

Persistent Systems Limited

BALANCE SHEET AS AT SEPTEMBER 30, 2013

	Notes	As at September 30, 2013 In ₹ Million	As at September 30, 2012 In ₹ Million	As at March 31, 2013 In ₹ Million
EQUITY AND LIABILITIES				
Shareholders' funds				
Share capital	4	400.00	400.00	400.00
Reserves and surplus	5	10,499.22	9,060.34	9,660.44
		10,899.22	9,460.34	10,060.44
Non- current liabilities				
Long term borrowings	6	23.35	14.20	14.20
Other long term liabilities	7	0.58	0.18	0.36
Long-term provisions	8	84.55	71.29	79.87
		108.48	85.67	94.43
Current liabilities				
Trade payables	9	287.13	351.03	230.57
Other current liabilities	9	712.90	292.71	196.34
Short-term provisions	10	538.48	406.96	709.68
		1,538.51	1,050.70	1,136.59
TOTAL		12,546.21	10,596.71	11,291.46
ASSETS				
Non-current assets				
Fixed assets				
Tangible assets	11.1	2,638.68	2,571.82	2,638.35
Intangible assets	11.2	194.84	303.25	240.48
Capital work-in-progress		297.57	377.77	346.26
Intangible assets under development		-	0.35	-
		3,131.09	3,253.19	3,225.09
Non-current investments	12	750.25	700.30	750.30
Deferred tax assets (net)	13	154.37	117.11	111.78
Long term loans and advances	14	521.09	238.50	627.12
Other non-current assets	15	449.13	524.14	526.29
		5,005.93	4,833.24	5,240.58
Current assets				
Current investments	16	3,766.69	2,335.51	3,116.18
Trade receivables	17	2,407.30	2,037.24	2,033.99
Cash and bank balances	18	570.38	538.31	298.08
Short term loans and advances	19	425.88	515.24	265.75
Other current assets	20	370.03	337.17	336.88
		7,540.28	5,763.47	6,050.88
TOTAL		12,546.21	10,596.71	11,291.46
Summary of significant accounting policies	3			

The accompanying notes are an integral part of the 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

Rohit Kamat
Chief Financial Officer

Amit Atre
Company Secretary

Place: Pune
Date : October 20, 2013

Place: Pune
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Place: Pune
Date : October 20, 2013

Persistent Systems Limited**STATEMENT OF PROFIT AND LOSS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2013**

	Notes	For the quarter ended		For the half year ended		For the year ended
		September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012	March 31, 2013
		In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million
Income						
Revenue from operations (net)	21	3,079.28	2,504.11	5,721.84	4,846.81	9,967.51
Other income	22	93.30	83.01	254.39	158.53	288.30
Total revenue (A)		3,172.58	2,587.12	5,976.23	5,005.34	10,255.81
Expenses						
Employee benefit expenses	23.1	1,399.68	1,177.10	2,643.71	2,254.20	4,778.60
Cost of technical professionals	23.2	321.96	263.29	575.32	501.69	973.08
Other expenses	24	498.62	457.43	727.17	863.42	1,440.83
Finance costs		0.13	0.09	0.22	0.18	0.36
Depreciation and amortization expense	11.3	151.28	149.48	300.53	296.67	596.95
Total expenses (B)		2,371.67	2,047.39	4,246.95	3,916.16	7,789.82
Profit before tax (A - B)		800.91	539.73	1,729.28	1,089.18	2,465.99
Tax expense						
Current tax		225.05	130.21	480.58	309.44	692.56
Tax credit in respect of earlier years		(11.79)	-	(11.79)	-	(9.37)
Deferred tax charge / (credit)		(20.08)	(8.88)	(42.59)	(40.63)	(35.29)
Total tax expense		193.18	121.33	426.20	268.81	647.90
Net profit for the period / year		607.73	418.40	1,303.08	820.37	1,818.09
Earnings per equity share						
25						
[Nominal value of share ₹10 (Corresponding period/previous year: ₹10)]						
Basic (In ₹)		15.65	10.85	33.60	21.29	47.12
Diluted (In ₹)		15.19	10.46	32.58	20.51	45.45
Summary of significant accounting policies						
3						

The accompanying notes are an integral part of the 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
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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

Kiran Umrootkar
Director

Rohit Kamat
Chief Financial Officer

Amit Atre
Company Secretary

Place: Pune
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Persistent Systems Limited**CASH FLOW STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2013**

	For the half year ended		For the year ended
	September 30, 2013	September 30, 2012	March 31, 2013
	In ₹ Million	In ₹ Million	In ₹ Million
Cash flow from operating activities			
Profit before tax	1,729.28	1,089.18	2,465.99
Adjustments for:			
Interest income	(54.10)	(57.44)	(97.77)
Finance cost	0.22	0.18	0.36
Dividend income	(55.88)	(76.89)	(155.23)
Depreciation and amortization expense	300.53	296.67	596.95
Unrealised exchange (gain)/ loss (net)	(52.45)	64.13	8.97
Exchange loss / (gain) on derivative contracts	147.88	(11.51)	(89.79)
Exchange (gain)/ loss on translation of foreign currency cash and cash equivalents	(3.83)	7.44	(1.31)
Bad debts	28.48	-	30.59
Provision for doubtful receivables (net)	30.71	65.24	66.70
Employee stock compensation expenses	-	0.94	0.94
Provision for doubtful deposits (net)	2.82	-	27.73
Provision for doubtful advances (net)	0.42	-	-
Provision for diminution in value of non current investments	0.05	-	-
Provision for diminution in value of current investments	12.84	-	-
Profit on sale of investments (net)	(54.47)	(12.57)	(13.09)
Profit on sale of fixed assets (net)	(1.24)	(2.76)	(3.89)
Operating profit before working capital changes	2,031.26	1,362.61	2,837.15
Movements in working capital :			
(Increase) in trade receivables	(443.42)	(517.83)	(481.77)
(Increase) in other current assets	(136.06)	(190.33)	(121.21)
(Increase) in loans and advances	(80.62)	(113.82)	(12.37)
Increase in trade payables and current liabilities	88.89	215.57	8.86
(Decrease)/ Increase in provisions	(123.29)	0.41	171.32
Operating profit after working capital changes	1,336.76	756.61	2,401.98
Direct taxes paid (net of refunds)	(269.31)	(206.40)	(464.04)
Net cash generated from operating activities	(A) 1,067.45	550.21	1,937.94
Cash flows from investing activities			
Payment towards capital expenditure	(217.77)	(206.66)	(570.71)
Proceeds from sale of fixed assets	1.62	2.93	4.09
Purchase of non current investments**	-	-	(50.00)
Purchase of current investments	(6,007.23)	(5,380.56)	(10,908.44)
Proceeds from sale / maturity of current investments	5,436.39	5,046.73	9,846.35
Investments in bank deposits having original maturity over three months	(1.18)	-	(510.00)
Maturity of bank deposits having original maturity over three months	1.23	100.09	900.75
Inter corporate deposits placed	-	-	(325.38)
Inter corporate deposits refunded	0.10	29.15	50.00
Interest received	3.33	64.41	106.00
Dividend received	15.88	3.02	29.47
Net cash (used in) investing activities	(B) (767.63)	(340.89)	(1,427.87)
Cash flows from financing activities			
Proceeds from long term borrowings	9.15	7.66	7.66
Dividend paid	(119.92)	(99.90)	(339.72)
Tax on dividend paid	(20.39)	(16.22)	(55.15)
Net cash (used in) financing activities	(C) (131.16)	(108.46)	(387.21)

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Persistent Systems Limited**CASH FLOW STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2013**

	For the half year ended		For the year ended
	September 30, 2013	September 30, 2012	March 31, 2013
	In ₹ Million	In ₹ Million	In ₹ Million
Net increase / (decrease) in cash and cash equivalents (A + B + C)	168.66	100.86	122.86
Cash and cash equivalents at the beginning of the year	267.88	143.71	143.71
Effect of exchange differences on translation of foreign currency cash and cash equivalents	3.83	(7.44)	1.31
Cash and cash equivalents at the end of the period/ year	440.37	237.13	267.88
Components of cash and cash equivalents			
Cash on hand	0.11	0.13	0.14
Balances with banks			
On current accounts #	27.13	96.18	57.75
On saving accounts	0.01	0.07	0.28
On Exchange Earner's Foreign Currency accounts	412.44	140.33	209.11
On unpaid dividend accounts*	0.68	0.42	0.60
Cash and cash equivalents as per note 18	440.37	237.13	267.88

Out of the balance the Company can utilise ₹ 10.43 million (Corresponding period ₹ 12.43 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.

** Persistent Systems Malaysia Sdn. Bhd., a wholly owned subsidiary of Persistent Systems Limited was incorporated on September 17, 2013 with a paid up capital of 10 shares of MYR 1 each (₹ 194.61)

Summary of significant accounting policies - Refer note 3

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
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Place: Pune
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Persistent Systems Limited**Notes forming part of financial statements****5. Reserves and surplus**

	As at September 30, 2013 In ₹ Million	As at September 30, 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 (Refer Note 31)			
Balance as per the last financial statements	30.48	33.51	33.51
Add : Additions during the reporting period	-	0.94	0.94
Less: Transferred to general reserve	(1.40)	(2.79)	(3.97)
	29.08	31.66	30.48
C. General reserve			
Balance as per the last financial statements	3,607.62	2,861.37	2,861.37
Add: Transferred from the statement of profit and loss	-	-	727.24
Add: Adjustments towards PSPL ESOP Management Trust and employees stock options (Refer Note 31 f)	4.55	8.21	19.01
	3,612.17	2,869.58	3,607.62
D. Hedge reserve			
Balance as per the last financial statements	87.76	(180.50)	(180.50)
Addition / (deduction) during the reporting period	(467.45)	256.18	268.26
	(379.69)	75.68	87.76
E. Surplus in the statement of profit and loss			
Balance as per the last financial statements	4,197.88	3,526.35	3,526.35
Net profit for the reporting period/ year	1,303.08	820.37	1,818.09
Less: Appropriations:			
Interim dividend	-	-	(240.00)
Proposed final dividend	-	-	(120.00)
Tax on dividend	-	-	(59.32)
Transferred to general reserve	-	-	(727.24)
	5,500.96	4,346.72	4,197.88
	10,499.22	9,060.34	9,660.44

6. Long term borrowings

	As at September 30, 2013 In ₹ Million	As at September 30, 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.

7. Other long term liabilities

	As at September 30, 2013 In ₹ Million	As at September 30, 2012 In ₹ Million	As at March 31, 2013 In ₹ Million
Interest accrued but not due on term loans	0.58	0.18	0.36
	0.58	0.18	0.36

8. Long-term provisions

	As at September 30, 2013 In ₹ Million	As at September 30, 2012 In ₹ Million	As at March 31, 2013 In ₹ Million
Provision for employee benefits			
- Long service awards	84.55	71.29	79.87
	84.55	71.29	79.87

Persistent Systems Limited**Notes forming part of financial statements****9. Trade payable and Other current liabilities**

	As at September 30, 2013 In ₹ Million	As at September 30, 2012 In ₹ Million	As at March 31, 2013 In ₹ Million
Trade payable (Refer note 36 for details of dues to micro and small enterprises)*	287.13	351.03	230.57
	287.13	351.03	230.57
Other current liabilities			
Unearned revenue	24.32	21.02	10.26
Unpaid dividend **	0.68	0.42	0.60
Advance from customers	40.96	25.32	25.80
Advance from related parties			
Persistent Systems France SAS (Refer note 30)	-	-	0.56
Forward contracts payable	492.75	-	-
Capital creditors (Refer note 36 for details of dues to micro and small enterprises)	16.87	115.74	24.32
Other payables			
- Statutory liabilities	69.03	53.69	67.84
- Accrued employee liabilities	64.60	70.62	64.94
- Other liabilities	3.69	5.90	2.02
	712.90	292.71	196.34
* Includes dues to related parties (Refer note 30)	121.14	232.38	58.81
** Unpaid dividend is credited to Investor Education and Protection Fund as and when due.			

10. Short-term provisions

	As at September 30, 2013 In ₹ Million	As at September 30, 2012 In ₹ Million	As at March 31, 2013 In ₹ Million
Provision for employee benefits			
- Gratuity (Refer note 27)	17.91	22.37	93.40
- Leave encashment	171.10	154.55	150.90
- Long service awards	4.78	8.25	12.09
- Other employee benefits	247.53	221.79	312.90
Others			
- Income tax (Net of advance tax)	97.16	-	-
- Proposed dividend	-	-	120.00
- Tax on proposed dividend	-	-	20.39
	538.48	406.96	709.68

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Persistent Systems Limited

Notes forming part of financial statements

11.1 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	206.92	39.93	2,022.65	1,073.35	39.07	1,093.20	20.81	422.63	4.54	4,923.10
Additions	-	0.18	46.25	106.99	1.09	28.96	-	6.17	-	189.64
Disposals	-	-	-	1.19	0.86	2.04	-	0.25	-	4.34
As at September 30, 2013	206.92	40.11	2,068.90	1,179.15	39.30	1,120.12	20.81	428.55	4.54	5,108.40
Depreciation and amortization										
As at April 1, 2013	-	2.71	410.04	873.58	25.79	633.29	8.10	326.76	4.48	2,284.75
Charge for the period	-	0.21	41.06	75.11	2.20	52.39	1.25	16.65	0.06	188.93
Disposals	-	-	-	1.04	0.80	1.86	-	0.26	-	3.96
As at September 30, 2013	-	2.92	451.10	947.65	27.19	683.82	9.35	343.15	4.54	2,469.72
Net block										
As at September 30, 2013	206.92	37.19	1,617.80	231.50	12.11	436.30	11.46	85.40	-	2,638.68
As at March 31, 2013	206.92	37.22	1,612.61	199.77	13.28	459.91	12.71	95.87	0.06	2,638.35

	(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	202.98	39.93	1,802.89	1,010.87	37.85	890.17	11.15	386.40	4.54	4,386.78
Additions	3.86	-	105.83	44.33	3.16	169.95	1.74	15.36	-	344.23
Disposals	-	-	-	35.08	2.07	1.30	-	-	-	38.45
As at September 30, 2012	206.84	39.93	1,908.72	1,020.12	38.94	1,058.82	12.89	401.76	4.54	4,692.56
Depreciation and amortization										
As at April 1, 2012	-	2.29	334.14	782.33	24.57	539.38	4.87	292.50	4.03	1,984.11
Charge for the period	-	0.21	36.81	71.81	3.61	44.49	1.43	16.33	0.22	174.91
Disposals	-	-	-	34.92	2.06	1.30	-	-	-	38.28
As at September 30, 2012	-	2.50	370.95	819.22	26.12	582.57	6.30	308.83	4.25	2,120.74
Net block										
As at September 30, 2012	206.84	37.43	1,537.77	200.90	12.82	476.25	6.59	92.93	0.29	2,571.82

* Note: Building includes those constructed on leasehold land:

- Gross block as on September 30, 2013 ₹ 1,008.54 million (Corresponding period ₹ 931.81 million/ previous year ₹ 962.28 million)
- Depreciation charge for the period ₹ 19.80 million (Corresponding period ₹ 17.29 million/ previous year ₹ 36.30 million)
- Accumulated depreciation as on September 30, 2013 ₹ 104.19 million (Corresponding period ₹ 65.37 million/ previous year ₹ 84.39 million)
- Net book value as on September 30, 2013 ₹ 904.35 million (Corresponding period ₹ 866.44 million/ previous year ₹ 877.89 million)

Persistent Systems Limited

Notes forming part of financial statements

11.1 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, 2012	202.98	39.93	1,802.89	1,010.87	37.85	890.17	11.15	386.40	4.54	4,386.78
Additions	3.94	-	219.76	118.59	4.61	204.89	9.66	36.43	-	597.88
Disposals	-	-	-	56.11	3.39	1.86	-	0.20	-	61.56
As at March 31, 2013	206.92	39.93	2,022.65	1,073.35	39.07	1,093.20	20.81	422.63	4.54	4,923.10
Depreciation and amortization										
As at April 1, 2012	-	2.29	334.14	782.33	24.57	539.38	4.87	292.50	4.03	1,984.11
Charge for the year	-	0.42	75.90	147.17	4.60	95.77	3.23	34.46	0.45	362.00
Disposals	-	-	-	55.92	3.38	1.86	-	0.20	-	61.36
As at March 31, 2013	-	2.71	410.04	873.58	25.79	633.29	8.10	326.76	4.48	2,284.75
Net block										
As at March 31, 2012	202.98	37.64	1,468.75	228.54	13.28	350.79	6.28	93.90	0.51	2,402.67
As at March 31, 2013	206.92	37.22	1,612.61	199.77	13.28	459.91	12.71	95.87	0.06	2,638.35

* 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 financial statements****11.2 Intangible assets**

	(In ₹ Million)		
	Software	Acquired contractual rights	Total
Gross block (At cost)			
As at April 1, 2013	903.01	232.54	1,135.55
Additions	65.97	-	65.97
Disposals	-	-	-
As at September 30, 2013	968.98	232.54	1,201.52
Amortization			
As at April 1, 2013	742.52	152.55	895.07
Charge for the period	69.27	42.34	111.61
Disposals	-	-	-
As at September 30, 2013	811.79	194.89	1,006.68
Net block			
As at September 30, 2013	157.19	37.65	194.84
As at March 31, 2013	160.49	79.99	240.48

	(In ₹ Million)		
	Software	Acquired contractual rights	Total
Gross block (At cost)			
As at April 1, 2012	928.21	232.54	1,160.75
Additions	40.37	-	40.37
Disposals	116.10	-	116.10
As at September 30, 2012	852.48	232.54	1,085.02
Amortization			
As at April 1, 2012	707.86	68.14	776.00
Charge for the period	79.58	42.29	121.87
Disposals	116.10	-	116.10
As at September 30, 2012	671.34	110.43	781.77
Net block			
As at September 30, 2012	181.14	122.11	303.25

11.3 Depreciation and amortization

	(In ₹ Million)				
	For the quarter ended		For the half year ended		For the year ended
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012	March 31, 2013
On tangible assets	96.26	89.03	188.93	174.91	362.00
On intangible assets	55.02	60.51	111.61	121.87	235.17
Less: attributable to fixed assets used for construction of building	-	(0.06)	(0.01)	(0.11)	(0.22)
	151.28	149.48	300.53	296.67	596.95

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Persistent Systems Limited

Notes forming part of financial statements

11.2 Intangible assets

			(In ₹ Million)
	Software	Acquired contractual rights	Total
Gross block (At cost)			
As at April 1, 2012	928.21	232.54	1,160.75
Additions	90.90	-	90.90
Disposals	116.10	-	116.10
As at March 31, 2013	903.01	232.54	1,135.55
Amortization			
As at April 1, 2012	707.86	68.14	776.00
Charge for the year	150.76	84.41	235.17
Disposals	116.10	-	116.10
As at March 31, 2013	742.52	152.55	895.07
Net block			
As at March 31, 2012	220.35	164.40	384.75
As at March 31, 2013	160.49	79.99	240.48

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Persistent Systems Limited**Notes forming part of financial statements****12. Non-current investments**

	As at September 30, 2013 In ₹ Million	As at September 30, 2012 In ₹ Million	As at March 31, 2013 In ₹ Million
Trade investments (At cost unless otherwise mentioned)			
Investments in equity instruments (Unquoted)			
In wholly owned subsidiary companies (Unquoted)			
Persistent Systems Inc. (Refer note 30)			
97 million (Corresponding period/ previous year : 97 million) shares of USD 0.10 each, fully paid up	473.59	473.59	473.59
	473.59	473.59	473.59
Persistent Systems Pte Limited (Refer note 30)			
0.5 million (Corresponding period/ previous year: 0.5 million) shares of SGD 1 each, fully paid up	15.50	15.50	15.50
Less : Provision for diminution in value of investment	9.00	9.00	9.00
	6.50	6.50	6.50
Persistent Systems France SAS (Refer note 30)			
1.50 million (Corresponding period/ previous year: 1.50 million) shares of EUR 1 each, fully paid up	97.47	97.47	97.47
	97.47	97.47	97.47
Persistent Systems Malaysia Sdn. Bhd.#			
10 (Corresponding period/ previous year: Nil) shares of MYR 1 each, fully paid up	-	-	-
	-	-	-
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
Sprint Telecom Private Limited [Holding 26%, (Corresponding period/ previous year 26%)]			
0.65 million (Corresponding period/ previous year: 0.65 million) shares of ₹ 10 each, fully paid up	6.50	6.50	6.50
	6.50	6.55	6.55
	584.06	584.11	584.11
Non-trade investments (At cost unless otherwise mentioned)			
Government securities (Quoted)			
In government securities			
[Market value ₹ million 164.44 (Corresponding period ₹ 119.65 million/ previous year ₹ 175.77 million)]	166.19	116.19	166.19
	166.19	116.19	166.19
	750.25	700.30	750.30
Aggregate provision for diminution in value of investments	9.05	9.00	9.00
Aggregate amount of quoted investments [Market value ₹ 164.44 million, (Corresponding period ₹ 119.65 million/ previous year ₹ 175.77 million)]	166.19	116.19	166.19
Aggregate amount of unquoted investments	593.11	593.11	593.11

Persistent Systems Malaysia Sdn. Bhd., a wholly owned subsidiary of Persistent Systems Limited was incorporated on September 17, 2013 with a paid up capital of 10 shares of MYR 1 each (₹ 194.61)

*Investments, where the Company 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 financial statements****13. Deferred tax assets (net)**

	As at September 30, 2013 In ₹ Million	As at September 30, 2012 In ₹ Million	As at March 31, 2013 In ₹ Million
Deferred tax liabilities			
Differences in depreciation and amortization and other differences in a block of tangible and intangible assets as per the tax books and financial books	68.76	77.87	77.80
Others	3.83	-	-
	72.59	77.87	77.80
Deferred tax assets			
Provision for leave encashment	58.16	50.14	48.96
Provision for long service awards	30.36	25.81	29.83
Provision for doubtful debts	138.44	119.03	110.79
	226.96	194.98	189.58
Deferred tax assets (net)	154.37	117.11	111.78

14. Long term loans and advances

	As at September 30, 2013 In ₹ Million	As at September 30, 2012 In ₹ Million	As at March 31, 2013 In ₹ Million
Capital advances (Unsecured, considered good)	8.51	4.66	5.08
Security deposit (Unsecured, considered good)	57.06	46.28	47.93
Advance income tax (Net of provision for income tax)	-	7.89	91.33
Loan to related parties (Unsecured, considered good)			
Persistent Systems, Inc. (Refer note 30)	313.12	79.28	352.79
Persistent Systems France SAS (Refer note 30)	36.35	15.72	29.91
Inter corporate deposits			
Unsecured, considered good	0.45	-	0.73
Unsecured, considered doubtful	0.58	0.58	0.58
	1.03	0.58	1.31
Less: Provision for doubtful deposits	0.58	0.58	0.58
	0.45	-	0.73
Other loans and advances (Unsecured, considered good)			
Advance to PSPL ESOP Management Trust	95.99	83.23	92.85
Advances recoverable in cash or kind or for value to be received	9.61	1.44	6.50
	105.60	84.67	99.35
	521.09	238.50	627.12

15. Other non-current assets

	As at September 30, 2013 In ₹ Million	As at September 30, 2012 In ₹ Million	As at March 31, 2013 In ₹ Million
Non-current bank balances (Refer note 18)	401.62	521.17	501.49
Interest accrued on ICD to related parties (Refer note 30)			
Persistent Systems Inc.	7.56	0.83	1.95
Persistent Systems France SAS	1.49	0.27	0.71
Interest accrued on bank deposits	38.46	1.87	22.14
	449.13	524.14	526.29

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

	As at September 30, 2013 In ₹ Million	As at September 30, 2012 In ₹ Million	As at March 31, 2013 In ₹ Million
Non trade			
Investments in mutual funds (Quoted)	3,779.53	2,335.51	3,116.18
Aggregate amount of quoted investments [Market value ₹ 3,766.69 million, (Corresponding period ₹ 2,353.46 million/ previous year ₹ 3,176.40 million)]			
Less: Provision for diminution in the value of investments	12.84	-	-
	3,766.69	2,335.51	3,116.18

Persistent Systems Limited**Notes forming part of financial statements****16 a) Details of investment in mutual funds (Quoted)**

	As at September 30, 2013		As at September 30, 2012		As at March 31, 2013	
	Units (in nos. million)	In ₹ Million	Units (in nos. million)	In ₹ Million	Units (in nos. million)	In ₹ Million
DSP mutual fund	-	-	-	-	-	-
IDFC mutual fund	14.03	409.85	33.93	388.78	33.27	393.31
HDFC mutual fund	31.00	318.85	9.67	100.00	30.90	317.74
ICICI Prudential mutual fund	16.03	387.01	11.23	150.00	25.69	380.00
Franklin Templeton mutual fund	0.33	395.09	0.32	390.94	0.33	395.09
DWS mutual Fund	17.37	437.29	10.00	100.00	13.68	150.62
Birla Sun Life mutual fund	6.62	363.11	1.68	167.60	30.73	357.22
Tata mutual fund	0.06	67.52	0.06	70.05	-	-
Reliance mutual fund	15.79	170.14	9.29	100.02	15.23	164.03
SBI mutual fund	20.13	406.45	27.34	300.35	33.04	380.36
Kotak mutual fund	32.73	363.54	19.10	192.51	-	-
UTI mutual fund	-	-	0.38	375.26	0.36	391.87
L&T mutual fund	20.77	460.68	-	-	-	-
Axis mutual fund	-	-	-	-	0.19	185.94
		3,779.53		2,335.51		3,116.18

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Persistent Systems Limited

Notes forming part of financial statements

17. Trade receivables

	As at September 30, 2013 In ₹ Million	As at September 30, 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	-	23.24	-
Unsecured, considered doubtful	447.75	324.46	326.48
	<u>447.75</u>	<u>347.70</u>	<u>326.48</u>
Less : Provision for doubtful receivables	447.75	324.46	326.48
	<u>-</u>	<u>23.24</u>	<u>-</u>
Others			
Unsecured, considered good *	2,407.30	2,014.00	2,033.99
Unsecured, considered doubtful	4.90	41.33	44.65
	<u>2,412.20</u>	<u>2,055.33</u>	<u>2,078.64</u>
Less : Provision for doubtful receivables	4.90	41.33	44.65
	<u>2,407.30</u>	<u>2,014.00</u>	<u>2,033.99</u>
	<u>2,407.30</u>	<u>2,037.24</u>	<u>2,033.99</u>
* Includes dues from related parties (Refer note 30)	438.53	328.05	270.56

18. Cash and bank balances

	As at September 30, 2013 In ₹ Million	As at September 30, 2012 In ₹ Million	As at March 31, 2013 In ₹ Million
Cash and cash equivalents as presented in cash flow statement			
Cash on hand	0.11	0.13	0.14
Balances with banks			
On current accounts *	27.13	96.18	57.75
On saving accounts	0.01	0.07	0.28
On Exchange Earner's Foreign Currency accounts	412.44	140.33	209.11
On unpaid dividend accounts**	0.68	0.42	0.60
	<u>440.37</u>	<u>237.13</u>	<u>267.88</u>
Other bank balances			
On deposit account with original maturity for more than twelve months***	531.63	822.35	531.69
	<u>531.63</u>	<u>822.35</u>	<u>531.69</u>
Less: Deposit with maturity more than twelve months disclosed under non-current assets (Refer note 15)	(401.62)	(521.17)	(501.49)
	<u>130.01</u>	<u>301.18</u>	<u>30.20</u>
	<u>570.38</u>	<u>538.31</u>	<u>298.08</u>

* Out of the balance the Company can utilise ₹ 10.43 million (Corresponding period ₹ 12.43 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 ₹ 31.63 million (Corresponding period ₹ 20 million/ previous year ₹ 31.68 million) have been earmarked against bank guarantees given by the Company

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Persistent Systems Limited**Notes forming part of financial statements****19. Short term loans and advances**

	As at September 30, 2013 In ₹ Million	As at September 30, 2012 In ₹ Million	As at March 31, 2013 In ₹ Million
Inter corporate deposit			
Unsecured, considered good	7.36	25.43	10.00
Unsecured, considered doubtful	30.25	-	27.43
	37.61	25.43	37.43
Less: Provision for doubtful deposits	30.25	-	27.43
	7.36	25.43	10.00
Loan to related parties (Unsecured, considered good) (Refer Note 30)			
Persistent Systems Inc.	93.94	-	-
	93.94	-	-
Advance to related parties (Unsecured, considered good) (Refer Note 30)			
Persistent Systems Inc.	4.84	10.05	3.71
Persistent Systems Pte Limited	-	0.07	0.18
Persistent Systems France SAS	0.08	1.57	-
Persistent Telecom Solutions Inc.	0.21	-	0.11
	5.13	11.69	4.00
Other loans and advances (Unsecured, considered good)			
Advances recoverable in cash or kind or for value to be received	209.48	187.39	160.15
MAT credit entitlement	23.35	222.90	23.35
VAT receivable (net)	59.95	57.93	53.47
Service tax receivable (net)	23.69	6.63	12.05
Deposits	2.98	3.27	2.73
	319.45	478.12	251.75
Other loans and advances (Unsecured, considered doubtful)			
Advances recoverable in cash or kind or for value to be received	0.72	-	0.30
Less: Provision for doubtful advances	0.72	-	0.30
	-	-	-
	425.88	515.24	265.75

20. Other current assets

	As at September 30, 2013 In ₹ Million	As at September 30, 2012 In ₹ Million	As at March 31, 2013 In ₹ Million
Interest accrued but not due	27.69	32.16	10.63
Interest accrued on ICD to related parties (Refer note 30)			
Persistent Systems Inc.	2.60	-	-
Forward contracts receivable	-	32.21	122.57
Unbilled revenue	339.74	272.80	203.68
	370.03	337.17	336.88

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Persistent Systems Limited

Notes forming part of financial statements

21. Revenue from operations (net)

	For the quarter ended		For the half year ended		For the year ended
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012	March 31, 2013
	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million
Sale of software services	3,079.28	2,504.11	5,721.84	4,846.81	9,967.51
	3,079.28	2,504.11	5,721.84	4,846.81	9,967.51

22. Other income

	For the quarter ended		For the half year ended		For the year ended
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012	March 31, 2013
	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million
Interest income					
On bank deposits	13.26	23.98	26.01	46.64	76.69
On others	19.67	5.22	28.09	10.80	21.08
Foreign exchange gain (net)	-	-	84.41	-	-
Profit on sale of fixed assets (net)	0.08	1.47	1.24	2.76	3.89
Dividend income from current investments	17.88	36.64	55.88	76.89	155.23
Profit on sale of current investments (net)	32.01	12.62	54.47	12.57	13.09
Excess provision in respect of earlier period/ years written back	7.18	-	-	-	-
Miscellaneous income	3.22	3.08	4.29	8.87	18.32
	93.30	83.01	254.39	158.53	288.30

23. Personnel expenses

	For the quarter ended		For the half year ended		For the year ended
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012	March 31, 2013
	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million
23.1 Employee benefit expenses					
Salaries, wages and bonus	1,305.53	1,068.47	2,400.59	2,041.27	4,286.73
Contribution to provident and other funds	46.26	38.34	90.81	73.68	155.42
Gratuity expenses (Refer note 27)	(20.03)	11.59	16.67	20.45	91.48
Defined contribution to other funds	8.42	6.94	16.52	13.89	28.90
Staff welfare and benefits	59.50	51.09	119.12	103.97	215.13
Employee stock compensation expenses (Refer note 31 d)	-	0.67	-	0.94	0.94
	1,399.68	1,177.10	2,643.71	2,254.20	4,778.60
23.2 Cost of technical professionals					
Technical professionals - related parties (Refer note 30)	294.24	238.75	520.79	451.04	876.19
Technical professionals - others	27.72	24.54	54.53	50.65	96.89
	321.96	263.29	575.32	501.69	973.08
	1,721.64	1,440.39	3,219.03	2,755.89	5,751.68

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Persistent Systems Limited

Notes forming part of financial statements

24. Other expenses

	For the quarter ended		For the half year ended		For the year ended
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012	March 31, 2013
	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million
Travelling and conveyance	76.76	52.04	137.96	104.18	216.34
Electricity expenses (net)	15.22	19.72	38.65	37.68	85.65
Internet link expenses	12.89	7.82	26.06	14.32	36.49
Communication expenses	4.82	3.60	10.32	9.46	20.60
Recruitment expenses	5.59	2.27	12.79	4.32	15.74
Training and seminars	6.51	7.50	9.84	10.08	20.18
Royalty expenses (Refer note 30)	0.67	-	0.67	-	-
Purchase of software licenses and support expenses	72.88	56.06	134.32	114.60	241.86
Bad debts	3.83	-	28.48	-	30.59
Provision for doubtful receivables(net)	31.32	26.26	30.71	65.24	66.70
Rent (Refer note 29)	27.00	23.82	52.16	43.72	89.75
Insurance	5.36	5.28	11.04	9.14	21.40
Rates and taxes	4.79	7.21	10.74	12.33	27.31
Legal and professional fees	20.81	11.46	36.17	28.27	57.90
Repairs and maintenance					
- Plant and Machinery	19.08	15.99	36.11	28.39	58.82
- Buildings	5.55	2.47	10.07	5.34	13.85
- Others	4.03	3.12	7.52	5.21	11.10
Commission on sales	20.42	10.28	35.64	18.76	41.24
Advertisement and sponsorship fees	4.25	5.95	5.03	8.07	14.21
Computer consumables	2.05	1.51	4.16	3.39	5.33
Auditors' remuneration (Refer note 34)	1.25	1.01	2.50	2.24	4.49
Donations	18.86	13.25	18.93	13.33	14.26
Books, memberships, subscriptions	1.36	0.73	1.99	1.12	2.20
Foreign exchange loss (net)	97.03	159.19	-	281.10	220.73
Directors' sitting fees	0.21	0.20	0.46	0.40	0.75
Directors' commission	1.40	-	4.10	-	9.75
Provision for doubtful deposits	-	-	2.82	-	27.73
Provision for doubtful advances	0.21	-	0.42	-	-
Provision for diminution in value of non current investments	-	-	0.05	-	-
Provision for diminution in value of current investments	12.84	-	12.84	-	-
Miscellaneous expenses	21.63	20.69	44.62	42.73	85.86
	498.62	457.43	727.17	863.42	1,440.83

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Persistent Systems Limited

Notes forming part of financial statements

25. Earnings per share

		For the quarter ended		For the half year ended		For the year ended
		September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012	March 31, 2013
<u>Numerator for Basic and Diluted EPS</u>						
Net Profit after tax (In ₹ Million)	(A)	607.73	418.40	1,303.08	820.37	1,818.09
<u>Denominator for Basic EPS</u>						
Weighted average number of equity shares	(B)	38,828,503	38,567,701	38,781,613	38,538,305	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)	15.65	10.85	33.60	21.29	47.12
Diluted Earnings per share of face value of ₹ 10 each (In ₹)	(A/C)	15.19	10.46	32.58	20.51	45.45

	For the quarter ended		For the half year ended		For the year ended
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012	March 31, 2013
Number of shares considered as basic weighted average shares outstanding	38,828,503	38,567,701	38,781,613	38,538,305	38,588,333
Add: Effect of dilutive issues of stock options	1,171,497	1,432,299	1,218,387	1,461,695	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 financial statements

26. Segment Information

The Company'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	Sep-30-2013	350.25	385.57	2,343.46	3,079.28
	Quarter ended	Sep-30-2012	485.17	216.39	1,802.55	2,504.11
	Half year ended	Sep-30-2013	740.79	619.79	4,361.26	5,721.84
	Half year ended	Sep-30-2012	986.77	444.60	3,415.44	4,846.81
	Year ended	Mar-31-2013	1,908.95	899.47	7,159.09	9,967.51
Identifiable expense	Quarter ended	Sep-30-2013	180.94	132.91	883.57	1,197.42
	Quarter ended	Sep-30-2012	226.10	85.64	733.59	1,045.33
	Half year ended	Sep-30-2013	378.09	214.40	1,675.38	2,267.87
	Half year ended	Sep-30-2012	468.16	167.49	1,362.14	1,997.79
	Year ended	Mar-31-2013	940.84	341.52	2,946.62	4,228.98
Segmental result	Quarter ended	Sep-30-2013	169.31	252.66	1,459.89	1,881.86
	Quarter ended	Sep-30-2012	259.07	130.75	1,068.96	1,458.78
	Half year ended	Sep-30-2013	362.70	405.39	2,685.88	3,453.97
	Half year ended	Sep-30-2012	518.61	277.11	2,053.30	2,849.02
	Year ended	Mar-31-2013	968.11	557.95	4,212.47	5,738.53
Unallocable expenses	Quarter ended	Sep-30-2013				1,174.25
	Quarter ended	Sep-30-2012				1,002.06
	Half year ended	Sep-30-2013				1,979.08
	Half year ended	Sep-30-2012				1,918.37
	Year ended	Mar-31-2013				3,560.84
Operating income	Quarter ended	Sep-30-2013				707.61
	Quarter ended	Sep-30-2012				456.72
	Half year ended	Sep-30-2013				1,474.89
	Half year ended	Sep-30-2012				930.65
	Year ended	Mar-31-2013				2,177.69
Other income (net of expenses)	Quarter ended	Sep-30-2013				93.30
	Quarter ended	Sep-30-2012				83.01
	Half year ended	Sep-30-2013				254.39
	Half year ended	Sep-30-2012				158.53
	Year ended	Mar-31-2013				288.30
Profit before taxes	Quarter ended	Sep-30-2013				800.91
	Quarter ended	Sep-30-2012				539.73
	Half year ended	Sep-30-2013				1,729.28
	Half year ended	Sep-30-2012				1,089.18
	Year ended	Mar-31-2013				2,465.99
Tax expense	Quarter ended	Sep-30-2013				193.18
	Quarter ended	Sep-30-2012				121.33
	Half year ended	Sep-30-2013				426.20
	Half year ended	Sep-30-2012				268.81
	Year ended	Mar-31-2013				647.90
Profit after tax	Quarter ended	Sep-30-2013				607.73
	Quarter ended	Sep-30-2012				418.40
	Half year ended	Sep-30-2013				1,303.08
	Half year ended	Sep-30-2012				820.37
	Year ended	Mar-31-2013				1,818.09

Persistent Systems Limited

Notes forming part of financial statements

26. Segment Information**(In ₹ Million)**

Particulars			Telecom and Wireless	Life Science and Healthcare	Infrastructure and Systems	Total
Segmental trade receivables	As at	Sep-30-2013	302.33	276.92	1,828.05	2,407.30
	As at	Sep-30-2012	449.91	120.81	1,466.52	2,037.24
	As at	Mar-31-2013	365.72	151.16	1,517.11	2,033.99
Unallocated assets	As at	Sep-30-2013				10,138.91
	As at	Sep-30-2012				8,559.47
	As at	Mar-31-2013				9,257.47

Geographical Segments

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

(in ₹ Million)

Particulars			North America	Europe	Asia Pacific	Total
Revenue	Quarter ended	Sep-30-2013	2,558.77	129.05	391.46	3,079.28
	Quarter ended	Sep-30-2012	2,044.26	218.67	241.18	2,504.11
	Half year ended	Sep-30-2013	4,803.41	256.65	661.78	5,721.84
	Half year ended	Sep-30-2012	3,949.86	410.48	486.47	4,846.81
	Year ended	Mar-31-2013	8,175.73	736.25	1,055.53	9,967.51
Segmental trade receivables	As at	Sep-30-2013	1,970.24	112.97	324.09	2,407.30
	As at	Sep-30-2012	1,591.10	217.62	228.52	2,037.24
	As at	Mar-31-2013	1,618.40	144.96	270.63	2,033.99

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Persistent Systems Limited

Notes forming part of financial statements

27. Gratuity plan:

The Company has a defined benefit gratuity plan. Each employee is eligible for gratuity on completion of minimum five years of service at 15 days basic salary (last drawn basic salary) for each completed year of service. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the Balance Sheet for the respective plans.

Statement of profit and loss

Net employee benefit expense (recognized in statement of profit and loss)

	For the quarter ended		For the half year ended		For the year ended				
	September 30,	September 30,	September 30,	September 30,	March 31,	March 31,	March 31,	March 31,	March 31,
	2013	2012	2013	2012	2013	2012	2011	2010	2009
Current service cost	20.09	18.22	40.36	32.13	90.05	71.08	63.46	37.15	28.24
Interest cost on benefit obligation	6.05	4.76	12.26	9.61	18.36	15.69	9.37	6.54	6.51
Expected return on plan assets	(5.20)	(4.20)	(10.56)	(8.50)	(16.14)	(12.02)	(7.95)	(6.97)	(5.63)
Net actuarial (gain) / loss recognized in the period / year	(40.97)	(7.19)	(25.39)	(12.12)	(0.11)	(30.33)	24.41	3.84	(27.25)
Interest income	-	-	-	(0.67)	(0.68)	(2.97)	(7.91)	-	-
Net benefit expense	(20.03)	11.59	16.67	20.45	91.48	41.45	81.38	40.56	1.87
Actual return on net plan assets	-	-	-	-	18.23	16.92	10.38	7.92	7.47

Balance sheet

Changes in the fair value of plan assets (recognized in the Balance Sheet) are as follows:

	For the quarter ended		For the half year ended		For the year ended				
	September 30,	September 30,	September 30,	September 30,	March 31,	March 31,	March 31,	March 31,	March 31,
	2013	2012	2013	2012	2013	2012	2011	2010	2009
Opening fair value of plan assets	302.33	220.30	210.68	185.42	185.42	110.11	77.99	86.02	53.88
Interest received and accrued during the year/ adjustment to opening balance	-	-	-	0.76	0.76	2.26	7.91	-	-
Expected return / adjustment	5.20	4.20	10.56	8.50	16.14	12.02	7.95	6.97	5.63
Contribution by employer	-	-	92.16	40.86	40.86	88.66	34.50	-	30.18
Benefits paid	(10.68)	(6.53)	(18.07)	(13.27)	(33.36)	(30.61)	(19.14)	(8.03)	(5.52)
Actuarial gains / (losses)	(4.08)	4.35	(2.56)	0.05	0.86	2.98	0.90	(6.97)	1.85
Closing fair value of plan assets	292.77	222.32	292.77	222.32	210.68	185.42	110.11	77.99	86.02

Changes in the present value of the defined benefit obligation (recognized in Balance Sheet) are as follows:

	For the quarter ended		For the half year ended		For the year ended				
	September 30,	September 30,	September 30,	September 30,	March 31,	March 31,	March 31,	March 31,	March 31,
	2013	2012	2013	2012	2013	2012	2011	2010	2009
Opening defined benefit obligation	340.27	231.08	304.08	228.29	228.29	199.47	120.48	87.95	84.13
Interest cost	6.05	4.76	12.26	9.61	18.36	15.69	9.37	6.54	6.51
Current service cost	20.09	18.22	40.36	32.13	90.05	71.08	63.46	37.15	28.24
Benefits paid	(10.68)	(6.53)	(18.07)	(13.27)	(33.36)	(30.61)	(19.14)	(8.03)	(5.52)
Actuarial (gains) / losses on obligation	(45.05)	(2.84)	(27.95)	(12.07)	0.74	(27.34)	25.30	(3.13)	(25.41)
Closing defined benefit obligation	310.68	244.69	310.68	244.69	304.08	228.29	199.47	120.48	87.95

Persistent Systems Limited**Notes forming part of financial statements**

Benefit asset/ (liability)

(In ₹ Million)

	As at						
	September 30, 2013	September 30, 2012	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
Fair value of plan assets	292.77	222.32	210.68	185.42	110.11	77.99	86.02
Add/(Less) : Defined benefit obligations	(310.68)	(244.69)	(304.08)	(228.29)	(199.47)	(120.48)	(87.95)
Less : Unrecognized past service cost	-	-	-	-	-	-	-
Plan asset / (liability)	(17.91)	(22.37)	(93.40)	(42.87)	(89.36)	(42.49)	(1.93)

The Company expects to contribute the entire deficit to gratuity fund in financial year 2013-14

The Company maintains gratuity fund, which is being administered by Life Insurance Corporation of India

The major categories of plan assets as a percentage of the fair value of total plan assets:

	As at						
	September 30, 2013	September 30, 2012	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
Investments with insurer including accrued interest	100%	100%	100%	100%	100%	100%	100%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The principal assumptions used in determining gratuity for the Company's plans are shown below:

(In ₹ Million)

	As at						
	September 30, 2013	September 30, 2012	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
Discount rate	8.74%	8.78%	8.29%	8.67%	8.52%	8.45%	7.79%
Expected rate of return on assets	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%
Increment rate	7.00%	7.00%	7.00%	7.00%	7.00%	6.00%	6.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amounts for the current and previous periods are as follows:

(In ₹ Million)

	As at						
	September 30, 2013	September 30, 2012	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
Plan assets	292.77	222.32	210.68	185.42	110.11	77.99	86.02
Defined benefit obligation	(310.68)	(244.69)	(304.08)	(228.29)	(199.47)	(120.48)	(87.95)
(Deficit)	(17.91)	(22.37)	(93.40)	(42.87)	(89.36)	(42.49)	(1.93)
Experience adjustments on plan liabilities	(27.95)	(12.07)	0.74	(27.34)	25.30	(3.13)	(25.41)
Experience adjustments on plan assets	(2.56)	0.05	0.86	2.98	0.90	(6.97)	1.85

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