

**Persistent Systems Limited****CONDENSED CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016**

	Notes	As at March 31, 2016 In ₹ Million	As at March 31, 2015 In ₹ Million
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	5	800.00	800.00
Reserves and surplus	6	15,592.96	13,255.29
		<b>16,392.96</b>	<b>14,055.29</b>
<b>Non- current liabilities</b>			
Deferred tax liabilities	14	-	2.51
Long-term borrowings	7	25.70	24.72
Other long-term liabilities	8	1.21	1.47
Long-term provisions	9	124.41	115.98
		<b>151.32</b>	<b>144.68</b>
<b>Current liabilities</b>			
Deferred payment liabilities		4.34	-
Trade payables	10	1,651.02	528.72
Other current liabilities	10	1,642.16	1,264.72
Short-term provisions	11	1,223.63	1,755.23
		<b>4,521.15</b>	<b>3,548.67</b>
<b>TOTAL</b>		<b>21,065.43</b>	<b>17,748.64</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill on consolidation	34	174.88	23.91
Fixed assets			
Tangible assets	12.1	3,007.45	3,057.24
Intangible assets	12.2	1,180.38	995.30
Capital work-in-progress		23.64	40.04
Intangible assets under development		241.63	-
		<b>4,453.10</b>	<b>4,092.58</b>
Non-current investments	13	1,347.92	2,115.54
Deferred tax assets	14	232.75	315.44
Long-term loans and advances	15	851.05	123.21
Other non-current assets	16	870.10	13.39
		<b>7,929.80</b>	<b>6,684.07</b>
<b>Current assets</b>			
Current investments	17	4,827.55	4,619.75
Trade receivables	18	4,275.49	3,585.76
Cash and bank balances	19	1,432.38	1,416.24
Short-term loans and advances	20	812.44	407.42
Other current assets	21	1,787.77	1,035.40
		<b>13,135.63</b>	<b>11,064.57</b>
<b>TOTAL</b>		<b>21,065.43</b>	<b>17,748.64</b>
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 : April 24, 2016

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**Persistent Systems Limited****CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2016**

	Notes	For the quarter ended		For the year ended	
		March 31, 2016 In ₹ Million	March 31, 2015 In ₹ Million	March 31, 2016 In ₹ Million	March 31, 2015 In ₹ Million
<b>Income</b>					
Revenue from operations (net)	22	6,771.10	4,974.53	23,123.31	18,912.52
Other income	23	246.32	183.28	784.49	938.15
<b>Total revenue (A)</b>		<b>7,017.42</b>	<b>5,157.81</b>	<b>23,907.80</b>	<b>19,850.67</b>
<b>Expenses</b>					
Employee benefits expense	24.1	4,156.83	2,948.18	13,828.26	11,113.72
Cost of technical professionals	24.2	486.96	293.69	1,586.63	1,089.62
Finance costs		0.20	0.29	0.92	3.37
Depreciation and amortization expense	12.3	255.92	227.26	965.16	938.53
Other expenses	25	1,089.61	730.24	3,570.56	2,805.71
<b>Total expenses (B)</b>		<b>5,989.52</b>	<b>4,199.66</b>	<b>19,951.53</b>	<b>15,950.95</b>
<b>Profit before tax (A - B)</b>		<b>1,027.90</b>	<b>958.15</b>	<b>3,956.27</b>	<b>3,899.72</b>
<b>Tax expense</b>					
Current tax		107.34	235.81	916.59	1,057.31
Tax credit in respect of earlier years		(19.56)	(0.22)	(25.70)	(17.86)
Deferred tax charge / (credit)		132.05	(37.94)	91.77	(46.04)
<b>Total tax expense</b>		<b>219.83</b>	<b>197.65</b>	<b>982.66</b>	<b>993.41</b>
<b>Net profit for the period / year</b>		<b>808.07</b>	<b>760.50</b>	<b>2,973.61</b>	<b>2,906.31</b>
<b>Earnings per equity share</b>					
[Nominal value of share ₹10 (Corresponding period/ Previous year: ₹10)]					
Basic (In ₹)	26	10.10	9.59	37.26	36.84
Diluted (In ₹)		10.10	9.51	37.17	36.33
Summary of significant accounting policies	4				

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

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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

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Amit Atre  
Company Secretary

Place: Pune  
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**Persistent Systems Limited****CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

	For the year ended	
	March 31, 2016	March 31, 2015
	In ₹ Million	In ₹ Million
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>3,956.27</b>	<b>3,899.72</b>
Adjustments for:		
Interest income	(148.43)	(116.52)
Finance cost	0.92	3.37
Dividend income	(226.50)	(233.26)
Depreciation and amortization expense	965.16	938.53
Unrealised exchange loss/ (gain) (net)	67.78	(24.62)
Change in foreign currency translation reserve	(37.06)	(36.24)
Exchange loss/ (gain) on derivative contracts	1.28	(10.56)
Exchange (gain) / loss on translation of foreign currency cash and cash equivalents	(8.11)	(11.37)
Bad debts	205.01	99.27
Provision for doubtful receivables written back (net)	(196.10)	(55.77)
Employee stock compensation expenses	17.81	31.71
Provision for doubtful deposits and advances	0.06	2.18
Advances written off	29.55	-
Excess provision in respect of earlier years written back	(0.01)	(5.73)
Profit on sale of investments (net)	(228.06)	(84.72)
Profit on sale of fixed assets (net)	(9.29)	(3.05)
<b>Operating profit before working capital changes</b>	<b>4,390.28</b>	<b>4,392.94</b>
<b>Movements in working capital :</b>		
(Increase) in trade receivables	(644.66)	(576.08)
(Increase) in other current assets	(797.77)	(156.92)
(Increase) in loans and advances	(282.22)	(17.81)
Increase in trade payables and current liabilities	943.66	201.71
(Decrease)/ Increase in provisions	(56.54)	272.87
<b>Operating profit after working capital changes</b>	<b>3,552.75</b>	<b>4,116.71</b>
Direct taxes paid (net of refunds)	(1,012.15)	(1,000.76)
<b>Net cash generated from operating activities</b>	<b>(A) 2,540.60</b>	<b>3,115.95</b>
<b>Cash flows from investing activities</b>		
Payment towards capital expenditure	(1,659.35)	(956.86)
Proceeds from sale of fixed assets	11.94	3.27
Payment towards acquisition of subsidiary (net of bank balance acquired ₹ 37.47 million)	(307.01)	-
Purchase of non-current investments	(315.89)	(6.00)
Proceeds from sale of non-current investments	456.20	-
Investments in mutual funds	(13,397.46)	(15,450.85)
Proceeds from sale / maturity of mutual funds	14,023.20	13,702.33
Proceeds from sale of other current investments	20.34	-
Investments in bank deposits having original maturity over three months	(522.73)	(15.09)
Deposit with financial institution	(300.00)	-
Maturity of bank deposits having original maturity over three months	400.00	100.00
Inter corporate deposits refunded	0.15	0.13
Interest received	202.36	74.36
Dividends received	226.50	233.26
<b>Net cash (used in) investing activities</b>	<b>(B) (1,161.75)</b>	<b>(2,315.45)</b>
<b>Cash flows from financing activities</b>		
(Repayment of)/ Proceeds from long term borrowings	(14.61)	13.02
Interest paid	(0.44)	(2.34)
Dividends paid	(1,039.51)	(560.12)
Tax on dividend paid	(211.73)	(107.17)
<b>Net cash (used in) financing activities</b>	<b>(C) (1,266.29)</b>	<b>(656.61)</b>

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**Persistent Systems Limited****CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

	For the year ended	
	March 31, 2016	March 31, 2015
	In ₹ Million	In ₹ Million
Net increase in cash and cash equivalents (A + B + C)	112.56	143.89
Cash and cash equivalents at the beginning of the year	988.13	832.87
Cash and cash equivalents acquired on acquisition	292.60	-
Effect of exchange difference on translation of foreign currency cash and cash equivalents	8.11	11.37
<b>Cash and cash equivalents at the end of the year</b>	<b>1,401.40</b>	<b>988.13</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	0.16	0.14
Balances with banks		
On current accounts #	1,031.74	567.30
On saving accounts	0.08	0.08
On Exchange Earner's Foreign Currency accounts	368.21	419.89
On unpaid dividend accounts*	1.21	0.72
<b>Cash and cash equivalents as per note 19</b>	<b>1,401.40</b>	<b>988.13</b>

# Out of the balance the Company can utilise ₹ 1.19 million (Previous year ₹ 18.32 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

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  
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**For and on behalf of the Board of Directors of**  
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per Hemant M. Joshi  
Partner  
Membership no. 038019

per C. K. Joshi  
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Company Secretary

Place: Pune  
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**Persistent Systems Limited****Notes forming part of condensed consolidated financial statements****6. Reserves and surplus**

	As at March 31, 2016 In ₹ Million	As at March 31, 2015 In ₹ Million
<b>A. Securities premium account</b>		
Balance as per the last financial statements	1,336.70	1,736.70
Less: Capitalized on issue of bonus shares	-	(400.00)
	<b>1,336.70</b>	<b>1,336.70</b>
<b>B. Employees share options outstanding account</b>		
Balance as per the last financial statements	55.65	26.96
Add : Additions during the year	17.81	31.71
Less: Transferred to general reserve	(2.12)	(3.02)
	<b>71.34</b>	<b>55.65</b>
<b>C. General reserve</b>		
Balance as per the last financial statements	5,562.61	4,522.39
Add: Transferred from the statement of profit and loss	1,061.84	1,037.20
Add: Adjustments towards employees stock options	2.12	3.02
	<b>6,626.57</b>	<b>5,562.61</b>
<b>D. Foreign currency translation reserve</b>		
Balance as per the last financial statements	125.93	137.50
Add: Exchange difference during the year on net investment in non-integral foreign operation	58.18	(11.57)
	<b>184.11</b>	<b>125.93</b>
<b>E. Hedge reserve</b>		
Balance as per the last financial statements	81.54	214.73
Addition / (deduction) during the year	58.37	(133.19)
	<b>139.91</b>	<b>81.54</b>
<b>F. Surplus in the statement of profit and loss</b>		
Balance as per the last financial statements	6,092.86	5,185.16
Net profit for the year	2,973.61	2,906.31
Less: Appropriations		
Interim dividend	(640.00)	(400.00)
Proposed final dividend	-	(400.00)
Tax on dividend	(130.30)	(161.41)
Transferred to general reserve	(1,061.84)	(1,037.20)
	<b>7,234.33</b>	<b>6,092.86</b>
	<b>15,592.96</b>	<b>13,255.29</b>

**7. Long-term borrowings**

	As at March 31, 2016 In ₹ Million	As at March 31, 2015 In ₹ Million
Term loans (unsecured)		
Indian rupee loan from others	30.28	44.89
	<b>30.28</b>	<b>44.89</b>
Less: Current maturity of long-term borrowings transferred to other current liabilities (Refer note 10).	(4.58)	(20.17)
	<b>25.70</b>	<b>24.72</b>

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

Loan I - amounting to ₹ 13.64 million (Previous year ₹ 15.06 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 ₹ 16.64 million (Previous year ₹ 29.83 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 March 31, 2016 In ₹ Million	As at March 31, 2015 In ₹ Million
Interest accrued but not due on term loans	2.40	1.92
Less: Current maturity of interest accrued but not due on term loan transferred to other current liabilities (Refer note 10).	(1.19)	(0.45)
	<b>1.21</b>	<b>1.47</b>

**Persistent Systems Limited**

Notes forming part of condensed consolidated financial statements

**9. Long-term provisions**

	As at March 31, 2016 In ₹ Million	As at March 31, 2015 In ₹ Million
Provision for employee benefits		
- Long service awards	117.82	115.98
- Gratuity	6.59	-
	<b>124.41</b>	<b>115.98</b>

**10. Trade payables and other current liabilities**

	As at March 31, 2016 In ₹ Million	As at March 31, 2015 In ₹ Million
Trade payables	1,651.02	528.72
	<b>1,651.02</b>	<b>528.72</b>
<b>Other current liabilities</b>		
Unearned revenue	943.08	602.95
Unpaid dividend *	1.21	0.72
Current maturity of long-term borrowings (Refer note 7)	4.58	20.17
Current maturity of interest on long-term borrowings (Refer note 8)	1.19	0.45
Advance from customers	31.68	11.09
Capital creditors	228.90	380.53
Other payables		
- Statutory liabilities	122.07	111.26
- Accrued employee liabilities	243.71	133.14
- Payable to selling shareholders	55.04	-
- Other liabilities	10.70	4.41
	<b>1,642.16</b>	<b>1,264.72</b>

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

**11. Short-term provisions**

	As at March 31, 2016 In ₹ Million	As at March 31, 2015 In ₹ Million
Provision for employee benefits		
- Gratuity	49.70	213.91
- Leave encashment	453.15	376.01
- Long service awards	24.18	21.72
- Other employee benefits	696.60	662.16
Others		
- Proposed dividend	-	400.00
- Tax on proposed dividend	-	81.43
	<b>1,223.63</b>	<b>1,755.23</b>

**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
<b>Gross block (At cost)</b>										
As at April 1, 2015	218.65	40.11	2,409.12	1,632.92	54.86	1,272.21	21.40	512.40	4.73	6,166.40
Additions	-	3.20	6.30	250.82	8.49	127.51	7.01	72.02	-	475.35
Assets taken over on acquisition of entities	-	-	-	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
Other adjustments										
- Exchange differences	1.43	-	6.43	2.53	0.47	0.17	(1.95)	1.99	-	11.07
<b>As at March 31, 2016</b>	<b>220.08</b>	<b>43.31</b>	<b>2,421.85</b>	<b>2,096.34</b>	<b>63.59</b>	<b>1,354.42</b>	<b>71.77</b>	<b>581.02</b>	<b>4.73</b>	<b>6,857.11</b>
<b>Depreciation and amortization</b>										
As at April 1, 2015	-	3.55	589.56	1,218.86	36.21	840.30	12.81	404.08	3.79	3,109.16
Assets taken over on acquisition of entities	-	-	-	310.87	0.10	1.64	47.13	5.33	-	365.07
Charge for the year	-	0.52	97.65	291.51	7.56	121.46	6.93	46.97	0.21	572.81
Disposals	-	-	-	132.68	0.15	46.64	5.85	11.37	-	196.69
Other adjustments										
- Exchange differences	-	-	1.06	(1.08)	0.17	0.09	(1.86)	0.93	-	(0.69)
<b>As at March 31, 2016</b>	<b>-</b>	<b>4.07</b>	<b>688.27</b>	<b>1,687.48</b>	<b>43.89</b>	<b>916.85</b>	<b>59.16</b>	<b>445.94</b>	<b>4.00</b>	<b>3,849.66</b>
<b>Net block</b>										
<b>As at March 31, 2016</b>	<b>220.08</b>	<b>39.24</b>	<b>1,733.58</b>	<b>408.86</b>	<b>19.70</b>	<b>437.57</b>	<b>12.61</b>	<b>135.08</b>	<b>0.73</b>	<b>3,007.45</b>
<b>As at March 31, 2015</b>	<b>218.65</b>	<b>36.56</b>	<b>1,819.56</b>	<b>414.06</b>	<b>18.65</b>	<b>431.91</b>	<b>8.59</b>	<b>108.32</b>	<b>0.94</b>	<b>3,057.24</b>

	(In ₹ Million)									
	Freehold land	Leasehold land	Buildings *	Computers	Office equipments	Plant and equipment	Leasehold improvements	Furniture and fixtures	Vehicles	Total
<b>Gross block (At Cost)</b>										
As at April 1, 2014	221.30	40.11	2,161.08	1,388.04	45.87	1,163.37	21.52	471.31	4.54	5,517.14
Additions	-	-	259.94	344.33	8.84	113.89	0.09	41.25	1.07	769.41
Disposals	-	-	-	104.23	-	4.45	-	-	0.88	109.56
Other adjustments										
- Exchange differences	(2.65)	-	(11.90)	4.78	0.15	(0.60)	(0.21)	(0.16)	-	(10.59)
<b>As at March 31, 2015</b>	<b>218.65</b>	<b>40.11</b>	<b>2,409.12</b>	<b>1,632.92</b>	<b>54.86</b>	<b>1,272.21</b>	<b>21.40</b>	<b>512.40</b>	<b>4.73</b>	<b>6,166.40</b>
<b>Depreciation and amortization</b>										
As at April 1, 2014	-	3.13	499.58	1,082.93	29.93	736.69	10.23	364.81	4.54	2,731.84
Charge for the year	-	0.42	91.56	236.77	6.20	108.16	2.61	39.70	0.13	485.55
Disposals	-	-	-	104.04	-	4.42	-	-	0.88	109.34
Other adjustments										
- Exchange differences	-	-	(1.58)	3.20	0.08	(0.13)	(0.03)	(0.43)	-	1.11
<b>As at March 31, 2015</b>	<b>-</b>	<b>3.55</b>	<b>589.56</b>	<b>1,218.86</b>	<b>36.21</b>	<b>840.30</b>	<b>12.81</b>	<b>404.08</b>	<b>3.79</b>	<b>3,109.16</b>
<b>Net block</b>										
<b>As at March 31, 2015</b>	<b>218.65</b>	<b>36.56</b>	<b>1,819.56</b>	<b>414.06</b>	<b>18.65</b>	<b>431.91</b>	<b>8.59</b>	<b>108.32</b>	<b>0.94</b>	<b>3,057.24</b>

\* Note: Building includes those constructed on leasehold land:

- Gross block as on March 31, 2016 ₹ 1,426.31 million (Previous year ₹ 1,424.66 million)
- Depreciation charge for the period ₹ 57.99 million (Previous year ₹ 51.87 million)
- Accumulated depreciation as on March 31, 2016 ₹ 264.51 million (Previous year ₹ 206.52 million)
- Net book value as on March 31, 2016 ₹ 1,161.80 million (Previous year ₹ 1,218.14 million)

**Persistent Systems Limited**

Notes forming part of condensed consolidated financial statements

**12.2 Intangible assets**

	(In ₹ Million)		
	Software	Acquired contractual rights	Total
<b>Gross block (At Cost)</b>			
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
Disposals	-	-	-
Other adjustments			
- Exchange differences	79.79	15.27	95.06
<b>As at March 31, 2016</b>	<b>3,024.09</b>	<b>895.25</b>	<b>3,919.34</b>
<b>Amortization</b>			
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	77.81	392.35
Disposals	-	-	-
Other adjustments			
- Exchange differences	46.33	14.90	61.23
<b>As at March 31, 2016</b>	<b>2,177.12</b>	<b>561.84</b>	<b>2,738.96</b>
<b>Net block</b>			
<b>As at March 31, 2016</b>	<b>846.97</b>	<b>333.41</b>	<b>1,180.38</b>
<b>As at March 31, 2015</b>	<b>874.87</b>	<b>120.43</b>	<b>995.30</b>

	(In ₹ Million)		
	Software	Acquired contractual rights	Total
<b>Gross block (At Cost)</b>			
As at April 1, 2014	2,430.36	575.05	3,005.41
Additions	139.36	-	139.36
Disposals	-	-	-
Other adjustments			
- Exchange differences	58.00	14.51	72.51
<b>As at March 31, 2015</b>	<b>2,627.72</b>	<b>589.56</b>	<b>3,217.28</b>
<b>Amortization</b>			
As at April 1, 2014	1,347.83	388.53	1,736.36
Charge for the year	380.39	72.59	452.98
Disposals	-	-	-
Other adjustments			
- Exchange differences	24.63	8.01	32.64
<b>As at March 31, 2015</b>	<b>1,752.85</b>	<b>469.13</b>	<b>2,221.98</b>
<b>Net block</b>			
<b>As at March 31, 2015</b>	<b>874.87</b>	<b>120.43</b>	<b>995.30</b>

**12.3 Depreciation and amortization**

	(In ₹ Million)			
	For the quarter ended		For the year ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
On tangible assets	147.85	126.55	572.81	485.55
On intangible assets	108.07	100.71	392.35	452.98
	<b>255.92</b>	<b>227.26</b>	<b>965.16</b>	<b>938.53</b>

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**Persistent Systems Limited**

Notes forming part of condensed consolidated financial statements

**13. Non-current investments**

	As at March 31, 2016 In ₹ Million	As at March 31, 2015 In ₹ Million
<b>Trade Investments (At cost unless otherwise mentioned)</b>		
<b>Investments in Equity Instruments (Unquoted)</b>		
<b>In Associates (Unquoted)</b>		
Klisma eService Private Limited [Holding 50%. (Previous year 50%)] 0.005 million (Previous year 0.005 million) shares of ₹10 each, fully paid up	0.05	0.05
Less : Provision for diminution in value of investment	(0.05)	(0.05)
	-	-
<b>In Others* (Unquoted)</b>		
Ciqua Limited [Holding 2.38% (Previous year 2.38%)] 0.04 million (Previous year: 0.04 million) shares of GBP 0.01 each, fully paid up	13.34	12.31
Less : Provision for diminution in value of investment	(13.34)	(12.31)
	-	-
Altizon Systems Private Limited 3,766 equity shares (Previous year 3,766 equity shares) of ₹ 10 each, fully paid up	6.00	6.00
	<b>6.00</b>	<b>6.00</b>
<b>Investments in preferred stock (Unquoted)</b>		
Hygenx Inc. 0.25 million (Previous year 0.25 million) Preferred stock of \$ 0.001 each, fully paid up	13.25	12.50
Trunomi Inc. 0.28 million (Previous year Nil) Preferred stock of \$ 0.002 each, fully paid up	16.56	-
Jocata Corporation 0.006 million (Previous year Nil) Preferred stock of \$ 0.001 each, fully paid up	16.56	-
OpsDataStore Inc. 0.10 million (Previous year Nil) Preferred stock of \$ 0.001 each, fully paid up	13.25	-
Ampool Inc. 0.55 million (Previous year Nil) Preferred stock of \$ 0.4583 each, fully paid up	16.56	-
	<b>76.18</b>	<b>12.50</b>
<b>Investments in Convertible Notes (Unquoted)</b>		
DxNow 1 (Previous year 1) convertible note of USD 125,000 each, fully paid up	8.28	7.81
Ustyme 1 (Previous year 1) convertible note of USD 250,000 each, fully paid up	16.56	15.62
Akumina Inc. 1 (Previous year Nil) convertible note of USD 146,429 each, fully paid up	9.70	-
	<b>34.54</b>	<b>23.43</b>
<b>Non-trade Investments (At cost unless otherwise mentioned)</b>		
<b>Government Securities (Quoted)</b>		
In government securities [Market value ₹ 655.67 million (Previous year ₹ 786.09 million)]	609.46	775.76
	<b>609.46</b>	<b>775.76</b>
<b>Investments in mutual funds (Quoted)</b>		
[Market value ₹ 968.22 million (Previous year ₹ 1,461.47 million)] (Refer Note 13 a)	821.74	1,297.85
Less: Current portion of long term mutual funds [Market value ₹ 242.34 million (Previous year ₹ Nil)] (Refer Note 13b & 17)	(200.00)	-
	<b>621.74</b>	<b>1,297.85</b>
	<b>1,347.92</b>	<b>2,115.54</b>
Aggregate provision for diminution in value of investments	13.39	12.36
Aggregate amount of quoted investments [Market value ₹ 1,381.55 million (Previous year ₹ 2,247.56 million)]	1,231.20	2,073.61
Aggregate amount of unquoted investments	130.11	54.29
* 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/ liability (net) \***

	As at March 31, 2016 In ₹ Million	As at March 31, 2015 In ₹ Million
<b>Deferred tax liabilities</b>		
Differences in depreciation / amortization and other differences in a block of tangible and intangible assets as per the tax books and financial books	140.92	263.16
	<b>140.92</b>	<b>263.16</b>
<b>Deferred tax assets</b>		
Provision for leave encashment	142.54	119.59
Provision for long service awards	47.92	45.67
Provision for doubtful debts	73.87	123.97
Differences in depreciation / amortization and other differences in a block of tangible and intangible assets as per the tax books and financial books (overseas)	-	130.90
Brought forward and current year losses **	60.37	103.65
Others	48.97	52.31
	<b>373.67</b>	<b>576.09</b>
<b>Deferred tax liabilities after set off</b>	-	2.51
<b>Deferred tax assets after set off</b>	<b>232.75</b>	<b>315.44</b>

\* 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.

\*\* Persistent Systems, Inc. (PSI) (a wholly owned subsidiary of the parent Company) along with Persistent Telecom Solutions Inc. (PTSI) (wholly owned subsidiary of Persistent Systems, Inc) have decided to opt for filing consolidated income tax return in compliance with the applicable tax regulations in the United States from financial year 2014-15. This enables to set off the business losses in PTSI against the profits of PSI. In view of the virtual certainty of profits in PSI, deferred tax asset on losses has been recognized in the financial statements of PTSI.

**15. Long term loans and advances**

	As at March 31, 2016 In ₹ Million	As at March 31, 2015 In ₹ Million
Capital advances (Unsecured, considered good)	582.75	12.57
Security deposits		
Unsecured, considered good	102.28	72.27
Unsecured, considered doubtful	2.19	2.19
	104.47	74.46
Less: Provision for doubtful deposits	(2.19)	(2.19)
	102.28	72.27
Advance income tax (Net of provision for income tax)	153.12	20.07
Inter corporate deposits		
Unsecured, considered good	0.33	0.48
Unsecured, considered doubtful	0.58	0.58
	0.91	1.06
Less: Provision for doubtful deposits	(0.58)	(0.58)
	0.33	0.48
Advances recoverable in cash or kind or for value to be received	12.57	17.82
	<b>851.05</b>	<b>123.21</b>

**16. Other non-current assets**

	As at March 31, 2016 In ₹ Million	As at March 31, 2015 In ₹ Million
Non-current bank balances (Refer note 19)	532.22	12.27
Deposits with financial institution	300.00	-
Interest accrued but not due	37.88	1.12
	<b>870.10</b>	<b>13.39</b>

**Persistent Systems Limited**

Notes forming part of condensed consolidated financial statements

**18. Trade receivables**

	As at March 31, 2016 In ₹ Million	As at March 31, 2015 In ₹ Million
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	2.63	8.23
Unsecured, considered doubtful	270.62	433.28
	273.25	441.51
Less : Provision for doubtful receivables	(270.62)	(433.28)
	<b>2.63</b>	<b>8.23</b>
<b>Others</b>		
Unsecured, considered good	4,272.86	3,577.53
Unsecured, considered doubtful	-	4.48
	4,272.86	3,582.01
Less : Provision for doubtful receivables	-	(4.48)
	<b>4,272.86</b>	<b>3,577.53</b>
	<b>4,275.49</b>	<b>3,585.76</b>

**19. Cash and bank balances**

	As at March 31, 2016 In ₹ Million	As at March 31, 2015 In ₹ Million
<b>Cash and cash equivalents as presented in cash flow statement</b>		
Cash on hand	0.16	0.14
Balances with banks		
On current accounts *	1,031.74	567.30
On saving accounts	0.08	0.08
On Exchange Earner's Foreign Currency accounts	368.21	419.89
On unpaid dividend accounts **	1.21	0.72
	<b>1,401.40</b>	<b>988.13</b>
<b>Other bank balances</b>		
On deposit account with original maturity more than twelve months ***	563.20	440.38
	<b>563.20</b>	<b>440.38</b>
Less: Deposits with maturity more than twelve months from the balance sheet date disclosed under other non-current assets (Refer note 16)	(532.22)	(12.27)
	<b>30.98</b>	<b>428.11</b>
	<b>1,432.38</b>	<b>1,416.24</b>

\* Out of the balance the Company can utilise ₹ 1.19 million ( Previous year ₹ 18.32 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 ₹ 57.25 million (Previous year ₹ 35.21 million) have been earmarked against bank guarantees availed by the Company.

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**Persistent Systems Limited**

Notes forming part of condensed consolidated financial statements

**20. Short term loans and advances**

	As at March 31, 2016 In ₹ Million	As at March 31, 2015 In ₹ Million
<b>Loan to related parties</b>		
Unsecured, considered good	-	-
Unsecured, considered doubtful	27.43	27.43
	27.43	27.43
Less: Provision for doubtful deposits	(27.43)	(27.43)
	-	-
<b>Other loans and advances (Unsecured, considered good)</b>		
- Deposits	9.12	10.87
- Advances recoverable in cash or kind or for value to be received	621.85	294.50
- VAT receivable (net)	52.76	44.45
- Service tax receivable (net)	128.71	57.60
	812.44	407.42
<b>Other loans and advances (Unsecured, considered doubtful)</b>		
Advances recoverable in cash or kind or for value to be received	0.81	0.75
Less: Provision for doubtful advances	(0.81)	(0.75)
	-	-
	<b>812.44</b>	<b>407.42</b>

**21. Other current assets**

	As at March 31, 2016 In ₹ Million	As at March 31, 2015 In ₹ Million
Interest accrued but not due	23.79	126.27
Forward contracts receivable	164.40	107.32
Unbilled revenue	1,599.58	801.81
	<b>1,787.77</b>	<b>1,035.40</b>

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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 year ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million
Software services	6,535.29	4,797.54	22,358.47	18,376.93
Software licenses	235.81	176.99	764.84	535.59
	<b>6,771.10</b>	<b>4,974.53</b>	<b>23,123.31</b>	<b>18,912.52</b>

**23. Other income**

	For the quarter ended		For the year ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million
Interest income				
On bank deposits	25.57	16.59	60.86	49.39
On others	21.34	15.84	87.57	67.13
Foreign exchange gain (net)	-	50.59	146.51	469.17
Profit on sale of fixed assets (net)	4.24	0.65	9.29	3.05
Dividend income from investments	54.58	65.12	226.50	233.26
Profit on sale of investments (net)	135.90	30.38	224.41	84.72
Profit on disposal of investment in subsidiary	-	-	3.65	-
Excess provision in respect of earlier period / years written back	-	0.38	0.01	5.73
Miscellaneous income	4.69	3.73	25.69	25.70
	<b>246.32</b>	<b>183.28</b>	<b>784.49</b>	<b>938.15</b>

**24. Personnel expenses**

	For the quarter ended		For the year ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million
<b>24.1 Employee benefits expense</b>				
Salaries, wages and bonus	3,973.06	2,730.36	13,030.88	10,235.68
Contribution to provident and other funds	71.72	58.67	263.08	224.40
Gratuity expenses	(44.87)	49.93	37.64	205.10
Defined contribution to other funds	27.11	29.13	113.06	116.88
Staff welfare and benefits	112.00	80.09	365.79	299.95
Employee stock compensation expenses	17.81	-	17.81	31.71
	<b>4,156.83</b>	<b>2,948.18</b>	<b>13,828.26</b>	<b>11,113.72</b>
<b>24.2 Cost of technical professionals</b>	486.96	293.69	1,586.63	1,089.62
	<b>4,643.79</b>	<b>3,241.87</b>	<b>15,414.89</b>	<b>12,203.34</b>

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**Persistent Systems Limited****Notes forming part of condensed consolidated financial statements****25. Other expenses**

	For the quarter ended		For the year ended	
	March 31, 2016 In ₹ Million	March 31, 2015 In ₹ Million	March 31, 2016 In ₹ Million	March 31, 2015 In ₹ Million
Travelling and conveyance	286.98	204.26	982.58	782.06
Electricity expenses (net)	47.06	28.37	149.80	111.30
Internet link expenses	21.41	12.75	72.36	51.71
Communication expenses	29.35	13.12	81.61	62.54
Recruitment expenses	28.86	32.67	111.86	98.74
Training and seminars	5.68	14.91	23.70	34.54
Royalty expenses	25.65	52.16	138.06	176.73
Purchase of software licenses and support expenses	219.80	115.47	723.27	497.21
Bad debts	169.16	45.20	205.01	99.27
Provision for doubtful receivables/ (provision for doubtful receivables written back) (net)	(192.70)	(30.92)	(196.10)	(55.77)
Rent	104.19	42.92	267.68	158.31
Insurance	6.84	5.67	27.59	24.22
Rates and taxes	16.30	10.28	51.96	35.70
Legal and professional fees	120.78	47.70	280.27	225.16
Repairs and maintenance				
- Plant and Machinery	28.13	21.81	95.74	78.93
- Buildings	9.34	6.53	27.36	27.54
- Others	6.06	4.74	19.00	16.82
Commission on sales	1.11	1.05	4.31	1.94
Advertisement and sponsorship fees	34.99	21.95	122.84	73.53
Computer consumables	1.93	1.13	7.48	13.84
Auditors' remuneration	3.59	2.16	11.74	8.36
Donations	16.73	13.53	75.25	58.09
Books, memberships, subscriptions	13.05	10.43	42.18	28.61
Foreign exchange loss (net)	28.99	-	-	-
Directors' sitting fees	0.83	0.22	2.60	1.05
Directors' commission	2.54	1.68	9.29	6.48
Provision for doubtful deposits and advances	-	-	0.06	2.18
Advances written off	0.59	-	29.55	-
Miscellaneous expenses	52.37	50.45	203.51	186.62
	<b>1089.61</b>	<b>730.24</b>	<b>3,570.56</b>	<b>2,805.71</b>

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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 year ended	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
<b><u>Numerator for Basic and Diluted EPS</u></b>					
Net Profit after tax (In ₹ Million)	(A)	808.07	760.50	2,973.61	2,906.31
<b><u>Denominator for Basic EPS</u></b>					
Weighted average number of equity shares	(B)	80,000,000	79,297,856	79,810,026	78,885,893
<b><u>Denominator for Diluted EPS</u></b>					
Number of equity shares	(C)	80,000,000	80,000,000	80,000,000	80,000,000
<b>Basic Earnings per share of face value of ₹ 10 each (In ₹)</b>	<b>(A/B)</b>	<b>10.10</b>	<b>9.59</b>	<b>37.26</b>	<b>36.84</b>
<b>Diluted Earnings per share of face value of ₹ 10 each (In ₹)</b>	<b>(A/C)</b>	<b>10.10</b>	<b>9.51</b>	<b>37.17</b>	<b>36.33</b>
<hr/>					
		For the quarter ended		For the year ended	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Number of shares considered as basic weighted average shares outstanding		80,000,000	79,297,856	79,810,026	78,885,893
Add: Effect of dilutive issues of stock options		-	702,144	189,974	1,114,107
<b>Number of shares considered as weighted average shares and potential shares outstanding</b>		<b>80,000,000</b>	<b>80,000,000</b>	<b>80,000,000</b>	<b>80,000,000</b>

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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:

- a. Infrastructure and Systems
- b. Telecom and Wireless
- c. Life science and Healthcare
- d. Financial Services

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

(In ₹ Million)

Particulars			Infrastructure and Systems	Telecom and Wireless	Life Science and Healthcare	Financial Services	Total
Revenue	Quarter ended	Mar-31-2016	3,770.35	912.94	840.44	1,247.37	6,771.10
	Quarter ended	Mar-31-2015	2,711.52	810.28	713.23	739.50	4,974.53
	Year ended	Mar-31-2016	12,467.05	3,333.53	3,144.08	4,178.65	23,123.31
	Year ended	Mar-31-2015	10,421.06	3,183.46	2,578.09	2,729.91	18,912.52
Identifiable expense	Quarter ended	Mar-31-2016	2,416.90	510.56	475.96	840.51	4,243.93
	Quarter ended	Mar-31-2015	1,476.18	452.33	349.52	481.13	2,759.16
	Year ended	Mar-31-2016	7,338.66	1,828.68	1,672.80	2,788.44	13,628.58
	Year ended	Mar-31-2015	5,838.70	1,842.06	1,284.69	1,815.79	10,781.24
Segmental result	Quarter ended	Mar-31-2016	1,353.45	402.38	364.48	406.86	2,527.17
	Quarter ended	Mar-31-2015	1,235.34	357.95	363.71	258.37	2,215.37
	Year ended	Mar-31-2016	5,128.39	1,504.85	1,471.28	1,390.21	9,494.73
	Year ended	Mar-31-2015	4,582.36	1,341.40	1,293.40	914.12	8,131.28
Unallocable expenses	Quarter ended	Mar-31-2016					1,745.59
	Quarter ended	Mar-31-2015					1,440.50
	Year ended	Mar-31-2016					6,322.95
	Year ended	Mar-31-2015					5,169.71
Operating income	Quarter ended	Mar-31-2016					781.58
	Quarter ended	Mar-31-2015					774.87
	Year ended	Mar-31-2016					3,171.78
	Year ended	Mar-31-2015					2,961.57
Other income (net of expenses)	Quarter ended	Mar-31-2016					246.32
	Quarter ended	Mar-31-2015					183.28
	Year ended	Mar-31-2016					784.49
	Year ended	Mar-31-2015					938.15
Profit before taxes	Quarter ended	Mar-31-2016					1,027.90
	Quarter ended	Mar-31-2015					958.15
	Year ended	Mar-31-2016					3,956.27
	Year ended	Mar-31-2015					3,899.72
Tax expense	Quarter ended	Mar-31-2016					219.83
	Quarter ended	Mar-31-2015					197.65
	Year ended	Mar-31-2016					982.66
	Year ended	Mar-31-2015					993.41
Profit after tax	Quarter ended	Mar-31-2016					808.07
	Quarter ended	Mar-31-2015					760.50
	Year ended	Mar-31-2016					2,973.61
	Year ended	Mar-31-2015					2,906.31

(In ₹ Million)

Particulars			Infrastructure and Systems	Telecom and Wireless	Life Science and Healthcare	Financial Services	Total
Segmental trade receivables	As at	Mar-31-2016	2,169.66	653.70	706.47	745.66	4,275.49
	As at	Mar-31-2015	2,065.07	694.40	406.05	420.24	3,585.76
Unallocated assets	As at	Mar-31-2016	-	-	-	-	16,789.94
	As at	Mar-31-2015	-	-	-	-	14,162.88



**Persistent Systems Limited**

Notes forming part of condensed consolidated financial statements

**27. Segment Information****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	Rest of the World	Total
Revenue	Quarter ended	Mar-31-2016	5,827.80	450.64	492.66	6,771.10
	Quarter ended	Mar-31-2015	4,246.03	340.56	387.94	4,974.53
	Year ended	Mar-31-2016	19,779.95	1,505.60	1,837.76	23,123.31
	Year ended	Mar-31-2015	16,166.81	1,267.02	1,478.69	18,912.52
Segmental trade receivables	As at	Mar-31-2016	3,358.08	372.52	544.89	4,275.49
	As at	Mar-31-2015	2,992.38	227.57	365.81	3,585.76

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