

CONDENSED BALANCE SHEET AS AT SEPTEMBER 30, 2014

	Note	As at September 30, 2014 In ₹	As at September 30, 2013 In ₹	As at March 31, 2014 In ₹
EQUITY AND LIABILITIES				
Shareholders' funds				
Share capital	1	15,503,532	15,503,532	15,503,532
Reserves and surplus	2	71,606,483	686,774	23,553,687
	(A)	87,110,015	16,190,306	39,057,219
Current liabilities				
Short-term borrowings	3	180,897	-	179,820
Trade payables	4	20,441,965	3,955,718	22,060,404
Other current liabilities	4	63,053,821	12,413,466	118,637,801
Short-term provisions	5	10,397,171	105,217	6,698,757
	(B)	94,073,854	16,474,401	147,576,782
TOTAL	(A)+(B)	181,183,869	32,664,707	186,634,001
ASSETS				
Non-current assets				
Non-current Investments	6	-	-	-
Deferred tax assets(net)	7	-	-	208,074
Long term loans and advances	8	71,835,606	3,954,222	39,748,688
Other non-current assets	9	277,400	28,857	113,070
	(A)	72,113,006	3,983,079	40,069,832
Current assets				
Trade receivables	10	46,914,124	9,358,541	79,551,146
Cash and bank balances	11	21,454,996	11,613,629	4,096,265
Short-term loans and advances	12	30,379,393	7,606,493	58,980,314
Other current assets	13	10,322,350	102,965	3,936,444
	(B)	109,070,863	28,681,628	146,564,169
TOTAL	(A) + (B)	181,183,869	32,664,707	186,634,001
Summary of significant accounting policies	20			

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

As per our report of even date

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

For and on behalf of the Board of Directors of
Persistent Systems Pte Ltd.

per C.K. Joshi
Partner
Membership No.030428
Place: Pune
Date : October 17, 2014

Dr. Anand Deshpande
Director
Place: Pune
Date : October 17, 2014

Rohit Kamat
Director
Place: Pune
Date : October 17, 2014

CONDENSED STATEMENT OF PROFIT AND LOSS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2014

	Note	For the quarter ended		For the half year ended		For the year ended
		September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013	March 31, 2014
		In ₹	In ₹	In ₹	In ₹	In ₹
Income						
Revenue from operations	14	86,059,262	5,980,480	153,806,957	6,379,433	122,256,250
Other income	15	280,347	131,690	599,164	226,189	218,071
Total revenue (A)		86,339,609	6,112,170	154,406,121	6,605,622	122,474,321
Expenses						
Employee benefit expenses	16.1	2,807,025	3,453	4,615,099	22,796	5,302,511
Cost of technical professionals	16.2	13,013	-	722,535	-	-
Other expenses	17	51,469,875	3,974,254	94,124,418	4,482,754	66,109,703
Total expenses (B)		54,289,913	3,977,707	99,462,052	4,505,550	71,412,214
Profit / (Loss) before tax (A - B)		32,049,696	2,134,463	54,944,069	2,100,072	51,062,107
Tax expense						
- Current tax		4,059,777	103,238	8,142,373	103,238	5,283,605
- Tax charge / (credit) in respect of earlier period / years		14,481	(686)	(286,927)	(686)	(692)
- Deferred tax charge / (credit)		1,518,664	-	209,475	-	(214,606)
Total tax expense		5,592,922	102,552	8,064,921	102,552	5,068,307
Profit / (Loss) after tax		26,456,774	2,031,911	46,879,148	1,997,520	45,993,800
Earnings per equity share						
[nominal value of share S \$ 1 [previous period / year : S \$ 1]]	21					
Basic (in ₹)		52.91	4.06	93.76	4.00	91.99
Diluted (in ₹)		52.91	4.06	93.76	4.00	91.99
Summary of significant accounting policies	20					

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

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CASH FLOW STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2014

	For the half year ended		For the year ended
	September 30, 2014	September 30, 2013	March 31, 2014
	In ₹	In ₹	In ₹
Cash flow from operating activities			
Profit before tax	54,944,069	2,100,072	51,062,107
Adjustments for:			
Interest income	(527,515)	(79,342)	(218,071)
Provision for doubtful debts	16,327,069	-	1,262,404
Unrealised exchange loss / (gain) on cash and cash equivalent	(644,729)	74,734	13,995
Foreign currency translation reserve	(899,406)	1,799,347	(518,270)
Operating profit before working capital changes	69,199,487	3,894,811	51,602,165
Movements in working capital :			
(Increase)/Decrease in trade receivables	16,811,983	(9,358,541)	(80,775,121)
(Increase)/Decrease in other current assets	(6,385,906)	-	(3,936,444)
(Increase)/Decrease in loans and advances	28,600,921	(7,475,354)	(58,849,175)
Increase/(Decrease) in current liabilities (including short term borrowings)	(57,201,342)	15,821,926	140,330,767
Increase /(Decrease) in provisions	684,635	-	1,593,075
Operating profit after working capital changes	51,709,778	2,882,842	49,965,267
Direct taxes paid (net of refunds)	(4,870,707)	-	-
Net cash from operating activities (A)	46,839,072	2,882,842	49,965,267
Cash flows from investing activities			
Maturity of fixed deposit	-	1,477,363	10,444,597
Inter corporate deposit given	(30,463,942)	(3,954,222)	(39,748,688)
Interest received on deposits	338,872	(6,479)	146,979
Net cash generated from investing activities (B)	(30,125,070)	(2,483,338)	(29,157,112)
Cash flows from financing activities			
Dividend paid	-	-	(19,019,520)
Net cash (used in) / generated from financing activities (C)	-	-	(19,019,520)
Net increase in cash and cash equivalents (A + B + C)	16,714,002	399,504	1,788,635
Cash and cash equivalents at the beginning of the period/year	4,096,265	2,321,625	2,321,625
Effect of exchange differences on translation of foreign currency cash and cash equivalent	644,729	(74,734)	(13,995)
Cash and cash equivalents at the end of the period / year (Refer note 11)	21,454,996	2,646,395	4,096,265
Components of cash and cash equivalents			
Cash on hand	-	-	-
Balances with banks			
- on current account	21,454,996	2,646,395	4,096,265
- on deposit account	-	-	-
Cash and cash equivalents in cash flow statement as per note 11	21,454,996	2,646,395	4,096,265

Summary of significant accounting policies (refer note 20)

As per our report of even date

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

For and on behalf of the Board of Directors of
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Partner
Membership No.030428
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Director
Place: Pune
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NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

1. Share capital

	As at September 30, 2014 In ₹	As at September 30, 2013 In ₹	As at March 31, 2014 In ₹
Authorised			
500,000 Ordinary Shares of S \$ 1 each. (Previous period / year 500,000 Ordinary Share of S \$ 1 each)	SGD 500,000	SGD 500,000	SGD 500,000
	SGD 500,000	SGD 500,000	SGD 500,000
Issued, subscribed and paid-up			
500,000 Ordinary Shares of S \$ 1 each. (Previous period / year 500,000 Ordinary Share of S \$ 1 each)	15,503,532	15,503,532	15,503,532
All Shares are held by the Holding Company viz : Persistent Systems Limited.			
	15,503,532	15,503,532	15,503,532

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

There is no movement in the shares outstanding at the beginning and at the end of the reporting period.

b) Dividend to equity shares

During the quarter and half year ended September 30, 2014, the amount of per share interim dividend recognized and paid to equity shareholders is SGD Nil (Previous period NIL, Previous year SGD 0.80)

2. Reserves and surplus

	As at September 30, 2014 In ₹	As at September 30, 2013 In ₹	As at March 31, 2014 In ₹
A. Foreign currency translation reserve			
Balance as per last financial statements	5,313,241	5,625,697	5,625,697
Add: Exchange difference during the reporting period / year on net investment in non-integral foreign operation	1,173,648	1,797,391	(312,456)
(A)	6,486,889	7,423,088	5,313,241
B. Profit and (loss) account			
Balance as per last financial statements	18,240,446	(8,733,834)	(8,733,834)
Add :Profit / (loss) during the reporting period / year	46,879,148	1,997,520	45,993,800
Less : Appropriations			
Interim dividend	-	-	(19,019,520)
(B)	65,119,594	(6,736,314)	18,240,446
(A)+(B)	71,606,483	686,774	23,553,687

3. Short-term borrowings

	As at September 30, 2014 In ₹	As at September 30, 2013 In ₹	As at March 31, 2014 In ₹
Unsecured			
Loans and advances from related parties			
- Persistent Systems Limited	180,897	-	179,820
	180,897	-	179,820

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NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS**4. Trade payable and other current liabilities**

	As at September 30, 2014 In ₹	As at September 30, 2013 In ₹	As at March 31, 2014 In ₹
Trade payable	20,441,965	3,955,718	22,060,404
	20,441,965	3,955,718	22,060,404
Other current liabilities			
- Unearned revenue	63,053,821	12,413,466	118,637,801
	63,053,821	12,413,466	118,637,801

5. Short-term provisions

	As at September 30, 2014 In ₹	As at September 30, 2013 In ₹	As at March 31, 2014 In ₹
Provision for employee benefits			
- Other employee benefits	2,116,139	-	1,593,075
- Leave encashment	161,571	-	-
Others			
-provision for Income tax (net of advance tax)	8,119,461	105,217	5,105,682
	10,397,171	105,217	6,698,757

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NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

6. Non-Current Investments

	As at September 30, 2014 In ₹	As at September 30, 2013 In ₹	As at March 31, 2014 In ₹
Non trade (Unquoted)			
Investment in Ciqua [42,857 equity shares of GBP 0.01 each, fully paid up (previous period / year 42,857]	13,099,869	13,504,417	12,876,215
Less : Provision for diminution in value of investment	(13,099,869)	(13,504,417)	(12,876,215)
	-	-	-
Aggregate amount of unquoted investments	13,099,869	13,504,417	12,876,215
Aggregate amount of diminution in value of investments	13,099,869	13,504,417	12,876,215

7. Deferred tax asset (net)

	As at September 30, 2014 In ₹	As at September 30, 2013 In ₹	As at March 31, 2014 In ₹
Deferred tax assets			
Provision for doubtful debts	-	-	208,074
Deferred tax assets	-	-	208,074

8. Long term loans and advances

	As at September 30, 2014 In ₹	As at September 30, 2013 In ₹	As at March 31, 2014 In ₹
Long term loans and advances			
Unsecured, considered good			
- Persistent Telecom Solutions Inc.	71,835,606	3,954,222	39,748,688
	71,835,606	3,954,222	39,748,688

9. Other non-current assets

	As at September 30, 2014 In ₹	As at September 30, 2013 In ₹	As at March 31, 2014 In ₹
Interest accrued on ICD to related parties			
- Persistent Telecom Solutions Inc.	277,400	28,857	113,070
	277,400	28,857	113,070

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NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

10. Trade receivables

	As at September 30, 2014 In ₹	As at September 30, 2013 In ₹	As at March 31, 2014 In ₹
Outstanding for a period exceeding six months from the date they are due for payment			
Unsecured (considered good)	-	-	-
Unsecured (considered doubtful)	17,049,014	-	1,223,975
	17,049,014	-	1,223,975
Less : Provision for doubtful debts	17,049,014	-	1,223,975
	-	-	-
Others			
Unsecured (considered good)	46,914,124	9,358,541	79,551,146
Unsecured (considered doubtful)	-	-	-
	46,914,124	9,358,541	79,551,146
Less : Provision for doubtful debts	-	-	-
	46,914,124	9,358,541	79,551,146
	46,914,124	9,358,541	79,551,146

11. Cash and bank balances

	As at September 30, 2014 In ₹	As at September 30, 2013 In ₹	As at March 31, 2014 In ₹
Cash and cash equivalents as presented in cash flow statement			
Balances with banks			
On current account	21,454,996	2,646,395	4,096,265
	21,454,996	2,646,395	4,096,265
Other bank balances			
On deposit account with original maturity of more than twelve months	-	8,967,234	-
	21,454,996	11,613,629	4,096,265

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NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

12. Short-term loans and advances

	As at September 30, 2014 In ₹	As at September 30, 2013 In ₹	As at March 31, 2014 In ₹
Other loans and advances (unsecured considered good)			
Advance recoverable in cash or kind or for value to be received			
- Persistent Systems Inc.	30,141,093	7,438,596	57,967,931
- others	93,176	18,291	869,737
Deposits	145,124	149,606	142,646
	30,379,393	7,606,493	58,980,314

13. Other current assets

	As at September 30, 2014 In ₹	As at September 30, 2013 In ₹	As at March 31, 2014 In ₹
Unsecured, considered good			
Interest accrued and due	-	102,965	-
Unbilled revenue	10,322,350	-	3,936,444
	10,322,350	102,965	3,936,444

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NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

14. Revenue from operations

	For the quarter ended		For the half year ended		For the year ended
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013	March 31, 2014
	In ₹	In ₹	In ₹	In ₹	In ₹
Software licenses	19,607,295	-	22,486,448	103,185	8,923,874
Software services	66,451,967	5,980,480	131,320,509	6,276,248	113,332,376
	86,059,262	5,980,480	153,806,957	6,379,433	122,256,250

15. Other Income

	For the quarter ended		For the half year ended		For the year ended
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013	March 31, 2014
	In ₹	In ₹	In ₹	In ₹	In ₹
Interest income					
on bank deposits	-	26,483	-	51,194	46,052
other deposits	279,057	25,290	527,515	28,148	172,019
Foreign exchange gain (net)	-	79,917	-	146,847	-
Excess provision written back	1,290	-	71,649	-	-
	280,347	131,690	599,164	226,189	218,071

16. Personnel expenses

	For the quarter ended		For the half year ended		For the year ended
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013	March 31, 2014
	In ₹	In ₹	In ₹	In ₹	In ₹
16.1 Employee benefit expenses					
Salaries and wages	2,585,146	-	4,319,795	-	4,980,973
Staff welfare and benefits	221,879	3,453	295,304	22,796	321,538
	2,807,025	3,453	4,615,099	22,796	5,302,511
16.2 Cost of technical professionals					
Technical professionals - related parties	13,013	-	722,535	-	-
	13,013	-	722,535	-	-
	2,820,038	3,453	5,337,634	22,796	5,302,511

17. Other expenses

	For the quarter ended		For the half year ended		For the year ended
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013	March 31, 2014
	In ₹	In ₹	In ₹	In ₹	In ₹
Distribution Fees	40,965,496	3,666,735	74,107,103	3,907,395	60,504,073
Travelling and conveyance	357,208	-	633,720	-	1,008,259
Training and seminars	-	-	-	-	483,892
Commission on sales	339	103,460	18,838	103,460	1,723,346
Rates, fees and taxes	28,911	36,567	205,246	198,929	257,902
Legal and professional fees	52,244	16,642	52,244	16,642	162,671
Auditors' remuneration	213,972	116,561	317,904	214,009	431,371
Books, memberships, subscriptions	4,887	-	7,707	-	3,874
Foreign exchange loss (net)	1,135,446	-	2,343,451	-	3,022
Provision for doubtful debts	8,626,046	-	16,327,069	-	1,262,404
Miscellaneous expenses	85,326	34,289	111,136	42,319	268,889
	51,469,875	3,974,254	94,124,418	4,482,754	66,109,703

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18. Nature of operations

Persistent Systems Pte. Ltd. is a Singapore based wholly owned subsidiary of Persistent Systems Ltd. The company is engaged in software development, professional and marketing services.

19. Basis of preparation

The condensed financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) to comply in all material respects with the Accounting Standard notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 2013 (to the extent notified). These condensed financial statements are prepared on an accrual basis and under the historical cost convention. The accounting policies are consistently applied by the Company during the period/ year and are consistent with those used in previous period/ year.

The condensed interim financial statements for the quarter and half year ended on September 30, 2014 have been prepared in accordance with Accounting Standard 25 notified by Companies (Accounting Standards) Rules, (as amended) 2006. The form and content in these condensed financial statements conforms to the requirements as applicable to annual complete set of financial statements.

20. Summary of significant accounting policies

(a) Accounting year

The accounting year of the company is from April 01 to March 31.

(b) Functional currency

The company's functional currency is Singapore dollar.

(c) Use of estimates

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

(d) Tangible fixed assets

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

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(e) Intangible assets

(i) Acquired Intangible assets

Intangible assets including software licenses of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Internally generated intangible assets, excluding capitalized development costs are reflected as expenditure in the statement of profit and loss in the reporting period in which these are incurred.

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

(ii) Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the company can demonstrate:

- technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the asset and use or sell it;
- its ability to use or sell the asset;
- how the asset will generate probable future economic benefits;
- the availability of adequate resources to complete the development and to use or sell the asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during development.

Such development expenditure, until capitalization, is reflected as intangibles under development.

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

(f) Depreciation and amortization

Depreciation on tangible fixed assets is provided using the Straight Line Method ('SLM') over the useful lives of the assets estimated by the management.

The management estimates the useful lives for the fixed assets as follows:

Assets	Useful lives
Buildings*	25 years
Computers	3 years
Computers - Servers and networks*	3 years
Office equipments	5 years
Furniture and fixtures*	5 years

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

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

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

(g) Impairment of tangible and intangible assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

(h) Leases

Where the company is a lessee

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

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(i) Investments

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried at lower of cost and fair value, determined on category of investment basis. Long-term investments presented as non-current investments are carried at cost. However, provision for diminution in value is made to recognize a decline, other than temporary decline, in the value of investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(j) Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

(i) Income from software licenses and services

Revenue from time and material engagements is recognized on time basis in accordance with the terms of the contracts with customers.

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

Revenue from licensing of software is recognized upon delivery.

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

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

Unbilled revenue represents revenue recognized in relation to work done on time and material projects and fixed price projects until the balance sheet date for which billing has not taken place.

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

(ii) Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head 'Other income' in the statement of profit and loss.

(iii) Dividends

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

(k) Foreign currency translation

(i) Foreign currency transactions and balances

Initial recognition

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

Conversion

The transactions are in SGD, which are converted for reporting in Indian currency on the following basis. The equity share capital is translated on the date of transaction and fixed assets are translated at the closing rate as at the date of the balance sheet. All current assets and current liabilities are translated at the closing rate as at the date of the balance sheet. All Income and Expense items are converted at weighted average of Inter Bank Selling Rate for the period.

The exchange difference arising out of the period / year-end conversion is translated to Currency Translation Reserve and the said amount is shown under the head "Reserves and Surplus".

Settlement

Revenue, and expenses denominated in foreign currencies are translated using the exchange rate in effect on the date of the transaction. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit or loss for the period in which the transaction is settled.

(l) Retirement and other employee benefits

Leave encashment

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

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

(m) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Inland Revenue Authority Singapore (IRAS). The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current reporting period and reversal of timing differences of earlier reporting periods. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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

(n) Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit for the period / year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period / year. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any occurred during the reporting period, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

(o) Provisions

A provision is recognized when the company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(p) Contingent liabilities

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

(q) Cash and cash equivalents

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

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21. Earnings per share

(Amount in ₹)

Particular		For the quarter ended		For the half year ended		For the year ended
		September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013	March 31, 2014
Basic and Diluted Earnings per share (After exceptional and prior period Items)						
Numerator						
Net Profit / (loss) after tax and after exceptional items	A	26,456,774	20,31,911	46,879,148	19,97,520	45,993,800
Denominator						
Weighted average number of ordinary shares	B	500,000	500,000	500,000	500,000	500,000
Basic and Diluted Earnings per share (Face Value of S \$ 1 each)	A/B	52.91	4.06	93.76	4.00	91.99

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22. Previous period / year comparatives

Previous period/year's figures have been regrouped wherever necessary to conform with current period/year's classification.

As per our report of even date

**For Joshi Apte &Co.,
Firm registration no. 104370W
Chartered Accountants**

**For and on behalf of the Board of Directors of
Persistent Systems Pte Ltd.**

per C.K. Joshi
Partner
Membership No.030428
Place: Pune
Date: October 17, 2014

Dr. Anand Deshpande
Director
Place: Pune
Date: October 17, 2014

Rohit Kamat
Director
Place: Pune
Date: October 17, 2014
