

**Persistent Systems México, S.A. de C.V.**

CONDENSED BALANCE SHEET AS AT SEPTEMBER 30, 2016

	Notes	As at September 30, 2016 (In ₹)	As at March 31, 2016 (In ₹)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Capital Work in Progress		257,044	-
Deferred tax assets (net)	5	1,995,592	-
		<b>2,252,636</b>	-
<b>Current assets</b>			
Financial assets			
- Trade receivables	6	54,991,482	-
- Cash and cash equivalents	7	1,432,347	-
Other current assets	8	2,067,259	-
		<b>58,491,088</b>	-
<b>TOTAL</b>		<b>60,743,724</b>	-
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	9	3,646,800	-
Other equity	10	(560,550)	-
		<b>3,086,250</b>	-
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Financial liabilities			
- Trade payables	11	705,335	-
- Other current financial liabilities	12	45,419,264	-
Other current liabilities	13	3,020,077	-
Provisions	14	6,651,972	-
Current tax liabilities (net)		1,860,826	-
		<b>57,657,474</b>	-
<b>TOTAL</b>		<b>60,743,724</b>	-
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**  
**Persistent Systems México, S.A. de C.V.**

per C.K. Joshi  
Partner  
Membership No. 030428

Thomas Klein  
Director

Sunil Sapre  
Director

Place: Pune  
Date : October 20, 2016

Place: Santa Clara, USA  
Date : October 20, 2016

Place: Pune  
Date : October 20, 2016

**Persistent Systems México, S.A. de C.V.****CONDENSED STATEMENT OF PROFIT AND LOSS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2016**

	Notes	For the quarter ended September 30, 2016 (In ₹)	For the half year ended September 30, 2016 (In ₹)	For the period ended March 31, 2016 (In ₹)
<b>Income</b>				
Revenue from operations	15	25,840,976	54,991,482	-
<b>Total income (A)</b>		<b>25,840,976</b>	<b>54,991,482</b>	-
<b>Expenses</b>				
Employee benefits expense	16	23,291,090	49,322,935	-
Other expenses	17	3,543,951	6,117,763	-
<b>Total expenses (B)</b>		<b>26,835,041</b>	<b>55,440,698</b>	-
<b>Profit/ (loss) before tax (A - B)</b>		<b>(994,065)</b>	<b>(449,216)</b>	-
<b>Tax expense</b>				
Current tax		642,762	1,860,826	-
Deferred tax charge / (credit)		(941,320)	(1,995,592)	-
<b>Total tax expense</b>		<b>(298,558)</b>	<b>(134,766)</b>	-
<b>Net profit/ (loss) for the period (C)</b>		<b>(695,507)</b>	<b>(314,450)</b>	-
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss (D)</b>				
- Remeasurements of the defined benefit liabilities / (asset)		-	-	-
- Tax effect on remeasurements of the defined benefit liabilities / (asset)		-	-	-
		-	-	-
<b>Items that will be reclassified to profit or loss (E)</b>				
- Exchange differences in translating the financial statements of foreign operations		(246,100)	(246,100)	-
<b>Total other comprehensive income for the period (D) + (E)</b>		<b>(246,100)</b>	<b>(246,100)</b>	-
<b>Total comprehensive income for the period (C) + (D) + (E)</b>		<b>(941,607)</b>	<b>(560,550)</b>	-
<b>Earnings per equity share</b>				
[Nominal value of share MXN 1 (Previous period : Nil)]	18			
Basic (In ₹)		(0.79)	(0.71)	-
Diluted (In ₹)		(0.79)	(0.71)	-
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**  
**Persistent Systems México, S.A. de C.V.**

per C.K. Joshi  
Partner  
Membership No. 030428

Thomas Klein  
Director

Sunil Sapre  
Director

Place: Pune  
Date : October 20, 2016

Place: Santa Clara, USA  
Date : October 20, 2016

Place: Pune  
Date : October 20, 2016

**Persistent Systems México, S.A. de C.V.****CONDENSED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2016**

	For the half year ended September 30, 2016 (In ₹)	For the period ended March 31, 2016 (In ₹)
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	(449,216)	-
Adjustments for:		
Foreign currency translation reserve	(246,100)	-
Unrealised exchange (gain)/loss	3,750,533	-
<b>Operating profit before working capital changes</b>	<b>3,055,217</b>	-
<b>Movements in working capital :</b>		
(Increase) / Decrease in trade receivables	(54,991,482)	-
(Increase)/Decrease in loans and advances	(2,067,259)	-
Increase /(Decrease) Increase in trade payables and current liabilities (including short term borrowings)	45,394,143	-
Increase/(Decrease) in provisions	6,651,972	-
<b>Operating profit after working capital changes</b>	<b>(1,957,409)</b>	-
Direct taxes paid (net of refunds)	-	-
<b>Net cash generated from operating activities</b>	<b>(A) (1,957,409)</b>	-
<b>Cash flow from investing activities</b>		
Payment towards capital expenditure	(257,044)	-
<b>Net cash (used in) investing activities</b>	<b>(B) (257,044)</b>	-
<b>Cash flow from financing activities</b>		
Proceeds from issuance of share capital	3,646,800	-
<b>Net cash generated from financing activities</b>	<b>(C) 3,646,800</b>	-
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>1,432,347</b>	-
Exchange difference on translation of foreign currency cash and cash equivalents	-	-
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>1,432,347</b>	-
<b>Components of cash and cash equivalents</b>		
	For the half year ended September 30, 2016 (In ₹)	For the period ended March 31, 2016 (In ₹)
Cash on hand	-	-
Balances with banks		
- on current account	1,432,347	-
- on deposit account	-	-
<b>Cash and cash equivalents as per note 7</b>	<b>1,432,347</b>	-

Summary of significant accounting policies. (refer 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**  
**Persistent Systems México, S.A. de C.V.**

per C.K. Joshi  
Partner  
Membership No. 030428

Thomas Klein  
Director

Sunil Sapre  
Director

Place: Pune  
Date : October 20, 2016

Place: Santa Clara, USA  
Date : October 20, 2016

Place: Pune  
Date : October 20, 2016

**Persistent Systems México, S.A. de C.V.**

Notes forming part of condensed financial statements

**5. Deferred tax assets (net)**

	As at September 30, 2016 (In ₹)	As at March 31, 2016 (In ₹)
<b>Deferred tax liabilities</b>		
Differences in book values and tax base values of property, plant and equipment and other intangible assets.	-	-
Others	-	-
	-	-
<b>Deferred tax assets</b>		
Provision for leave encashment	459,347	-
Performance and retention bonus	1,536,245	-
	<b>1,995,592</b>	-
<b>Deferred tax assets (net)</b>	<b>1,995,592</b>	-

**9. Equity share capital (refer note 19)**

(In ₹)

<b>Balance as at April 1, 2016</b>	<b>Changes in equity share capital during the period</b>	<b>Balance as at September 30, 2016</b>
-	3,646,800	3,646,800
-	<b>3,646,800</b>	<b>3,646,800</b>

(In ₹)

<b>Balance as at March 1, 2016</b>	<b>Changes in equity share capital during the period</b>	<b>Balance as at March 31, 2016</b>
-	-	-
-	-	-

*(This space is intentionally left blank)*

**Persistent Systems México, S.A. de C.V.****STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED SEPTEMBER 30, 2016****10. Other equity**

(In ₹)

Particulars	<u>Reserves and surplus</u>	<u>Items of other comprehensive income</u>	Total
	Retained earnings	Foreign currency translation reserve	
Balance as at April 1, 2016	-	-	-
Net profit/ (loss) for the period	(314,450)	(246,100)	(560,550)
Balance at September 30, 2016	(314,450)	(246,100)	(560,550)

(In ₹)

Particulars	<u>Reserves and surplus</u>	<u>Items of other comprehensive income</u>	Total
	Retained earnings	Foreign currency translation reserve	
Balance as at March 1, 2016	-	-	-
Net profit for the period	-	-	-
Balance at March 31, 2016	-	-	-

*(This space is intentionally left blank)*

**Persistent Systems México, S.A. de C.V.**

Notes forming part of condensed financial statements

**6. Trade receivables**

	As at September 30, 2016 (In ₹)	As at March 31, 2016 (In ₹)
<b>Outstanding for a period less than six months from the date they are due for payment</b>		
Unsecured, considered good	54,991,482	-
Unsecured, considered doubtful	-	-
	<b>54,991,482</b>	<b>-</b>
Less : Provision for doubtful receivables	-	-
	<b>54,991,482</b>	<b>-</b>

**7. Cash and cash equivalents**

	As at September 30, 2016 (In ₹)	As at March 31, 2016 (In ₹)
<b>Cash and cash equivalents as presented in cash flow statement</b>		
Balances with banks		
On current accounts	1,432,347	-
	<b>1,432,347</b>	<b>-</b>

**8. Other current assets**

	As at September 30, 2016 (In ₹)	As at March 31, 2016 (In ₹)
<b>Advances to suppliers (Unsecured, considered good)</b>		
Advances recoverable in cash or kind or for value to be received	1,398,029	-
VAT receivable (net)	669,230	-
	<b>2,067,259</b>	<b>-</b>

*(This space is intentionally left blank)*

**Persistent Systems México, S.A. de C.V.**

Notes forming part of condensed financial statements

**11. Trade payables**

	As at September 30, 2016 (In ₹)	As at March 31, 2016 (In ₹)
Trade payables for goods and services	705,335	-
	<b>705,335</b>	<b>-</b>

**12. Other current financial liabilities**

	As at September 30, 2016 (In ₹)	As at March 31, 2016 (In ₹)
<b>Advance from related party</b>		
Persistent Systems Inc	45,419,264	-
	<b>45,419,264</b>	<b>-</b>

**13. Other current liabilities**

	As at September 30, 2016 (In ₹)	As at March 31, 2016 (In ₹)
Statutory liabilities	3,020,077	-
	<b>3,020,077</b>	<b>-</b>

**14. Provisions**

	As at September 30, 2016 (In ₹)	As at March 31, 2016 (In ₹)
Provision for employee benefits		
- Leave encashment	1,531,155	-
- Other employee benefits	5,120,817	-
	<b>6,651,972</b>	<b>-</b>

*(This space is intentionally left blank)*



**Persistent Systems México, S.A. de C.V.**

## Notes forming part of condensed financial statements

**15. Revenue from operations**

	For the quarter ended September 30, 2016 (In ₹)	For the half year ended September 30, 2016 (In ₹)	For the period ended March 31, 2016 (In ₹)
Software services	25,840,976	54,991,482	-
	<b>25,840,976</b>	<b>54,991,482</b>	-

**16. Employee benefits expense**

	For the quarter ended September 30, 2016 (In ₹)	For the half year ended September 30, 2016 (In ₹)	For the period ended March 31, 2016 (In ₹)
<b>Employee benefits expense</b>			
Salaries, wages and bonus	18,580,974	38,746,237	-
Contribution to provident and other funds	4,044,892	8,683,216	-
Staff welfare and benefits	665,224	1,893,482	-
	<b>23,291,090</b>	<b>49,322,935</b>	-

(This space is intentionally left blank)

**Persistent Systems México, S.A. de C.V.**

Notes forming part of condensed financial statements

**17. Other expenses**

	For the quarter ended September 30, 2016	For the half year ended September 30, 2016	For the period ended March 31, 2016
	(In ₹)	(In ₹)	(In ₹)
Travelling and conveyance	(350)	4,831	-
Communication expenses	(76,934)	4,081	-
Recruitment expenses	187,379	187,379	-
Rent	(9,112)	125,913	-
Rates, Fees and professional tax	(15,979)	142,280	-
Legal and professional fees	466,192	1,298,139	-
Auditors' remuneration	135,547	272,302	-
Foreign exchange loss (net)	2,708,788	3,751,021	-
Miscellaneous expenses	148,420	331,817	-
	<b>3,543,951</b>	<b>6,117,763</b>	<b>-</b>

*(This space is intentionally left blank)*

**Persistent Systems México, S.A. de C.V.**

Notes forming part of condensed financial statements

**18. Earnings per equity share**

		For the quarter ended September 30, 2016	For the half year ended September 30, 2016	For the period ended March 31, 2016
<b><u>Numerator for Basic and Diluted EPS</u></b>				
Net Profit/ (loss) after tax (In ₹)	(A)	(695,507)	(314,450)	-
<b><u>Denominator for Basic EPS</u></b>				
Weighted average number of equity shares	(B)	880,435	442,623	-
<b><u>Denominator for Diluted EPS</u></b>				
Number of equity shares	(C)	880,435	442,623	-
<b>Basic Earnings per share of face value of MXN 1 each (In ₹ )</b>	(A/B)	(0.79)	(0.71)	-
<b>Diluted Earnings per share of face value of MXN 1 each (In ₹ )</b>	(A/C)	(0.79)	(0.71)	-
<hr/>				
		For the quarter ended September 30, 2016	For the half year ended September 30, 2016	For the period ended March 31, 2016
Number of shares considered as basic weighted average shares outstanding		880,435	442,623	-
Add: Effect of dilutive issues of stock options		-	-	-
<b>Number of shares considered as weighted average shares and potential shares outstanding</b>		<b>880,435</b>	<b>442,623</b>	<b>-</b>

*(This space is intentionally left blank)*