of foreign operations	Remeasurements of the defined benefit liabilities / asset	
Balance as at April 1, 2015	1,336.70	5,562.61	55.65	-	6,092.86	81.54	125.93	-	13,255.29
Ind AS adjustments on first time adoption (Refer note 32)	-	-	74.29	-	571.51	-	-	-	645.80
Net profit for the year	-	-	-	-	2,772.99	-	-	-	2,772.99
Other comprehensive income for the year	-	-	-	-	-	58.37	58.20	179.60	296.17
Dividend	-	-	-	-	(1,040.00)	-	-	-	(1,040.00)
Tax on dividend	-	-	-	-	(211.73)	-	-	-	(211.73)
Transfer to general reserve	-	1,061.84	-	-	(1,061.84)	-	-	-	-
Employee stock compensation expenses	-	-	34.48	-	-	-	-	-	34.48
Adjustments towards employees stock options	-	17.33	(17.33)	-	-	-	-	-	-
Other changes during the year	-	-	-	73.25	-	-	-	-	73.25
Balance at March 31, 2016	**1,336.70**	**6,641.78**	**147.09**	**73.25**	**7,123.79**	**139.91**	**184.13**	**179.60**	**15,826.25**

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1. Nature of operations

Persistent Systems Limited (the “Company” or “PSL”) is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956 (the “Act”). The shares of the Company are listed on Bombay Stock Exchange and National Stock Exchange. The Company is a global company specializing in software products, services and technology innovation. The Company offers complete product life cycle services.

Persistent Systems, Inc. (PSI) based in the USA, a wholly owned subsidiary of PSL, is engaged in software product, services and technology innovation.

Persistent Systems Pte. Ltd. (PS Pte.) based in Singapore, a wholly owned subsidiary of PSL, is engaged in software development, professional and marketing services.

Persistent Systems France SAS (PSFS) based in France, a wholly owned subsidiary of PSL, is engaged in software products, services and technology innovation in the life sciences domain.

Persistent Telecom Solutions Inc. (PTSI) based in the USA, a wholly owned subsidiary of Persistent Systems Inc., is engaged in software products, services and technology innovation in telecom and Product Lifecycle Management domains.

Persistent Systems Malaysia Sdn. Bhd. (PSM) based in Malaysia, a wholly owned subsidiary of PSL, is engaged in software products and services.

CloudSquads, Inc. (CSI) based in the USA, a wholly owned subsidiary of PSI, is an innovative consultancy that deploys, integrates and runs social communities on social customer platforms to provide insights that drive improvements in marketing, sales and customer service.
CloudSquads Inc. (CSI), has been dissolved with effect from December 29, 2015. Persistent Systems Inc., the holding Company took over all the assets and liabilities of CSI on the date of dissolution

Akshat Corporation (d.b.a. RGen Solutions) based in USA, a wholly owned subsidiary of PSI, is engaged in development, delivery and maintenance of IT software and services.

Aepona Holdings Limited (an Ireland based wholly owned subsidiary of Persistent Systems Inc.) operates as the holding Company of Aepona Group Limited.

Aepona Group Limited, (an Ireland based wholly owned subsidiary of Aepona Holdings Limited) operates as the holding Company of Aepona Limited and Valista Limited.

Aepona Limited (a UK based wholly owned subsidiary of Aepona Group Limited) is engaged in the business of a telecommunication API gateway for defining, exposing, controlling and monetizing telecom services to partners and application developers and an Internet of Things service creation platform that allows enterprises to add a service layer (or “business logic”) to the basic APIs exposed to by connected devices, and to expose and monetize these APIs.

Valista Limited (an Ireland based wholly owned subsidiary of Aepona Group Limited) has adopted indirect sales model, with services revenue being billed to Aepona Limited. Sale of services are then contracted between Aepona Limited and customers.

Aepona Software (Private) Limited (a Sri Lanka based wholly owned subsidiary of Valista Limited) has adopted indirect sales model, with services revenue being billed to Aepona Limited. Sale of services are then contracted between Aepona Limited and customers.

Valista Inc. is a US based wholly owned subsidiary of Valista Limited. Valista Inc. has been dissolved with effect from June 28, 2016. Valista Limited, its holding Company took over all the assets and liabilities of Valista Inc. on the date of dissolution.

Persistent Systems Mexico, S.A. de C.V is a wholly owned subsidiary of Persistent Systems Inc.

Persistent Systems Israel Ltd. is a wholly owned subsidiary of Persistent Systems Inc.

2. Basis of preparation

The financial statements of the Group have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments, equity settled employee stock options and initial recognition of assets acquired under business combinations which have been measured at fair value. The accounting policies are consistently applied by the Group during the year and are consistent with those used in previous year except for the changes in accounting policies required to be made on adoption of Indian Accounting Standards notified under the Companies Act, 2013.

Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Group has adopted Indian Accounting Standards (referred to as “Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. Previous period’s and year’s numbers in the financial statements have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Group has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (“Previous GAAP”) to Ind AS of Shareholders’ equity as at March 31, 2016, June 30, 2015 and April 1, 2015 and of the comprehensive net income for the quarter ended June 30, 2015 and the year ended March 31, 2016.

These financial statements have been prepared in accordance with Ind AS 34 Interim Financial Reporting as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

3. Principles of consolidation

The consolidated financial statements of the Company and its subsidiaries (“the Group”) for the quarter ended June 30, 2016 are prepared in accordance with generally accepted accounting principles applicable in India, and the Indian Accounting Standard 110 (Ind AS 110) on ‘Consolidated Financial Statements’, notified by Companies (Accounting Standards) Rules, 2015, (“Indian Accounting Standards”) by and to the extent possible in the same format as that adopted by the Company for its separate financial statements.

The Company consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the company, its subsidiaries as disclosed below. Control exists when the parent has power over the entity, is exposed or has rights to variable returns from its involvement with the entity; and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the Company and its subsidiary companies have been combined on line by line basis by adding together the book values of like items of assets and liabilities, income and expenses after eliminating intra group balances and intra group transactions except where cost cannot be recovered. The unrealized profits or losses resulting from the intra group transactions and balances have been eliminated.

The consolidated financial statements include the share of profit / loss of associate companies, which are accounted for under the ‘Equity method’. The share of profit / loss of the associate company has been adjusted to the cost of investment in the associate, as per the ‘Equity method’. An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture.

The excess of the cost to the Company of its investment in a subsidiary and the Company’s portion of equity of subsidiary on the date at which investment in the subsidiary is made, is described as goodwill and recognized separately as an asset in the consolidated financial statements. The excess of the Company’s portion of equity of the subsidiary over the cost of investment in the subsidiary is treated as capital reserve in the consolidated financial statements. Goodwill arising on consolidation is not amortized. It is tested for impairment on a periodic basis and written off if found impaired.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations, if any, are made in the consolidated financial statements. The consolidated financial statements are presented in the same manner as the Company’s separate financial statements.

The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the Company.

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The subsidiary companies considered in consolidated financial statements are as follows:

Name of the subsidiary	Ownership Percentage as at			Country of incorporation
	June 30, 2016	June 30, 2015	March 31, 2016	
Persistent Systems, Inc.	100%	100%	100%	USA
Persistent Systems Pte Ltd.	100%	100%	100%	Singapore
Persistent Systems France SAS	100%	100%	100%	France
Persistent Telecom Solutions Inc. (wholly owned subsidiary of Persistent Systems Inc.)	100%	100%	100%	USA
Persistent Systems Malaysia Sdn. Bhd.	100%	100%	100%	Malaysia
CloudSquads, Inc. (wholly owned subsidiary of Persistent Systems Inc.) *	0%	100%	0%	USA
Akshat Corporation (d.b.a. RGen Solutions) **	100%	Nil	100%	USA
Aepona Holdings Limited ***	100%	Nil	100%	Ireland
Aepona Group Limited ***	100%	Nil	100%	Ireland
Aepona Limited ***	100%	Nil	100%	UK
Valista Limited ***	100%	Nil	100%	Ireland
Valista Inc. ****	0%	Nil	100%	USA
Aepona Software (Private) Limited ***	100%	Nil	100%	Sri Lanka
Persistent Systems Mexico, S.A. de C.V.	100%	Nil	100%	Mexico
Persistent Systems Israel Ltd.	100%	Nil	100%	Israel

* Refer Note 33
** Refer Note 34
*** Refer Note 37
**** Refer Note 38

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4. Summary of significant accounting policies

(a) Use of estimates

The preparation of the condensed financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities at the end of period / year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Capital work-in-progress includes cost of Property, Plant and Equipment that are not ready to be put to use.

Subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only if it is probable that future economic benefits associated with the item will flow to the Group. All other expenses on existing Property, Plant and Equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period / year during which such expenses are incurred.

Gains or losses arising from disposal of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

(c) Intangible assets

Intangible assets including software licenses of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

Gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Group can demonstrate:
- technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the asset;
- its ability to use or sell the asset;
- how the asset will generate probable future economic benefits;
- the availability of adequate resources to complete the development and to use or sell the asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during development.

Such development expenditure, until capitalization, is reflected as intangible assets under development.

Following the initial recognition, internally generated intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Amortization of internally generated intangible asset begins when the development is complete and the asset is available for use.

(d) Business combinations:

Business combinations are accounted for using the acquisition method under the provisions of Ind AS 103 - Business Combinations.

The cost of an acquisition is measured at the fair value of the assets acquired and liabilities incurred or assumed on the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of contingent consideration, if any. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Transaction costs that the Group incurs in connection with a business combinations are expensed as incurred.

(e) Goodwill

Goodwill represents the cost of business acquisition in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the cost of business acquisition, a gain is recognized in the other comprehensive income as capital reserve. Goodwill is measured at cost less accumulated impairment losses.

(f) Depreciation and amortization

Depreciation on Property, Plant and Equipment is provided using the Straight Line Method (‘SLM’) over the useful lives of the assets estimated by the management.

The management estimates the useful lives for the Property, Plant and Equipment as follows:

Assets	Useful lives
Buildings*	25 years
Computers	3 years
Computers - Servers and networks*	3 years
Office equipments	5 years
Plant and equipment*	5 years
Plant and equipment (Windmill)*	20 years
Plant and equipment (Solar Energy System)*	10 years
Furniture and fixtures*	5 years
Vehicles*	5 years

*For these classes of assets, based on internal assessment and independent technical evaluation carried out by external valuers the management believes that the useful lives as given above best represent the period over which the management expects to use these assets. Hence the useful lives of these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Individual assets whose cost does not exceed ₹ 5,000 are fully depreciated in the year of acquisition.

Intangible assets are amortized on a straight line basis over their estimated useful lives commencing from the day the asset is made available for use.

(g) Impairment of Property, Plant and Equipment and other intangible assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors.

Recoverable amount of intangible under development that is not yet available for use is estimated at least at each financial period / year end even if there is no indication that the asset is impaired.

An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

(h) Financial instruments

i) Financial assets

Initial recognition and measurement

Financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified as:

- **Financial assets at amortized cost**

  Financial assets that are held within a business model whose objective is to hold assets for collecting contractual cash flows and whose contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are subsequently measured at amortized cost using the effective interest rate method. The change in measurements are recognized as finance income in the statement of profit and loss.

- **Financial assets at fair value through other comprehensive income (FVTOCI)**

  Financial assets that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets and the assets' contractual cash flows represent solely payments of principal and interest on the principal amount outstanding are subsequently measured at fair value. Fair value movements are recognized in other comprehensive income.

- **Financial assets at fair value through profit or loss (FVTPL)**

  Any financial asset which does not meet the criteria for categorization as financial instruments at amortized cost or as FVTOCI, is classified as financial instrument at FVTPL. Financial instruments included within the FVTPL category are subsequently measured at fair value with all changes recognized in the statement of profit and loss.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

For the purpose of subsequent measurement, financial liabilities are classified as:

- **Financial liabilities at amortized cost**

  Financial liabilities such as loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. The change in measurements are recognized as finance costs in the statement of profit and loss.

- **Financial liabilities at fair value through profit or loss (FVTPL)**

  Financial liabilities include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss if the recognition criteria as per Ind AS 109 are satisfied. Gains or losses on liabilities held for trading are recognized in statement of profit and loss. Fair value gains or losses on liabilities designated as FVTPL attributable to changes in own credit risk are recognized in other comprehensive income. All other changes in fair value of liabilities designated as FVTPL are recognized in the statement of profit and loss. The Group has not designated any financial liability as at FVTPL.

iii) Impairment

i) Financial assets

The Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets measured at amortized cost and financial assets that are debts instruments and are measured at fair value through other comprehensive income (FVTOCI). ECL is the difference between contractual cash flows that are due and the cash flows that the Group expects to receive, discounted at the original effective interest rate.

For trade receivables, the Group recognizes impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. For other financial assets, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

ii) Non-financial assets

The carrying amounts of Property, Plant and Equipment and Goodwill are reviewed at each balance sheet date or whenever there is any indication of impairment based on internal/external factors. If any indications exist, the Group estimates the asset's recoverable amount.

Recoverable amount of intangible under development that is not yet available for use is estimated at least at each financial period / year end even if there is no indication that the asset is impaired.

An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

iv) Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or development of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period/ year they occur.

v) Leases

Where the Group is a lessee

Leases that transfers substantially all the risks and rewards incidental to ownership to the Group are classified as finance leases.

Finance leases are capitalized at the lower of the inception date fair value of the leased assets and the present value of the minimum lease payments.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases.

Operating lease payments are recognized as an expense in the statement of profit and loss as per the terms of the lease agreements.

vi) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the Group. Revenue is recognized to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

(i) Income from software services

Revenue from time and material engagements is recognized on time proportion basis as and when the services are rendered in accordance with the terms of the contracts with customers.

In case of fixed price contracts, revenue is recognized based on the milestones achieved as specified in the contracts, on proportionate completion basis.

Revenue from royalty is recognized in accordance with the terms of the relevant agreements.

Revenue from maintenance contracts and subscription is recognized on a pro-rata basis over the period of the contract.

Revenue from licensing of software and sale of products is recognized upon delivery.

Unbilled revenue represents revenue recognized in relation to work done until the balance sheet date for which billing has not taken place.

Unearned revenue represents the billing in respect of contracts for which the revenue is not recognized.

The Group collects service tax and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.

(ii) Interest

Interest income is recognized on a time proportion basis taking into account the carrying amount and the effective interest rate. Interest income is included under the head ‘Other income’ in the statement of profit and loss.

(iii) Dividend

Dividend income is recognized when the Group’s right to receive dividend is established by the reporting date. Dividend income is included under the head ‘Other income’ in the statement of profit and loss.

vii) Foreign currency translation

(i) Foreign currency transactions and balances

Initial recognition

Foreign currency transactions are recorded in the respective functional currencies of the entities in the Group, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates at the date when the values were determined.

Exchange differences

Exchange differences arising on conversion / settlement of foreign currency monetary items and on foreign currency liabilities relating to Property, Plant and Equipment acquisition are recognized as income or expenses in the period / year in which they arise.

Forward exchange contracts not intended for trading or speculation purposes, classified as derivative financial instruments

As per the accounting principles laid down in Ind AS 109 – “Financial Instruments” relating to cash flow hedges, derivative financial instruments which qualify for cash flow hedge accounting are fair valued at balance sheet date and the effective portion of the resultant loss / (gain) is debited / (credited) to the hedge reserve under other comprehensive income and the ineffective portion is recognized to the statement of profit and loss. Derivative financial instruments are carried as forward contract receivable when the fair value is positive and as forward contract payable when the fair value is negative.

Changes in the fair value of derivative instruments that do not qualify for hedge accounting are recognized in the statement of profit and loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, or terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss on the hedging instrument recognized in hedge reserve under other comprehensive income is transferred to the statement of profit and loss when the forecasted transaction occurs or affects profit or loss or when a hedged transaction is no longer expected to occur.

Translation of foreign operations

The Group presents the financial statements in INR which is the functional currency of the parent company.

The assets and liabilities of a foreign operation are translated into the reporting currency (INR) at the exchange rate prevailing at the reporting date. Their statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve under other comprehensive income. On disposal of a foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of profit and loss.

viii) Retirement and other employee benefits

(i) Provident fund

Provident fund is a defined contribution plan covering eligible employees. The Group and the eligible employees make a monthly contribution to the provident fund maintained by the Regional Provident Fund Commissioner equal to the specified percentage of the basic salary of the eligible employees as per the scheme. The contributions to the provident fund are charged to the statement of profit and loss for the period / year when the contributions are due. The Group has no obligation, other than the contribution payable to the provident fund.

(ii) Gratuity

Gratuity is a defined benefit obligation plan operated by the Group for its employees covered under Group Gratuity Scheme. The cost of providing benefit under gratuity plan is determined on the basis of actuarial valuation using the projected unit credit method at the reporting date. Remeasurements, comprising of actuarial gains and losses are recognized in full in the statement of other comprehensive income in the reporting period in which they occur. Remeasurements are not reclassified to profit and loss subsequently.

(iii) Superannuation

Superannuation is a defined contribution plan covering eligible employees. The contribution to the superannuation fund managed by the insurer is equal to the specified percentage of the basic salary of the eligible employees as per the scheme. The contribution to this scheme is charged to the statement of profit and loss on an accrual basis. There are no other contributions payable other than contribution payable to the respective fund.

(iv) Leave encashment

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Remeasurements, comprising of actuarial gains and losses are recognized in full in the statement of other comprehensive income in the reporting period in which they occur. Remeasurements are not reclassified to profit and loss subsequently.

The Group presents the entire leave encashment liability as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

(v) Long service awards

Long service awards are other long term benefits to all eligible employees, as per Group's policy. The cost of providing benefit under long service awards scheme is determined on the basis of actuarial valuation using the projected unit credit method at the reporting date.

ix) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Group operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in statement of profit and loss.

Deferred income taxes reflect the impact of temporary differences between tax base of assets and liabilities and their carrying amounts. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except deferred tax liability arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, except deferred tax assets arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized only to the extent that sufficient future taxable income will be available against which such deferred tax assets can be realized.

In the situations where the Group is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the Group's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the period / year in which the temporary differences originate.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which such deferred tax assets can be realized.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized in co-relation to the underlying transaction either in other comprehensive income or directly in equity.

Minimum alternate tax (MAT) paid in a period / year is charged to the statement of profit and loss as current tax. MAT credit available is recognized as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement.” The Group reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

x) Segment reporting

(i) Identification of segment

The Group’s operations predominantly relate to providing software products, services and technology innovation covering full life cycle of product to its customers.

The components of the Group that engage in business activities from which they earn revenue and incur expenses, whose operating results are regularly reviewed by the Group’s Chief Operating Decision Maker are identified as operating segments.

(ii) Allocation of income and direct expenses

Income and direct expenses allocable to segments are classified based on items that are individually identifiable to that segment such as salaries and project related travel expenses. The remainder is considered as un-allocable expense and is charged against the total income.

(iii) Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segregation of assets, liabilities, depreciation and amortization and other non-cash expenses into various reportable segments have not been presented except for trade receivables as these items are used interchangeably between segments and the Group is of the view that it is not practical to reasonably allocate these items to individual segments and an ad-hoc allocation will not be meaningful.

(iv) Inter-segment transfers

There are no inter-segments transactions.

(v) Segment accounting policies

The Group prepares its segment information in conformity with accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

xi) Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit for the period / year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period / year. The weighted average number of equity shares outstanding during the reporting period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any occurred during the reporting period, that have changed the number of equity shares outstanding, without a corresponding change in resources. Further, the weighted average number of equity shares used in computing the basic earnings per share is reduced by the shares held by PSPL ESOP Management Trust at the balance sheet date, which were obtained by subscription to the shares from finance provided by the Group.

For the purpose of calculating diluted earnings per share, the net profit for the period / year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period / year, are adjusted for the effects of all dilutive potential equity shares.

The number of shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

xii) Provisions

A provision is recognized when the Group has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on the best estimate required to settle the obligation at the reporting date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

xiii) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

xiv) Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprises of cash at bank, cash in hand and short term deposits with an original maturity period of three months or less.

xv) Employee stock compensation expenses

Employees of the Group receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments granted (equity-settled transactions).

In accordance with Ind AS 102 – “Share Based Payments”, the cost of equity-settled transactions is determined by the fair value of the options at the date of the grant and recognized as employee compensation cost over the vesting period. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest.

The expense or credit recognized in the statement of profit and loss for a period / year represents the movement in cumulative expense recognized as at the beginning and end of that period / year and is recognized in employee benefits expense. In case of the employee stock option schemes having a graded vesting schedule, each vesting tranche having different vesting period has been considered as a separate option grant and accounted for accordingly.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total intrinsic value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

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5. Share capital

	As at June 30, 2016 In ₹ Million	As at June 30, 2015 In ₹ Million	As at March 31, 2016 In ₹ Million
Authorized shares (No. in million)			
200* (Previous period: 112/ Previous year: 200) equity shares of ₹ 10 each	2,000.00	1,120.00	2,000.00
	2,000.00	**1,120.00**	**2,000.00**
Issued, subscribed and fully paid-up shares (No. in million)			
80 (Previous period / year: 80) equity shares of ₹ 10 each	800.00	800.00	800.00
Issued, subscribed and fully paid-up share capital	**800.00**	**800.00**	**800.00**

*The Group increased its authorized share capital from ₹ 1,120 million divided into 112 million shares of ₹ 10 each to ₹ 2,000 million divided into 200 million shares of ₹ 10 each pursuant to the shareholders' resolution passed in the Annual General Meeting held on July 24, 2015.

a) Reconciliation of the shares outstanding at the beginning and at the end of the period/ year

The reconciliation of the number of shares outstanding and the amount of share capital is set out below:

(In Million)

	As at June 30, 2016		As at June 30, 2015		As at March 31, 2016	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
Number of shares at the beginning of the period / year	80.00	800.00	80.00	800.00	80.00	800.00
Add : Bonus shares issued	-	-	-	-	-	-
Number of shares at the end of the period/ year	**80.00**	**800.00**	**80.00**	**800.00**	**80.00**	**800.00**

b) Terms / rights attached to equity shares

The Group has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Group declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the quarter ended June 30, 2016, the amount of per share interim dividend recognized as distributions to equity shareholders is ₹ Nil [(Previous period: ₹ Nil, Previous year: ₹ 8 (post-bonus issue)].

During the year ended March 31, 2016, the amount of per share final dividend recognized as distributions to equity shareholders was ₹ Nil.

In the event of liquidation of the parent company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

	For the period of five years ended June 30, 2016 No in Million	For the period of five years ended June 30, 2015 No in Million	For the period of five years ended March 31, 2016 No in Million
Equity shares allotted on March 12, 2015 as fully paid bonus shares by capitalization of securities premium ₹ 400 million	40.00	40.00	40.00

d) Details of shareholders holding more than 5% shares in the Group

Name of the shareholder*	As at June 30, 2016		As at June 30, 2015		As at March 31, 2016	
	No. in million	% Holding	No. in million	% Holding	No. in million	% Holding
Dr. Anand Deshpande jointly with Mrs. Sonali Anand Deshpande	22.92	28.65	22.92	28.65	22.92	28.65
Mr. Suresh Deshpande jointly with Mrs. Sulabha Suresh Deshpande	7.46	9.32	7.82	9.78	7.80	9.75
Saif Advisors Mauritius Limited	4.27	5.33	4.27	5.33	4.27	5.33
PSPL ESOP Management Trust	3.69	4.61	4.39	5.49	3.73	4.66

* The shareholding information is based on legal ownership of shares and has been extracted from the records of the Group including register of shareholders / members.

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Persistent Systems Limited

Notes forming part of condensed consolidated financial statements

6.1 Property, Plant and Equipment

(In ₹ Million)

	Land - Freehold	Buildings - Freehold*	Computers	Office equipments	Plant and Equipment - Freehold	Leasehold improvements	Furniture and fixtures	Vehicles	Total
Gross block (At cost)									
As at April 1, 2016	220.08	2,421.85	2,096.34	63.59	1,354.42	71.77	581.02	4.73	6,813.80
Additions	-	-	51.43	0.25	6.52	-	0.75	-	58.95
Disposals	-	-	6.34	0.54	0.14	-	1.24	-	8.26
Effect of foreign currency translation from functional currency to reporting currency	(0.03)	(0.13)	(9.69)	0.75	(0.06)	(2.37)	0.89	-	(10.64)
As at June 30, 2016	**220.05**	**2,421.72**	**2,131.74**	**64.05**	**1,360.74**	**69.40**	**581.42**	**4.73**	**6,853.85**
Depreciation and impairment									
As at April 1, 2016	-	688.27	1,687.48	43.89	916.85	59.16	445.94	4.00	3,845.59
Charge for the period	-	24.35	75.44	2.02	30.81	0.96	14.20	0.05	147.83
Disposals	-	-	6.32	0.03	0.05	-	1.24	-	7.64
Effect of foreign currency translation from functional currency to reporting currency	-	(0.03)	(10.78)	0.09	(0.02)	(2.36)	0.15	-	(12.95)
As at June 30, 2016	**-**	**712.59**	**1,745.82**	**45.97**	**947.59**	**57.76**	**459.05**	**4.05**	**3,972.83**
Net block									
As at June 30, 2016	**220.05**	**1,709.13**	**385.92**	**18.08**	**413.15**	**11.64**	**122.37**	**0.68**	**2,881.02**
As at March 31, 2016	**220.08**	**1,733.58**	**408.86**	**19.70**	**437.57**	**12.61**	**135.08**	**0.73**	**2,968.21**

(In ₹ Million)

	Land - Freehold	Buildings - Freehold*	Computers	Office equipments	Plant and Equipment - Freehold	Leasehold improvements	Furniture and fixtures	Vehicles	Total
Gross block (At cost)									
As at April 1, 2015	218.65	2,409.12	1,632.92	54.86	1,272.21	21.40	512.40	4.73	6,126.29
Additions	-	-	90.22	1.48	50.78	-	-	-	142.48
Disposals	-	-	17.34	0.01	3.08	-	1.99	-	22.42
Effect of foreign currency translation from functional currency to reporting currency	0.70	3.13	4.43	0.14	0.06	-	0.75	-	9.21
As at June 30, 2015	**219.35**	**2,412.25**	**1,710.23**	**56.47**	**1,319.97**	**21.40**	**511.16**	**4.73**	**6,255.56**
Depreciation and impairment									
As at April 1, 2015	-	589.56	1,218.86	36.21	840.30	12.81	404.08	3.79	3,105.61
Charge for the period	-	24.25	68.04	1.72	28.53	0.65	10.18	0.05	133.42
Disposals	-	-	17.34	0.01	3.08	-	1.38	-	21.81
Effect of foreign currency translation from functional currency to reporting currency	-	0.46	2.88	0.05	-	-	0.33	-	3.72
As at June 30, 2015	**-**	**614.27**	**1,272.44**	**37.97**	**865.75**	**13.46**	**413.21**	**3.84**	**3,220.94**
As at June 30, 2015	**219.35**	**1,797.98**	**437.79**	**18.50**	**454.22**	**7.94**	**97.95**	**0.89**	**3,034.62**
As at March 31, 2015	**218.65**	**1,819.56**	**414.06**	**18.65**	**431.91**	**8.59**	**108.32**	**0.94**	**3,020.68**

* Note: Building includes those constructed on leasehold land:

a) Gross block as on June 30, 2016 ₹ 1,430.95 million (Corresponding period ₹ 1,424.66 million /Previous year ₹ 1,430.95 million)

b) Depreciation charge for the period ₹ 14.47 million (Corresponding period ₹ 14.40 million /Previous year ₹ 58.01 million)

c) Accumulated depreciation as on June 30, 2016 ₹ 278.97 million (Corresponding period ₹ 220.92 million/Previous year ₹ 264.50 million)

d) Net book value as on June 30, 2016 ₹ 1,151.98 million (Corresponding period ₹ 1,203.74 million/Previous year ₹ 1,166.45 million)

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6.1 Property, Plant and Equipment

(In ₹ Million)

	Land - Freehold	Buildings - Freehold*	Computers	Office equipments	Plant and Equipment - Freehold	Leasehold improvements	Furniture and fixtures	Vehicles	Total
Gross block (At cost)									
As at April 1, 2015	218.65	2,409.12	1,632.92	54.86	1,272.21	21.40	512.40	4.73	6,126.29
Additions	-	6.30	250.82	8.49	127.51	7.01	72.02	-	472.15
Additions through business combination	-	-	342.81	0.19	2.89	51.16	6.58	-	403.63
Disposals	-	-	132.74	0.42	48.36	5.85	11.97	-	199.34
Effect of foreign currency translation from functional currency to reporting currency	1.43	6.43	2.53	0.47	0.17	(1.95)	1.99	-	11.07
As at March 31, 2016	**220.08**	**2,421.85**	**2,096.34**	**63.59**	**1,354.42**	**71.77**	**581.02**	**4.73**	**6,813.80**
Depreciation and impairment									
As at April 1, 2015	-	589.56	1,218.86	36.21	840.30	12.81	404.08	3.79	3,105.61
Additions through business combination	-	-	310.87	0.10	1.64	47.13	5.33	-	365.07
Charge for the year	-	97.65	291.51	7.56	121.46	6.93	46.97	0.21	572.29
Disposals	-	-	132.68	0.15	46.64	5.85	11.37	-	196.69
Effect of foreign currency translation from functional currency to reporting currency	-	1.06	(1.08)	0.17	0.09	(1.86)	0.93	-	(0.69)
As at March 31, 2016	**-**	**688.27**	**1,687.48**	**43.89**	**916.85**	**59.16**	**445.94**	**4.00**	**3,845.59**
Net block									
As at March 31, 2016	**220.08**	**1,733.58**	**408.86**	**19.70**	**437.57**	**12.61**	**135.08**	**0.73**	**2,968.21**
As at March 31, 2015	**218.65**	**1,819.56**	**414.06**	**18.65**	**431.91**	**8.59**	**108.32**	**0.94**	**3,020.68**

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6.2. Goodwill

	As at June 30, 2016 In ₹ Million	As at June 30, 2015 In ₹ Million	As at March 31, 2016 In ₹ Million
Cost			
Balance at beginning of period / year	77.87	-	-
Additional amounts recognised from business combinations occurring during the period / year	-		77.87
Effect of foreign currency exchange differences	1.49	-	-
Balance at end of period / year	**79.36**	**-**	**77.87**

6.3. Other Intangible assets

(In ₹ Million)

	Software	Acquired contractual rights	Total
Gross block			
As at April 1, 2016	3,024.09	1,065.51	4,089.60
Additions	39.57	1,247.99	1,287.56
Disposals	-	-	-
Effect of foreign currency exchange differences	29.87	36.70	66.57
As at June 30, 2016	**3,093.53**	**2,350.20**	**5,443.73**
Amortization			
As at April 1, 2016	2,177.12	587.33	2,764.45
Charge for the period	86.61	108.37	194.98
Effect of foreign currency exchange differences	17.16	3.96	21.12
As at June 30, 2016	**2,280.89**	**699.66**	**2,980.55**
Net block			
As at June 30, 2016	**812.64**	**1,650.54**	**2,463.18**
As at March 31, 2016	**846.97**	**478.18**	**1,325.15**

(In ₹ Million)

	Software	Acquired contractual rights	Total
Gross block			
As at April 1, 2015	2,627.72	589.56	3,217.28
Additions	47.04	-	47.04
Effect of foreign currency exchange differences	27.14	6.63	33.77
As at June 30, 2015	**2,701.90**	**596.19**	**3,298.09**
Amortization			
As at April 1, 2015	1,752.85	469.13	2,221.98
Charge for the period	74.50	18.69	93.19
Effect of foreign currency exchange differences	14.78	4.46	19.24
As at June 30, 2015	**1,842.13**	**492.28**	**2,334.41**
Net block			
As at June 30, 2015	**859.77**	**103.91**	**963.68**
As at March 31, 2015	**874.87**	**120.43**	**995.30**

(In ₹ Million)

	Software	Acquired contractual rights	Total
Gross block			
As at April 1, 2015	2,627.72	589.56	3,217.28
Additions	250.69	290.42	541.11
Assets taken over on acquisition of entities	65.89	-	65.89
Additions through business combination	-	170.26	170.26
Disposals	-	-	-
Effect of foreign currency exchange differences	79.79	15.27	95.06
As at March 31, 2016	**3,024.09**	**1,065.51**	**4,089.60**
Amortization			
As at April 1, 2015	1,752.85	469.13	2,221.98
Assets taken over on acquisition of entities	63.40	-	63.40
Charge for the year	314.54	103.30	417.84
Reversals/ Disposals during the year	-	-	-
Effect of foreign currency exchange differences	46.33	14.90	61.23
As at March 31, 2016	**2,177.12**	**587.33**	**2,764.45**
Net block			
As at March 31, 2016	**846.97**	**478.18**	**1,325.15**
As at March 31, 2015	**874.87**	**120.43**	**995.30**

6.4. Depreciation and amortization

(In ₹ Million)

	For the quarter ended		For the year ended
	June 30, 2016	June 30, 2015	March 31, 2016
On Property, Plant and Equipment	147.83	133.42	572.29
On other intangible assets	194.98	93.19	417.84
	342.81	**226.61**	**990.13**

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7. Non-current financial assets : Investments

	As at June 30, 2016 In ₹ Million	As at June 30, 2015 In ₹ Million	As at March 31, 2016 In ₹ Million
Investments carried at cost			
Unquoted Investments			
Investments in equity instruments			
In associates			
Klisma eService Private Limited [Holding 50%. (Corresponding period / Previous year 50%)]			
0.005 million (Corresponding period / Previous year : 0.005 million) shares of ₹10 each, fully paid up	0.05	0.05	0.05
Less : Provision for diminution in value of investment	(0.05)	(0.05)	(0.05)
	-	-	-
Total investments carried at cost (A)	-	-	-
Investments carried at amortised cost			
Quoted Investments			
Government securities			
In government securities	692.02	775.76	609.46
[Market value ₹ 704.24 million (Corresponding period ₹ 787.89 million/ Previous year ₹ 655.67 million)]			
Add: Interest accrued on government bonds	27.75	29.44	17.22
Total investments carried at amortised cost (B)	**719.77**	**805.20**	**626.68**
Designated as fair value through profit and loss			
Quoted Investments			
- Investments in mutual funds			
Fair value of long term mutual funds (Refer Note 7a)	1,289.34	1,718.00	968.23
Less: Fair value of current portion of long term mutual funds (Refer Note 7b & 12)	(247.31)	-	(242.34)
	1,042.03	**1,718.00**	**725.89**
Unquoted Investments			
- Others*			
Ciqual Limited [Holding 2.38% (Corresponding period / Previous year 2.38%)]			
0.04 million (Corresponding period / Previous year : 0.04 million) shares of GBP 0.01 each, fully paid up	13.59	12.80	13.34
Less : Provision for diminution in value of investment	(13.59)	(12.80)	(13.34)
	-	-	-
Altizon Systems Private Limited	6.00	6.00	6.00
3,766 equity shares (Corresponding period / Previous year : 3,766 equity shares) of ₹ 10 each, fully paid up			
	6.00	**6.00**	**6.00**
- Investments in preferred stock			
Hygenx Inc.	13.50	12.73	13.25
0.25 million (Corresponding period / Previous year : 0.25 million) Preferred stock of $ 0.001 each, fully paid up			
Trunomi Inc.	16.88	-	16.56
0.28 million (Corresponding period : Nil / Previous year : 0.28 million) Preferred stock of $ 0.002 each, fully paid up			
Jocata Corporation	16.88	15.91	16.56
0.006 million (Corresponding period / Previous year : 0.006 million) Preferred stock of $ 0.001 each, fully paid up			
OpsDataStore Inc.	13.50	6.36	13.25
0.20 million (Corresponding period : 0.10 million / Previous year : 0.20 million) Preferred stock of $ 0.001 each, fully paid up			
Ampool Inc.	16.88	-	16.56
0.55 million (Corresponding period : Nil/ Previous year : 0.55 million) Preferred stock of $ 0.4583 each, fully paid up			
	77.64	**35.00**	**76.18**
- Investments in Convertible Notes			
DxNow	8.44	7.96	8.28
1 (Corresponding period / Previous year : 1) convertible note of USD 125,000 each, fully paid up			
Less : Provision for diminution in value of investment	(8.44)	-	-
	-	**7.96**	**8.28**
Ustyme	16.88	15.91	16.56
1 (Corresponding period / Previous year : 1) convertible note of USD 250,000 each, fully paid up			
Akumina Inc.	9.89	-	9.70
1 (Corresponding period : Nil/ Previous year : 1) convertible note of USD 146,429 each, fully paid up			
	26.77	**23.87**	**34.54**
Total Investments carried at Fair Value (C)	**1,152.44**	**1,782.87**	**842.61**
Total investments (A) + (B) + (C)	**1,872.21**	**2,588.07**	**1,469.29**
Aggregate amount of impairment in value of investments	22.08	12.85	13.39
Aggregate amount of quoted investments	1,734.05	2,493.76	1,335.35
Aggregate amount of unquoted investments	132.49	77.72	130.11

* Investments, where the Group does not have joint-control or significant influence including situations where such joint-control or significant influence is intended to be temporary, are classified as "investments in others"

7 a) Details of fair value of investment in long term Mutual Funds (Quoted)

	As at June 30, 2016 In ₹ Million	As at June 30, 2015 In ₹ Million	As at March 31, 2016 In ₹ Million
IDFC Mutual Fund	188.56	235.00	184.25
ICICI Prudential Mutual Fund	601.09	563.00	299.52
SBI Mutual Fund	499.69	550.00	484.46
DHFL Pramerica Mutual Fund (formerly known as DWS Mutual Fund)	-	116.00	-
L&T Mutual Fund	-	254.00	-
	1,289.34	**1,718.00**	**968.23**

7 b) Details of fair value of current portion of long term Mutual Funds (Quoted)

	As at June 30, 2016 In ₹ Million	As at June 30, 2015 In ₹ Million	As at March 31, 2016 In ₹ Million
ICICI Prudential Mutual Fund	123.62	-	121.11
SBI Mutual Fund	123.69	-	121.23
	247.31	**-**	**242.34**

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8. Non-current financial assets : Loans

	As at June 30, 2016 In ₹ Million	As at June 30, 2015 In ₹ Million	As at March 31, 2016 In ₹ Million
Carried at amortised cost			
Security deposits			
Unsecured, considered good	104.89	64.24	85.90
Unsecured, considered doubtful	2.19	2.19	2.19
	107.08	**66.43**	**88.09**
Less: Provision for doubtful deposits	(2.19)	(2.19)	(2.19)
	104.89	**64.24**	**85.90**
Other loans and advances			
Inter corporate deposits			
Unsecured, considered good	0.29	0.44	0.33
Unsecured, considered doubtful	0.58	0.58	0.58
	0.87	**1.02**	**0.91**
Less: Provision for doubtful deposits	(0.58)	(0.58)	(0.58)
	0.29	**0.44**	**0.33**
	105.18	**64.68**	**86.23**

9. Other non current financial assets

	As at June 30, 2016 In ₹ Million	As at June 30, 2015 In ₹ Million	As at March 31, 2016 In ₹ Million
Non-current bank balances (Refer note 15)	521.72	512.06	532.22
Interest accrued but not due on non-current bank deposits	51.28	1.42	35.41
Deposits with banks (Carried at amortised cost)	**573.00**	**513.48**	**567.63**
Deposits with financial institution	335.00	-	300.00
Add: Interest accrued but not due on deposit with financial institution	9.64	-	2.47
Deposits with financial institution (Carried at amortised cost)	**344.64**	**-**	**302.47**
	917.64	**513.48**	**870.10**

10. Deferred tax asset/ liability (net) *

	As at June 30, 2016 In ₹ Million	As at June 30, 2015 In ₹ Million	As at March 31, 2016 In ₹ Million
Deferred tax liabilities			
Differences in book values and tax base values of block of Property, Plant and Equipment and intangible assets	141.15	287.80	140.92
Capital gains	40.18	57.79	55.32
	181.33	**345.59**	**196.24**
Deferred tax assets			
Provision for leave encashment	177.09	123.08	142.54
Provision for long service awards	53.38	45.71	47.92
Provision for doubtful debts	83.06	128.95	73.87
Differences in book values and tax base values of block of Property, Plant and Equipment and intangible assets (overseas)	-	137.99	-
Brought forward and current period / year losses	101.51	170.71	60.37
Others	19.32	49.00	48.97
	434.36	**655.44**	**373.67**
Deferred tax liabilities after set off	**-**	**1.26**	**-**
Deferred tax assets after set off	**253.03**	**311.11**	**177.43**

* Deferred tax assets and deferred tax liabilities have been offset wherever the Group has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority. In all other cases the same have been separately disclosed.

11. Other non-current assets

	As at June 30, 2016 In ₹ Million	As at June 30, 2015 In ₹ Million	As at March 31, 2016 In ₹ Million
Capital advances (Unsecured, considered good)	1.45	19.60	582.75
Advances recoverable in cash or kind or for value to be received	113.30	75.05	66.38
	114.75	**94.65**	**649.13**

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Persistent Systems Limited

Notes forming part of condensed consolidated financial statements

12. Current financial assets : Investments

	As at June 30, 2016 In ₹ Million	As at June 30, 2015 In ₹ Million	As at March 31, 2016 In ₹ Million
Investments carried at cost			
-Unquoted Investments			
Investments in equity instruments			
In associates			
Sprint Telecom India Private Limited [Holding Nil (Corresponding period : 26% / Previous year Nil)]	-	13.00	-
Nil (Corresponding period : 1.30 million / Previous year : Nil) shares of ₹ 10 each, fully paid up			
Total investments carried at cost (A)	**-**	**13.00**	**-**
Designated as fair value through profit and loss			
- Quoted investments			
Investments in mutual funds			
Fair value of current mutual funds (Refer Note 12a)	3,756.04	4,598.48	4,672.02
Fair value of current portion of long term mutual funds (Refer Note 7a & 7b)	247.31	-	242.34
	4,003.35	**4,598.48**	**4,914.36**
Total Investments carried at Fair Value (B)	**4,003.35**	**4,598.48**	**4,914.36**
Total carrying amount of investments (A) + (B)	**4,003.35**	**4,611.48**	**4,914.36**
Aggregate amount of quoted investments	**4,003.35**	**4,598.48**	**4,914.36**
Aggregate amount of unquoted investments	**-**	**13.00**	**-**

12 a) Details of fair value of current investment in mutual funds (Quoted)

	As at June 30, 2016 In ₹ Million	As at June 30, 2015 In ₹ Million	As at March 31, 2016 In ₹ Million
IDFC Mutual Fund	329.81	311.22	325.49
HDFC Mutual Fund	608.00	543.38	448.81
ICICI Prudential Mutual Fund	-	-	114.53
Franklin Templeton Mutual Fund	-	505.24	-
Birla Sun Life Mutual Fund	544.07	507.47	534.40
Tata Mutual Fund	550.62	601.79	540.51
Reliance Mutual Fund	543.12	509.83	534.67
SBI Mutual Fund	-	-	102.62
Kotak Mutual Fund	27.63	-	325.84
UTI Mutual Fund	255.42	525.60	461.96
L&T Mutual Fund	30.00	174.38	320.44
DHFL Pramerica Mutual Fund (formerly known as DWS Mutual Fund)	437.19	411.59	430.89
Axis Mutual Fund	430.18	507.98	531.86
	3,756.04	**4,598.48**	**4,672.02**

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13. Trade receivables

	As at June 30, 2016 In ₹ Million	As at June 30, 2015 In ₹ Million	As at March 31, 2016 In ₹ Million
Outstanding for a period exceeding six months from the date they are due for payment			
Unsecured, considered good	-	2.12	2.63
Unsecured, considered doubtful	253.87	449.46	270.62
	253.87	**451.58**	**273.25**
Less : Provision for doubtful receivables	(253.87)	(449.46)	(270.62)
	-	**2.12**	**2.63**
Others			
Unsecured, considered good	4,053.89	3,677.70	4,272.86
Unsecured, considered doubtful	-	1.97	-
	4,053.89	**3,679.67**	**4,272.86**
Less : Provision for doubtful receivables		(1.97)	-
	4,053.89	**3,677.70**	**4,272.86**
	4,053.89	**3,679.82**	**4,275.49**

14. Cash and cash equivalents

	As at June 30, 2016 In ₹ Million	As at June 30, 2015 In ₹ Million	As at March 31, 2016 In ₹ Million
Cash and cash equivalents as presented in cash flow statement			
Cash in hand	0.16	0.13	0.16
Balances with banks			
On current accounts *	798.13	756.94	1,031.74
On saving accounts	2.18	0.09	0.08
On Exchange Earner's Foreign Currency accounts	125.83	188.83	368.21
	926.30	**945.99**	**1,400.19**

* Out of the balance the Company can utilise ₹ 1.19 million (Corresponding period: ₹1.16 million / Previous year ₹ 1.19 million) only towards research and development activities specified in the loan agreement.

15. Other bank balances

	As at June 30, 2016 In ₹ Million	As at June 30, 2015 In ₹ Million	As at March 31, 2016 In ₹ Million
On deposit account with original maturity more than twelve months *	563.23	540.66	563.20
Add: Interest accrued on deposits with banks	54.10	2.11	41.98
Deposits with banks (Carried at amortised cost)	**617.33**	**542.77**	**605.18**
Less: Deposits with maturity more than twelve months from the balance sheet date disclosed under other non-current financial assets (Refer note 9)	(521.72)	(512.06)	(532.22)
Less: Interest accrued on non-current deposits with banks	(51.28)	(1.42)	(35.41)
Balances with banks On unpaid dividend accounts**	0.94	0.71	1.21
	45.27	**30.00**	**38.76**

* Out of the balance, fixed deposits of ₹ 57.25 million (Corresponding period : ₹ 35.21 million / Previous year ₹ 57.25 million) have been earmarked against bank guarantees availed by the Company.
** The Group can utilize these balances only towards settlement of the respective unpaid dividend.

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16. Current financial assets : Loans

	As at June 30, 2016 In ₹ Million	As at June 30, 2015 In ₹ Million	As at March 31, 2016 In ₹ Million
Carried at amortised cost			
Loan to related parties (Unsecured, considered doubtful)			
Klisma e-Services Private Limited	27.43	27.43	27.43
	27.43	**27.43**	**27.43**
Less: Provision for doubtful deposits	(27.43)	(27.43)	(27.43)
	-	**-**	**-**
Security deposits			
Unsecured, considered good	5.65	9.41	9.12
Add: Interest accrued but not due on deposits	0.21	-	-
	5.86	**9.41**	**9.12**
	5.86	**9.41**	**9.12**

17. Other current financial assets

	As at June 30, 2016 In ₹ Million	As at June 30, 2015 In ₹ Million	As at March 31, 2016 In ₹ Million
Fair value of derivatives designated and effective as hedging instruments			
Forward contracts receivable	114.08	78.73	164.40
Advances to suppliers (Unsecured, considered doubtful)			
Advances recoverable in cash or kind or for value to be received	0.81	0.75	0.81
Less: Provision for doubtful advances	(0.81)	(0.75)	(0.81)
	-	-	-
	114.08	**78.73**	**164.40**

18. Other current assets

	As at June 30, 2016 In ₹ Million	As at June 30, 2015 In ₹ Million	As at March 31, 2016 In ₹ Million
Advances to suppliers (Unsecured, considered good)			
Advances recoverable in cash or kind or for value to be received	706.49	499.81	621.85
Other advances (Unsecured, considered good)			
VAT receivable (net)	66.53	51.52	52.76
Service tax receivable (net)	124.30	76.05	128.71
	190.83	**127.57**	**181.47**
Unbilled revenue	2,059.54	659.57	1,599.58
	2,956.86	**1,286.95**	**2,402.90**

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19. Non-current financial liabilities : Borrowings

	As at June 30, 2016 In ₹ Million	As at June 30, 2015 In ₹ Million	As at March 31, 2016 In ₹ Million
Unsecured Borrowings carried at amortised cost			
Term loans			
Indian rupee loan from others	30.28	31.04	30.28
Interest accrued but not due on term loans	2.60	2.18	2.40
	32.88	**33.22**	**32.68**
Less: Current maturity of long-term borrowings transferred to other current liabilities (Refer note 22).	(4.58)	(3.10)	(4.58)
Less: Current maturity of interest accrued but not due on term loan transferred to other current liabilities (Refer note 22).	(1.38)	(0.57)	(1.19)
	(5.96)	**(3.67)**	**(5.77)**
	26.92	**29.55**	**26.91**

The term loans from Government departments have the following terms and conditions:

Loan I - amounting to ₹ 13.64 million (Corresponding period ₹ 13.64 million / Previous year ₹ 13.64 million) with interest payable @ 2% per annum guaranteed by a bank guarantee by the Group and repayable in ten equal semi annual installments over a period of five years commencing from March 2016.

Loan II - amounting to ₹ 16.64 million (Corresponding period : ₹ 17.40 million / Previous year ₹ 16.64 million) with Interest payable @ 3% per annum repayable in ten equal annual installments over a period of ten years commencing from September 2015.

20. Non current liabilities : Provisions

	As at June 30, 2016 In ₹ Million	As at June 30, 2015 In ₹ Million	As at March 31, 2016 In ₹ Million
Provision for employee benefits			
- Gratuity	-	-	6.59
- Long service awards	134.54	109.54	117.82
	134.54	**109.54**	**124.41**

21. Trade payables

	As at June 30, 2016 In ₹ Million	As at June 30, 2015 In ₹ Million	As at March 31, 2016 In ₹ Million
Trade payables for goods and services	1,253.40	630.33	1,599.32
	1,253.40	**630.33**	**1,599.32**

22. Other current financial liabilities

	As at June 30, 2016 In ₹ Million	As at June 30, 2015 In ₹ Million	As at March 31, 2016 In ₹ Million
Capital creditors	404.41	383.06	228.90
Current maturity of long-term borrowings (Refer note 19)	4.58	3.10	4.58
Current maturity of interest on long-term borrowings (Refer note 19)	1.38	0.57	1.19
Accrued employee liabilities	119.51	137.73	243.71
Unpaid dividend*	0.94	0.71	1.21
Payable to selling shareholders	24.24	-	55.04
	555.06	**525.17**	**534.63**

* Unpaid dividend is credited to Investor Education and Protection Fund as and when due.

23.Other current liabilities

	As at June 30, 2016 In ₹ Million	As at June 30, 2015 In ₹ Million	As at March 31, 2016 In ₹ Million
Unearned revenue	688.78	429.12	943.08
Advance from customers	11.63	10.89	31.68
Other payables			
- Statutory liabilities	173.03	132.12	122.07
- Other liabilities	13.88	5.87	10.70
	887.32	**578.00**	**1,107.53**

24. Current liabilities : Provisions

	As at June 30, 2016 In ₹ Million	As at June 30, 2015 In ₹ Million	As at March 31, 2016 In ₹ Million
Provision for employee benefits			
- Gratuity	6.10	(10.91)	49.70
- Leave encashment	560.42	390.85	453.15
- Long service awards	23.30	25.93	24.18
- Other employee benefits	410.78	524.61	696.60
	1,000.60	**930.48**	**1,223.63**

25. Revenue from operations (net)

	For the quarter ended		For the year ended
	June 30, 2016	June 30, 2015	March 31, 2016
	In ₹ Million	In ₹ Million	In ₹ Million
Software services	6,955.66	4,798.01	22,358.47
Software licenses	62.11	206.15	764.84
	7,017.77	**5,004.16**	**23,123.31**

26. Other income

	For the quarter ended		For the year ended
	June 30, 2016	June 30, 2015	March 31, 2016
	In ₹ Million	In ₹ Million	In ₹ Million
Interest income			
On financial assets carried at amortised cost	12.19	12.89	60.86
On others	25.52	18.20	87.57
Finance income on lease deposits	1.01	0.55	2.55
Foreign exchange gain (net)	80.85	69.38	146.51
Profit on sale of fixed assets (net)	-	0.51	9.29
Dividend income from investments	53.91	53.93	226.50
Net Gain / (Loss) on sale of investments			
On sale of subsidiaries	-	-	3.65
On sale of other investments	36.74	39.42	224.41
Net gain/(loss) arising on financial assets designated as at FVTPL	37.92	(38.13)	(14.16)
Excess provision in respect of earlier period / years written back	-	-	0.01
Miscellaneous income	5.35	3.67	25.69
	253.49	**160.42**	**772.88**

27. Personnel expenses

	For the quarter ended		For the year ended
	June 30, 2016	June 30, 2015	March 31, 2016
	In ₹ Million	In ₹ Million	In ₹ Million
27.1 Employee benefits expense			
Salaries, wages and bonus	4,177.52	2,858.23	13,156.03
Contribution to provident and other funds	79.75	58.41	263.08
Gratuity expenses	18.78	30.65	135.16
Defined contribution to other funds	29.88	28.66	113.06
Staff welfare and benefits	94.77	85.76	365.79
Employee stock compensation expenses	11.77	3.76	34.48
	4,412.47	**3,065.47**	**14,067.60**
27.2 Cost of technical professionals	431.97	307.23	1,586.63
	4,844.44	**3,372.70**	**15,654.23**

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28. Other expenses

	For the quarter ended		For the year ended
	June 30, 2016	June 30, 2015	March 31, 2016
	In ₹ Million	In ₹ Million	In ₹ Million
Travelling and conveyance	310.10	238.45	982.58
Electricity expenses (net)	55.68	33.50	149.80
Internet link expenses	28.09	16.28	72.36
Communication expenses	31.01	17.44	81.61
Recruitment expenses	26.57	26.99	111.86
Training and seminars	4.48	6.72	23.70
Royalty expenses	28.26	34.87	138.06
Purchase of software licenses and support expenses	179.50	129.18	723.27
Bad debts	35.53	2.42	205.01
Provision for doubtful receivables/ (provision for doubtful receivables written back) (net)	(15.54)	4.30	(196.10)
Rent	126.07	42.71	251.12
Insurance	6.83	5.90	27.59
Rates and taxes	14.55	4.78	51.96
Legal and professional fees	121.95	51.06	280.27
Repairs and maintenance			
- Plant and Machinery	27.52	21.24	95.74
- Buildings	5.20	7.36	27.36
- Others	4.81	4.14	19.00
Commission on sales	1.10	1.04	4.31
Advertisement and sponsorship fees	31.45	35.57	122.84
Computer consumables	2.79	1.08	7.48
Auditors' remuneration	3.07	2.09	11.74
Donations	4.59	18.35	75.25
Books, memberships, subscriptions	15.33	8.61	42.18
Loss on sale of fixed assets (net)	0.02	-	
Directors' sitting fees	0.85	0.50	2.60
Directors' commission	2.62	1.95	9.29
Provision for doubtful deposits and advances	-	-	0.06
Advances written off	-	-	29.55
Impairment loss on financial assets designated as at FVTPL	8.36	-	-
Miscellaneous expenses	55.03	52.51	203.51
	1115.82	**769.04**	**3,554.00**

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29. Earnings per share

		For the quarter ended		For the year ended
		June 30, 2016	**June 30, 2015**	**March 31, 2016**
Numerator for Basic and Diluted EPS				
Net Profit after tax (In ₹ Million)	(A)	732.86	561.49	2,772.99
Denominator for Basic EPS				
Weighted average number of equity shares	(B)	80,000,000	79,521,527	79,810,026
Denominator for Diluted EPS				
Number of equity shares	(C)	80,000,000	80,000,000	80,000,000
Basic Earnings per share of face value of ₹ 10 each (In ₹)	(A/B)	**9.16**	**7.06**	**34.74**
Diluted Earnings per share of face value of ₹ 10 each (In ₹)	(A/C)	**9.16**	**7.02**	**34.66**

	For the quarter ended		For the year ended
	June 30, 2016	**June 30, 2015**	**March 31, 2016**
Number of shares considered as basic weighted average shares outstanding	80,000,000	79,521,527	79,810,026
Add: Effect of dilutive issues of stock options	-	478,473	189,974
Number of shares considered as weighted average shares and potential shares outstanding	**80,000,000**	**80,000,000**	**80,000,000**

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30. Financial assets and liabilities

The carrying values of financial instruments by categories are as follows:

Financial assets/ financial liabilities	Basis of measurement	Carrying value as at (In ₹ million)			Fair value hierarchy
		30-Jun-16	30-Jun-15	31-Mar-16	
Assets:					
Investments in associates	Cost	-	13.00	-	
Investments in other equity instruments	Fair value	110.41	64.87	116.72	Level 3
Investments in government securities	Amortised cost	719.77	805.20	626.68	
Investments in mutual funds	Fair value	5,045.38	6,316.48	5,640.25	Level 1
Loans	Amortised cost	111.04	74.09	95.35	
Deposit with banks and financial institution	Amortised cost	961.97	542.77	907.65	
Cash and cash equivalents and balances with other banks	Amortised cost	927.24	946.70	1,401.40	
Trade receivables	Amortised cost	4,053.89	3,679.82	4,275.49	
Forward contracts	Fair value	114.08	78.73	164.40	Level 1
Total		**12,043.78**	**12,521.66**	**13,227.94**	
Liabilities:					
Borrowings	Amortised cost	32.88	33.22	32.68	
Trade payables and deferred payment liabilities	Amortised cost	1,255.68	651.33	1,603.66	
Other financial liabilities	Amortised cost	549.10	521.50	528.86	
Total		**1,837.66**	**1,206.05**	**2,165.20**	

Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

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31. Segment Information

Operating segments are components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Group's chief operating decision maker is the CEO and Managing Director.

The Group reorganised itself into 4 business units during the year, which form the operating segments for segment reporting.
The operating segments are:

a. Services
b. Digital
c. Alliance
d. Accelerite (Products)

As the business has been reorganised into the above 4 business units effective from April 1, 2016, discrete financial information for these business units/ operating segments for the earlier periods is not available. Hence the comparative information for the quarter ended June 2015 and year ended March 2016 is not provided.

(In ₹ Million)

Particulars			**Services**	**Digital**	**Alliance**	**Accelerite (Products)**	**Total**
Revenue	Quarter ended	Jun-30-2016	3,338.22	1,002.01	2,110.61	566.93	7,017.77
Identifiable expense	Quarter ended	Jun-30-2016	1,918.13	738.19	1,452.84	328.69	4,437.85
Segmental result	Quarter ended	Jun-30-2016	1,420.09	263.82	657.77	238.24	2,579.92
Unallocable expenses	Quarter ended	Jun-30-2016					1,865.41
Operating income	Quarter ended	Jun-30-2016					714.51
Other income (net of expenses)	Quarter ended	Jun-30-2016					253.49
Profit before taxes	Quarter ended	Jun-30-2016					968.00
Tax expense	Quarter ended	Jun-30-2016					235.14
Profit after tax	Quarter ended	Jun-30-2016					732.86

Note:Costs related to research and development are included under identifiable expenses for the purpose of segment reporting.

(In ₹ Million)

Particulars			**Services**	**Digital**	**Alliance**	**Accelerite (Products)**	**Total**
Segmental trade receivables	As at	Jun-30-2016	2,409.90	807.91	560.57	275.51	4,053.89
Unallocated assets	As at	Jun-30-2016	-	-	-	-	17,219.64

Geographical Information

The following table shows the distribution of the Group's consolidated sales by geographical market regardless of from where the services were rendered

(In ₹ Million)

Particulars			**India**	**North America**	**Rest of the World**	**Total**
Revenue	Quarter ended	Jun-30-2016	378.51	6,103.15	536.11	7,017.77
	Quarter ended	Jun-30-2015	377.20	4,224.36	402.60	5,004.16
	Year ended	Mar-31-2016	1,538.10	19,779.95	1,805.26	23,123.31

The revenue from a single customer in excess of ten percent of total revenue of the Group is ₹ 2,036.24 million for the quarter ended June 30, 2016.

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32. First-time adoption of Ind-AS

These condensed consolidated financial statements, for the quarter ended June 30, 2016, are the first consolidated financial statements the Group has prepared in accordance with Ind-AS. For periods up to and including the year ended March 31, 2016, the Group prepared its consolidated financial statements in accordance with statutory reporting requirements in India immediately before adopting Ind AS ('previous GAAP').

Accordingly, the Group has prepared condensed consolidated financial statements which comply with Ind-AS applicable for period ending on June 30 2016, together with the comparative period data as at and for the period/ year ended June 30, 2015 and March 31, 2016. In preparing these condensed financial statements, the Group's opening balance sheet was prepared as at April 1, 2015, the Group's date of transition to Ind-AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP consolidated financial statements, including the balance sheet as at April 1, 2015 and the consolidated financial statements as at and for the period / year ended June 30, 2015 and March 31, 2016.

Exemptions applied

Ind AS 101 allows first-time adopters certain optional exemptions from the retrospective application of certain requirements under Ind AS.
The Group has applied the following optional exemptions:

A. Business combinations
The Group has applied Ind AS 103, "Business combinations" to all the business combinations that occurred after the date of transition to Ind AS i.e. April 1, 2015. Accordingly, business combinations prior to April 1, 2015 have not been restated.

B. Share based payment transactions
The Group has not applied Ind AS 102, "Share based payment" to equity instruments that vested before the date of transition to Ind AS i.e. April 1, 2015. Accordingly, equity instruments that have vested prior to April 1, 2015 have not been fair valued.

C. Deemed cost
The Group has elected to measure the carrying value for all of its Property, Plant and Equipment as per the previous GAAP and use that as its deemed cost as at the date of transition to Ind AS i.e. April 1, 2015.

Explanation of transition to Ind AS

The below mentioned reconciliations provide a quantification of the effect of significant differences arising from the transition from Indian GAAP to Ind AS in accordance with Ind AS 101 for the following:

- equity as at April 1, 2015
- equity as at June 30, 2015
- equity as at March 31, 2016
- Profit for the quarter ended June 30, 2015
- Profit for the year ended March 31, 2016

There are no material adjustments to the cash flow statements.

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Notes forming part of condensed consolidated financial statements

In the reconciliations mentioned above, certain reclassifications are made to Indian GAAP financial information to align with the Ind AS presentation.

(In ₹ Million)

Particulars	Note	1-Apr-15			30-Jun-15				31-Mar-16				Remarks
		Indian GAAP	Effect of transition to Ind AS	Ind AS	Indian GAAP	Effect of transition to Ind AS	Reclassification adjustments	Ind AS	Indian GAAP	Effect of transition to Ind AS	Reclassification adjustments	Ind AS	
Liabilities													
Trade payables	21	528.72	(31.73)	**496.99**	669.04	(38.71)		**630.33**	1,651.02	(51.70)	-	**1,599.32**	Note 1
Short-term provisions	24	1,755.23	(481.43)	**1,273.80**	1,063.35	-	(132.87)	**930.48**	1,223.63	-	-	**1,223.63**	Note 2
Other current liabilities	23	1,264.72	-	**1,264.72**	1,584.60	(481.43)	(525.17)	**578.00**	1,642.16	-	(534.63)	**1,107.53**	Note 2
Assets													
Property, plant and equipment	6.1	3,057.24	(36.56)	**3,020.68**	3,071.07	(36.45)	-	**3,034.62**	3,007.45	(39.24)	-	**2,968.21**	Note 8
Goodwill / (Capital reserve) on consolidation	BS	23.91	-	**23.91**	24.36	-	-	**24.36**	174.88	(248.13)	-	**(73.25)**	Note 3
Goodwill	6.2	-	-	-	-	-	-	-	-	77.87	-	**77.87**	Note 3
Intangible assets	6.3	995.30	-	**995.30**	963.68	-	-	**963.68**	1,180.38	144.77	-	**1,325.15**	Note 3
Deferred tax assets		315.44	(70.99)	**244.45**	368.90	(57.79)	-	**311.11**	232.75	(55.32)		**177.43**	Note 9
Non-current investments	7	2,115.54	163.63	**2,279.17**	2,396.82	161.81	29.44	**2,588.07**	1,347.92	104.15	17.22	**1,469.29**	Note 4
Non current loans (Security deposits)	8	72.27	(15.25)	**57.02**	82.54	(18.30)	0.44	**64.68**	102.28	(16.38)	0.33	**86.23**	Note 5
Other non-current assets (Capital advance and Advance recoverable in cash or kind)	11	30.39	50.34	**80.73**	41.88	53.21	(0.44)	**94.65**	595.65	53.81	(0.33)	**649.13**	Note 5 and Note 8
Current investments	12	4,619.75	41.48	**4,661.23**	4,606.31	5.17	-	**4,611.48**	4,827.55	86.81	-	**4,914.36**	Note 4

Reconciliation of profit

(In ₹ Million)

Particulars	Note	Quarter ended June 30, 2015				Year ended March 31, 2016				Note
		Indian GAAP	Effect of transition to Ind AS	Reclassification adjustments	Ind AS	Indian GAAP	Effect of transition to Ind AS	Reclassification adjustments	Ind AS	
Income										
Revenue from operations (net)	25	5,004.16	-	-	**5,004.16**	23,123.31	-	-	**23,123.31**	
Other income	26	198.00	(37.58)	-	**160.42**	784.49	(11.61)	-	**772.88**	Note 4 and Note 5
Employee benefits expense	27.1	2,952.54	112.93	-	**3,065.47**	13,828.26	239.34	-	**14,067.60**	Note 6 and Note 7
Other expenses	28	775.31	(6.27)	-	**769.04**	3,570.56	(16.56)	-	**3,554.00**	Note 1, Note 5 and Note 8
Depreciation and amortization expense	6.4	226.72	(0.11)	-	**226.61**	965.16	24.97	-	**990.13**	Note 3 and Note 8
Profit before tax (A - B)		940.10	(144.13)	-	**795.97**	3,956.27	(259.36)	-	**3,696.91**	
Total tax expense		267.94	(13.20)	(20.26)	**234.48**	982.66	(15.67)	(43.07)	**923.92**	Note 9
Net profit for the period / year		672.16	(130.93)	20.26	**561.49**	2,973.61	(243.69)	43.07	**2,772.99**	

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Notes forming part of condensed consolidated financial statements

Notes

Note 1

Under Indian GAAP, the expenditure and corresponding liability for escalation of lease rent during non-cancellable lease period is required to be considered and total lease rent payable during non-cancellable lease period is recognized on straight line basis over the non-cancellable lease period. Under Ind AS, this additional expenses and corresponding liability on lease escalation is not required to be recognized if such escalation represents normal inflation in the economy. Accordingly, the excess expenses and corresponding lease escalation liability is reversed. The impact arising on this change is summarized as follows:

(In ₹ Million)

Particulars	1-Apr-15	30-Jun-15	31-Mar-16
Consolidated statement of profit and loss			
Other expenses - Rent	-	(6.98)	(19.97)
Consolidated balance sheet			
Trade payables	(31.73)	(38.71)	(51.70)
Adjustment to retained earnings	31.73	-	-

Note 2

Under Indian GAAP, a liability is recognized in respect of proposed dividend on Company's equity shares, even though the dividend is expected to be approved by the shareholders subsequent to reporting date. Under Ind AS, the liability for dividend is recognized only when it is approved by the shareholders. The impact arising on this change is summarized as follows:

(In ₹ Million)

Particulars	1-Apr-15	30-Jun-15	31-Mar-16
Consolidated balance sheet			
Short-term provisions - Dividend payable and tax thereon	(481.43)	-	-
Other current liabilities Dividend payable and tax thereon		(481.43)	
Adjustment to retained earnings	481.43	481.43	-

Provision for income tax (net) of ₹ 132.87 Million as at June 30, 2015 have been reclassified from short term provisions to Current tax liabilities (net) in accordance with Ind AS compliant Schedule III.
Financial liabilities of ₹ 525.17 million as at June 30, 2015 and ₹ 534.63 million as at March 31, 2016 have been reclassified from other current liabilities to other current financial liabilities in accordance with Ind AS compliant Schedule III.

Note 3

Under Indian GAAP, in case of acquisitions, the difference between the value of net consideration and the value of net assets acquired is recognized as goodwill / capital reserve on consolidation. Under Ind AS, all identifiable intangible assets are recognized at their fair values separately from goodwill arising out of business combinations. The impact arising on this change is summarized as follows:

(In ₹ Million)

Particulars	1-Apr-15	30-Jun-15	31-Mar-16
Consolidated statement of profit and loss			
Depreciation and amortization expense	-	-	25.49
Consolidated balance sheet			
Goodwill on consolidation	-	-	(248.13)
Goodwill			77.87
Intangible assets (net of amortization)	-	-	144.77

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Notes forming part of condensed consolidated financial statements

Note 4

Under Indian GAAP, the long-term investments (investments in equity shares and mutual funds) are stated at cost as reduced by the permanent diminution in value of investment, if any. The short-term investments (current portion of mutual funds) are stated at lower of cost and market value. Under Ind As, the investments in mutual funds and equity shares are stated at their fair values. The impact arising on this change is summarized as follows:

(In ₹ Million)

Particulars	1-Apr-15	30-Jun-15	31-Mar-16
Consolidated statement of profit and loss			
Other income	-	(38.13)	(14.16)
Consolidated balance sheet			
Non-current investments - Mutual Funds	163.63	161.81	104.15
Current investments - Mutual Funds	41.48	5.17	86.81
Adjustment to retained earnings	205.11	-	-

Interest accrued of ₹ 29.44 million as at June 30, 2015 and ₹ 17.22 million as at March 31, 2016 has been reclassified from other current assets to non-current investments.

Note 5

Under Indian GAAP, the long-term security deposits are recognized at the transaction value. Under Ind AS, the long-term security deposits (financial assets) are recognized at the fair value under amortized cost method. The difference between the fair value and the transaction value is considered as prepaid rent and amortized over the period of lease. The finance income is recognized on the amortized cost of security deposits for the reported period. The impact arising on this change is summarized as follows:

(In ₹ Million)

Particulars	1-Apr-15	30-Jun-15	31-Mar-16
Consolidated statement of profit and loss			
Other expenses (Rent)	-	0.60	2.89
Other income (Finance income)	-	0.55	2.55
Consolidated balance sheet			
Non current loans - Security deposits	(15.25)	(18.30)	(16.38)
Other non current assets (Advances recoverable in cash or kind or for value to be received)	13.78	14.50	14.57
Adjustment to retained earnings	(1.47)	-	-

Inter corporate deposits of ₹ 0.44 million as at June 30, 2015 and Rs. ₹ 0.33 million as at March 31, 2016 has been reclassified from other non-current assets to Non-current loans in accordance with Ind AS compliant Schedule III.

Note 6

Under Indian GAAP, the actuarial gain / loss on defined benefit obligations and plan assets is recognized as employee benefit expenses in the statement of profit and loss. Under Ind AS, such actuarial gain / loss is recognized under other comprehensive income and classified as equity. The impact arising on this change is summarized as follows:

(In ₹ Million)

Particulars	1-Apr-15	30-Jun-15	31-Mar-16
Consolidated statement of profit and loss			
Employee benefit expenses	-	109.17	222.67
Consolidated balance sheet			
Other comprehensive income	-	109.17	222.67

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Notes forming part of condensed consolidated financial statements

Note 7

Under Indian GAAP, the Employee stock compensation expenses are recognized at the intrinsic value as on the date of grant. Under Ind AS, the Employee stock compensation expenses are recognized at the fair value as on the date of grant . The fair valuation is made for the shares not vested as on March 31, 2015. The net impact arising on these adjustments is summarized below:

(In ₹ Million)

Particulars	1-Apr-15	30-Jun-15	31-Mar-16
Consolidated statement of profit and loss			
Employee benefit expenses	-	3.76	16.67
Consolidated balance sheet			
Employees share options outstanding account	74.29	3.76	16.67
Adjustment to retained earnings	(74.29)	-	-

Note 8

Under Indian GAAP, the amount of upfront premium paid for the leasehold land is classified under tangible assets if the lease is for the significantly longer period. However, such upfront premium on leasehold land is classified as prepaid expenses under Ind AS. Further, amortization of upfront lease premium is reclassified from depreciation and amortization expenses to rent. The net impact arising on these adjustments is summarized below:

(In ₹ Million)

Particulars	1-Apr-15	30-Jun-15	31-Mar-16
Consolidated statement of profit and loss			
Depreciation and amortization expense	-	(0.11)	(0.52)
Other expenses - Rent	-	0.11	0.52
Consolidated balance sheet			
Other non current assets (Advances recoverable in cash or kind or for value to be received)	36.56	36.45	39.24
Property, plant and equipments	(36.56)	(36.45)	(39.24)
			-

Note 9

Under Indian GAAP, the long-term investments (investments in equity shares and mutual funds) are stated at cost as reduced by the permanent diminution in value of investment, if any. The short-term investments (current portion of mutual funds) are stated at lower of cost and market value. Under Ind As, the investments in mutual funds and equity shares are stated at their fair values. The impact arising on this change on deferred tax is summarized as follows:

(In ₹ Million)

Particulars	1-Apr-15	30-Jun-15	31-Mar-16
Consolidated statement of profit and loss			
Deferred tax asset	(70.99)	(57.79)	(55.32)
Consolidated balance sheet			
Deferred tax charge / (credit)	-	(13.20)	(15.67)
Adjustment to retained earnings	70.99	-	-

Further, the tax effects of the items presented in other comprehensive income amounting to ₹ 20.26 million for the quarter ended June 30, 2015 and ₹ 43.07 million for the year ended March 31, 2016 have been reclassified to other comprehensive income from the statement of profit and loss.

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33.

(i) On February 10, 2014, the Company, through its wholly owned subsidiary Persistent Systems Inc., acquired the entire equity capital of US based CloudSquads Inc. In addition to the upfront purchase consideration, the stock purchase agreement provides for additional consideration, contingent upon certain conditions being met in future years. The additional contingent consideration payable to the selling shareholders is subject to a maximum amount of USD 2.93 million. The fair value of the contingent consideration is estimated to be Nil as on the date of acquisition. The contingent consideration would be recorded, as and when the contingency is resolved and the consideration is payable.

(ii) Subsequently, CloudSquads Inc. (CSI), has been dissolved with effect from December 29, 2015. Persistent Systems Inc., the holding Company took over all the assets and liabilities of CSI on the date of dissolution.

34. On July 02, 2015, the Company, through its wholly owned subsidiary Persistent Systems Inc., acquired the entire equity capital of US based Akshat Corporation (d.b.a. RGen Solutions in USA). In addition to the upfront purchase consideration, the stock purchase agreement provides for additional consideration, contingent upon certain conditions being met in future years. The additional contingent consideration payable to the selling shareholders is subject to a maximum amount of USD 3.75 million. The fair value of the contingent consideration is estimated to be Nil as on the date of acquisition. The contingent consideration would be recorded, as and when the contingency is resolved and the consideration is payable.

35. Persistent Systems Inc. (a wholly owned subsidiary of Persistent Systems Limited) acquired Digital Content Management Solution product from the US based Akumina Inc. on November 9, 2015. In addition to the upfront purchase consideration, the asset purchase agreement provides for additional consideration, contingent upon certain conditions being met in future years. The additional contingent consideration payable to Akumina Inc., is subject to maximum amount of USD 5.00 million. The fair value of the contingent consideration is estimated to be Nil as on the date of acquisition. The contingent consideration would be recorded, as and when the contingency is resolved and the consideration is payable.

36. Persistent Telecom Solutions Inc. (a wholly owned subsidiary of Persistent Systems Inc.) acquired a cloud platform open source software from Citrix on February 28, 2016. In addition to the upfront purchase consideration, the asset purchase agreement provides for additional consideration, contingent upon certain conditions being met in future years. The fair value of the contingent consideration is estimated to be Nil as on the date of acquisition. The contingent consideration would be recorded, as and when the contingency is resolved and the consideration is payable.

37. On 2nd October, 2015, Persistent Systems Inc. (a wholly owned subsidiary of Persistent Systems Limited), acquired the entire equity capital of Aepona Holdings Limited, a Republic of Ireland Corporation along with its five subsidiaries.

38. Valista Inc.has been dissolved with effect from June 28, 2016. Valista Ireland, the holding Company took over all the assets and liabilities of Valista Inc.on the date of dissolution.

39. The financial statements are presented in ₹ million and decimal thereof except for per share information or as otherwise stated.

40. Previous period’s / year’s figures have been regrouped where necessary to conform to current years’ classification.

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