

Valista Limited**CONDENSED BALANCE SHEET AS AT JUNE 30, 2016**

	Notes	As at June 30, 2016 (In ₹)	As at March 31, 2016 (In ₹)
ASSETS			
Non-current assets			
Financial assets			
- Investments	5	5,584	517,142,099
- Loans	6	220,246,600	141,892,857
		220,252,184	659,034,956
Current assets			
Financial assets			
- Trade receivables	7	14,545,176	9,873,823
- Cash and cash equivalents	8	9,424,825	10,338,968
- Other financial assets	9	2,299,252	19,674
Other current assets	10	705,965	930,850
		26,975,218	21,163,315
TOTAL		247,227,402	680,198,271
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	11	36,253,449	36,253,449
Other equity	12	196,210,293	628,837,500
		232,463,742	665,090,949
LIABILITIES			
Current liabilities			
Financial liabilities			
- Trade payables	13	3,267,093	3,827,025
Other current liabilities	14	11,496,567	11,280,297
		14,763,660	15,107,322
TOTAL		247,227,402	680,198,271
Summary of significant accounting policies	4		

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

As per our report of even date

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

For and on behalf of the Board of Directors of
Valista Limited

per C.K. Joshi
Partner
Membership No. 030428

Dr. Anand Deshpande
Director

Sunil Sapre
Director

Place: Pune
Date : July 22, 2016

Place: Pune
Date : July 22, 2016

Place: Pune
Date : July 22, 2016

Valista Limited**CONDENSED STATEMENT OF PROFIT AND LOSS FOR THE QUARTER ENDED JUNE 30, 2016.**

	Notes	For the quarter ended June 30, 2016 (In ₹)	For the period ended March 31, 2016 (In ₹)
Income			
Revenue from operations	15	4,698,304	9,472,634
Other income	16	1,335,732	3,907,809
Total income (A)		6,034,036	13,380,443
Expenses			
Employee benefits expense	17.1	-	74,491
Cost of technical professionals	17.2	3,942,157	8,167,656
Other expenses	18	433,682,642	2,558,430
Total expenses (B)		437,624,799	10,800,577
Profit before tax (A - B)		(431,590,763)	2,579,866
Tax expense			
Current tax		-	-
Deferred tax charge / (credit)		-	-
Total tax expense		-	-
Net profit for the period / year (C)		(431,590,763)	2,579,866
Other comprehensive income			
Items that will not be reclassified to profit or loss (D)			
- Remeasurements of the defined benefit liabilities / (asset)		-	-
- Tax effect on remeasurements of the defined benefit liabilities / (asset)		-	-
		-	-
Items that may be reclassified to profit or loss (E)			
- Exchange differences in translating the financial statements of foreign operations		(1,036,444)	20,046,181
		(1,036,444)	20,046,181
Total comprehensive income for the period (C) + (D) + (E)		(432,627,207)	22,626,047
Earnings per equity share	19		
[Nominal value of share EUR 0.0125 (Previous period: EUR 0.0125)]			
Basic (In ₹)		(10.88)	0.07
Diluted (In ₹)		(10.88)	0.07
Summary of significant accounting policies	4		

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

As per our report of even date

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

For and on behalf of the Board of Directors of
Valista Limited

per C.K. Joshi
Partner
Membership No. 030428

Dr. Anand Deshpande
Director

Sunil Sapre
Director

Place: Pune
Date : July 22, 2016

Place: Pune
Date : July 22, 2016

Place: Pune
Date : July 22, 2016

CASH FLOW STATEMENT FOR THE QUARTER ENDED JUNE 30, 2016

	For the quarter ended June 30, 2016 (In ₹)	For the period ended March 31, 2016 (In ₹)
Cash flow from operating activities		
Profit before tax	(431,590,763)	2,579,866
Adjustments for:		
Interest income	(1,335,732)	(1,883,348)
Loss on sale of investment	419,908,093	-
Exchange (gain)/loss on translation of foreign currency cash and cash equivalents	121,291	(1,106,600)
Unrealised exchange (gain)/loss		
Unrealised exchange (gain)/loss	13,401,161	16,200,895
Operating profit before working capital changes	504,050	15,790,813
Movements in working capital :		
Decrease / (Increase) in trade receivables	(4,671,353)	(9,873,823)
(Decrease) / Increase in loans and advances	224,885	9,933,296
(Decrease) / Increase in trade payables and current liabilities (including short term borrowings)	(1,177,821)	2,714,803
Operating profit after working capital changes	(5,120,239)	18,565,089
Direct taxes paid (net of refunds)	-	-
Net cash generated from operating activities (A)	(5,120,239)	18,565,089
Cash flow from investing activities		
Investment in Subsidiary	-	-
Payment towards capital expenditure	-	-
Net cash (used in) investing activities (B)	-	-
Cash flow from financing activities		
Interest on inter corporate deposits given	-	1,863,674
Inter corporate deposits given	-	(152,084,100)
Net cash generated from financing activities (C)	-	(150,220,426)
Net increase in cash and cash equivalents (A + B + C)	(5,120,239)	(131,655,337)
Cash and cash equivalents at the beginning of the reporting period	10,338,968	140,887,705
Cash received on liquidation of Valista Inc.	4,327,387	-
Exchange difference on translation of foreign currency cash and cash equivalents	(121,291)	1,106,600
Cash and cash equivalents at the end of the reporting period/year	9,424,825	10,338,968
	For the quarter ended June 30, 2016 (In ₹)	For the period ended March 31, 2016 (In ₹)
Components of cash and cash equivalents		
Cash on hand		
Balances with banks		
- on current account	9,424,825	10,338,968
Cash and cash equivalents in cash flow statement as per note 8	9,424,825	10,338,968

Summary of significant accounting policies (note 4)

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

As per our report of even date

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

**For and on behalf of the Board of Directors of
Valista Limited**

per C.K. Joshi
Partner
Membership No. 030428
Place: Pune
Date : July 22, 2016

Dr. Anand Deshpande
Director
Place: Pune
Date : July 22, 2016

Sunil Sapre
Director
Place: Pune
Date : July 22, 2016

1. Nature of operations

Valista Limited (an Ireland based wholly owned subsidiary of Aepona Group Limited) has adopted indirect sales model, with services revenue being billed to Aepona Limited. Sale of services are then contracted between Aepona Limited and customers. The Company became a subsidiary of Persistent Group by virtue of share purchase agreement dated October 2nd 2015

2. Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. Previous period numbers in the financial statements have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity and of the comprehensive net income for the period ended March 31, 2016.

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. 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 which have been measured at fair value. The accounting policies are consistently applied by the Company during the year and are consistent with those used in previous year except for the changes in accounting policies required to be made on first time adoption of Indian Accounting Standards notified under the Companies Act, 2013.

4. Summary of significant accounting policies**(a) Use of estimates**

The preparation of the financial statements are in conformity with the recognition and measurement principles of 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 year. 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.

(b) Accounting year

The accounting year of the Company is from January 01 to December 31. Ultimate parent Company Aepona Holdings Limited was acquired through share purchase agreement on October 2nd, 2015 by Persistent Systems, Inc. The accounts have been prepared from the date of acquisition and hence prior period/year numbers are not presented. The profit/loss till October 2nd, 2015 is considered in reserves therefore profit & loss account of the company consists of only the results for the period from October 3rd 2015 to March 31st 2016. These financial statements have been prepared only for the purpose of consolidation.

(c) Functional currency

The Company's functional currency is Euro.

(d) 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 fixed assets 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 year 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.

(e) 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.

(f) 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:

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

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

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

Leasehold land is amortized on straight line basis over the period of the lease. 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.

(g) Financial instruments

i) Financial assets

Initial recognition and measurement

Financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

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

- **Financial assets at amortized cost**

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

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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 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.

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 / year 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 less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

iv) 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.

v) Leases***Where the Company is a lessee***

Leases that transfers substantially all the risks and rewards incidental to ownership to the Company are classified as finance leases.

Finance leases are capitalized at the lower of the inception date fair value of the leased assets and the present value of the minimum lease payments.

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.

vi) 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 by the reporting date. Dividend income is included under the head 'Other income' in the statement of profit and loss.

vii) Foreign currency translation**(i) Foreign currency transactions and balances*****Initial recognition***

Foreign currency transactions are recorded in the respective functional currencies of the entities in 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 fixed assets acquisition are recognized as income or expenses in the year in which they arise.

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 in hedge reserve 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.

Translation of foreign operations

The Company presents the financial statements in INR which is the functional currency of the parent 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. Their statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve under other comprehensive income. On disposal of a foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of profit and loss.

viii) 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 Irish Tax and Customs Service. 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.

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.

ix) Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the 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.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the 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.

x) 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.

xi) Contingent liabilities

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

xii) 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.

(This space is intentionally left blank)

Valista Limited**Notes forming part of condensed financial statements****5. Non-current assets: Investments**

	As at June 30, 2016 (In ₹)	As at March 31, 2016 (In ₹)
Investments carried at cost		
Unquoted investments		
Investments in equity instruments		
- In wholly owned subsidiary companies		
Valista Inc.		
2,000 Shares (100% held by the company) of USD 0.001 each	-	517,136,503
	-	517,136,503
Aepona Software (Private) Limited		
117 Shares (100% held by the company) of LKR 100 each	5,584	5,596
Less : Provision for diminution in value of investment	-	-
	5,584	5,596
Total investments	5,584	517,142,099

6. Non-current assets: Loans

	As at June 30, 2016 (In ₹)	As at March 31, 2016 (In ₹)
Security deposit		
Other loans and advances		
Inter corporate deposits		
- Aepona Limited UK	220,246,600	141,892,857
Unsecured, considered doubtful	-	-
	220,246,600	141,892,857
Less: Provision for doubtful deposits	-	-
	220,246,600	141,892,857

Valista Limited**Notes forming part of condensed financial statements****7. Trade receivables**

	As at June 30, 2016 (In ₹)	As at March 31, 2016 (In ₹)
Outstanding for a period exceeding six months from the date they are due for payment		
Others		
Unsecured, considered good	14,545,176	9,873,823
Unsecured, considered doubtful	-	-
	14,545,176	9,873,823
Less : Provision for doubtful receivables	-	-
	14,545,176	9,873,823
	14,545,176	9,873,823

8. Cash and cash equivalents

	As at June 30, 2016 (In ₹)	As at March 31, 2016 (In ₹)
Cash and cash equivalents as presented in cash flow statement		
Balances with banks		
On current accounts	9,424,825	10,338,968
	9,424,825	10,338,968

9. Other financial assets

	As at June 30, 2016 (In ₹)	As at March 31, 2016 (In ₹)
Advance to related parties (Unsecured, considered good)		
Interest accrued on inter corporate deposit to related parties*	2,299,252	19,674
	2,299,252	19,674

*Due from Aepona Limited, UK

10. Other current assets

	As at June 30, 2016 (In ₹)	As at March 31, 2016 (In ₹)
Other advances (Unsecured, considered good)		
VAT receivable (net)	705,965	930,850
	705,965	930,850

STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED JUNE 30, 2016

11. Equity share capital (refer note 21)

(In ₹)

Balance as at April 1, 2016	Changes in equity share capital during the period	Balance as at June 30, 2016
-	-	-
36,253,449		36,253,449

(In ₹)

Balance as at October 2, 2015	Changes in equity share capital during the year	Balance as at March 31, 2016
-	-	-
36,253,449	-	36,253,449

(This space is intentionally left blank)

Valista Limited**STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED JUNE 30, 2016****12. Other equity****(In ₹)**

Particulars	<u>Reserves and surplus</u>			<u>Items of other comprehensive income</u>	Total
	Securities premium reserve	General reserve	Retained earnings	Foreign currency translation reserve	
Balance as at April 1, 2016	2,788,872,741	11,551,159	(2,191,632,581)	20,046,181	628,837,500
Net profit for the period	-	-	(431,590,763)	(1,036,444)	(432,627,207)
Balance at June 30, 2016	2,788,872,741	11,551,159	(2,623,223,344)	19,009,737	196,210,293

(In ₹)

Particulars	<u>Reserves and surplus</u>			<u>Items of other comprehensive income</u>	Total
	Securities premium reserve	Capital reserve	Retained earnings	Foreign currency translation reserve	
Balance as at October 2, 2015	2,788,872,741	11,551,159	(2,194,212,447)	-	606,211,453
Ind AS adjustments on first time adoption	-	-	-	-	-
Net profit for the period	-	-	2,579,866	20,046,181	22,626,047
Balance at March 31, 2016	2,788,872,741	11,551,159	(2,191,632,581)	20,046,181	628,837,500

Valista Limited**Notes forming part of condensed financial statements****13. Trade payables**

	As at June 30, 2016 (In ₹)	As at March 31, 2016 (In ₹)
Trade payables for goods and services	3,267,093	3,827,025
	3,267,093	3,827,025

14. Other current liabilities

	As at June 30, 2016 (In ₹)	As at March 31, 2016 (In ₹)
Persistent Systems Inc.	11,496,567	11,280,297
	11,496,567	11,280,297

(This space is intentionally left blank)

Valista Limited**Notes forming part of condensed financial statements****15. Revenue from operations**

	For the quarter ended June 30, 2016 (In ₹)	For the period ended March 31, 2016 (In ₹)
Software services	4,698,304	9,472,634
	4,698,304	9,472,634

16. Other income

	For the quarter ended June 30, 2016 (In ₹)	For the period ended March 31, 2016 (In ₹)
Foreign exchange gain (net)	-	1,775,459
Interest on inter corporate deposit and others	1,335,732	1,883,348
Miscellaneous income	-	249,002
	1,335,732	3,907,809

17. Personnel expenses

	For the quarter ended June 30, 2016 (In ₹)	For the period ended March 31, 2016 (In ₹)
17.1. Employee benefits expense		
Staff welfare and benefits	-	74,491
	-	74,491
17.2. Cost of technical professionals		
Technical professionals - others	3,942,157	8,167,656
	3,942,157	8,167,656
	3,942,157	8,242,147

(This space is intentionally left blank)

Valista Limited**Notes forming part of condensed financial statements****18. Other expenses**

	For the quarter ended June 30, 2016	For the period ended March 31, 2016
	(In ₹)	(In ₹)
Travelling and conveyance	-	102,307
Loss on sale of investments	419,908,093	-
Legal and professional fees	103,296	2,105,301
Auditors' remuneration	106,852	299,962
Foreign exchange loss (net)	13,536,138	-
Miscellaneous expenses	28,263	50,860
	433,682,642	2,558,430

(This space is intentionally left blank)

Valista Limited**Notes forming part of condensed financial statements****19. Earnings per equity share**

		For the quarter ended June 30, 2016	For the period ended March 31, 2016
<u>Numerator for Basic and Diluted EPS</u>			
Net Profit after tax (In ₹)	(A)	(431,590,763)	2,579,866
<u>Denominator for Basic EPS</u>			
Weighted average number of equity shares	(B)	39,670,791	39,670,791
<u>Denominator for Diluted EPS</u>			
Number of equity shares	(C)	39,670,791	39,670,791
Basic Earnings per share of face value of EUR 0.0125 each (In ₹)	(A/B)	(10.88)	0.07
Diluted Earnings per share of face value of EUR 0.0125 each (In ₹)	(A/C)	(10.88)	0.07
<hr/>			
<hr/>			
		For the quarter ended June 30, 2016	For the period ended March 31, 2016
Number of shares considered as basic weighted average shares outstanding		39,670,791	39,670,791
Add: Effect of dilutive issues of stock options		-	-
Number of shares considered as weighted average shares and potential shares outstanding		39,670,791	39,670,791

(This space is intentionally left blank)

20. First-time adoption of Ind-AS

These financial statements, for the quarter ended June 30, 2016, are the first financial statements the Group has prepared in accordance with Ind-AS. For periods up to and including the year ended March 31, 2016, the Group prepared its financial statements in accordance with statutory reporting requirements in India immediately before adopting Ind AS ('previous GAAP').

Accordingly, the Company has prepared financial statements which comply with Ind-AS applicable for period ending on June 30 2016, together with the comparative period data as at and for the period ended March 31, 2016. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, as at and for the period ended March 31, 2016.

Exemptions applied

Ind AS 101 allows first-time adopters certain optional exemptions from the retrospective application of certain requirements under Ind AS.

The Group has applied the following optional exemptions

A. Deemed cost

The Group has elected to measure the carrying value for all of its Property, Plant and Equipment as per the previous GAAP and use that as its deemed cost as at the date of transition to Ind AS i.e. April 1, 2015.

Explanation of transition to Ind AS

The below mentioned reconciliations provide a quantification of the effect of significant differences arising from the transition from Indian GAAP to Ind AS in accordance with Ind AS 101 for the following:

- equity as at March 31, 2016
- Profit for the year ended March 31, 2016

There are no material adjustments to the cash flow statements.

In the reconciliations mentioned above, certain reclassifications are made to Indian GAAP financial information to align with the Ind AS presentation.

Particulars	Note	31-Mar-16		
		Indian GAAP	Effect of transition to Ind AS	Ind AS
Investments		517,142,099	-	517,142,099
Financial assets			-	
- Trade receivables		9,873,823	-	9,873,823
- Cash and cash equivalents		10,338,968	-	10,338,968
- Loans		141,892,857	-	141,892,857
- Other financial assets		19,674	-	19,674
Other current assets		930,850	-	930,850
		680,198,271	-	680,198,271

Particulars	Note	31-Mar-16		
		Indian GAAP	Effect of transition to Ind AS	Ind AS
Equity share capital		36,253,449		36,253,449
Other equity		628,837,500		628,837,500
- Trade payables		3,827,025		3,827,025
Other current liabilities		11,280,297		11,280,297
		680,198,271	-	680,198,271

Reconciliation of profit

Particulars	Note	period ended March 31, 2016		
		Indian GAAP	Effect of transition to Ind AS	Ind AS
Income				
Revenue from operations (net)		9,472,634	-	9,472,634
Other income		3,907,809	-	3,907,809
Total income		13,380,443	-	13,380,443
Employee benefits expense		74,491	-	74,491
Cost of technical professionals		8,167,656	-	8,167,656
Other expenses		2,558,430	-	2,558,430
Total expenses		10,800,577	-	10,800,577
EBIDTA		2,579,866	-	2,579,866
Finance costs		-	-	-
Depreciation and amortization expense		-	-	-
Profit before tax		2,579,866	-	2,579,866
Total tax expense		-	-	-
Net profit for the year		2,579,866	-	2,579,866

(This space is intentionally left blank)

21. Share capital

	As at June 30, 2016 In ₹	As at March 31, 2016 In ₹
Authorized shares		
97,785,000 Ordinary shares of € 0.0125 each.	€ 1,222,313	€ 1,222,313
	€ 1,222,313	€ 1,222,313
Issued, subscribed and paid-up 39,670,791 Ordinary shares of € 0.0125 each.	36,253,449	36,253,449
Issued, subscribed and fully paid-up share capital	36,253,449	36,253,449

All the shares are held by Aepona Group Limited.

Reconciliation of the shares outstanding at the beginning and at the end of the year.

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

22. Contingent liabilities:

The Company does not have any contingent liability as on June 30, 2016 (March 31, 2016 ₹ Nil).

23. The financial statements are presented in ₹ except for per share information or as otherwise stated.

24. Previous period's / year's figures have been regrouped where necessary to conform to current years' classification. The Company was acquired by Persistent Systems Inc. on October 2, 2015 by virtue of share purchase agreement with ultimate parent company Aepona Holdings Ltd. Hence previous year / period numbers are not available.

As per our report of even date

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

**For and on behalf of the Board of Directors of
Valista Limited**

per C.K. Joshi
Partner
Membership No.030428
Place: Pune
Date: July 22, 2016

Dr. Anand Deshpande
Director

Place: Pune
Date : July 22, 2016

Sunil Sapre
Director

Place: Pune
Date : July 22, 2016
