

Persistent Systems Limited**CONDENSED CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2013**

| | Notes | As at December 31, 2013 In ₹ Million | As at December 31, 2012 In ₹ Million | As at March 31, 2013 In ₹ Million |
|--|-------|--|--|---|
| EQUITY AND LIABILITIES | | | | |
| Shareholders' funds | | | | |
| Share capital | 5 | 400.00 | 400.00 | 400.00 |
| Reserves and surplus | 6 | 11,167.58 | 9,320.66 | 9,782.55 |
| | | 11,567.58 | 9,720.66 | 10,182.55 |
| Non- current liabilities | | | | |
| Long-term borrowings | 7 | 23.35 | 14.20 | 14.20 |
| Deferred payment liabilities | | - | 24.75 | - |
| Other long term liabilities | 8 | 309.69 | 0.27 | 559.39 |
| Long-term provisions | 9 | 87.00 | 71.71 | 79.87 |
| | | 420.04 | 110.93 | 653.46 |
| Current liabilities | | | | |
| Deferred payment liabilities | | - | 28.04 | - |
| Trade payables | 10 | 398.50 | 383.15 | 319.00 |
| Other current liabilities | 10 | 1,320.35 | 483.95 | 468.24 |
| Short-term provisions | 11 | 1,393.06 | 1,263.84 | 1,048.03 |
| | | 3,111.91 | 2,158.98 | 1,835.27 |
| TOTAL | | 15,099.53 | 11,990.57 | 12,671.28 |
| ASSETS | | | | |
| Non-current assets | | | | |
| Fixed assets | | | | |
| Tangible assets | 12.1 | 2,823.03 | 2,726.87 | 2,800.26 |
| Intangible assets | 12.2 | 1,394.52 | 768.58 | 702.10 |
| Capital work-in-progress | | 287.44 | 362.90 | 1,174.49 |
| Intangible assets under development | | - | 0.18 | - |
| | | 4,504.99 | 3,858.53 | 4,676.85 |
| Non-current investments | 13 | 411.93 | 172.74 | 172.74 |
| Deferred tax assets (net) | 14 | 251.06 | 193.18 | 190.21 |
| Long term loans and advances | 15 | 201.38 | 160.72 | 199.48 |
| Other non-current assets | 16 | 650.45 | 534.32 | 523.63 |
| | | 6,019.81 | 4,919.49 | 5,762.91 |
| Current assets | | | | |
| Current investments | 17 | 3,964.82 | 3,409.76 | 3,116.18 |
| Trade receivables | 18 | 3,357.41 | 2,450.93 | 2,451.02 |
| Cash and bank balances | 19 | 922.28 | 387.39 | 561.26 |
| Short term loans and advances | 20 | 308.34 | 488.26 | 345.62 |
| Other current assets | 21 | 526.87 | 334.74 | 434.29 |
| | | 9,079.72 | 7,071.08 | 6,908.37 |
| TOTAL | | 15,099.53 | 11,990.57 | 12,671.28 |
| 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 S.R. BATLIBOI & CO LLP
ICAI Firm registration no. 301003E
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 Paul Alvares
Partner
Membership no. 105754

per C. K. Joshi
Partner
Membership no. 030428

Dr. Anand Deshpande
Chairman and
Managing Director

Nitin Kulkarni
Executive Director

Rohit Kamat
Chief Financial Officer

Amit Atre
Company Secretary

Place: Pune
Date : January 25, 2014

Place: Pune
Date : January 25, 2014

Place: Pune
Date : January 25, 2014

Place: Pune
Date : January 25, 2014

Persistent Systems Limited**CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2013**

| | Notes | For the quarter ended | | For the nine months ended | | For the year ended |
|--|-------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|--------------------------------|
| | | December 31, 2013 In ₹ Million | December 31, 2012 In ₹ Million | December 31, 2013 In ₹ Million | December 31, 2012 In ₹ Million | March 31, 2013 In ₹ Million |
| Income | | | | | | |
| Revenue from operations (net) | 22 | 4,327.57 | 3,329.85 | 12,224.16 | 9,605.53 | 12,945.12 |
| Other income | 23 | 84.08 | 83.85 | 234.07 | 222.83 | 286.01 |
| Total revenue (A) | | 4,411.65 | 3,413.70 | 12,458.23 | 9,828.36 | 13,231.13 |
| Expenses | | | | | | |
| Employee benefit expenses | 24.1 | 2,341.53 | 1,920.93 | 6,663.04 | 5,292.25 | 7,187.58 |
| Cost of technical professionals | 24.2 | 222.09 | 116.36 | 677.24 | 388.70 | 536.38 |
| Other expenses | 25 | 720.58 | 468.48 | 1,852.56 | 1,667.46 | 2,094.07 |
| Finance costs | | 0.16 | 0.09 | 0.38 | 0.27 | 0.36 |
| Depreciation and amortization expense | 12.3 | 262.02 | 197.80 | 761.69 | 571.38 | 782.86 |
| Total expenses (B) | | 3,546.38 | 2,703.66 | 9,954.91 | 7,920.06 | 10,601.25 |
| Profit before tax (A - B) | | 865.27 | 710.04 | 2,503.32 | 1,908.30 | 2,629.88 |
| Tax expense | | | | | | |
| Current tax | | 239.86 | 238.07 | 745.55 | 636.41 | 846.28 |
| Tax credit in respect of earlier year | | (0.02) | (1.16) | (13.37) | (1.46) | (10.80) |
| Deferred tax charge / (credit) | | (16.55) | (21.95) | (49.64) | (83.98) | (81.78) |
| Total tax expense | | 223.29 | 214.96 | 682.54 | 550.97 | 753.70 |
| Net profit for the period / year | | 641.98 | 495.08 | 1,820.78 | 1,357.33 | 1,876.18 |
| Earnings per equity share | | | | | | |
| [Nominal value of share ₹10 (Corresponding period/previous year: ₹10)] | | | | | | |
| Basic (In ₹) | 26 | 16.48 | 12.82 | 46.88 | 35.20 | 48.62 |
| Diluted (In ₹) | | 16.05 | 12.38 | 45.52 | 33.93 | 46.90 |
| 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 S.R. BATLIBOI & CO LLP
ICAI Firm registration no. 301003E
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 Paul Alvares
Partner
Membership no. 105754

per C. K. Joshi
Partner
Membership no. 030428

Dr. Anand Deshpande
Chairman and
Managing Director

Nitin Kulkarni
Executive Director

Rohit Kamat
Chief Financial Officer

Amit Atre
Company Secretary

Place: Pune
Date : January 25, 2014

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Date : January 25, 2014

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Persistent Systems Limited**CONSOLIDATED CASH FLOW STATEMENT FOR THE NINE MONTHS ENDED DECEMBER 31, 2013**

| | For the nine months ended | | For the year ended |
|---|---------------------------|-------------------|--------------------|
| | December 31, 2013 | December 31, 2012 | March 31, 2013 |
| | In ₹ Million | In ₹ Million | In ₹ Million |
| Cash flow from operating activities | | | |
| Profit before tax | 2,503.32 | 1,908.30 | 2,629.88 |
| Adjustments for: | | | |
| Interest income | (62.00) | (76.50) | (92.60) |
| Finance cost | 0.38 | 0.27 | 0.36 |
| Dividend income | (105.84) | (116.68) | (155.23) |
| Depreciation and amortization expense | 761.69 | 571.38 | 782.86 |
| Unrealised exchange loss (net) | 22.52 | 75.74 | 8.97 |
| Change in foreign currency translation reserve | (38.93) | 11.20 | 12.70 |
| Exchange loss/ (gain) on derivative contracts | 120.85 | (23.42) | (89.79) |
| Exchange (gain) / loss on translation of foreign currency cash and cash equivalents | 4.03 | 0.11 | (1.33) |
| Bad debts | 43.77 | - | 30.59 |
| Provision for doubtful receivables (net) | 25.60 | 134.41 | 93.10 |
| Employee stock compensation expenses | - | 0.94 | 0.94 |
| Provision for doubtful deposits | 2.82 | 19.43 | 27.73 |
| Provision for doubtful advances | 0.45 | - | - |
| Provision for diminution in value of non current investments | 0.05 | - | - |
| Excess provision in respect of earlier period/ years written back | (2.18) | (0.23) | (2.47) |
| Profit on sale of investments (net) | (54.47) | (13.24) | (13.09) |
| Profit on sale of fixed assets (net) | (1.96) | (2.76) | (3.89) |
| Operating profit before working capital changes | 3,220.10 | 2,488.95 | 3,228.73 |
| Movements in working capital : | | | |
| (Increase) in trade receivables | (997.60) | (759.22) | (608.81) |
| (Increase) in other current assets | (204.60) | (185.39) | (160.36) |
| Decrease/ (Increase) in loans and advances | 15.52 | (75.91) | (82.25) |
| Increase in trade payables and current liabilities | 513.23 | 349.22 | 129.73 |
| Increase in provisions | 62.47 | 141.38 | 251.67 |
| Operating profit after working capital changes | 2,609.12 | 1,959.03 | 2,758.71 |
| Direct taxes paid (net of refunds) | (621.81) | (383.45) | (595.71) |
| Net cash generated from operating activities (A) | 1,987.31 | 1,575.58 | 2,163.00 |
| Cash flows from investing activities | | | |
| Payment towards capital expenditure | (463.45) | (670.54) | (1,155.73) |
| Proceeds from sale of fixed assets | 2.35 | 2.93 | 4.09 |
| Purchase of non-current investments | (239.24) | (50.00) | (50.00) |
| Purchase of current investments | (8,891.48) | (8,317.67) | (10,908.44) |
| Application money paid for government securities | (200.00) | - | - |
| Proceeds from sale / maturity of current investments | 8,170.54 | 6,912.82 | 9,846.35 |
| Investments in bank deposits having original maturity over three months | (2.22) | - | (520.30) |
| Maturity of bank deposits having original maturity over three months | 11.67 | 412.70 | 920.50 |
| Inter corporate deposits placed | - | - | (28.16) |
| Inter corporate deposits refunded | 4.41 | 30.57 | 50.00 |
| Interest received | 15.71 | 95.80 | 100.84 |
| Dividends received | 30.66 | 40.25 | 29.47 |
| Net cash (used in) investing activities (B) | (1,561.05) | (1,543.14) | (1,711.38) |
| Cash flows from financing activities | | | |
| Proceeds from long term borrowings | 9.15 | 7.66 | 7.66 |
| Dividends paid | (120.01) | (99.93) | (339.72) |
| Tax on dividend paid | (20.39) | (16.22) | (55.15) |
| Net cash generated (used in) financing activities (C) | (131.25) | (108.49) | (387.21) |

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Persistent Systems Limited**CONSOLIDATED CASH FLOW STATEMENT FOR THE NINE MONTHS ENDED DECEMBER 31, 2013**

| | For the nine months ended | | For the year ended |
|--|---------------------------|-------------------|--------------------|
| | December 31, 2013 | December 31, 2012 | March 31, 2013 |
| | In ₹ Million | In ₹ Million | In ₹ Million |
| Net increase in cash and cash equivalents (A + B + C) | 295.01 | (76.05) | 64.41 |
| Cash and cash equivalents at the beginning of the year | 498.88 | 433.14 | 433.14 |
| Effect of exchange difference on translation of foreign currency cash and cash equivalents | (4.03) | (0.11) | 1.33 |
| Cash and cash equivalents at the end of the year | 789.86 | 356.98 | 498.88 |
| Components of cash and cash equivalents | | | |
| Cash on hand | 0.16 | 0.13 | 0.14 |
| Balances with banks | | | |
| On current accounts # | 385.98 | 347.07 | 288.75 |
| On saving accounts | 0.07 | 0.04 | 0.28 |
| On Exchange Earner's Foreign Currency accounts | 403.06 | 9.35 | 209.11 |
| On unpaid dividend accounts* | 0.59 | 0.39 | 0.60 |
| Cash and cash equivalents as per note 19 | 789.86 | 356.98 | 498.88 |

Out of the balance the Company can utilise ₹ 10.04 million (Corresponding period ₹ 11.30 million/ previous year ₹ 3.75 million) only towards research and development activities specified in the loan agreement.

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

Summary of significant accounting policies - Refer note 4

As per our report of even date

For S.R. BATLIBOI & CO LLP
ICAI Firm registration no. 301003E
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 Paul Alvares
Partner
Membership no. 105754

per C. K. Joshi
Partner
Membership no. 030428

Dr. Anand Deshpande
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Managing Director

Nitin Kulkarni
Executive Director

Rohit Kamat
Chief Financial Officer

Amit Atre
Company Secretary

Place: Pune
Date : January 25, 2014

Place: Pune
Date : January 25, 2014

Place: Pune
Date : January 25, 2014

Place: Pune
Date : January 25, 2014

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Persistent Systems Limited

Notes forming part of condensed consolidated financial statements

6. Reserves and surplus

| | As at December 31, 2013 In ₹ Million | As at December 31, 2012 In ₹ Million | As at March 31, 2013 In ₹ Million |
|---|--|--|---|
| A. Securities premium account | | | |
| Balance as per the last financial statements | 1,736.70 | 1,736.70 | 1,736.70 |
| | 1,736.70 | 1,736.70 | 1,736.70 |
| B. Employees share options outstanding account | | | |
| Balance as per the last financial statements | 30.48 | 33.51 | 33.51 |
| Add : Additions during the period / year | - | 0.94 | 0.94 |
| Less: Transferred to general reserve | (1.70) | (3.09) | (3.97) |
| | 28.78 | 31.36 | 30.48 |
| C. General reserve | | | |
| Balance as per the last financial statements | 3,617.42 | 2,871.17 | 2,871.17 |
| Add: Transferred from the statement of profit and loss | - | - | 727.24 |
| Add: Adjustments towards PSPL ESOP Management Trust and employees stock options | 4.85 | 11.89 | 19.01 |
| | 3,622.27 | 2,883.06 | 3,617.42 |
| D. Foreign currency translation reserve | | | |
| Balance as per the last financial statements | 61.92 | 25.59 | 25.59 |
| Add: Exchange difference during the period / year on net investment in non-integral foreign operation | 99.38 | 46.35 | 36.33 |
| | 161.30 | 71.94 | 61.92 |
| E. Hedge reserve | | | |
| Balance as per the last financial statements | 87.76 | (180.50) | (180.50) |
| Addition / (deduction) during the year | (163.90) | 181.05 | 268.26 |
| | (76.14) | 0.55 | 87.76 |
| F. Surplus in the statement of profit and loss | | | |
| Balance as per the last financial statements | 4,248.27 | 3,518.65 | 3,518.65 |
| Net profit for the reporting period/ year | 1,820.78 | 1,357.33 | 1,876.18 |
| Less: Appropriations | | | |
| Interim dividend | (320.00) | (240.00) | (240.00) |
| Proposed final dividend | - | - | (120.00) |
| Tax on dividend | (54.38) | (38.93) | (59.32) |
| Transferred to general reserve | - | - | (727.24) |
| | 5,694.67 | 4,597.05 | 4,248.27 |
| | 11,167.58 | 9,320.66 | 9,782.55 |

7. Long-term borrowings

| | As at December 31, 2013 In ₹ Million | As at December 31, 2012 In ₹ Million | As at March 31, 2013 In ₹ Million |
|-------------------------------|--|--|---|
| Term loans (unsecured) | | | |
| Indian rupee loan from others | 23.35 | 14.20 | 14.20 |
| | 23.35 | 14.20 | 14.20 |

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

Loan I - amounting to ₹ 6.54 million (Corresponding period/ previous year ₹ 6.54 million) with interest payable @ 2% per annum guaranteed by a bank guarantee by the Company and repayable in ten equal semi annual installments over a period of five years commencing from March 2016.

Loan II - amounting to ₹ 16.81 million (Corresponding period/ previous year ₹ 7.66 million) with Interest payable @ 3% per annum repayable in ten equal annual installments over a period of ten years commencing from September 2015.

8. Other long term liabilities

| | As at December 31, 2013 In ₹ Million | As at December 31, 2012 In ₹ Million | As at March 31, 2013 In ₹ Million |
|--|--|--|---|
| Capital creditors | 308.95 | - | 559.03 |
| Interest accrued but not due on term loans | 0.74 | 0.27 | 0.36 |
| | 309.69 | 0.27 | 559.39 |

Persistent Systems Limited

Notes forming part of condensed consolidated financial statements

9. Long term provisions

| | As at December 31, 2013 In ₹ Million | As at December 31, 2012 In ₹ Million | As at March 31, 2013 In ₹ Million |
|---------------------------------|--|--|---|
| Provision for employee benefits | | | |
| - Long service awards | 87.00 | 71.71 | 79.87 |
| | 87.00 | 71.71 | 79.87 |

10. Trade payables and other current liabilities

| | As at December 31, 2013 In ₹ Million | As at December 31, 2012 In ₹ Million | As at March 31, 2013 In ₹ Million |
|----------------------------------|--|--|---|
| Trade payable | 398.50 | 383.15 | 319.00 |
| | 398.50 | 383.15 | 319.00 |
| Other current liabilities | | | |
| Unearned revenue | 587.58 | 100.32 | 175.61 |
| Deferred revenue | - | 39.91 | - |
| Unpaid dividend * | 0.59 | 0.39 | 0.60 |
| Advance from customers | 6.28 | 2.76 | 0.81 |
| Forward contracts payable | 162.18 | 31.00 | - |
| Capital creditors | 361.27 | 75.10 | 103.56 |
| Other payables | | | |
| - Statutory liabilities | 99.54 | 107.39 | 83.04 |
| - Accrued employee liabilities | 99.93 | 121.48 | 102.60 |
| - Other liabilities | 2.98 | 5.60 | 2.02 |
| | 1,320.35 | 483.95 | 468.24 |

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

11. Short-term provisions

| | As at December 31, 2013 In ₹ Million | As at December 31, 2012 In ₹ Million | As at March 31, 2013 In ₹ Million |
|-----------------------------------|--|--|---|
| Provision for employee benefits | | | |
| - Gratuity | 17.49 | 62.65 | 93.40 |
| - Leave encashment | 296.32 | 252.00 | 261.62 |
| - Long service awards | 6.73 | 12.31 | 12.09 |
| - Other employee benefits | 642.44 | 478.55 | 540.53 |
| Others | | | |
| - Income tax (Net of advance tax) | 55.70 | 179.40 | - |
| - Proposed dividend | 320.00 | 240.00 | 120.00 |
| - Tax on proposed dividend | 54.38 | 38.93 | 20.39 |
| | 1,393.06 | 1,263.84 | 1,048.03 |

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Persistent Systems Limited
Notes forming part of condensed consolidated financial statements
12.1 Tangible assets

| | (In ₹ Million) | | | | | | | | | |
|--------------------------------------|----------------|----------------|-----------------|-----------------|-------------------|---------------------|------------------------|------------------------|-------------|-----------------|
| | Freehold land | Leasehold land | Buildings * | Computers | Office equipments | Plant and equipment | Leasehold improvements | Furniture and fixtures | Vehicles | Total |
| Gross block (At cost) | | | | | | | | | | |
| As at April 1, 2013 | 219.07 | 39.93 | 2,077.09 | 1,195.58 | 40.93 | 1,093.41 | 20.81 | 427.67 | 4.54 | 5,119.03 |
| Additions | - | 0.18 | 60.36 | 158.45 | 4.27 | 63.61 | - | 36.28 | - | 323.15 |
| Disposals | - | - | - | 13.10 | 0.88 | 2.04 | - | 0.25 | - | 16.27 |
| Other adjustments | - | - | - | - | - | - | - | - | - | - |
| - Exchange differences | 2.71 | - | 12.12 | 18.96 | 0.27 | 0.01 | - | 0.66 | - | 34.73 |
| As at December 31, 2013 | 221.78 | 40.11 | 2,149.57 | 1,359.89 | 44.59 | 1,154.99 | 20.81 | 464.36 | 4.54 | 5,460.64 |
| Depreciation and amortization | | | | | | | | | | |
| As at April 1, 2013 | - | 2.71 | 413.67 | 901.27 | 25.72 | 634.30 | 8.10 | 328.52 | 4.48 | 2,318.77 |
| Charge for the period | - | 0.32 | 63.97 | 152.55 | 3.74 | 78.83 | 1.88 | 27.21 | 0.06 | 328.56 |
| Disposals | - | - | - | 12.95 | 0.82 | 1.86 | - | 0.25 | - | 15.88 |
| Other adjustments | - | - | - | - | - | - | - | - | - | - |
| - Exchange differences | - | - | 0.91 | 4.69 | 0.14 | - | - | 0.42 | - | 6.16 |
| As at December 31, 2013 | - | 3.03 | 478.55 | 1,045.56 | 28.78 | 711.27 | 9.98 | 355.90 | 4.54 | 2,637.61 |
| Net block | | | | | | | | | | |
| As at December 31, 2013 | 221.78 | 37.08 | 1,671.02 | 314.33 | 15.81 | 443.72 | 10.83 | 108.46 | - | 2,823.03 |
| As at March 31, 2013 | 219.07 | 37.22 | 1,663.42 | 294.31 | 15.21 | 459.11 | 12.71 | 99.15 | 0.06 | 2,800.26 |

| | (In ₹ Million) | | | | | | | | | |
|--------------------------------------|----------------|----------------|-----------------|-----------------|-------------------|---------------------|------------------------|------------------------|-------------|-----------------|
| | Freehold land | Leasehold land | Buildings * | Computers | Office equipments | Plant and equipment | Leasehold improvements | Furniture and fixtures | Vehicles | Total |
| Gross block (At Cost) | | | | | | | | | | |
| As at April 1, 2012 | 214.84 | 39.93 | 1,856.03 | 1,021.44 | 38.75 | 890.38 | 11.15 | 389.54 | 4.54 | 4,466.60 |
| Additions | 3.94 | - | 135.16 | 176.09 | 3.84 | 182.89 | 1.74 | 23.79 | - | 527.45 |
| Disposals | - | - | - | 35.55 | 2.08 | 3.15 | - | - | - | 40.78 |
| Other adjustments | - | - | - | - | - | - | - | - | - | - |
| - Exchange differences | 0.81 | - | 3.64 | 2.11 | 0.08 | - | - | 0.22 | - | 6.86 |
| As at December 31, 2012 | 219.59 | 39.93 | 1,994.83 | 1,164.09 | 40.59 | 1,070.12 | 12.89 | 413.55 | 4.54 | 4,960.13 |
| Depreciation and amortization | | | | | | | | | | |
| As at April 1, 2012 | - | 2.29 | 335.56 | 786.79 | 24.18 | 540.38 | 4.87 | 293.20 | 4.03 | 1,991.31 |
| Charge for the period | - | 0.32 | 57.77 | 121.19 | 4.34 | 70.14 | 2.22 | 25.49 | 0.34 | 281.81 |
| Disposals | - | - | - | 35.40 | 2.08 | 3.13 | - | - | - | 40.61 |
| Other adjustments | - | - | - | - | - | - | - | - | - | - |
| - Exchange differences | - | - | 0.16 | 0.46 | 0.05 | - | - | 0.08 | - | 0.75 |
| As at December 31, 2012 | - | 2.61 | 393.49 | 873.04 | 26.49 | 607.39 | 7.09 | 318.77 | 4.37 | 2,233.26 |
| Net block | | | | | | | | | | |
| As at December 31, 2012 | 219.59 | 37.32 | 1,601.34 | 291.05 | 14.10 | 462.73 | 5.80 | 94.78 | 0.17 | 2,726.87 |

* Note: Building includes those constructed on leasehold land.

- a) Gross block as on December 31, 2013 ₹ 1,022.65 million (Corresponding period ₹ 961.75 million/ previous year ₹ 962.28 million)
b) Depreciation charge for the period ₹ 30.12 million (Corresponding period ₹ 26.78 million/ previous year ₹ 36.30 million)
c) Accumulated depreciation as on December 31, 2013 ₹ 114.51 million (Corresponding period ₹ 74.87 million/ previous year ₹ 84.39 million)
d) Net book value as on December 31, 2013 ₹ 908.14 million (Corresponding period ₹ 886.88 million/ previous year ₹ 877.89 million)

Persistent Systems Limited**Notes forming part of condensed consolidated financial statements****12.1 Tangible assets**

| | Freehold land | Leasehold land | Buildings * | Computers | Office equipments | Plant and equipment | Leasehold improvements | Furniture and fixtures | Vehicles | Total |
|--------------------------------------|---------------|----------------|-----------------|-----------------|-------------------|---------------------|------------------------|------------------------|-------------|-----------------|
| (In ₹ Million) | | | | | | | | | | |
| Gross block (At cost) | | | | | | | | | | |
| As at April 1, 2012 | 214.84 | 39.93 | 1,856.03 | 1,021.44 | 38.75 | 890.38 | 11.15 | 389.54 | 4.54 | 4,466.60 |
| Additions | 3.94 | - | 219.76 | 229.19 | 5.50 | 204.89 | 9.66 | 38.40 | - | 711.34 |
| Disposals | - | - | - | 56.10 | 3.38 | 1.86 | - | 0.20 | - | 61.54 |
| Other adjustments | | | | | | | | | | - |
| - Exchange differences | 0.29 | - | 1.30 | 1.05 | 0.06 | - | - | (0.07) | - | 2.63 |
| As at March 31, 2013 | 219.07 | 39.93 | 2,077.09 | 1,195.58 | 40.93 | 1,093.41 | 20.81 | 427.67 | 4.54 | 5,119.03 |
| Depreciation and amortization | | | | | | | | | | |
| As at April 1, 2012 | - | 2.29 | 335.56 | 786.80 | 24.18 | 540.38 | 4.87 | 293.20 | 4.03 | 1,991.31 |
| Charge for the year | - | 0.42 | 78.09 | 170.17 | 4.88 | 95.78 | 3.23 | 35.50 | 0.45 | 388.52 |
| Disposals | - | - | - | 55.92 | 3.38 | 1.86 | - | 0.20 | - | 61.36 |
| Other adjustments | | | | | | | | | | - |
| - Exchange differences | - | - | 0.02 | 0.22 | 0.04 | - | - | 0.02 | - | 0.30 |
| As at March 31, 2013 | - | 2.71 | 413.67 | 901.27 | 25.72 | 634.30 | 8.10 | 328.52 | 4.48 | 2,318.77 |
| Net block | | | | | | | | | | |
| As at March 31, 2012 | 214.84 | 37.64 | 1,520.47 | 234.64 | 14.57 | 350.00 | 6.28 | 96.34 | 0.51 | 2,475.29 |
| As at March 31, 2013 | 219.07 | 37.22 | 1,663.42 | 294.31 | 15.21 | 459.11 | 12.71 | 99.15 | 0.06 | 2,800.26 |

* Note: Building includes those constructed on leasehold land:

- Gross block as on March 31, 2013 ₹ 962.28 million
- Depreciation charge for the year ₹ 36.30 million
- Accumulated depreciation as on March 31, 2013 ₹ 84.39 million
- Net book value as on March 31, 2013 ₹ 877.89 million

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Persistent Systems Limited

Notes forming part of condensed consolidated financial statements

12.2 Intangible assets

| | (In ₹ Million) | | |
|--------------------------------|-----------------|-----------------------------|-----------------|
| | Software | Acquired contractual rights | Total |
| Gross block (At Cost) | | | |
| As at April 1, 2013 | 1,289.28 | 542.68 | 1,831.96 |
| Additions | 951.88 | - | 951.88 |
| Disposals | - | - | - |
| Other adjustments | | | |
| - Exchange differences | 168.88 | 42.94 | 211.82 |
| As at December 31, 2013 | 2,410.04 | 585.62 | 2,995.66 |
| Amortization | | | |
| As at April 1, 2013 | 924.50 | 205.36 | 1,129.86 |
| Charge for the period | 303.08 | 130.06 | 433.14 |
| Disposals | - | - | - |
| Other adjustments | | | |
| - Exchange differences | 29.49 | 8.65 | 38.14 |
| As at December 31, 2013 | 1,257.07 | 344.07 | 1,601.14 |
| Net block | | | |
| As at December 31, 2013 | 1,152.97 | 241.55 | 1,394.52 |
| As at March 31, 2013 | 364.78 | 337.32 | 702.10 |

| | (In ₹ Million) | | |
|--------------------------------|-----------------|-----------------------------|-----------------|
| | Software | Acquired contractual rights | Total |
| Gross block (At Cost) | | | |
| As at April 1, 2012 | 1,287.49 | 281.63 | 1,569.12 |
| Additions | 48.69 | 261.23 | 309.92 |
| Disposals | 116.10 | - | 116.10 |
| Other adjustments | | | |
| - Exchange differences | 29.04 | 3.91 | 32.95 |
| As at December 31, 2012 | 1,249.12 | 546.77 | 1,795.89 |
| Amortization | | | |
| As at April 1, 2012 | 766.34 | 80.81 | 847.15 |
| Charge for the period | 206.21 | 83.52 | 289.73 |
| Disposals | 116.10 | - | 116.10 |
| Other adjustments | | | |
| - Exchange differences | 5.37 | 1.16 | 6.53 |
| As at December 31, 2012 | 861.82 | 165.49 | 1,027.31 |
| Net block | | | |
| As at December 31, 2012 | 387.30 | 381.28 | 768.58 |

12.3 Depreciation and amortization

| | (In ₹ Million) | | | | |
|--|-----------------------|-------------------|---------------------------|-------------------|--------------------|
| | For the quarter ended | | For the nine months ended | | For the year ended |
| | December 31, 2013 | December 31, 2012 | December 31, 2013 | December 31, 2012 | March 31, 2013 |
| On tangible assets | 112.64 | 101.97 | 328.56 | 281.81 | 388.52 |
| On intangible assets | 149.38 | 95.87 | 433.14 | 289.73 | 394.56 |
| Less: attributable to fixed assets used for construction of building | - | (0.04) | (0.01) | (0.16) | (0.22) |
| | 262.02 | 197.80 | 761.69 | 571.38 | 782.86 |

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Persistent Systems Limited

Notes forming part of condensed consolidated financial statements

12.2 Intangible assets

| | (In ₹ Million) | | |
|------------------------------|-----------------|--------------------------------|-----------------|
| | Software | Acquired contractual rights | Total |
| Gross block (At Cost) | | | |
| As at April 1, 2012 | 1,287.49 | 281.63 | 1,569.12 |
| Additions | 94.03 | 261.23 | 355.26 |
| Disposals | 116.10 | - | 116.10 |
| Other adjustments | | | |
| - Exchange differences | 23.86 | (0.18) | 23.68 |
| As at March 31, 2013 | 1,289.28 | 542.68 | 1,831.96 |
| Amortization | | | |
| As at April 1, 2012 | 766.34 | 80.81 | 847.15 |
| Charge for the year | 270.74 | 123.82 | 394.56 |
| Disposals | 116.10 | - | 116.10 |
| Other adjustments | | | |
| - Exchange differences | 3.52 | 0.73 | 4.25 |
| As at March 31, 2013 | 924.50 | 205.36 | 1,129.86 |
| Net block | | | |
| As at March 31, 2012 | 521.15 | 200.82 | 721.97 |
| As at March 31, 2013 | 364.78 | 337.32 | 702.10 |

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Persistent Systems Limited

Notes forming part of condensed consolidated financial statements

13. Non-current investments

| | As at December 31, 2013 In ₹ Million | As at December 31, 2012 In ₹ Million | As at March 31, 2013 In ₹ Million |
|---|--|--|---|
| Trade Investments (At cost unless otherwise mentioned) | | | |
| Investments in Equity Instruments (Unquoted) | | | |
| In others* (Unquoted) | | | |
| 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 |
| Ciqua 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 | 13.24 | 12.19 | 11.84 |
| Less : Provision for diminution in value of investment | 13.24 | 12.19 | 11.84 |
| | - | - | - |
| Sprint Telecom Private Limited [Holding 26% (Corresponding period/ previous year 26%)] | | | |
| 1.30 million (Corresponding period/ previous year: 0.65 million) shares of ₹ 10 each, fully paid up | 13.00 | 6.50 | 6.50 |
| | 13.00 | 6.50 | 6.50 |
| | 13.00 | 6.55 | 6.55 |
| Investments in Convertible Notes (Unquoted) | | | |
| DxNow | | | |
| 1 (Corresponding period/ previous year: Nil) convertible note of USD 125,000 each, fully paid up | 7.72 | - | - |
| Ustyme | | | |
| 1 (Corresponding period/ previous year: Nil) convertible note of USD 250,000 each, fully paid up | 15.45 | - | - |
| | 23.17 | - | - |
| Non-trade Investments (At cost unless otherwise mentioned) | | | |
| Government Securities (Quoted) | | | |
| In government securities | 375.76 | 166.19 | 166.19 |
| [Market value ₹ 376.26 million, (Corresponding period ₹ 174.77 million/ previous year ₹ 175.77 million)] | 375.76 | 166.19 | 166.19 |
| | 411.93 | 172.74 | 172.74 |
| Aggregate provision for diminution in value of investments | 13.29 | 12.19 | 11.84 |
| Aggregate amount of quoted investments [Market value ₹ 376.26, (Corresponding period ₹ 174.77 million/ previous year ₹ 175.77 million)] | 375.76 | 166.19 | 166.19 |
| Aggregate amount of unquoted investments | 49.46 | 18.74 | 18.39 |

*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"

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Persistent Systems Limited

Notes forming part of condensed consolidated financial statements

14. Deferred tax asset (net) *

| | As at December 31, 2013 In ₹ Million | As at December 31, 2012 In ₹ Million | As at March 31, 2013 In ₹ Million |
|---|--|--|---|
| Deferred tax liabilities | | | |
| Differences in depreciation / amortization and other differences in a block of tangible and intangible assets as per the tax books and financial books | 120.56 | 65.47 | 86.95 |
| Others | 3.84 | | |
| | 124.40 | 65.47 | 86.95 |
| Deferred tax assets | | | |
| Provision for leave encashment | 101.42 | 85.43 | 90.02 |
| Provision for long service awards | 31.86 | 27.26 | 29.83 |
| Provision for doubtful debts | 154.82 | 145.96 | 130.66 |
| Differences in depreciation / amortization and other differences in a block of tangible and intangible assets as per the tax books and financial books (overseas) | 87.36 | - | 26.65 |
| | 375.46 | 258.65 | 277.16 |
| Deferred tax liabilities after set off | - | - | - |
| Deferred tax assets after set off | 251.06 | 193.18 | 190.21 |

* 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.

15. Long term loans and advances

| | As at December 31, 2013 In ₹ Million | As at December 31, 2012 In ₹ Million | As at March 31, 2013 In ₹ Million |
|--|--|--|---|
| Capital advances (Unsecured, considered good) | 33.43 | 25.51 | 5.08 |
| Security deposits (Unsecured, considered good) | 58.91 | 47.12 | 48.86 |
| Advance income tax (Net of provision for income tax) | - | - | 43.67 |
| Inter corporate deposits | | | |
| Unsecured, considered good | 0.64 | - | 0.73 |
| Unsecured, considered doubtful | 0.58 | 0.58 | 0.58 |
| | 1.22 | 0.58 | 1.31 |
| Less: Provision for doubtful deposits | 0.58 | 0.58 | 0.58 |
| | 0.64 | - | 0.73 |
| Other loans and advances (Unsecured, considered good) | | | |
| Advance to PSPL ESOP Management Trust | 95.99 | 86.59 | 92.85 |
| Advances recoverable in cash or kind or for value to be received | 12.41 | 1.50 | 8.29 |
| | 108.40 | 88.09 | 101.14 |
| | 201.38 | 160.72 | 199.48 |

16. Other non-current assets

| | As at December 31, 2013 In ₹ Million | As at December 31, 2012 In ₹ Million | As at March 31, 2013 In ₹ Million |
|---|--|--|---|
| Non-current bank balances (Refer note 19) | 401.62 | 521.23 | 501.49 |
| Application money for government securities pending allotment | 200.00 | - | - |
| Interest accrued on bank deposits | 48.83 | 13.09 | 22.14 |
| | 650.45 | 534.32 | 523.63 |

Persistent Systems Limited

Notes forming part of condensed consolidated financial statements

17. Current investments (At lower of cost and market value)

| | As at December 31, 2013 In ₹ Million | As at December 31, 2012 In ₹ Million | As at March 31, 2013 In ₹ Million |
|--|--|--|---|
| Non trade | | | |
| Investments in mutual funds (Quoted) | 3,964.82 | 3,409.76 | 3,116.18 |
| Aggregate amount of quoted investments [Market value ₹ 3,976.94 million, (Corresponding period ₹ 3,442.58 million / previous year ₹ 3,176.40 million)] | | | |
| | 3,964.82 | 3,409.76 | 3,116.18 |

17 a) Details of investment in mutual funds (Quoted)

| | As at December 31, 2013 | | As at December 31, 2012 | | As at March 31, 2013 | |
|--------------------------------|----------------------------|-----------------|----------------------------|-----------------|----------------------------|-----------------|
| | Units (in nos. million) | In ₹ Million | Units (in nos. million) | In ₹ Million | Units (in nos. million) | In ₹ Million |
| IDFC mutual fund | 13.81 | 194.62 | 33.08 | 391.39 | 33.27 | 393.31 |
| HDFC mutual fund | 31.13 | 320.15 | 38.65 | 395.70 | 30.90 | 317.74 |
| ICICI Prudential mutual fund | 40.28 | 490.91 | 14.46 | 200.00 | 25.69 | 380.00 |
| Franklin Templeton mutual fund | 0.33 | 395.09 | 0.33 | 395.09 | 0.33 | 395.09 |
| DWS mutual Fund | 33.80 | 441.81 | 1.72 | 172.63 | 13.68 | 150.62 |
| Birla Sun Life mutual fund | 6.62 | 363.11 | 30.47 | 370.57 | 30.73 | 357.22 |
| Tata mutual fund | 0.23 | 255.56 | 0.23 | 231.95 | - | - |
| Reliance mutual fund | 21.20 | 272.84 | 15.08 | 262.43 | 15.23 | 164.03 |
| SBI mutual fund | 20.13 | 408.34 | 33.04 | 380.35 | 33.04 | 380.36 |
| Kotak mutual fund | - | - | 19.41 | 195.67 | - | - |
| UTI mutual fund | 33.44 | 371.48 | 0.38 | 381.48 | 0.36 | 391.87 |
| L&T mutual fund | - | - | 3.18 | 32.50 | - | - |
| Axis mutual fund | 0.45 | 450.91 | - | - | 0.19 | 185.94 |
| | | 3,964.82 | | 3,409.76 | | 3,116.18 |

Persistent Systems Limited

Notes forming part of condensed consolidated financial statements

18. Trade receivables

| | As at December 31, 2013 In ₹ Million | As at December 31, 2012 In ₹ Million | As at March 31, 2013 In ₹ Million |
|---|--|--|---|
| Outstanding for a period exceeding six months from the date they are due for payment | | | |
| Unsecured, considered good | - | - | 20.20 |
| Unsecured, considered doubtful | 496.06 | 421.01 | 362.96 |
| | 496.06 | 421.01 | 383.16 |
| Less : Provision for doubtful receivables | 496.06 | 421.01 | 362.96 |
| | - | - | 20.20 |
| Others | | | |
| Unsecured, considered good | 3,357.41 | 2,450.93 | 2,430.82 |
| Unsecured, considered doubtful | 0.76 | 45.98 | 54.38 |
| | 3,358.17 | 2,496.91 | 2,485.20 |
| Less : Provision for doubtful receivables | 0.76 | 45.98 | 54.38 |
| | 3,357.41 | 2,450.93 | 2,430.82 |
| | 3,357.41 | 2,450.93 | 2,451.02 |

19. Cash and bank balances

| | As at December 31, 2013 In ₹ Million | As at December 31, 2012 In ₹ Million | As at March 31, 2013 In ₹ Million |
|---|--|--|---|
| Cash and cash equivalents as presented in cash flow statement | | | |
| Cash on hand | 0.16 | 0.13 | 0.14 |
| Balances with banks | | | |
| On current accounts * | 385.98 | 347.07 | 288.75 |
| On saving accounts | 0.07 | 0.04 | 0.28 |
| On Exchange Earner's Foreign Currency accounts | 403.06 | 9.35 | 209.11 |
| On unpaid dividend accounts ** | 0.59 | 0.39 | 0.60 |
| | 789.86 | 356.98 | 498.88 |
| Other bank balances | | | |
| On deposit account with original maturity more than three months but less than twelve months | 1.00 | 9.38 | 11.80 |
| On deposit account with original maturity more than twelve months *** | 533.04 | 521.61 | 531.69 |
| | 534.04 | 530.99 | 543.49 |
| Less: Deposits with maturity more than twelve months disclosed under other non-current assets (Refer note 16) | (401.62) | (521.23) | (501.49) |
| | 132.42 | 9.76 | 42.00 |
| Balances with Escrow bank account **** | - | 20.65 | 20.38 |
| | 922.28 | 387.39 | 561.26 |

* Out of the balance the Company can utilise ₹ 10.04 million (Corresponding period ₹ 11.30 million/ previous year ₹ 3.75 million) only towards research and development activities specified in the loan agreement.

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

*** Out of the balance, fixed deposits of ₹ 32.62 million (Corresponding period ₹ 20 million / previous year ₹ 31.68 million) have been earmarked against bank guarantees given by the Company

**** The Company can utilize these balances only towards settlement of specific liability.

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Persistent Systems Limited**Notes forming part of condensed consolidated financial statements****20. Short term loans and advances**

| | As at December 31, 2013 In ₹ Million | As at December 31, 2012 In ₹ Million | As at March 31, 2013 In ₹ Million |
|--|--|--|---|
| Inter corporate deposit | | | |
| Unsecured, considered good | 2.86 | 10.00 | 10.00 |
| Unsecured, considered doubtful | 30.25 | 19.43 | 27.43 |
| | 33.11 | 29.43 | 37.43 |
| Less: Provision for doubtful deposits | 30.25 | 19.43 | 27.43 |
| | 2.86 | 10.00 | 10.00 |
| Other loans and advances (Unsecured, considered good) | | | |
| - Deposits | 6.98 | 6.17 | 5.61 |
| - Advances recoverable in cash or kind or for value to be received | 209.58 | 184.56 | 241.91 |
| - MAT credit entitlement | 23.35 | 234.69 | 23.35 |
| - VAT receivable (net) | 55.72 | 52.84 | 52.70 |
| - Service tax receivable (net) | 9.85 | - | 12.05 |
| | 305.48 | 478.26 | 335.62 |
| Other loans and advances (Unsecured, considered doubtful) | | | |
| Advances recoverable in cash or kind or for value to be received | 0.75 | - | 0.30 |
| Less: Provision for doubtful advances | 0.75 | - | 0.30 |
| | - | - | - |
| | 308.34 | 488.26 | 345.62 |

21. Other current assets

| | As at December 31, 2013 In ₹ Million | As at December 31, 2012 In ₹ Million | As at March 31, 2013 In ₹ Million |
|------------------------------|--|--|---|
| Interest accrued but not due | 21.22 | 8.66 | 10.67 |
| Forward contracts receivable | - | - | 122.57 |
| Unbilled revenue | 505.65 | 326.08 | 301.05 |
| | 526.87 | 334.74 | 434.29 |

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Persistent Systems Limited**Notes forming part of condensed consolidated financial statements****22. Revenue from operations (net)**

| | For the quarter ended | | For the nine months ended | | For the year ended |
|---------------------------|-----------------------|-------------------|---------------------------|-------------------|--------------------|
| | December 31, 2013 | December 31, 2012 | December 31, 2013 | December 31, 2012 | March 31, 2013 |
| | In ₹ Million | In ₹ Million | In ₹ Million | In ₹ Million | In ₹ Million |
| Sale of software services | 4,327.57 | 3,329.85 | 12,224.16 | 9,605.53 | 12,945.12 |
| | 4,327.57 | 3,329.85 | 12,224.16 | 9,605.53 | 12,945.12 |

23. Other income

| | For the quarter ended | | For the nine months ended | | For the year ended |
|---|-----------------------|-------------------|---------------------------|-------------------|--------------------|
| | December 31, 2013 | December 31, 2012 | December 31, 2013 | December 31, 2012 | March 31, 2013 |
| | In ₹ Million | In ₹ Million | In ₹ Million | In ₹ Million | In ₹ Million |
| Interest income | | | | | |
| On bank deposits | 13.26 | 16.91 | 39.32 | 63.61 | 76.79 |
| On others | 4.63 | 4.06 | 22.68 | 12.89 | 15.81 |
| Foreign exchange gain (net) | - | 18.03 | - | - | - |
| Profit on sale of fixed assets (net) | 0.72 | - | 1.96 | 2.76 | 3.89 |
| Dividend income from current investments | 49.96 | 39.79 | 105.84 | 116.68 | 155.23 |
| Profit on sale of current investments (net) | - | 0.67 | 54.47 | 13.24 | 13.09 |
| Provision for diminution in value of current investments written back | 12.84 | - | - | - | - |
| Excess provision in respect of earlier period / years written back | 0.07 | - | 2.18 | 0.23 | 2.47 |
| Miscellaneous income | 2.60 | 4.39 | 7.62 | 13.42 | 18.73 |
| | 84.08 | 83.85 | 234.07 | 222.83 | 286.01 |

24. Personnel expenses

| | For the quarter ended | | For the nine months ended | | For the year ended |
|---|-----------------------|-------------------|---------------------------|-------------------|--------------------|
| | December 31, 2013 | December 31, 2012 | December 31, 2013 | December 31, 2012 | March 31, 2013 |
| | In ₹ Million | In ₹ Million | In ₹ Million | In ₹ Million | In ₹ Million |
| 24.1 Employee benefit expenses | | | | | |
| Salaries, wages and bonus | 2,193.26 | 1,756.91 | 6,226.63 | 4,885.48 | 6,625.33 |
| Contribution to provident and other funds | 49.16 | 41.24 | 139.97 | 114.92 | 155.42 |
| Gratuity expenses | (0.42) | 40.28 | 16.25 | 60.73 | 91.48 |
| Defined contribution to other funds | 26.76 | 22.11 | 77.64 | 60.89 | 86.34 |
| Staff welfare and benefits | 72.77 | 60.39 | 202.55 | 169.29 | 228.07 |
| Employee stock compensation expenses | - | - | - | 0.94 | 0.94 |
| | 2,341.53 | 1,920.93 | 6,663.04 | 5,292.25 | 7,187.58 |
| 24.2 Cost of technical professionals | 222.09 | 116.36 | 677.24 | 388.70 | 536.38 |
| | 2,563.62 | 2,037.29 | 7,340.28 | 5,680.95 | 7,723.96 |

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Persistent Systems Limited

Notes forming part of condensed consolidated financial statements

25. Other expenses

| | For the quarter ended | | For the nine months ended | | For the year ended |
|--|-----------------------|-------------------|---------------------------|-------------------|--------------------|
| | December 31, 2013 | December 31, 2012 | December 31, 2013 | December 31, 2012 | March 31, 2013 |
| | In ₹ Million | In ₹ Million | In ₹ Million | In ₹ Million | In ₹ Million |
| Travelling and conveyance | 160.17 | 96.87 | 485.26 | 312.76 | 424.98 |
| Electricity expenses (net) | 23.44 | 26.45 | 63.02 | 64.92 | 87.66 |
| Internet link expenses | 10.63 | 11.93 | 38.01 | 26.93 | 38.19 |
| Communication expenses | 11.08 | 11.87 | 36.42 | 34.39 | 50.20 |
| Recruitment expenses | 10.33 | 4.49 | 29.34 | 9.13 | 16.93 |
| Training and seminars | 2.16 | 1.73 | 13.10 | 12.36 | 20.54 |
| Royalty expenses | 51.06 | - | 157.76 | - | 43.77 |
| Purchase of software licenses and support expenses | 114.24 | 101.11 | 365.29 | 379.56 | 471.01 |
| Bad debts | 0.20 | - | 43.77 | - | 30.59 |
| Provision for doubtful receivables (net) | 4.07 | 52.61 | 25.60 | 134.41 | 93.10 |
| Rent | 34.94 | 26.70 | 99.96 | 76.28 | 103.84 |
| Insurance | 5.62 | 6.57 | 17.08 | 16.00 | 22.09 |
| Rates and taxes | 6.49 | 12.82 | 23.91 | 25.75 | 37.24 |
| Legal and professional fees | 60.97 | 29.79 | 140.92 | 91.27 | 140.10 |
| Repairs and maintenance | | | | | |
| - Plant and Machinery | 14.98 | 16.35 | 52.58 | 45.33 | 62.06 |
| - Buildings | 4.92 | 4.87 | 15.75 | 10.81 | 13.87 |
| - Others | 2.92 | 2.61 | 10.59 | 8.03 | 12.05 |
| Commission on sales | 1.72 | 0.11 | 1.82 | 0.11 | 0.11 |
| Advertisement and sponsorship fees | 13.53 | 5.24 | 32.10 | 25.66 | 32.62 |
| Computer consumables | 2.58 | 2.26 | 8.58 | 6.32 | 6.92 |
| Auditors' remuneration | 2.35 | 2.01 | 5.77 | 4.84 | 6.71 |
| Donations | 3.15 | 0.11 | 25.08 | 17.61 | 18.42 |
| Books, memberships, subscriptions | 3.20 | 1.14 | 9.09 | 3.27 | 4.89 |
| Foreign exchange loss (net) | 146.62 | - | 62.74 | 263.88 | 222.35 |
| Directors' sitting fees | 0.08 | 0.18 | 0.54 | 0.58 | 0.75 |
| Directors' commission | 1.63 | 6.60 | 5.73 | 6.60 | 9.75 |
| Provision for doubtful deposits | - | 19.43 | 2.82 | 19.43 | 27.73 |
| Provision for doubtful advances | 0.03 | - | 0.45 | - | - |
| Provision for diminution in value of non current investments | - | - | 0.05 | - | - |
| Miscellaneous expenses | 27.47 | 24.63 | 79.43 | 71.23 | 95.60 |
| | 720.58 | 468.48 | 1,852.56 | 1,667.46 | 2,094.07 |

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Persistent Systems Limited**Notes forming part of condensed consolidated financial statements****26. Earnings per share**

| | | For the quarter ended | | For the nine months ended | | For the year ended |
|--|-------|-----------------------|-------------------|---------------------------|-------------------|--------------------|
| | | December 31, 2013 | December 31, 2012 | December 31, 2013 | December 31, 2012 | March 31, 2013 |
| <u>Numerator for Basic and Diluted EPS</u> | | | | | | |
| Net Profit after tax (In ₹ Million) | (A) | 641.98 | 495.08 | 1,820.78 | 1,357.33 | 1,876.18 |
| <u>Denominator for Basic EPS</u> | | | | | | |
| Weighted average number of equity shares | (B) | 38,949,180 | 38,613,337 | 38,838,037 | 38,563,178 | 38,588,333 |
| <u>Denominator for Diluted EPS</u> | | | | | | |
| Number of equity shares | (C) | 40,000,000 | 40,000,000 | 40,000,000 | 40,000,000 | 40,000,000 |
| Basic Earnings per share of face value of ₹ 10 each (In ₹) | (A/B) | 16.48 | 12.82 | 46.88 | 35.20 | 48.62 |
| Diluted Earnings per share of face value of ₹ 10 each (In ₹) | (A/C) | 16.05 | 12.38 | 45.52 | 33.93 | 46.90 |
| <hr/> | | | | | | |
| | | For the quarter ended | | For the nine months ended | | For the year ended |
| | | December 31, 2013 | December 31, 2012 | December 31, 2013 | December 31, 2012 | March 31, 2013 |
| Number of shares considered as basic weighted average shares outstanding | | 38,949,180 | 38,613,337 | 38,838,037 | 38,563,178 | 38,588,333 |
| Add: Effect of dilutive issues of stock options | | 1,050,820 | 1,386,663 | 1,161,963 | 1,436,822 | 1,411,667 |
| Number of shares considered as weighted average shares and potential shares outstanding | | 40,000,000 | 40,000,000 | 40,000,000 | 40,000,000 | 40,000,000 |

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Persistent Systems Limited

Notes forming part of condensed consolidated financial statements

27. Segment Information

The Group's operations predominantly relate to providing software products, services and technology innovation covering full life cycle of product to its customers. The primary reporting segments are identified based on review of market and business dynamics based on risk and returns affected by the type or class of customers for the services provided which are as follows:

- Telecom and Wireless
- Life science and Healthcare
- Infrastructure and Systems

The secondary segment reporting has been presented based on geographical location of customers.

(In ₹ Million)

| Particulars | | | Telecom and Wireless | Life Science and Healthcare | Infrastructure and Systems | Total |
|--------------------------------|-------------------|-------------|----------------------|-----------------------------|----------------------------|-----------|
| Revenue | Quarter ended | Dec-31-2013 | 777.79 | 567.63 | 2,982.15 | 4,327.57 |
| | Quarter ended | Dec-31-2012 | 868.24 | 350.59 | 2,111.02 | 3,329.85 |
| | Nine months ended | Dec-31-2013 | 2,278.31 | 1,502.71 | 8,443.14 | 12,224.16 |
| | Nine months ended | Dec-31-2012 | 2,620.30 | 995.17 | 5,990.06 | 9,605.53 |
| | Year ended | Mar-31-2013 | 3,381.94 | 1,352.16 | 8,211.02 | 12,945.12 |
| Identifiable expense | Quarter ended | Dec-31-2013 | 329.14 | 268.82 | 1,637.89 | 2,235.85 |
| | Quarter ended | Dec-31-2012 | 296.03 | 161.61 | 1,110.86 | 1,568.50 |
| | Nine months ended | Dec-31-2013 | 1,001.22 | 723.78 | 4,781.33 | 6,506.33 |
| | Nine months ended | Dec-31-2012 | 976.98 | 480.75 | 3,313.10 | 4,770.83 |
| | Year ended | Mar-31-2013 | 1,316.17 | 662.41 | 4,686.32 | 6,664.90 |
| Segmental result | Quarter ended | Dec-31-2013 | 448.65 | 298.81 | 1,344.26 | 2,091.72 |
| | Quarter ended | Dec-31-2012 | 572.21 | 188.98 | 1,000.16 | 1,761.35 |
| | Nine months ended | Dec-31-2013 | 1,277.09 | 778.93 | 3,661.81 | 5,717.83 |
| | Nine months ended | Dec-31-2012 | 1,643.32 | 514.42 | 2,676.96 | 4,834.70 |
| | Year ended | Mar-31-2013 | 2,065.77 | 689.75 | 3,524.70 | 6,280.22 |
| Unallocable expenses | Quarter ended | Dec-31-2013 | | | | 1,310.53 |
| | Quarter ended | Dec-31-2012 | | | | 1,135.16 |
| | Nine months ended | Dec-31-2013 | | | | 3,448.58 |
| | Nine months ended | Dec-31-2012 | | | | 3,149.23 |
| | Year ended | Mar-31-2013 | | | | 3,936.35 |
| Operating income | Quarter ended | Dec-31-2013 | | | | 781.19 |
| | Quarter ended | Dec-31-2012 | | | | 626.19 |
| | Nine months ended | Dec-31-2013 | | | | 2,269.25 |
| | Nine months ended | Dec-31-2012 | | | | 1,685.47 |
| | Year ended | Mar-31-2013 | | | | 2,343.87 |
| Other income (net of expenses) | Quarter ended | Dec-31-2013 | | | | 84.08 |
| | Quarter ended | Dec-31-2012 | | | | 83.85 |
| | Nine months ended | Dec-31-2013 | | | | 234.07 |
| | Nine months ended | Dec-31-2012 | | | | 222.83 |
| | Year ended | Mar-31-2013 | | | | 286.01 |
| Profit before taxes | Quarter ended | Dec-31-2013 | | | | 865.27 |
| | Quarter ended | Dec-31-2012 | | | | 710.04 |
| | Nine months ended | Dec-31-2013 | | | | 2,503.32 |
| | Nine months ended | Dec-31-2012 | | | | 1,908.30 |
| | Year ended | Mar-31-2013 | | | | 2,629.88 |
| Tax expense | Quarter ended | Dec-31-2013 | | | | 223.29 |
| | Quarter ended | Dec-31-2012 | | | | 214.96 |
| | Nine months ended | Dec-31-2013 | | | | 682.54 |
| | Nine months ended | Dec-31-2012 | | | | 550.97 |
| | Year ended | Mar-31-2013 | | | | 753.70 |
| Profit after tax | Quarter ended | Dec-31-2013 | | | | 641.98 |
| | Quarter ended | Dec-31-2012 | | | | 495.08 |
| | Nine months ended | Dec-31-2013 | | | | 1,820.78 |
| | Nine months ended | Dec-31-2012 | | | | 1,357.33 |
| | Year ended | Mar-31-2013 | | | | 1,876.18 |

Persistent Systems Limited

Notes forming part of condensed consolidated financial statements

27. Segment Information

(In ₹ Million)

| Particulars | | | Telecom and Wireless | Life Science and Healthcare | Infrastructure and Systems | Total |
|-----------------------------|-------|-------------|-------------------------|--------------------------------|-------------------------------|-----------|
| Segmental trade receivables | As at | Dec-31-2013 | 539.76 | 332.39 | 2,485.26 | 3,357.41 |
| | As at | Dec-31-2012 | 587.29 | 246.26 | 1,617.38 | 2,450.93 |
| | As at | Mar-31-2013 | 616.87 | 260.50 | 1,573.65 | 2,451.02 |
| Unallocated assets | As at | Dec-31-2013 | - | - | - | 11,742.12 |
| | As at | Dec-31-2012 | - | - | - | 9,539.64 |
| | As at | Mar-31-2013 | - | - | - | 10,220.26 |

Geographical Segments

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 | | | North America | Europe | Asia Pacific | Total |
|-----------------------------|-------------------|-------------|---------------|--------|--------------|-----------|
| Revenue | Quarter ended | Dec-31-2013 | 3,599.25 | 258.10 | 470.22 | 4,327.57 |
| | Quarter ended | Dec-31-2012 | 2,832.93 | 203.12 | 293.80 | 3,329.85 |
| | Nine months ended | Dec-31-2013 | 10,387.51 | 618.49 | 1,218.16 | 12,224.16 |
| | Nine months ended | Dec-31-2012 | 8,138.55 | 653.48 | 813.50 | 9,605.53 |
| | Year ended | Mar-31-2013 | 10,978.88 | 843.32 | 1,122.92 | 12,945.12 |
| Segmental trade receivables | As at | Dec-31-2013 | 2,799.95 | 158.80 | 398.66 | 3,357.41 |
| | As at | Dec-31-2012 | 2,037.11 | 181.29 | 232.53 | 2,450.93 |
| | As at | Mar-31-2013 | 1,997.70 | 172.64 | 280.68 | 2,451.02 |

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