## ASSETS

**Non-current assets**

- **Property, Plant and Equipment**
  
<table>
<thead>
<tr>
<th>Notes</th>
<th>As at September 30, 2017</th>
<th>As at September 30, 2016</th>
<th>As at March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>2,383.36</td>
<td>2,656.96</td>
<td>2,501.10</td>
</tr>
<tr>
<td>6</td>
<td>5,157.85</td>
<td>3,910.20</td>
<td>4,934.41</td>
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<tr>
<td>7</td>
<td>1,094.61</td>
<td>444.87</td>
<td>439.76</td>
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<tr>
<td>8</td>
<td>317.41</td>
<td>936.68</td>
<td>915.13</td>
</tr>
<tr>
<td>9</td>
<td>161.25</td>
<td>203.73</td>
<td>222.04</td>
</tr>
<tr>
<td>10</td>
<td>0.67</td>
<td>0.45</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2,559.43</td>
</tr>
<tr>
<td>11</td>
<td>4,810.64</td>
<td>4,205.14</td>
<td>4,499.66</td>
</tr>
<tr>
<td>12</td>
<td>4,261.68</td>
<td>4,261.33</td>
<td>4,781.35</td>
</tr>
<tr>
<td>13</td>
<td>469.55</td>
<td>297.73</td>
<td>449.83</td>
</tr>
<tr>
<td>14</td>
<td>674.47</td>
<td>45.07</td>
<td>47.51</td>
</tr>
<tr>
<td>15</td>
<td>3.87</td>
<td>5.40</td>
<td>7.45</td>
</tr>
<tr>
<td>16</td>
<td>990.46</td>
<td>1,454.70</td>
<td>1,194.04</td>
</tr>
<tr>
<td></td>
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<td>-</td>
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<tr>
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<td></td>
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<td>8,247.80</td>
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<tr>
<td></td>
<td></td>
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<td>9,103.88</td>
</tr>
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</table>

**Intangible assets under development**

<table>
<thead>
<tr>
<th>Notes</th>
<th>As at September 30, 2017</th>
<th>As at September 30, 2016</th>
<th>As at March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td>54.10</td>
</tr>
</tbody>
</table>

**Current assets**

- **Financial assets**
  - Investments
  - Trade receivables
  - Cash and cash equivalents
  - Other bank balances
  - Loans
  - Other current financial assets
  - Current tax assets (net)
  - Other current assets

<table>
<thead>
<tr>
<th>Notes</th>
<th>As at September 30, 2017</th>
<th>As at September 30, 2016</th>
<th>As at March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>4,810.64</td>
<td>4,205.14</td>
<td>4,499.66</td>
</tr>
<tr>
<td>12</td>
<td>4,261.68</td>
<td>4,261.33</td>
<td>4,781.35</td>
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<tr>
<td>13</td>
<td>469.55</td>
<td>297.73</td>
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<td>14</td>
<td>674.47</td>
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</tr>
<tr>
<td>15</td>
<td>3.87</td>
<td>5.40</td>
<td>7.45</td>
</tr>
<tr>
<td>16</td>
<td>990.46</td>
<td>1,454.70</td>
<td>1,194.04</td>
</tr>
<tr>
<td>17</td>
<td>1,264.34</td>
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<td>521.21</td>
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**Total**

<table>
<thead>
<tr>
<th>As at September 30, 2017</th>
<th>As at September 30, 2016</th>
<th>As at March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>21,654.41</td>
<td>19,120.36</td>
<td>20,594.93</td>
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</table>

## EQUITY AND LIABILITIES

### EQUITY

- **Equity share capital**
- **Other equity**

<table>
<thead>
<tr>
<th>Notes</th>
<th>As at September 30, 2017</th>
<th>As at September 30, 2016</th>
<th>As at March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>800.00</td>
<td>800.00</td>
<td>800.00</td>
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<tr>
<td>18</td>
<td>20.20</td>
<td>25.77</td>
<td>21.71</td>
</tr>
<tr>
<td>19</td>
<td>145.75</td>
<td>136.57</td>
<td>139.46</td>
</tr>
<tr>
<td>9</td>
<td>9.69</td>
<td>46.37</td>
<td>110.75</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>175.64</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>208.71</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>271.92</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2,103.46</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1,709.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2,178.87</td>
</tr>
</tbody>
</table>

### LIABILITIES

#### Non-current liabilities

- **Financial liabilities**
  - Borrowings
  - Provisions
  - Deferred tax liabilities (net)

<table>
<thead>
<tr>
<th>Notes</th>
<th>As at September 30, 2017</th>
<th>As at September 30, 2016</th>
<th>As at March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>18</td>
<td>20.20</td>
<td>25.77</td>
<td>21.71</td>
</tr>
<tr>
<td>19</td>
<td>145.75</td>
<td>136.57</td>
<td>139.46</td>
</tr>
<tr>
<td>9</td>
<td>9.69</td>
<td>46.37</td>
<td>110.75</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>175.64</td>
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<td></td>
<td></td>
<td></td>
<td>208.71</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>271.92</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2,103.46</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1,709.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2,178.87</td>
</tr>
</tbody>
</table>

#### Current liabilities

- **Financial liabilities**
  - Trade payables (dues of micro and small enterprises ` Nil (Corresponding period/ Previous year: ` Nil)
  - Deferred payment liabilities
  - Other financial liabilities
  - Other current liabilities
  - Provisions
  - Current tax liabilities (net)

<table>
<thead>
<tr>
<th>Notes</th>
<th>As at September 30, 2017</th>
<th>As at September 30, 2016</th>
<th>As at March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>867.22</td>
<td>756.79</td>
<td>1,170.91</td>
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<tr>
<td>21</td>
<td>272.17</td>
<td>156.54</td>
<td>118.40</td>
</tr>
<tr>
<td>22</td>
<td>449.07</td>
<td>256.07</td>
<td>358.72</td>
</tr>
<tr>
<td>23</td>
<td>421.61</td>
<td>535.19</td>
<td>524.27</td>
</tr>
<tr>
<td></td>
<td>93.39</td>
<td></td>
<td>5.71</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2,103.46</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1,709.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2,178.87</td>
</tr>
</tbody>
</table>

### Total

<table>
<thead>
<tr>
<th>As at September 30, 2017</th>
<th>As at September 30, 2016</th>
<th>As at March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>21,654.41</td>
<td>19,120.36</td>
<td>20,594.93</td>
</tr>
</tbody>
</table>

### Summary of significant accounting policies

- The accompanying notes are an integral part of the condensed financial statements
- As per our report of even date

For Deloitte Haskins & Sells LLP

ICAI Firm registration no. 117366W/W-100018
Chartered Accountants

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

Hemant M. Joshi  Dr. Anand Deshpande  Pradeep Bhargava
Partner  Chairman and Managing Director  Director
Membership no. 038019

Sunit Sapre  Amit Atre
Chief Financial Officer  Company Secretary

Place: Pune  Date: October 16, 2017
### Persistent Systems Limited

**CONDENSED STATEMENT OF PROFIT AND LOSS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2017**

**Notes**

<table>
<thead>
<tr>
<th>For the quarter ended</th>
<th>For the half year ended</th>
<th>For the year ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 30, 2017</td>
<td>September 30, 2016</td>
<td>March 31, 2017</td>
</tr>
<tr>
<td><strong>Revenue from operations (net)</strong></td>
<td>4,374.91</td>
<td>4,224.94</td>
</tr>
<tr>
<td><strong>Other income</strong></td>
<td>365.50</td>
<td>255.75</td>
</tr>
<tr>
<td><strong>Total income (A)</strong></td>
<td>4,740.41</td>
<td>4,480.69</td>
</tr>
<tr>
<td><strong>Employee benefits expense</strong></td>
<td>2,239.02</td>
<td>2,131.49</td>
</tr>
<tr>
<td><strong>Cost of professionals</strong></td>
<td>566.98</td>
<td>541.87</td>
</tr>
<tr>
<td><strong>Finance costs</strong></td>
<td>0.16</td>
<td>0.37</td>
</tr>
<tr>
<td><strong>Depreciation and amortization expense</strong></td>
<td>134.12</td>
<td>151.27</td>
</tr>
<tr>
<td><strong>Other expenses</strong></td>
<td>640.19</td>
<td>697.95</td>
</tr>
<tr>
<td><strong>Total expenses (B)</strong></td>
<td>3,580.47</td>
<td>3,522.95</td>
</tr>
<tr>
<td><strong>Profit before tax (A - B)</strong></td>
<td>1,159.94</td>
<td>957.74</td>
</tr>
<tr>
<td><strong>Current tax</strong></td>
<td>330.73</td>
<td>138.60</td>
</tr>
<tr>
<td><strong>Tax credit in respect of earlier years</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Deferred tax charge / (credit)</strong></td>
<td>-34.89</td>
<td>81.91</td>
</tr>
<tr>
<td><strong>Total tax expense</strong></td>
<td>295.84</td>
<td>220.51</td>
</tr>
<tr>
<td><strong>Net profit for the period / year (C)</strong></td>
<td>864.10</td>
<td>737.23</td>
</tr>
</tbody>
</table>

**Other comprehensive income**

**Items that will not be reclassified to profit and loss (D)**

- Remeasurements of the defined benefit liabilities / (asset) (net of tax)
  - 12.93 | (112.47) | 60.09 | (64.40) | (41.40) |

**Items that may be reclassified to profit and loss (E)**

- Effective portion of cash flow hedge (net of tax)
  - (92.32) | 106.47 | (159.10) | 53.63 | 116.95 |

**Total other comprehensive income for the period / year (D) + (E)**

- (79.39) | (6.00) | (99.01) | (10.77) | 75.55 |

**Total comprehensive income for the period / year (C) + (D) + (E)**

- 784.71 | 731.23 | 1,516.23 | 1,523.20 | 3,015.87 |

**Earnings per equity share**

[Note: Earnings per equity share is calculated based on the nominal value of share, which is Rs 10 (corresponding period/previous year: Rs 10)]

<table>
<thead>
<tr>
<th>Basic (In ₹)</th>
<th>Diluted (In ₹)</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.80</td>
<td>10.80</td>
</tr>
<tr>
<td>9.22</td>
<td>9.22</td>
</tr>
<tr>
<td>20.19</td>
<td>20.19</td>
</tr>
<tr>
<td>19.17</td>
<td>19.17</td>
</tr>
</tbody>
</table>

**Summary of significant accounting policies**

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

As per our report of oven date

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

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

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hemant M. Joshi</td>
<td>Partner</td>
</tr>
<tr>
<td>Dr. Anand Deshpande</td>
<td>Charman and Managing Director</td>
</tr>
<tr>
<td>Pradeep Bhargava</td>
<td>Director</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sunil Sapre</td>
<td>Chief Financial Officer</td>
</tr>
<tr>
<td>Amt Atra</td>
<td>Company Secretary</td>
</tr>
</tbody>
</table>

Place: Pune
Date: October 16, 2017
Persistent Systems Limited  
CASH FLOW STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017

<table>
<thead>
<tr>
<th>Cash flow from operating activities</th>
<th>For the year ended</th>
<th>For the year ended</th>
<th>For the half year ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 30, 2017</td>
<td>September 30, 2016</td>
<td>March 31, 2017</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>2,190.73</td>
<td>1,998.69</td>
<td>4,037.41</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>(84.43)</td>
<td>(75.26)</td>
<td>(155.06)</td>
</tr>
<tr>
<td>Finance cost</td>
<td>0.56</td>
<td>0.56</td>
<td>0.91</td>
</tr>
<tr>
<td>Dividend income</td>
<td>(111.13)</td>
<td>(102.40)</td>
<td>(188.98)</td>
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<tr>
<td>Depreciation and amortization expense</td>
<td>286.81</td>
<td>305.70</td>
<td>609.68</td>
</tr>
<tr>
<td>Amortization of lease premium</td>
<td>0.29</td>
<td>0.23</td>
<td>0.58</td>
</tr>
<tr>
<td>Unrealised exchange loss/ (gain) (net)</td>
<td>(165.30)</td>
<td>(7.58)</td>
<td>78.27</td>
</tr>
<tr>
<td>Exchange (gain) / loss on derivative contracts</td>
<td>24.35</td>
<td>(34.63)</td>
<td>(69.55)</td>
</tr>
<tr>
<td>Exchange (gain) / loss on translation of foreign currency cash and cash equivalents</td>
<td>(56.48)</td>
<td>(11.99)</td>
<td>(1.35)</td>
</tr>
<tr>
<td>currency cash and cash equivalents</td>
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<td></td>
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</tr>
<tr>
<td>Donations in kind</td>
<td>0.16</td>
<td>0.16</td>
<td>0.29</td>
</tr>
<tr>
<td>Bad debts</td>
<td>36.19</td>
<td>-</td>
<td>86.05</td>
</tr>
<tr>
<td>Provision for doubtful debts (net)/ (Provision for doubtful debts written back) (net)</td>
<td>(37.20)</td>
<td>(0.04)</td>
<td>15.94</td>
</tr>
<tr>
<td>Employee stock compensation expenses</td>
<td>2.23</td>
<td>16.67</td>
<td>46.79</td>
</tr>
<tr>
<td>Remeasurements of the defined benefit liabilities / (asset)</td>
<td>91.90</td>
<td>(90.77)</td>
<td>(63.31)</td>
</tr>
<tr>
<td>Excess provision in respect of earlier years written back</td>
<td>-</td>
<td>-</td>
<td>(1.75)</td>
</tr>
<tr>
<td>Advances written back</td>
<td>(17.56)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(Gain) / loss on fair valuation of mutual funds</td>
<td>15.12</td>
<td>(150.42)</td>
<td>(190.61)</td>
</tr>
<tr>
<td>(Profit) on sale of investments (net)</td>
<td>(129.53)</td>
<td>(38.58)</td>
<td>(94.14)</td>
</tr>
<tr>
<td>(Profit) on sale of fixed assets (net)</td>
<td>(1.13)</td>
<td>(0.60)</td>
<td>(1.57)</td>
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<tr>
<td>Operating profit before working capital changes</td>
<td>2,045.35</td>
<td>1,809.74</td>
<td>4,111.60</td>
</tr>
<tr>
<td>Movements in working capital :</td>
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<td></td>
</tr>
<tr>
<td>(Increase)/ Decrease in non-current and current loans</td>
<td>1.24</td>
<td>(47.58)</td>
<td>(49.01)</td>
</tr>
<tr>
<td>(Increase)/ Decrease in other non current assets</td>
<td>6.72</td>
<td>(7.57)</td>
<td>4.58</td>
</tr>
<tr>
<td>(Increase)/ Decrease in other current financial assets</td>
<td>(67.85)</td>
<td>(16.22)</td>
<td>(60.82)</td>
</tr>
<tr>
<td>(Increase)/ Decrease in other current assets</td>
<td>(743.13)</td>
<td>(191.55)</td>
<td>(80.89)</td>
</tr>
<tr>
<td>(Increase)/ Decrease in trade receivables</td>
<td>673.29</td>
<td>(426.98)</td>
<td>(1,134.13)</td>
</tr>
<tr>
<td>Increase / (Decrease) in trade payables and current liabilities</td>
<td>(60.82)</td>
<td>(444.50)</td>
<td>86.36</td>
</tr>
<tr>
<td>Increase / (Decrease) in provisions</td>
<td>(96.37)</td>
<td>53.14</td>
<td>46.86</td>
</tr>
<tr>
<td>Operating profit after working capital changes</td>
<td>1,758.43</td>
<td>728.48</td>
<td>2,924.55</td>
</tr>
<tr>
<td>Direct taxes paid (net of refunds)</td>
<td>536.49</td>
<td>428.09</td>
<td>979.36</td>
</tr>
<tr>
<td>Net cash generated from / (used in) from operating activities</td>
<td>(A)</td>
<td>1,221.94</td>
<td>300.39</td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payment towards capital expenditure (including intangible assets)</td>
<td>(97.73)</td>
<td>(208.33)</td>
<td>(436.37)</td>
</tr>
<tr>
<td>Proceeds from sale of fixed assets</td>
<td>1.25</td>
<td>0.76</td>
<td>1.92</td>
</tr>
<tr>
<td>Share application money paid</td>
<td>-</td>
<td>(404.94)</td>
<td>-</td>
</tr>
<tr>
<td>Investment in wholly owned subsidiaries</td>
<td>-</td>
<td>-</td>
<td>(611.11)</td>
</tr>
<tr>
<td>Purchase of tax free bonds</td>
<td>(413.98)</td>
<td>(448.75)</td>
<td>(514.17)</td>
</tr>
<tr>
<td>Proceeds from sale of tax free bonds</td>
<td>396.12</td>
<td>-</td>
<td>654.08</td>
</tr>
<tr>
<td>Investments in mutual funds</td>
<td>(6,243.54)</td>
<td>(4,374.26)</td>
<td>(10,788.85)</td>
</tr>
<tr>
<td>Proceeds from sale / maturity of mutual funds</td>
<td>6,261.66</td>
<td>4,873.24</td>
<td>10,472.41</td>
</tr>
<tr>
<td>Investments in bank deposits having original maturity over three months</td>
<td>(17.73)</td>
<td>-</td>
<td>(2.46)</td>
</tr>
<tr>
<td>Investments in Deposits with financial institutions</td>
<td>(5.35)</td>
<td>(135.00)</td>
<td>(135.00)</td>
</tr>
<tr>
<td>Maturity of bank deposits having original maturity over three months</td>
<td>14.85</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Inter corporate deposits (made) / refunded</td>
<td>(616.48)</td>
<td>(329.12)</td>
<td>(329.12)</td>
</tr>
<tr>
<td>Interest received</td>
<td>36.43</td>
<td>18.69</td>
<td>87.79</td>
</tr>
<tr>
<td>Dividend received</td>
<td>111.13</td>
<td>102.40</td>
<td>188.98</td>
</tr>
<tr>
<td>Net cash generated from / (used in) investing activities</td>
<td>(B)</td>
<td>(969.49)</td>
<td>(509.19)</td>
</tr>
<tr>
<td>Cash flows from financing activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Repayment of) long term borrowings</td>
<td>(3.22)</td>
<td>(3.21)</td>
<td>(4.57)</td>
</tr>
<tr>
<td>Dividend paid</td>
<td>(239.80)</td>
<td>(0.28)</td>
<td>(480.01)</td>
</tr>
<tr>
<td>Tax on dividend paid</td>
<td>(48.86)</td>
<td>(1.51)</td>
<td>(97.72)</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(1.13)</td>
<td>-</td>
<td>(1.79)</td>
</tr>
<tr>
<td>Net cash generated from / (used in) financing activities</td>
<td>(C)</td>
<td>(293.01)</td>
<td>(5.00)</td>
</tr>
</tbody>
</table>
### CASH FLOW STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017

<table>
<thead>
<tr>
<th>Description</th>
<th>For the half year ended</th>
<th>For the year ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 30, 2017</td>
<td>September 30, 2016</td>
</tr>
<tr>
<td>Net (decrease) / increase in cash and cash equivalents (A + B + C)</td>
<td>(40.56)</td>
<td>(213.80)</td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the period/ year</td>
<td>451.03</td>
<td>500.47</td>
</tr>
<tr>
<td>Effect of exchange differences on translation of foreign currency</td>
<td>56.48</td>
<td>11.99</td>
</tr>
<tr>
<td>cash and cash equivalents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of the period/ year</td>
<td>466.95</td>
<td>298.66</td>
</tr>
</tbody>
</table>

#### Components of cash and cash equivalents

<table>
<thead>
<tr>
<th>Description</th>
<th>For the half year ended</th>
<th>For the year ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>In ` Million</td>
<td>In ` Million</td>
</tr>
<tr>
<td>Cash on hand (Refer note 13)</td>
<td>0.13</td>
<td>0.15</td>
</tr>
<tr>
<td>Balances with banks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>On current accounts # (Refer note 13)</td>
<td>241.08</td>
<td>113.26</td>
</tr>
<tr>
<td>On saving accounts (Refer note 13)</td>
<td>0.76</td>
<td>6.87</td>
</tr>
<tr>
<td>On Exchange Earner's Foreign Currency accounts (Refer note 13)</td>
<td>223.58</td>
<td>177.45</td>
</tr>
<tr>
<td>On unpaid dividend accounts* (Refer note 14)</td>
<td>1.40</td>
<td>0.93</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>466.95</td>
<td>298.66</td>
</tr>
</tbody>
</table>

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

**Summary of significant accounting policies - Refer note 3**

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

As per our report of even date

For Deloitte Haskins & Sells LLP

ICAI Firm registration no. 117366/W/W-100018
Chartered Accountants

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

Hemant M. Joshi
Partner
Membership no. 038019

Dr. Anand Deshpande
Chairman and Managing Director

Pradeep Bhargava
Director

Sunil Sapre
Chief Financial Officer

Amit Atre
Company Secretary

Place: Pune
Date : October 16, 2017

# Out of the balance, the Company can utilise ` Nil (Corresponding period / Previous year ` 0.07 million) only towards research and development activities specified in the loan agreement.
## Persistent Systems Limited
**CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017**

### A. Equity share capital
(Refer note 4)

<table>
<thead>
<tr>
<th></th>
<th>Balance as at April 1, 2017</th>
<th>Changes in equity share capital during the period</th>
<th>Balance as at September 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(In ₹ Million)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>800.00</td>
<td>-</td>
<td>800.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Balance as at April 1, 2016</th>
<th>Changes in equity share capital during the period</th>
<th>Balance as at September 30, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(In ₹ Million)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>800.00</td>
<td>-</td>
<td>800.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Balance as at April 1, 2016</th>
<th>Changes in equity share capital during the year</th>
<th>Balance as at March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(In ₹ Million)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>800.00</td>
<td>-</td>
<td>800.00</td>
</tr>
</tbody>
</table>

(This space is intentionally left blank)
### Persistent Systems Limited

**CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017**

**B. Other equity**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Reserves and surplus</th>
<th>Items of other comprehensive income</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Securities premium reserve</td>
<td>General reserve</td>
<td>Share options outstanding reserve</td>
</tr>
<tr>
<td><strong>Balance as at April 1, 2017</strong></td>
<td>1,336.70</td>
<td>7,827.60</td>
<td>187.12</td>
</tr>
<tr>
<td>Net profit for the period</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other comprehensive income for the period</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Dividend</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Tax on dividend</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfer to general reserve</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Employee stock compensation expenses</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Employee stock compensation expenses of subsidiaries</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Adjustments towards employees stock options</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance at September 30, 2017</strong></td>
<td>1,336.70</td>
<td>7,859.20</td>
<td>159.32</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Reserves and surplus</th>
<th>Items of other comprehensive income</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Securities premium reserve</td>
<td>General reserve</td>
<td>Share options outstanding reserve</td>
</tr>
<tr>
<td><strong>Balance as at April 1, 2016</strong></td>
<td>1,336.70</td>
<td>6,631.98</td>
<td>147.09</td>
</tr>
<tr>
<td>Net profit for the period</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other comprehensive income for the period</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Employee stock compensation expenses</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Employee stock compensation expenses of subsidiaries</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Adjustments towards employees stock options</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance at September 30, 2016</strong></td>
<td>1,336.70</td>
<td>6,632.13</td>
<td>179.93</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Reserves and surplus</th>
<th>Items of other comprehensive income</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Securities premium reserve</td>
<td>General reserve</td>
<td>Share options outstanding reserve</td>
</tr>
<tr>
<td><strong>Balance as at April 1, 2016</strong></td>
<td>1,336.70</td>
<td>6,631.98</td>
<td>147.09</td>
</tr>
<tr>
<td>Net profit for the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other comprehensive income for the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Dividend</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Tax on dividend</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfer to general reserve</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Employee stock compensation expenses</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Employee stock compensation expenses of subsidiaries</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Adjustments towards employees stock options</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance at March 31, 2017</strong></td>
<td>1,336.70</td>
<td>7,827.60</td>
<td>187.12</td>
</tr>
</tbody>
</table>

**Summary of significant accounting policies - Refer note 3**

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

As per our report of even date

For Deloitte Haskins & Sells LLP For and on behalf of the Board of Directors of
ICAI Firm registration no. 117366/W/W-100018 Persistent Systems Limited
Chartered Accountants

Hemant M. Joshi Dr. Anand Deshpande Pradeep Bhargava
Partner Chairman and Managing Director Director
Membership no. 038019

Sunil Sapre Amit Atre
Chief Financial Officer Company Secretary

Place: Pune Place: Pune
Date : October 16, 2017 Date : October 16, 2017

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1. Nature of operations

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

2. Basis of preparation

The financial statements of the Company have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments and equity settled employee stock options which have been measured at fair value. Historical cost is generally based on the fair value of consideration given in exchange of goods and services. The accounting policies are consistently applied by the Company during the period and are consistent with those used in previous year.

Statement of compliance

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

3. Summary of significant accounting policies

(a) Use of estimates

The preparation of the condensed financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the 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.

Critical accounting estimates

i. Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

ii. Income taxes

The Company's major tax jurisdictions is India, though the Company also files tax returns in other overseas jurisdictions. Significant judgements are involved in determining the provision for income taxes.

iii. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of depreciation is derived after determining an estimate of an asset’s expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.


Provisions are determined based on the best estimate required to settle the obligation at the reporting date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
(b) Property, Plant and Equipment

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

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

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

(c) Intangible assets

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

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

Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the 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;
- its ability to use or sell the asset;
- how the asset will generate probable future economic benefits;
- the availability of adequate resources to complete the development and to use or sell the asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during development.

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

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

(d) Depreciation and amortization

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

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

<table>
<thead>
<tr>
<th>Assets</th>
<th>Useful lives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings*</td>
<td>25 years</td>
</tr>
<tr>
<td>Computers</td>
<td>3 years</td>
</tr>
<tr>
<td>Computers - Servers and networks*</td>
<td>3 years</td>
</tr>
<tr>
<td>Office equipments</td>
<td>5 years</td>
</tr>
<tr>
<td>Plant and equipment*</td>
<td>5 years</td>
</tr>
<tr>
<td>Plant and equipment (Windmill)*</td>
<td>20 years</td>
</tr>
<tr>
<td>Plant and equipment (Solar Energy System)*</td>
<td>10 years</td>
</tr>
<tr>
<td>Furniture and fixtures*</td>
<td>5 years</td>
</tr>
<tr>
<td>Vehicles*</td>
<td>5 years</td>
</tr>
</tbody>
</table>

*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.
Leasehold improvements are amortized over the period of lease or useful life, whichever is lower.

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.

(e) Financial instruments

i) Financial assets

Initial recognition and measurement

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent measurement

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

- **Financial assets at amortized cost**

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

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

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

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

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

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

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

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

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

  **Derecognition**

  The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

  On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity, if any, is recognised in profit or loss.
ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to issue of financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are deducted from the fair value of the financial liabilities on initial recognition. Transaction costs directly attributable to the issue of financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent measurement

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

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

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

Derecognition

The Company derecognises financial liabilities when the Company’s obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

iii) Impairment

i) **Financial assets**

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

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

ii) **Non-financial assets**

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

Recoverable amount of intangible under development that is not yet available for use is estimated at least at each financial period end even if there is no indication that the asset is impaired. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

(f) **Borrowing costs**

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

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

(h) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the Company. 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 services

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

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

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

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

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

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

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

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

(ii) Interest

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

(iii) Dividend

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

(i) Foreign currency translation

Foreign currency transactions and balances

Initial recognition

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

Conversion

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

Exchange differences

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

The Company presents the financial statements in INR which is the functional currency of the Company.

The assets and liabilities of a foreign operation are translated into the reporting currency (INR) at the exchange rate prevailing at the reporting date.

(j) Retirement and other employee benefits

(i) Provident fund

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

(ii) Gratuity

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

(iii) Superannuation

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

(iv) Leave encashment

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The 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 treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Remeasurements, comprising of actuarial gains and losses are recognized in full in the statement of profit and loss. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

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.

(v) Long service awards

Long service awards are other long term benefits to all eligible employees, as per Company’s policy. The cost of providing benefit under long service awards scheme is determined on the basis of actuarial valuation using the projected unit credit method at the reporting date. Remeasurements, comprising of actuarial gains and losses are recognized in full in the statement of profit and loss.

(k) Income taxes

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

Deferred income taxes reflect the impact of temporary differences between tax base of assets and liabilities and their carrying amounts. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date.
Deferred tax liabilities are recognized for all taxable temporary differences, except deferred tax liability arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/loss at the time of transaction. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, except deferred tax assets arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/loss at the time of transaction. Deferred tax assets are recognized only to the extent that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

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

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

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

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

(I) Segment reporting

In accordance with para 4 of Notified Indian Accounting Standard 108 (Ind AS-108) “Operating Segments” the Company has disclosed segment information only on the basis of consolidated financial statements which are presented together with the unconsolidated financial statements.

(m) Earnings per share (EPS)

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

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

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

(n) 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 determined based on the best estimate required to settle the obligation at the reporting date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
(o) 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.

(p) Cash and cash equivalents

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

(q) Employee stock compensation expenses

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

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

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

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

The employee stock option expenses in respect of the employees of the subsidiaries are charged to the respective subsidiary.

(This space is intentionally left blank)
4. Share capital

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

<table>
<thead>
<tr>
<th>Authorized shares (No. in million)</th>
<th>As at September 30, 2017</th>
<th>As at September 30, 2016</th>
<th>As at March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>200 (Previous period /Previous year: 200) equity shares of ₹ 10 each</td>
<td>2,000.00</td>
<td>2,000.00</td>
<td>2,000.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,000.00</strong></td>
<td><strong>2,000.00</strong></td>
<td><strong>2,000.00</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Issued, subscribed and fully paid-up share capital (No. in million)</th>
<th>As at September 30, 2017</th>
<th>As at September 30, 2016</th>
<th>As at March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>80 (Previous period /Previous year: 80) equity shares of ₹ 10 each</td>
<td>800.00</td>
<td>800.00</td>
<td>800.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>800.00</strong></td>
<td><strong>800.00</strong></td>
<td><strong>800.00</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date</th>
</tr>
</thead>
<tbody>
<tr>
<td>For the period of five years ended September 30, 2017 For the period of five years ended September 30, 2016 For the period of five years ended March 31, 2017</td>
</tr>
<tr>
<td>Equity shares allotted on March 12, 2015 as fully paid bonus shares by capitalization of securities premium ₹ 400 million</td>
</tr>
</tbody>
</table>

b) Terms / rights attached to equity shares

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

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

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

(This space is intentionally left blank)
d) Details of shareholders holding more than 5% shares in the Company

<table>
<thead>
<tr>
<th>Name of the shareholder*</th>
<th>As at September 30, 2017</th>
<th>As at September 30, 2016</th>
<th>As at March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. in million</td>
<td>% Holding</td>
<td>No. in million</td>
</tr>
<tr>
<td>Dr. Anand Deshpande</td>
<td>22.93</td>
<td>28.66</td>
<td>22.92</td>
</tr>
<tr>
<td>jointly with Mrs. Sonali</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anand Deshpande</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr. Suresh Deshpande</td>
<td>0.62</td>
<td>0.78</td>
<td>7.29</td>
</tr>
<tr>
<td>jointly with Mrs. Sulabha</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Suresh Deshpande</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Saif Advisors Mauritius</td>
<td>4.27</td>
<td>5.33</td>
<td>4.27</td>
</tr>
<tr>
<td>Limited</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

(This space is intentionally left blank.)
5.1 Property, Plant and Equipment

<table>
<thead>
<tr>
<th></th>
<th>Freehold land</th>
<th>Buildings*</th>
<th>Computers</th>
<th>Office equipments</th>
<th>Plant and equipment</th>
<th>Leasehold improvements</th>
<th>Furniture and fixtures</th>
<th>Vehicles</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross block (At cost)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at April 1, 2017</td>
<td>206.92</td>
<td>2,366.57</td>
<td>1,565.38</td>
<td>52.09</td>
<td>1,358.96</td>
<td>21.12</td>
<td>500.10</td>
<td>4.73</td>
<td>6,075.87</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>11.16</td>
<td>61.96</td>
<td>1.74</td>
<td>14.76</td>
<td>-</td>
<td>6.96</td>
<td>-</td>
<td>96.58</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>44.29</td>
<td>0.84</td>
<td>4.72</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>49.85</td>
<td></td>
</tr>
<tr>
<td>As at September 30, 2017</td>
<td>206.92</td>
<td>2,377.73</td>
<td>1,583.05</td>
<td>52.99</td>
<td>1,369.00</td>
<td>21.12</td>
<td>507.06</td>
<td>4.73</td>
<td>6,122.60</td>
</tr>
</tbody>
</table>

Depreciation and impairment

<table>
<thead>
<tr>
<th></th>
<th>Freehold land</th>
<th>Buildings*</th>
<th>Computers</th>
<th>Office equipments</th>
<th>Plant and equipment</th>
<th>Leasehold improvements</th>
<th>Furniture and fixtures</th>
<th>Vehicles</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at April 1, 2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charge for the period</td>
<td>-</td>
<td>47.93</td>
<td>104.45</td>
<td>1.89</td>
<td>45.35</td>
<td>1.38</td>
<td>13.09</td>
<td>0.11</td>
<td>214.20</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>44.28</td>
<td>0.73</td>
<td>4.72</td>
<td>-</td>
<td>-</td>
<td>49.73</td>
<td></td>
</tr>
<tr>
<td>As at September 30, 2017</td>
<td>-</td>
<td>820.52</td>
<td>1,350.38</td>
<td>46.00</td>
<td>1,058.66</td>
<td>14.05</td>
<td>445.31</td>
<td>4.32</td>
<td>3,739.24</td>
</tr>
</tbody>
</table>

Net block

<table>
<thead>
<tr>
<th></th>
<th>Freehold land</th>
<th>Buildings*</th>
<th>Computers</th>
<th>Office equipments</th>
<th>Plant and equipment</th>
<th>Leasehold improvements</th>
<th>Furniture and fixtures</th>
<th>Vehicles</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at September 30, 2017</td>
<td>206.92</td>
<td>1,593.98</td>
<td>275.17</td>
<td>7.25</td>
<td>340.93</td>
<td>8.45</td>
<td>67.88</td>
<td>0.52</td>
<td>2,501.10</td>
</tr>
</tbody>
</table>

* Note: Building includes those constructed on leasehold land:

a) Gross block as on September 30, 2017 ` 1,434.63 million (Corresponding period ` 1,434.69 million/ Previous year ` 1,434.64 million)
b) Depreciation charge for the period ` 29.17 million (Corresponding period ` 29.12 million/ Previous year ` 58.15 million)
c) Accumulated depreciation as on September 30, 2017 ` 351.77 million (Corresponding period ` 293.62 million/ Previous year ` 322.60 million)
d) Net book value as on September 30, 2017 ` 1,082.86 million (Corresponding period ` 1,141.07 million/ Previous year ` 1,112.04 million)

(This space is intentionally left blank)
## 5.1 Property, Plant and Equipment

<table>
<thead>
<tr>
<th></th>
<th>Freehold land</th>
<th>Buildings*</th>
<th>Computers</th>
<th>Office equipments</th>
<th>Plant and equipment</th>
<th>Leasehold improvements</th>
<th>Furniture and fixtures</th>
<th>Vehicles</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross block (At cost)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at April 1, 2016</td>
<td>206.92</td>
<td>2,362.89</td>
<td>1,449.07</td>
<td>49.78</td>
<td>1,342.65</td>
<td>20.23</td>
<td>502.10</td>
<td>4.73</td>
<td>5,938.37</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>3.73</td>
<td>165.31</td>
<td>2.39</td>
<td>22.17</td>
<td>0.89</td>
<td>16.71</td>
<td>-</td>
<td>211.20</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>0.05</td>
<td>49.00</td>
<td>0.08</td>
<td>5.86</td>
<td>-</td>
<td>18.71</td>
<td>-</td>
<td>73.70</td>
</tr>
<tr>
<td>As at March 31, 2017</td>
<td>206.92</td>
<td>2,366.57</td>
<td>1,565.38</td>
<td>52.09</td>
<td>1,358.96</td>
<td>21.12</td>
<td>500.10</td>
<td>4.73</td>
<td>6,075.87</td>
</tr>
</tbody>
</table>

|                      |                |            |           |                   |                     |                       |                        |          |        |
| **Depreciation and impairment** |            |            |           |                   |                     |                       |                        |          |        |
| As at April 1, 2016  | -             | 677.22     | 1,111.96  | 40.00             | 909.76              | 9.13                  | 414.38                 | 4.00     | 3,166.45|
| Charge for the year  | -             | 95.42      | 227.08    | 4.91              | 113.96              | 3.54                  | 36.55                  | 0.21     | 481.67 |
| Disposals            | -             | 0.05       | 48.83     | 0.07              | 5.69                | -                     | 18.71                  | -        | 73.35  |
| As at March 31, 2017 | -             | 772.59     | 1,290.21  | 44.84             | 1,016.03            | 12.67                 | 432.22                 | 4.21     | 3,574.77|

|                      |                |            |           |                   |                     |                       |                        |          |        |
| **Net block**        | 206.92         | 1,593.98   | 275.17    | 7.25              | 340.93              | 8.45                  | 67.88                  | 0.52     | 2,501.10|
| As at March 31, 2016 | 206.92         | 1,685.67   | 337.11    | 9.78              | 432.89              | 11.10                 | 87.72                  | 0.73     | 2,771.92|

(This space is intentionally left blank)
### 5.2 Other Intangible assets

#### (In ₹ Million)

<table>
<thead>
<tr>
<th></th>
<th>Software</th>
<th>Acquired contractual rights</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross block</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at April 1, 2017</td>
<td>641.04</td>
<td>261.74</td>
<td>902.78</td>
</tr>
<tr>
<td>Additions</td>
<td>11.82</td>
<td></td>
<td>11.82</td>
</tr>
<tr>
<td>As at September 30, 2017</td>
<td>652.86</td>
<td>261.74</td>
<td>914.60</td>
</tr>
<tr>
<td><strong>Amortization</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at April 1, 2017</td>
<td>431.42</td>
<td>249.32</td>
<td>680.74</td>
</tr>
<tr>
<td>Charge for the period</td>
<td>58.01</td>
<td>14.60</td>
<td>72.61</td>
</tr>
<tr>
<td>As at September 30, 2017</td>
<td>489.43</td>
<td>263.92</td>
<td>753.35</td>
</tr>
<tr>
<td><strong>Net block</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at September 30, 2017</td>
<td>163.43</td>
<td>(2.18)</td>
<td>161.25</td>
</tr>
<tr>
<td>As at March 31, 2017</td>
<td>209.62</td>
<td>12.42</td>
<td>222.04</td>
</tr>
</tbody>
</table>

#### (In ₹ Million)

<table>
<thead>
<tr>
<th></th>
<th>Software</th>
<th>Acquired contractual rights</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross block</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at April 1, 2016</td>
<td>1,238.07</td>
<td>232.54</td>
<td>1,470.61</td>
</tr>
<tr>
<td>Additions</td>
<td>85.00</td>
<td>29.19</td>
<td>114.19</td>
</tr>
<tr>
<td>As at September 30, 2016</td>
<td>1,323.07</td>
<td>261.73</td>
<td>1,584.80</td>
</tr>
<tr>
<td><strong>Amortization</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at April 1, 2016</td>
<td>1,089.19</td>
<td>232.54</td>
<td>1,321.73</td>
</tr>
<tr>
<td>Charge for the period</td>
<td>50.92</td>
<td>8.42</td>
<td>59.34</td>
</tr>
<tr>
<td>As at September 30, 2016</td>
<td>1,140.11</td>
<td>240.96</td>
<td>1,381.07</td>
</tr>
<tr>
<td><strong>Net block</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at September 30, 2016</td>
<td>182.96</td>
<td>20.77</td>
<td>203.73</td>
</tr>
</tbody>
</table>

#### (In ₹ Million)

<table>
<thead>
<tr>
<th></th>
<th>Software</th>
<th>Acquired contractual rights</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross block</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at April 1, 2016</td>
<td>1,238.07</td>
<td>232.54</td>
<td>1,470.61</td>
</tr>
<tr>
<td>Additions</td>
<td>171.97</td>
<td>29.20</td>
<td>201.17</td>
</tr>
<tr>
<td>Disposals*</td>
<td>769.00</td>
<td></td>
<td>769.00</td>
</tr>
<tr>
<td>As at March 31, 2017</td>
<td>641.04</td>
<td>261.74</td>
<td>902.78</td>
</tr>
<tr>
<td><strong>Amortization</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at April 1, 2016</td>
<td>1,089.19</td>
<td>232.54</td>
<td>1,321.73</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>111.23</td>
<td>16.78</td>
<td>128.01</td>
</tr>
<tr>
<td>Disposals*</td>
<td>769.00</td>
<td></td>
<td>769.00</td>
</tr>
<tr>
<td>As at March 31, 2017</td>
<td>431.42</td>
<td>249.32</td>
<td>680.74</td>
</tr>
<tr>
<td><strong>Net block</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at March 31, 2017</td>
<td>209.62</td>
<td>12.42</td>
<td>222.04</td>
</tr>
<tr>
<td>As at March 31, 2016</td>
<td>148.88</td>
<td>-</td>
<td>148.88</td>
</tr>
</tbody>
</table>

* Expired software licenses of ₹ 769.00 million having NIL written down value removed.

### 5.3 Depreciation and amortization

#### (In ₹ Million)

<table>
<thead>
<tr>
<th></th>
<th>For the quarter ended September 30, 2017</th>
<th>For the half year ended September 30, 2017</th>
<th>For the year ended March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>On Property, Plant and Equipment</td>
<td>105.26</td>
<td>214.20</td>
<td>481.67</td>
</tr>
<tr>
<td>On other intangible assets</td>
<td>28.86</td>
<td>72.61</td>
<td>128.01</td>
</tr>
<tr>
<td></td>
<td>134.12</td>
<td>286.81</td>
<td>609.68</td>
</tr>
</tbody>
</table>
## 6. Non-current financial assets : Investments

<table>
<thead>
<tr>
<th></th>
<th>As at September 30, 2017</th>
<th>As at September 30, 2016</th>
<th>As at March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investments carried at cost</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Unquoted investments</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments in equity instruments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- In wholly owned subsidiary companies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Persistent Systems Inc. (Refer note 30)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>402 million (Corresponding period : 312 million/Previous year: 402 million) shares of USD 0.10 each, fully paid up</td>
<td>2,478.01</td>
<td>1,868.92</td>
<td>2,478.01</td>
</tr>
<tr>
<td>Persistent Systems Pte Ltd.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.50 million (Corresponding period/Previous year: 0.50 million) shares of SGD 1 each, fully paid up</td>
<td>15.50</td>
<td>15.50</td>
<td>15.50</td>
</tr>
<tr>
<td>Persistent Systems France SAS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.50 million (Corresponding period/Previous year: 1.50 million) shares of EUR 1 each, fully paid up</td>
<td>97.47</td>
<td>97.47</td>
<td>97.47</td>
</tr>
<tr>
<td>Persistent Systems Malaysia Sdn. Bhd.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.45 million (Corresponding period/Previous year: 5.45 million) shares of MYR 1 each, fully paid up</td>
<td>102.25</td>
<td>102.25</td>
<td>102.25</td>
</tr>
<tr>
<td>Persistent Systems Germany GmbH</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.025 million (Corresponding period: Nil/Previous year: 0.025 million) shares of EUR 1 each, fully paid up</td>
<td>2.02</td>
<td>-</td>
<td>2.02</td>
</tr>
<tr>
<td><strong>- In associates</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Klisma e-Services Private Limited (Holding 50% (Corresponding period/Previous year: 50%)]</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.005 million (Corresponding period / Previous year: 0.005 million) shares of ₹ 10 each, fully paid up</td>
<td>(0.05)</td>
<td>(0.05)</td>
<td>(0.05)</td>
</tr>
<tr>
<td><strong>Total investments carried at cost (A)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2,695.25</td>
<td>2,084.14</td>
<td>2,695.25</td>
</tr>
<tr>
<td><strong>Investments carried at amortised cost</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Quoted Investments</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In tax free bonds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>[Market value ₹ 994.85 million (Corresponding period ₹ 744.79 million/ Previous year ₹ 543.07 million)]</td>
<td>931.02</td>
<td>692.02</td>
<td>517.04</td>
</tr>
<tr>
<td>Add: Interest accrued on tax free bonds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>46.00</td>
<td>32.87</td>
<td>21.85</td>
<td></td>
</tr>
<tr>
<td><strong>Total investments carried at amortised cost (B)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>977.02</td>
<td>724.89</td>
<td>538.89</td>
</tr>
<tr>
<td><strong>Designated as fair value through profit and loss</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Quoted Investments</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Investments in mutual funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair value of long term mutual funds (Refer Note 6a)</td>
<td>1,479.58</td>
<td>1,347.56</td>
<td>1,824.64</td>
</tr>
<tr>
<td>Less: Fair value of current portion of long term mutual funds (Refer Note 6b &amp; 11)</td>
<td>- (252.39)</td>
<td>(130.37)</td>
<td></td>
</tr>
<tr>
<td><strong>Total investments carried at fair value (C)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,489.58</td>
<td>1,095.17</td>
<td>1,694.27</td>
</tr>
<tr>
<td><strong>Total investments (A) + (B) + (C)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5,157.85</td>
<td>3,910.20</td>
<td>4,934.41</td>
</tr>
<tr>
<td><strong>Aggregate provision for diminution in value of investments</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.05</td>
<td>0.05</td>
<td>0.05</td>
</tr>
<tr>
<td><strong>Aggregate amount of quoted investments</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2,456.60</td>
<td>1,820.06</td>
<td>2,233.16</td>
</tr>
<tr>
<td><strong>Aggregate amount of unquoted investments</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2,701.30</td>
<td>2,090.19</td>
<td>2,701.30</td>
</tr>
</tbody>
</table>

* 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"
6 a) Details of fair value of investment in long term Mutual Funds (Quoted)

<table>
<thead>
<tr>
<th>Mutual Fund</th>
<th>As at September 30, 2017 In ₹ Million</th>
<th>As at September 30, 2016 In ₹ Million</th>
<th>As at March 31, 2017 In ₹ Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>IDFC Mutual Fund</td>
<td>217.54</td>
<td>198.79</td>
<td>210.24</td>
</tr>
<tr>
<td>ICICI Prudential Mutual Fund</td>
<td>593.68</td>
<td>627.57</td>
<td>568.17</td>
</tr>
<tr>
<td>Birla Sun Life Mutual Fund</td>
<td>104.56</td>
<td>-</td>
<td>100.54</td>
</tr>
<tr>
<td>SBI Mutual Fund</td>
<td>117.34</td>
<td>521.20</td>
<td>545.68</td>
</tr>
<tr>
<td>HDFC Mutual Fund</td>
<td>157.21</td>
<td>-</td>
<td>151.07</td>
</tr>
<tr>
<td>UTI Mutual Fund</td>
<td>57.58</td>
<td>-</td>
<td>55.31</td>
</tr>
<tr>
<td>Reliance Mutual Fund</td>
<td>52.53</td>
<td>-</td>
<td>50.38</td>
</tr>
<tr>
<td>Kotak Mutual Fund</td>
<td>179.14</td>
<td>-</td>
<td>143.25</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,479.58</strong></td>
<td><strong>1,347.56</strong></td>
<td><strong>1,824.64</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Mutual Fund</th>
<th>As at September 30, 2017 In ₹ Million</th>
<th>As at September 30, 2016 In ₹ Million</th>
<th>As at March 31, 2017 In ₹ Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICICI Prudential Mutual Fund</td>
<td>-</td>
<td>126.14</td>
<td>-</td>
</tr>
<tr>
<td>SBI Mutual Fund</td>
<td>-</td>
<td>126.25</td>
<td>130.37</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>-</strong></td>
<td><strong>252.39</strong></td>
<td><strong>130.37</strong></td>
</tr>
</tbody>
</table>

(This space is intentionally left blank)
### 7. Non-current financial assets : Loans

<table>
<thead>
<tr>
<th>Description</th>
<th>As at September 30, 2017</th>
<th>As at September 30, 2016</th>
<th>As at March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan to related parties</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unsecured, considered good</td>
<td>320.12</td>
<td>326.36</td>
<td>317.76</td>
</tr>
<tr>
<td>- Persistent Systems, Inc. (Refer note 30)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Persistent Systems Germany GmbH</td>
<td>654.21</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Add: Interest accrued but not due on loan</td>
<td>5.41</td>
<td>2.65</td>
<td>7.01</td>
</tr>
<tr>
<td></td>
<td>979.74</td>
<td>329.01</td>
<td>324.77</td>
</tr>
<tr>
<td>Security deposit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unsecured, considered good</td>
<td>114.79</td>
<td>115.60</td>
<td>114.81</td>
</tr>
<tr>
<td>Unsecured, considered doubtful</td>
<td>2.19</td>
<td>2.19</td>
<td>2.19</td>
</tr>
<tr>
<td>Less: Impairment of non-current loans</td>
<td>(2.19)</td>
<td>(2.19)</td>
<td>(2.19)</td>
</tr>
<tr>
<td></td>
<td>114.79</td>
<td>115.60</td>
<td>114.81</td>
</tr>
<tr>
<td>Other loans and advances</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inter corporate deposits</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unsecured, considered good</td>
<td>0.08</td>
<td>0.26</td>
<td>0.18</td>
</tr>
<tr>
<td>Unsecured, considered doubtful</td>
<td>0.58</td>
<td>0.58</td>
<td>0.58</td>
</tr>
<tr>
<td>Less: Impairment of non-current loans</td>
<td>0.58</td>
<td>0.58</td>
<td>(0.58)</td>
</tr>
<tr>
<td></td>
<td>0.08</td>
<td>0.26</td>
<td>0.18</td>
</tr>
<tr>
<td></td>
<td>1,094.61</td>
<td>444.87</td>
<td>439.76</td>
</tr>
</tbody>
</table>

### 8. Other non-current financial assets

<table>
<thead>
<tr>
<th>Description</th>
<th>As at September 30, 2017</th>
<th>As at September 30, 2016</th>
<th>As at March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current bank balances (Refer note 14)</td>
<td>1.53</td>
<td>521.72</td>
<td>521.90</td>
</tr>
<tr>
<td>Add: Interest accrued but not due on non-current bank deposits</td>
<td>0.15</td>
<td>62.63</td>
<td>89.11</td>
</tr>
<tr>
<td>Non-current deposits with banks (Carried at amortised cost)</td>
<td>1.68</td>
<td>584.35</td>
<td>611.01</td>
</tr>
<tr>
<td>Deposit with financial institutions</td>
<td>300.00</td>
<td>335.00</td>
<td>300.00</td>
</tr>
<tr>
<td>Add: Interest accrued but not due on deposit with financial institutions</td>
<td>15.73</td>
<td>17.33</td>
<td>4.12</td>
</tr>
<tr>
<td>Non-current deposits with financial institutions (Carried at amortised cost)</td>
<td>315.73</td>
<td>352.33</td>
<td>304.12</td>
</tr>
<tr>
<td></td>
<td>317.41</td>
<td>936.68</td>
<td>915.13</td>
</tr>
</tbody>
</table>

### 9. Deferred tax assets (net)

<table>
<thead>
<tr>
<th>Description</th>
<th>As at September 30, 2017</th>
<th>As at September 30, 2016</th>
<th>As at March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred tax liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Differences in book values and tax base values of block of Property, Plant and Equipment and other intangible assets</td>
<td>77.42</td>
<td>108.81</td>
<td>111.63</td>
</tr>
<tr>
<td>Capital gains (net)</td>
<td>110.51</td>
<td>87.88</td>
<td>90.69</td>
</tr>
<tr>
<td>Others</td>
<td>26.11</td>
<td>48.42</td>
<td>110.31</td>
</tr>
<tr>
<td></td>
<td>214.04</td>
<td>245.11</td>
<td>312.63</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provision for leave encashment</td>
<td>56.28</td>
<td>62.19</td>
<td>63.35</td>
</tr>
<tr>
<td>Provision for long service awards</td>
<td>60.29</td>
<td>50.32</td>
<td>55.71</td>
</tr>
<tr>
<td>Provision for doubtful debts</td>
<td>65.58</td>
<td>74.70</td>
<td>77.38</td>
</tr>
<tr>
<td>Others</td>
<td>22.20</td>
<td>11.53</td>
<td>5.44</td>
</tr>
<tr>
<td></td>
<td>204.35</td>
<td>198.74</td>
<td>201.88</td>
</tr>
<tr>
<td>Deferred tax (liability) / assets (net)</td>
<td>(8.69)</td>
<td>(46.37)</td>
<td>(110.75)</td>
</tr>
</tbody>
</table>

### 10. Other non current assets

<table>
<thead>
<tr>
<th>Description</th>
<th>As at September 30, 2017</th>
<th>As at September 30, 2016</th>
<th>As at March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital advances (Unsecured, considered good)</td>
<td>-</td>
<td>2.96</td>
<td>1.77</td>
</tr>
<tr>
<td>Advances recoverable in cash or kind or for value to be received</td>
<td>54.10</td>
<td>72.97</td>
<td>60.82</td>
</tr>
<tr>
<td></td>
<td>54.10</td>
<td>75.93</td>
<td>62.58</td>
</tr>
</tbody>
</table>

(This space is intentionally left blank)
## 11. Current financial assets : Investments

<table>
<thead>
<tr>
<th></th>
<th>As at September 30, 2017</th>
<th>As at September 30, 2016</th>
<th>As at March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>In ₹ Million</td>
<td>In ₹ Million</td>
<td>In ₹ Million</td>
</tr>
<tr>
<td>Designated as fair value through profit and loss</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Quoted investments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments in mutual funds</td>
<td>4,810.64</td>
<td>3,952.75</td>
<td>4,369.29</td>
</tr>
<tr>
<td>Fair value of current mutual funds (Refer Note 11a)</td>
<td>-</td>
<td>252.39</td>
<td>130.37</td>
</tr>
<tr>
<td>Add: Fair value of current portion of long term mutual funds (Refer Note 6a &amp; 6b)</td>
<td>-</td>
<td>252.39</td>
<td>130.37</td>
</tr>
<tr>
<td></td>
<td>4,810.64</td>
<td>4,205.14</td>
<td>4,499.66</td>
</tr>
<tr>
<td>Total carrying amount of investments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4,810.64</td>
<td>4,205.14</td>
<td>4,499.66</td>
</tr>
<tr>
<td>Aggregate amount of quoted investments</td>
<td>4,810.64</td>
<td>4,205.14</td>
<td>4,499.66</td>
</tr>
<tr>
<td>Aggregate amount of unquoted investments</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

(This space is intentionally left blank)
11 a) Details of fair value of current investment in mutual funds (Quoted)

<table>
<thead>
<tr>
<th>Mutual Fund</th>
<th>As at September 30, 2017 In ₹ Million</th>
<th>As at September 30, 2016 In ₹ Million</th>
<th>As at March 31, 2017 In ₹ Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>IDFC Mutual Fund</td>
<td>352.93</td>
<td>335.79</td>
<td>344.35</td>
</tr>
<tr>
<td>HDFC Mutual Fund</td>
<td>509.87</td>
<td>626.50</td>
<td>493.41</td>
</tr>
<tr>
<td>ICICI Prudential Mutual Fund</td>
<td>220.04</td>
<td>-</td>
<td>210.66</td>
</tr>
<tr>
<td>Birla Sun Life Mutual Fund</td>
<td>487.52</td>
<td>564.75</td>
<td>474.22</td>
</tr>
<tr>
<td>Tata Mutual Fund</td>
<td>605.29</td>
<td>565.58</td>
<td>585.51</td>
</tr>
<tr>
<td>Reliance Mutual Fund</td>
<td>518.65</td>
<td>553.95</td>
<td>518.25</td>
</tr>
<tr>
<td>Kotak Mutual Fund</td>
<td>271.32</td>
<td>-</td>
<td>197.64</td>
</tr>
<tr>
<td>UTI Mutual Fund</td>
<td>707.17</td>
<td>263.56</td>
<td>274.48</td>
</tr>
<tr>
<td>L&amp;T Mutual Fund</td>
<td>278.84</td>
<td>250.85</td>
<td>463.10</td>
</tr>
<tr>
<td>DHFL Pramerica Mutual Fund (formerly known as DWS Mutual Fund)</td>
<td>366.90</td>
<td>352.24</td>
<td>357.48</td>
</tr>
<tr>
<td>Axis Mutual Fund</td>
<td>492.11</td>
<td>439.53</td>
<td>450.19</td>
</tr>
</tbody>
</table>

(This space is intentionally left blank)
### 12. Trade receivables

<table>
<thead>
<tr>
<th></th>
<th>As at September 30, 2017</th>
<th>As at September 30, 2016</th>
<th>As at March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Outstanding for a period exceeding six months from the date they are due for payment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unsecured, considered good</td>
<td>9.60</td>
<td>3.33</td>
<td>11.94</td>
</tr>
<tr>
<td>Unsecured, considered doubtful</td>
<td>196.37</td>
<td>215.84</td>
<td>223.59</td>
</tr>
<tr>
<td>Less : Allowance for credit loss</td>
<td>(186.37)</td>
<td>(215.84)</td>
<td>(223.59)</td>
</tr>
<tr>
<td><strong>Others</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unsecured, considered good (Refer note 30)</td>
<td>4,252.08</td>
<td>4,258.00</td>
<td>4,769.41</td>
</tr>
<tr>
<td>Unsecured, considered doubtful</td>
<td>3.13</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Less : Allowance for credit loss</td>
<td>(3.13)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,255.21</td>
<td>4,258.00</td>
<td>4,769.41</td>
</tr>
</tbody>
</table>

### 13. Cash and cash equivalents

<table>
<thead>
<tr>
<th></th>
<th>As at September 30, 2017</th>
<th>As at September 30, 2016</th>
<th>As at March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash and cash equivalents as presented in cash flow statement</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash on hand</td>
<td>0.13</td>
<td>0.15</td>
<td>0.08</td>
</tr>
<tr>
<td>Balances with banks</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On current accounts *</td>
<td>241.08</td>
<td>113.26</td>
<td>238.41</td>
</tr>
<tr>
<td>On saving accounts</td>
<td>0.76</td>
<td>6.87</td>
<td>0.24</td>
</tr>
<tr>
<td>On Exchange Earner’s Foreign Currency accounts</td>
<td>223.58</td>
<td>177.45</td>
<td>211.10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>465.55</td>
<td>297.73</td>
<td>449.83</td>
</tr>
</tbody>
</table>

* Out of the balance, the Company can utilise ₹ Nil (Corresponding period / Previous year ₹ 0.07 million) only towards research and development activities specified in the loan agreement.

### 14. Other bank balances

<table>
<thead>
<tr>
<th></th>
<th>As at September 30, 2017</th>
<th>As at September 30, 2016</th>
<th>As at March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>On deposit account with original maturity for more than twelve months*</td>
<td>567.07</td>
<td>561.74</td>
<td>564.18</td>
</tr>
<tr>
<td>Add: Interest accrued but not due on deposits with banks</td>
<td>107.68</td>
<td>66.75</td>
<td>93.14</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>674.75</td>
<td>628.49</td>
<td>657.32</td>
</tr>
<tr>
<td>Less: Deposit with maturity more than twelve months from the Balance Sheet date disclosed under non-current financial assets (Refer note 8)</td>
<td>(1.53)</td>
<td>(521.72)</td>
<td>(521.90)</td>
</tr>
<tr>
<td>Less: Interest accrued but not due on non-current deposits with banks</td>
<td>(0.15)</td>
<td>(62.63)</td>
<td>(89.11)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>673.07</td>
<td>44.14</td>
<td>46.31</td>
</tr>
<tr>
<td>Balances with banks On unpaid dividend accounts**</td>
<td>1.40</td>
<td>0.93</td>
<td>1.20</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>674.47</td>
<td>45.07</td>
<td>47.51</td>
</tr>
</tbody>
</table>

* Out of the balance, fixed deposits of ₹ 62.24 million (Corresponding period : ₹ 57.25 million / Previous year : ₹ 59.36 million) have been earmarked against bank guarantees availed by the Company.
** The Company can utilize these balances only towards settlement of the respective unpaid dividend.

(This space is intentionally left blank)
## 15. Current financial assets : Loans

<table>
<thead>
<tr>
<th>Carried at amortised cost</th>
<th>As at September 30, 2017</th>
<th>As at September 30, 2016</th>
<th>As at March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan to related parties</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unsecured, considered doubtful</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Klisma e-Services Private Limited</td>
<td>27.43</td>
<td>27.43</td>
<td>27.43</td>
</tr>
<tr>
<td>Less: Impairment of current loans</td>
<td>(27.43)</td>
<td>(27.43)</td>
<td>(27.43)</td>
</tr>
<tr>
<td>-</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Security deposits</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unsecured, considered good</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3.87</td>
<td>5.40</td>
<td>7.45</td>
</tr>
<tr>
<td></td>
<td>3.87</td>
<td>5.40</td>
<td>7.45</td>
</tr>
<tr>
<td></td>
<td>3.87</td>
<td>5.40</td>
<td>7.45</td>
</tr>
</tbody>
</table>

## 16. Other current financial assets

<table>
<thead>
<tr>
<th>Fair value of derivatives designated and effective as hedging instruments</th>
<th>As at September 30, 2017</th>
<th>As at September 30, 2016</th>
<th>As at March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forward contracts receivable</td>
<td>145.15</td>
<td>252.68</td>
<td>412.80</td>
</tr>
<tr>
<td>Share application money pending allotment (Refer note 30)</td>
<td>-</td>
<td>404.94</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Advances to related parties (Unsecured, considered good)</th>
<th>As at September 30, 2017</th>
<th>As at September 30, 2016</th>
<th>As at March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Persistent Systems, Inc.</td>
<td>64.47</td>
<td>67.57</td>
<td>43.85</td>
</tr>
<tr>
<td>Persistent Systems Pte Ltd.</td>
<td>-</td>
<td>0.01</td>
<td>-</td>
</tr>
<tr>
<td>Persistent Systems France SAS</td>
<td>2.84</td>
<td>1.58</td>
<td>1.70</td>
</tr>
<tr>
<td>Persistent Telecom Solutions Inc.</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Persistent Systems Malaysia Sdn. Bhd.</td>
<td>-</td>
<td>0.02</td>
<td>0.17</td>
</tr>
<tr>
<td>Persistent Systems Lanka (Private) Limited</td>
<td>1.68</td>
<td>0.19</td>
<td>0.64</td>
</tr>
<tr>
<td>Aepona Limited</td>
<td>-</td>
<td>0.44</td>
<td>0.98</td>
</tr>
<tr>
<td>Valista Limited Ireland</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Persistent Systems Mexico, S.A. de C.V</td>
<td>0.24</td>
<td>-</td>
<td>1.92</td>
</tr>
<tr>
<td>Akshat Corporation</td>
<td>0.11</td>
<td>-</td>
<td>0.10</td>
</tr>
<tr>
<td>Persistent Systems Germany GmbH</td>
<td>0.74</td>
<td>-</td>
<td>0.51</td>
</tr>
<tr>
<td>Persistent Systems Israel Ltd.</td>
<td>0.02</td>
<td>3.57</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>70.10</td>
<td>73.38</td>
<td>49.87</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Advances to related parties (Unsecured, considered doubtful)</th>
<th>As at September 30, 2017</th>
<th>As at September 30, 2016</th>
<th>As at March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Klisma e-Services Private Limited</td>
<td>0.81</td>
<td>0.81</td>
<td>0.81</td>
</tr>
<tr>
<td>Less: Impairment of current financial assets</td>
<td>(0.81)</td>
<td>(0.81)</td>
<td>(0.81)</td>
</tr>
<tr>
<td>Deposit with financial institution</td>
<td>140.35</td>
<td>100.00</td>
<td>135.00</td>
</tr>
<tr>
<td>Add: Interest accrued but not due on deposit with financial institution</td>
<td>4.74</td>
<td>1.26</td>
<td>5.44</td>
</tr>
<tr>
<td>Current deposits with financial institution (Carried at amortised cost)</td>
<td>145.09</td>
<td>101.26</td>
<td>140.44</td>
</tr>
<tr>
<td>Unbilled revenue</td>
<td>630.12</td>
<td>622.44</td>
<td>580.93</td>
</tr>
<tr>
<td></td>
<td>990.46</td>
<td>1,454.70</td>
<td>1,184.04</td>
</tr>
</tbody>
</table>

## 17. Other current assets

<table>
<thead>
<tr>
<th>Advances to suppliers (Unsecured, considered good)</th>
<th>As at September 30, 2017</th>
<th>As at September 30, 2016</th>
<th>As at March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advances recoverable in cash or kind or for value to be received</td>
<td>404.69</td>
<td>336.34</td>
<td>345.28</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other advances (Unsecured, considered good)</th>
<th>As at September 30, 2017</th>
<th>As at September 30, 2016</th>
<th>As at March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>VAT receivable (net)</td>
<td>52.13</td>
<td>56.30</td>
<td>53.67</td>
</tr>
<tr>
<td>Service tax and GST receivable (net) (Refer note 31)</td>
<td>807.52</td>
<td>133.19</td>
<td>122.26</td>
</tr>
<tr>
<td></td>
<td>859.65</td>
<td>189.49</td>
<td>175.93</td>
</tr>
<tr>
<td></td>
<td>1,264.34</td>
<td>525.83</td>
<td>521.21</td>
</tr>
</tbody>
</table>
18. Non-current financial liabilities : Borrowings

<table>
<thead>
<tr>
<th></th>
<th>As at September 30, 2017 In ₹ Million</th>
<th>As at September 30, 2016 In ₹ Million</th>
<th>As at March 31, 2017 In ₹ Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unsecured Borrowings carried at amortised cost</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Term loans</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indian rupee loan from others</td>
<td>22.49</td>
<td>27.07</td>
<td>25.71</td>
</tr>
<tr>
<td>Interest accrued but not due on term loans</td>
<td>0.73</td>
<td>1.45</td>
<td>1.53</td>
</tr>
<tr>
<td></td>
<td>23.22</td>
<td>28.52</td>
<td>27.24</td>
</tr>
<tr>
<td>Less: Current maturity of long-term borrowings transferred to other current financial liabilities (Refer note 21)</td>
<td>(2.73)</td>
<td>(2.46)</td>
<td>(4.58)</td>
</tr>
<tr>
<td>Less: Current maturity of interest accrued but not due on term loan transferred to other current financial liabilities (Refer note 21)</td>
<td>(0.29)</td>
<td>(0.29)</td>
<td>(0.95)</td>
</tr>
<tr>
<td></td>
<td>(3.02)</td>
<td>(2.75)</td>
<td>(5.53)</td>
</tr>
<tr>
<td></td>
<td>20.20</td>
<td>25.77</td>
<td>21.71</td>
</tr>
</tbody>
</table>

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

Loan I - amounting to ₹ 9.55 million (Corresponding period ₹ 12.28 million/ Previous year ₹ 10.92 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 ₹ 12.94 million (Corresponding period ₹ 14.79 million/ Previous year ₹ 14.79 million) with Interest payable @ 3% per annum repayable in ten equal annual installments over a period of ten years commencing from September 2015.


<table>
<thead>
<tr>
<th></th>
<th>As at September 30, 2017 In ₹ Million</th>
<th>As at September 30, 2016 In ₹ Million</th>
<th>As at March 31, 2017 In ₹ Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision for employee benefits</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Long service awards</td>
<td>145.75</td>
<td>136.57</td>
<td>139.46</td>
</tr>
<tr>
<td></td>
<td>145.75</td>
<td>136.57</td>
<td>139.46</td>
</tr>
</tbody>
</table>

(This space is intentionally left blank)
## 20. Trade payables

<table>
<thead>
<tr>
<th></th>
<th>As at September 30, 2017</th>
<th>As at September 30, 2016</th>
<th>As at March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>In ₹ Million</td>
<td>In ₹ Million</td>
<td>In ₹ Million</td>
</tr>
<tr>
<td>Trade payables for goods and services (Refer note 30)</td>
<td>867.22</td>
<td>756.79</td>
<td>1,170.91</td>
</tr>
</tbody>
</table>

## 21. Other current financial liabilities

<table>
<thead>
<tr>
<th></th>
<th>As at September 30, 2017</th>
<th>As at September 30, 2016</th>
<th>As at March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>In ₹ Million</td>
<td>In ₹ Million</td>
<td>In ₹ Million</td>
</tr>
<tr>
<td>Capital creditors</td>
<td>19.13</td>
<td>76.83</td>
<td>23.97</td>
</tr>
<tr>
<td>Current maturity of long-term borrowings (Refer note 18)</td>
<td>2.73</td>
<td>2.46</td>
<td>4.58</td>
</tr>
<tr>
<td>Current maturity of interest on long-term borrowings (Refer note 18)</td>
<td>0.29</td>
<td>0.29</td>
<td>0.95</td>
</tr>
<tr>
<td>Accrued employee liabilities</td>
<td>67.34</td>
<td>67.27</td>
<td>65.90</td>
</tr>
<tr>
<td>Unpaid dividend *</td>
<td>1.40</td>
<td>0.93</td>
<td>1.20</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>0.92</td>
<td>-</td>
<td>1.50</td>
</tr>
</tbody>
</table>

Advance from related parties (Unsecured, considered good)
- Aepona Limited UK | 0.03 | - | - |
- Persistent Systems Pte Ltd | 0.01 | - | 0.11 |
- Persistent Systems Israel Ltd. | - | - | 0.01 |
- Persistent Telecom Solutions Inc. | 180.32 | 8.76 | 20.18 |

**Total:** 272.17 | 156.54 | 118.40

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

## 22. Other current liabilities

<table>
<thead>
<tr>
<th></th>
<th>As at September 30, 2017</th>
<th>As at September 30, 2016</th>
<th>As at March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>In ₹ Million</td>
<td>In ₹ Million</td>
<td>In ₹ Million</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>135.90</td>
<td>39.13</td>
<td>99.73</td>
</tr>
<tr>
<td>Advance from customers</td>
<td>169.78</td>
<td>63.66</td>
<td>125.57</td>
</tr>
<tr>
<td>Other payables</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Statutory liabilities</td>
<td>138.95</td>
<td>143.16</td>
<td>130.61</td>
</tr>
<tr>
<td>- Other liabilities</td>
<td>4.44</td>
<td>10.12</td>
<td>2.81</td>
</tr>
</tbody>
</table>

**Total:** 449.07 | 256.07 | 358.72


<table>
<thead>
<tr>
<th></th>
<th>As at September 30, 2017</th>
<th>As at September 30, 2016</th>
<th>As at March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>In ₹ Million</td>
<td>In ₹ Million</td>
<td>In ₹ Million</td>
</tr>
<tr>
<td>Provision for employee benefits</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Gratuity</td>
<td>(40.65)</td>
<td>120.59</td>
<td>7.92</td>
</tr>
<tr>
<td>- Leave encashment</td>
<td>162.62</td>
<td>179.69</td>
<td>183.06</td>
</tr>
<tr>
<td>- Long service awards</td>
<td>28.47</td>
<td>8.84</td>
<td>21.50</td>
</tr>
<tr>
<td>- Other employee benefits</td>
<td>271.17</td>
<td>226.07</td>
<td>311.79</td>
</tr>
</tbody>
</table>

**Total:** 421.61 | 535.19 | 524.27
24. Revenue from operations (net)

<table>
<thead>
<tr>
<th>Service Type</th>
<th>For the year ended September 30, 2017</th>
<th>For the year ended September 30, 2016</th>
<th>For the year ended September 30, 2015</th>
<th>For the year ended March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software services (Refer note 30)</td>
<td>4,306.15</td>
<td>4,213.57</td>
<td>8,488.64</td>
<td>8,369.98</td>
</tr>
<tr>
<td>Software licenses</td>
<td>68.76</td>
<td>11.37</td>
<td>158.71</td>
<td>27.91</td>
</tr>
</tbody>
</table>

**Total Revenue:** 4,374.91

25. Other income

<table>
<thead>
<tr>
<th>Other Income Type</th>
<th>For the quarter ended September 30, 2017</th>
<th>For the quarter ended September 30, 2016</th>
<th>For the half year ended September 30, 2017</th>
<th>For the half year ended September 30, 2016</th>
<th>For the year ended March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On financial assets carried at amortised cost</td>
<td>10.97</td>
<td>12.27</td>
<td>23.02</td>
<td>24.43</td>
<td>52.78</td>
</tr>
<tr>
<td>On others</td>
<td>33.45</td>
<td>25.38</td>
<td>61.41</td>
<td>50.83</td>
<td>102.28</td>
</tr>
<tr>
<td>Foreign exchange gain (net)</td>
<td>206.17</td>
<td>52.44</td>
<td>397.73</td>
<td>128.47</td>
<td>276.82</td>
</tr>
<tr>
<td>Profit on sale of fixed assets (net)</td>
<td>1.08</td>
<td>0.58</td>
<td>1.13</td>
<td>0.60</td>
<td>1.57</td>
</tr>
<tr>
<td>Dividend income from investments</td>
<td>65.07</td>
<td>48.49</td>
<td>151.13</td>
<td>102.40</td>
<td>186.36</td>
</tr>
<tr>
<td>Profit on sale of investments (net)</td>
<td>0.58</td>
<td>1.84</td>
<td>129.53</td>
<td>38.58</td>
<td>94.14</td>
</tr>
<tr>
<td>Net gain/(loss) arising on financial assets designated as at FVTPL</td>
<td>38.17</td>
<td>112.50</td>
<td>(15.12)</td>
<td>150.42</td>
<td>190.61</td>
</tr>
<tr>
<td>Excess provision in respect of earlier periods/ years written back</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.75</td>
</tr>
<tr>
<td>Advances written back</td>
<td>-</td>
<td>-</td>
<td>17.56</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous income</td>
<td>10.01</td>
<td>2.25</td>
<td>15.06</td>
<td>7.76</td>
<td>37.28</td>
</tr>
</tbody>
</table>

**Total Other Income:** 365.50

26. Personnel expenses

<table>
<thead>
<tr>
<th>Personnel Expense Type</th>
<th>For the quarter ended September 30, 2017</th>
<th>For the quarter ended September 30, 2016</th>
<th>For the half year ended September 30, 2017</th>
<th>For the half year ended September 30, 2016</th>
<th>For the year ended March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>26.1 Employee benefits expense</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries, wages and bonus</td>
<td>2,020.49</td>
<td>1,927.96</td>
<td>3,954.54</td>
<td>3,883.58</td>
<td>7,867.28</td>
</tr>
<tr>
<td>Contribution to provident and other funds</td>
<td>75.13</td>
<td>71.28</td>
<td>150.29</td>
<td>137.66</td>
<td>284.56</td>
</tr>
<tr>
<td>Gratuity expenses</td>
<td>43.26</td>
<td>32.71</td>
<td>80.14</td>
<td>43.00</td>
<td>194.61</td>
</tr>
<tr>
<td>Defined contribution to other funds</td>
<td>10.36</td>
<td>10.73</td>
<td>20.90</td>
<td>21.37</td>
<td>42.56</td>
</tr>
<tr>
<td>Staff welfare and benefits</td>
<td>89.78</td>
<td>82.32</td>
<td>176.39</td>
<td>163.92</td>
<td>336.89</td>
</tr>
<tr>
<td>Employee stock compensation expenses</td>
<td>6.49</td>
<td>2.23</td>
<td>16.67</td>
<td>46.79</td>
<td></td>
</tr>
</tbody>
</table>

**Total Employee Benefits Expense:** 2,239.02

<table>
<thead>
<tr>
<th>Personnel Expense Type</th>
<th>For the quarter ended September 30, 2017</th>
<th>For the quarter ended September 30, 2016</th>
<th>For the half year ended September 30, 2017</th>
<th>For the half year ended September 30, 2016</th>
<th>For the year ended March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>26.2 Cost of professionals</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Related parties (Refer note 30)</td>
<td>512.84</td>
<td>476.79</td>
<td>1,041.84</td>
<td>900.93</td>
<td>1,993.21</td>
</tr>
<tr>
<td>- Others</td>
<td>54.14</td>
<td>65.08</td>
<td>117.54</td>
<td>105.40</td>
<td>200.38</td>
</tr>
<tr>
<td></td>
<td>566.98</td>
<td>541.87</td>
<td>1,159.38</td>
<td>1,006.33</td>
<td>2,193.59</td>
</tr>
</tbody>
</table>

**Total Cost of Professionals:** 2,806.00

(This space is intentionally left blank)
## 27. Other expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>For the quarter ended</th>
<th>For the half year ended</th>
<th>For the year ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 30, 2017</td>
<td>September 30, 2016</td>
<td>September 30, 2017</td>
</tr>
<tr>
<td></td>
<td>in ₹ Million</td>
<td>in ₹ Million</td>
<td>in ₹ Million</td>
</tr>
<tr>
<td>Travelling and conveyance</td>
<td>81.48</td>
<td>89.60</td>
<td>166.74</td>
</tr>
<tr>
<td>Electricity expenses (net)</td>
<td>16.50</td>
<td>19.22</td>
<td>41.84</td>
</tr>
<tr>
<td>Internet link expenses</td>
<td>9.28</td>
<td>10.54</td>
<td>22.70</td>
</tr>
<tr>
<td>Communication expenses</td>
<td>21.11</td>
<td>18.24</td>
<td>48.19</td>
</tr>
<tr>
<td>Recruitment expenses</td>
<td>5.19</td>
<td>13.37</td>
<td>19.50</td>
</tr>
<tr>
<td>Training and seminars</td>
<td>1.24</td>
<td>1.27</td>
<td>3.58</td>
</tr>
<tr>
<td>Purchase of software licenses and support expenses</td>
<td>102.20</td>
<td>104.13</td>
<td>250.81</td>
</tr>
<tr>
<td>Bad debts</td>
<td>1.55</td>
<td>-</td>
<td>36.19</td>
</tr>
<tr>
<td>Provision for doubtful debts/provision for doubtful debts written back (net)</td>
<td>(7.15)</td>
<td>(37.20)</td>
<td>(0.04)</td>
</tr>
<tr>
<td>Rent</td>
<td>61.04</td>
<td>54.56</td>
<td>122.24</td>
</tr>
<tr>
<td>Insurance</td>
<td>4.85</td>
<td>5.45</td>
<td>9.69</td>
</tr>
<tr>
<td>Rates and taxes</td>
<td>28.31</td>
<td>6.63</td>
<td>50.62</td>
</tr>
<tr>
<td>Legal and professional fees</td>
<td>54.62</td>
<td>31.45</td>
<td>105.02</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Plant and Machinery</td>
<td>24.19</td>
<td>21.63</td>
<td>50.65</td>
</tr>
<tr>
<td>- Buildings</td>
<td>5.48</td>
<td>4.13</td>
<td>12.28</td>
</tr>
<tr>
<td>- Others</td>
<td>3.86</td>
<td>4.39</td>
<td>9.22</td>
</tr>
<tr>
<td>Commission on sales (Refer note 30)</td>
<td>164.36</td>
<td>198.42</td>
<td>321.14</td>
</tr>
<tr>
<td>Advertisement, conference and sponsorship fees</td>
<td>1.48</td>
<td>31.35</td>
<td>7.09</td>
</tr>
<tr>
<td>Computer consumables</td>
<td>0.56</td>
<td>1.09</td>
<td>1.68</td>
</tr>
<tr>
<td>Auditors’ remuneration</td>
<td>1.78</td>
<td>1.74</td>
<td>3.74</td>
</tr>
<tr>
<td>Donations</td>
<td>17.18</td>
<td>16.00</td>
<td>38.21</td>
</tr>
<tr>
<td>Books, memberships, subscriptions</td>
<td>3.29</td>
<td>1.96</td>
<td>6.86</td>
</tr>
<tr>
<td>Directors’ sitting fees</td>
<td>1.17</td>
<td>0.60</td>
<td>2.25</td>
</tr>
<tr>
<td>Directors’ commission</td>
<td>2.40</td>
<td>2.98</td>
<td>4.37</td>
</tr>
<tr>
<td>Miscellaneous expenses</td>
<td>34.22</td>
<td>31.11</td>
<td>69.65</td>
</tr>
<tr>
<td></td>
<td><strong>640.19</strong></td>
<td><strong>697.95</strong></td>
<td><strong>1,367.06</strong></td>
</tr>
<tr>
<td></td>
<td><strong>30 of 34</strong></td>
<td></td>
<td><strong>1,323.90</strong></td>
</tr>
</tbody>
</table>

(This space is intentionally left blank)
## 28. Earnings per share

<table>
<thead>
<tr>
<th></th>
<th>For the quarter ended</th>
<th>For the half year ended</th>
<th>For the year ended</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Numerator for Basic and Diluted EPS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Profit after tax (in ₹ Million)</td>
<td>(A) 864.10</td>
<td>737.23</td>
<td>1,615.24</td>
</tr>
<tr>
<td><strong>Denominator for Basic EPS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weighted average number of equity shares</td>
<td>(B) 80,000,000</td>
<td>80,000,000</td>
<td>80,000,000</td>
</tr>
<tr>
<td><strong>Denominator for Diluted EPS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of equity shares</td>
<td>(C) 80,000,000</td>
<td>80,000,000</td>
<td>80,000,000</td>
</tr>
<tr>
<td>Basic Earnings per share of face value of ₹ 10 each (in ₹)</td>
<td>(A/B) 10.80</td>
<td>9.22</td>
<td>20.19</td>
</tr>
<tr>
<td>Diluted Earnings per share of face value of ₹ 10 each (in ₹)</td>
<td>(A/C) 10.80</td>
<td>9.22</td>
<td>20.19</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>For the quarter ended</th>
<th>For the half year ended</th>
<th>For the year ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of shares considered as basic weighted average shares outstanding</td>
<td>80,000,000</td>
<td>80,000,000</td>
<td>80,000,000</td>
</tr>
<tr>
<td>Add: Effect of dilutive issues of stock options</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of shares considered as weighted average shares and potential shares outstanding</td>
<td>80,000,000</td>
<td>80,000,000</td>
<td>80,000,000</td>
</tr>
</tbody>
</table>

(This space is intentionally left blank)
## 29. Financial assets and liabilities

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

<table>
<thead>
<tr>
<th>Financial assets/financial liabilities</th>
<th>Basis of measurement</th>
<th>As at September 30, 2017</th>
<th>As at September 30, 2016</th>
<th>As at March 31, 2017</th>
<th>Fair value hierarchy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Carrying value</td>
<td>Fair value</td>
<td>Carrying value</td>
<td>Fair value</td>
</tr>
<tr>
<td><strong>Assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments in subsidiaries and associates</td>
<td>Cost</td>
<td>2,695.25</td>
<td>2,695.25</td>
<td>2,084.14</td>
<td>2,084.14</td>
</tr>
<tr>
<td></td>
<td>Fair value</td>
<td>6.00</td>
<td>6.00</td>
<td>6.00</td>
<td>6.00</td>
</tr>
<tr>
<td>Investments in other equity instruments</td>
<td>Amortised cost</td>
<td>977.02</td>
<td>994.85</td>
<td>724.89</td>
<td>744.79</td>
</tr>
<tr>
<td>Investments in tax free bonds*</td>
<td>Fair value</td>
<td>6,290.22</td>
<td>6,290.22</td>
<td>5,300.31</td>
<td>5,300.31</td>
</tr>
<tr>
<td>Loans</td>
<td>Amortised cost</td>
<td>1,098.48</td>
<td>1,098.48</td>
<td>450.27</td>
<td>450.27</td>
</tr>
<tr>
<td>Deposit with banks and financial institutions</td>
<td>Amortised cost</td>
<td>1,135.57</td>
<td>1,135.57</td>
<td>1,082.08</td>
<td>1,082.08</td>
</tr>
<tr>
<td>Cash and cash equivalents (including unpaid dividend)</td>
<td>Amortised cost</td>
<td>466.95</td>
<td>466.95</td>
<td>298.66</td>
<td>298.66</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>Amortised cost</td>
<td>4,261.68</td>
<td>4,261.68</td>
<td>4,261.33</td>
<td>4,261.33</td>
</tr>
<tr>
<td>Forward contracts</td>
<td>Fair value</td>
<td>145.15</td>
<td>145.15</td>
<td>252.68</td>
<td>252.68</td>
</tr>
<tr>
<td>Share application money pending allotment</td>
<td>Cost</td>
<td>-</td>
<td>-</td>
<td>404.94</td>
<td>404.94</td>
</tr>
<tr>
<td>Unbilled revenue</td>
<td>Amortised cost</td>
<td>630.12</td>
<td>630.12</td>
<td>622.44</td>
<td>622.44</td>
</tr>
<tr>
<td>Other advances</td>
<td>Amortised cost</td>
<td>70.10</td>
<td>70.10</td>
<td>73.38</td>
<td>73.38</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>17,776.54</td>
<td>17,794.37</td>
<td>15,561.12</td>
<td>15,581.02</td>
</tr>
<tr>
<td><strong>Liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings (including accrued interest)</td>
<td>Amortised cost</td>
<td>23.22</td>
<td>23.22</td>
<td>28.52</td>
<td>28.52</td>
</tr>
<tr>
<td>Trade payables and deferred payment liabilities</td>
<td>Amortised cost</td>
<td>867.22</td>
<td>867.22</td>
<td>761.20</td>
<td>761.20</td>
</tr>
<tr>
<td>Other financial liabilities (excluding borrowings)</td>
<td>Amortised cost</td>
<td>269.15</td>
<td>269.15</td>
<td>153.79</td>
<td>153.79</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>1,159.59</td>
<td>1,159.59</td>
<td>943.51</td>
<td>943.51</td>
</tr>
</tbody>
</table>

* Fair value includes interest accrued

**Fair value hierarchy:**

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

- **Level 1** — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3** — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.
### 30. (i) Significant related party transactions

<table>
<thead>
<tr>
<th>Name of the related party and nature of relationship</th>
<th>For the quarter ended</th>
<th>For the half year ended</th>
<th>For the year ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 30, 2017</td>
<td>September 30, 2016</td>
<td>September 30, 2017</td>
</tr>
<tr>
<td><strong>Sale of software services</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subsidiaries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Persistent Systems, Inc.</td>
<td>1,023.66</td>
<td>907.37</td>
<td>1,941.02</td>
</tr>
<tr>
<td>Total</td>
<td>1,023.66</td>
<td>907.37</td>
<td>1,941.02</td>
</tr>
<tr>
<td><strong>Cost of professionals (excluding reimbursement of expenses)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subsidiaries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Persistent Systems, Inc.</td>
<td>434.62</td>
<td>414.12</td>
<td>851.55</td>
</tr>
<tr>
<td>Total</td>
<td>434.62</td>
<td>414.12</td>
<td>851.55</td>
</tr>
<tr>
<td><strong>Reimbursement of expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subsidiaries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Persistent Systems, Inc.</td>
<td>-</td>
<td>-</td>
<td>15.50</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>-</td>
<td>15.50</td>
</tr>
<tr>
<td><strong>Commission on sales</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subsidiaries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Persistent Systems, Inc.</td>
<td>156.06</td>
<td>198.42</td>
<td>312.84</td>
</tr>
<tr>
<td>Total</td>
<td>156.06</td>
<td>198.42</td>
<td>312.84</td>
</tr>
<tr>
<td><strong>Loans given</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subsidiaries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Persistent Systems, Inc.</td>
<td>-</td>
<td>329.23</td>
<td>329.23</td>
</tr>
<tr>
<td>Persistent Systems Germany GmbH</td>
<td>-</td>
<td>617.25</td>
<td>617.25</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>329.23</td>
<td>329.23</td>
</tr>
<tr>
<td><strong>Investment in equity shares</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subsidiaries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Persistent Systems, Inc.</td>
<td>-</td>
<td>201.51</td>
<td>404.94</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>201.51</td>
<td>404.94</td>
</tr>
</tbody>
</table>

(ii) Significant outstanding balances

<table>
<thead>
<tr>
<th>Name of the related party and nature of relationship</th>
<th>As at September 30, 2017</th>
<th>As at September 30, 2016</th>
<th>As at March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Trade receivables</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subsidiaries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Persistent Systems, Inc.</td>
<td>1,461.83</td>
<td>1,413.41</td>
<td>1,852.71</td>
</tr>
<tr>
<td>Total</td>
<td>1,461.83</td>
<td>1,413.41</td>
<td>1,852.71</td>
</tr>
<tr>
<td><strong>Trade payables</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subsidiaries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Persistent Systems, Inc.</td>
<td>363.03</td>
<td>450.68</td>
<td>724.69</td>
</tr>
<tr>
<td>Total</td>
<td>363.03</td>
<td>450.68</td>
<td>724.69</td>
</tr>
<tr>
<td><strong>Loans given (excluding interest accrued)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subsidiary</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Persistent Systems, Inc.</td>
<td>320.12</td>
<td>326.36</td>
<td>317.76</td>
</tr>
<tr>
<td>Persistent Systems Germany GmbH</td>
<td>654.21</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>974.33</td>
<td>326.36</td>
<td>317.76</td>
</tr>
<tr>
<td><strong>Investments</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subsidiaries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Persistent Systems, Inc.</td>
<td>2,478.01</td>
<td>2,273.86</td>
<td>2,478.01</td>
</tr>
<tr>
<td>Total</td>
<td>2,478.01</td>
<td>2,273.86</td>
<td>2,478.01</td>
</tr>
</tbody>
</table>

(This space is intentionally left blank)
31. Persistent Systems Limited (“the Company”) had received a show cause notice from the Commissioner of Service Tax on December 19, 2016 for non-payment of service tax of ₹ 452.15 million under import of services on reverse charge basis, excluding interest and penalty, if applicable. The issue relates to the professional and technical services rendered by overseas subsidiaries on behalf of the Company to its overseas customers for the period 2011-12 to 2014-15. Post representations made by the Company, the Learned Principal Commissioner of Service Tax, Pune, adjudicated the aforesaid show-cause notice and issued an order on May 29, 2017, reducing the demand to ₹ 165.51 million based on the period of limitation and as a result of that, the said demand now covers financial year 2014-15. The Company has filed an appeal before the appellate authorities.

The Company believes that since the said services rendered by the overseas subsidiaries have been performed outside India, the same do not fall under import of services. The Company has obtained an independent legal opinion in respect of the above matter, and believes that the liability is not likely to arise and therefore, no provision is considered necessary in the financial statements.

Considering the view of the Service Tax Authorities, based on legal advice, and due prudence, the Company has deposited, an amount of ₹ 647.36 million towards service tax in respect of the above matter, for the period from April 01, 2014 to June 30, 2017, under protest. The Company will be able to utilize cenvat credit against the service tax so paid and/or seek refund / rebate of the same.

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

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

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