Persistent Telecom Solutions Inc.

CONDENSED BALANCE SHEET AS AT DECEMBER 31, 2016

	Note	As at December 31, 2016 (In ₹)	As at December 31, 2015 (In ₹)	As at March 31, 2016 (In ₹)
ASSETS				
Non-current assets				
Property, Plant and Equipment	5	3,331,561	6,918,454	9,669,997
Capital work-in-progress		-	-	-
Other Intangible assets	5	268,170,322	102,527,830	405,094,981
	(A)	**271,501,883**	**109,446,284**	**414,764,978**
Financial assets				
-Loans	7	-	451,348	294,315
Deferred Tax Asset (Net)	6	223,086,332	298,888,224	183,145,012
	(B)	**223,086,332**	**299,339,572**	**183,439,327**
Current assets				
Trade receivables	8	387,535,300	344,550,545	250,209,207
Cash and cash equivalents	9	53,943,628	60,746,105	79,186,319
-Other current financial assets	10	23,018,627	11,948,116	11,985,723
Other Current Assets	11	45,994,188	103,706,282	77,503,090
Current Tax Assets (Net)		1,615,173	-	-
	(C)	**512,106,916**	**520,951,048**	**418,884,339**
TOTAL	**(A)+(B)+(C)**	**1,006,695,131**	**929,736,904**	**1,017,088,644**
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	4	123	123	123
Other equity		(116,602,731)	121,226,715	(3,631,601)
		(116,602,608)	**121,226,838**	**(3,631,478)**
LIABILITIES				
Non- current liabilities				
Financial liabilities				
-Borrowings	12	336,327,750	277,107,177	251,081,590
	(A)	**219,725,142**	**398,334,015**	**247,450,112**
Current liabilities				
Financial liabilities				
-Borrowings	13	13,654,726	56,214,926	54,407,724
- Trade payables	14	356,980,123	155,483,224	160,566,066
- Other financial liabilities	15	108,532,912	158,185,778	124,472,723
Other current liabilities	16	221,068,705	75,668,109	339,440,773
Provisions	17	86,733,523	77,049,066	81,934,486
Current Tax Liabilities (Net)		-	8,801,786	8,816,760
	(B)	**786,969,989**	**531,402,889**	**769,638,532**
TOTAL	**(A) + (B)**	**1,006,695,131**	**929,736,904**	**1,017,088,644**
Summary of significant accounting policies	3			

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

per C.K. Joshi
Partner
Membership No. 030428

Place: Pune
Date : January 19, 2017

For and on behalf of the Board of Directors of
Persistent Telecom Solutions Inc.

Dr. Anand Deshpande
Director

Place: Pune
Date : January 19, 2017

Narayanan Rajagopalan
President and Director

Place: Santa Clara
Date : January 19, 2017

Persistent Telecom Solutions Inc.

CONDENSED STATEMENT OF PROFIT AND LOSS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2016

	Note	For the quarter ended		For the nine months ended		For the year ended
		December 31, 2016 (In ₹)	December 31, 2015 (In ₹)	December 31, 2016 (In ₹)	December 31, 2015 (In ₹)	March 31, 2016 (In ₹)
Income						
Revenue from operations	18	383,631,032	335,839,952	1,099,030,539	918,906,117	1,208,191,867
Other income	19	2,082,962	15,854	2,125,652	63,489	88,829
		385,713,994	**335,855,806**	**1,101,156,191**	**918,969,606**	**1,208,280,696**
Expenses						
Employee benefit expenses	20.1	168,077,594	87,638,705	478,218,757	410,258,879	543,122,015
Cost of technical professionals	20.2	153,651,189	39,154,037	268,758,911	156,603,906	207,769,504
Finance costs		2,354,993	1,756,137	6,448,603	4,350,165	6,123,872
Depreciation and amortization expense	5	50,673,477	19,996,159	149,383,711	87,175,292	115,857,120
Other expenses	21	106,999,690	84,911,151	344,444,362	278,268,556	349,186,751
		481,756,943	**233,456,189**	**1,247,254,344**	**936,656,798**	**1,222,059,262**
Profit/(Loss) before tax and exceptional items		**(96,042,949)**	**102,399,617**	**(146,098,153)**	**(17,687,192)**	**(13,778,566)**
Tax expense						
Current tax		-	-	-	-	-
Deferred tax (credit) / charge		(21,079,600)	9,892,219	(34,825,673)	(23,819,462)	90,574,102
Tax credit in respect of earlier years		-	-	-	(4,893,324)	-
Total tax expense		**(21,079,600)**	**9,892,219**	**(34,825,673)**	**(28,712,786)**	**90,574,102**
Net Profit/(Loss) after tax and exceptional items		**(74,963,349)**	**92,507,398**	**(111,272,480)**	**11,025,594**	**(104,352,668)**
Other comprehensive income						
Items that will not be reclassified to profit or loss (D)						
- Remeasurements of the defined benefit liabilities / (asset)		304,570	4,509,665	-	14,392,129	1,692,482
- Tax effect on remeasurements of the defined benefit liabilities / (asset)		(103,575)	(1,533,286)	-	(4,893,324)	(575,444)
		200,995	**2,976,379**	**-**	**9,498,805**	**1,117,038**
Items that may be reclassified to profit or loss (E)						
- Effective portion of cash flow hedge		-	-	-	-	-
- Exchange differences in translating the financial statements of foreign		(1,550,945)	2,949,444	(1,698,650)	6,211,104	5,112,817
		(1,550,945)	**2,949,444**	**(1,698,650)**	**6,211,104**	**5,112,817**
Total comprehensive income for the period (C) + (D) + (E)		**(76,313,299)**	**98,433,221**	**(112,971,130)**	**26,735,503**	**(98,122,813)**
Earnings per equity share [nominal value of share $ 0.001 (Corresponding period/ previous year $ 0.001)]	22					
Basic ₹		(30,227.16)	37,301.37	(44,867.94)	4,445.80	(42,077.69)
Diluted ₹		(30,227.16)	37,301.37	(44,867.94)	4,445.80	(42,077.69)
Summary of significant accounting policies	3					

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

per C.K. Joshi
Partner
Membership No. 030428

Place: Pune
Date : January 19, 2017

For and on behalf of the Board of Directors of
Persistent Telecom Solutions Inc.

Dr. Anand Deshpande
Director
Place: Pune
Date : January 19, 2017

Narayanan Rajagopalan
President and Director
Place: Santa Clara
Date : January 19, 2017

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Persistent Telecom Solutions Inc.

CASH FLOW STATEMENT FOR THE NINE MONTHS ENDED DECEMBER 31, 2016

		For the nine months ended		For the year ended
		December 31, 2016 (In ₹)	December 31, 2015 (In ₹)	March 31, 2016 (In ₹)
Cash flow from operating activities				
Profit/(Loss) before tax		**(146,098,153)**	**(17,687,192)**	**(13,778,566)**
Adjustments for:				
Foreign Currency Translation Reserve		(6,166,226)	1,380,431	17,013,602
Finance Cost		6,448,603	4,350,165	6,123,872
Interest income		(37,592)	(33,708)	(49,695)
Depreciation and amortization expense		149,383,711	87,175,292	115,857,120
Foreign exchange (loss) / gain(net)		-	-	(273,479)
Provision for doubtful debts (net)		13,478,477	-	(593,962)
Provision for doubtful debts written back (net)		-	5,938,380	-
Remeasurements of the defined benefit liabilities / asset		-	14,392,129	1,692,482
Operating profit before working capital changes		**17,008,820**	**95,515,497**	**125,991,374**
Movements in working capital :				
Decrease/ (Increase) in trade receivables		(150,804,570)	(182,292,154)	(81,144,995)
Decrease/ (Increase) in other current assets		31,508,902	(10,094,520)	(4,571,155)
Decrease/(Increase) in loans and advances		(10,738,589)	(20,832,273)	(33,020)
Increase/ (Decrease) in trade payables and current liabilities		36,991,121	155,122,842	(37,221,466)
Increase/ (Decrease) in provisions		4,799,037	(35,911,433)	(31,026,013)
Operating profit after working capital changes		**(71,235,279)**	**1,507,959**	**(28,005,275)**
Direct taxes paid (net of refunds)		(10,658,533)	-	(191,167)
Net cash generated from / (used in) operating activities	**A**	**(81,893,812)**	**1,507,959**	**(28,196,442)**
Cash flows from investing activities				
Payment for capital expenditure		4,228,782	(14,575,832)	(55,569,597)
Interest received		37,592	33,708	49,695
Net cash (used in) investing activities	**B**	**4,266,374**	**(14,542,124)**	**(55,519,902)**
Cash flows from financing activities				
Proceeds from long term borrowings		56,391,233	(26,773,765)	65,600,447
Interest paid		(4,006,486)	(1,426,162)	(4,677,982)
Net cash generated from financing activities	**C**	**52,384,747**	**(28,199,928)**	**60,922,465**
Net increase in cash and cash equivalents **(A + B + C)**		(25,242,691)	(41,234,093)	(22,793,879)
Cash and cash equivalents at the beginning of the reporting period/year		79,186,319	101,980,198	101,980,198
Cash and cash equivalents at the end of the reporting period/year		**53,943,628**	**60,746,105**	**79,186,319**
Components of cash and cash equivalents		**December 31, 2016**	**December 31, 2015**	**March 31, 2016**
Balances with Banks		53,943,628	60,746,105	79,186,319
Cash and cash equivalents as per note 9		**53,943,628**	**60,746,105**	**79,186,319**
Summary of significant accounting policies	3			

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

per C.K. Joshi
Partner
Membership No. 030428

Place: Pune
Date : January 19, 2017

For and on behalf of the Board of Directors of
Persistent Telecom Solutions Inc.

Dr. Anand Deshpande
Director

Place: Pune
Date : January 19, 2017

Narayanan Rajagopalan
President and Director

Place: Santa Clara
Date : January 19, 2017

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Persistent Telecom Solutions Inc.

STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED DECEMBER 31, 2016

A. Equity share capital

Refer note : 4

(In ₹)

Balance as at April 1, 2016	Changes in equity share capital during the period	Balance as at December 31, 2016
123	**-**	**123**

(In ₹)

Balance as at April 1, 2015	Changes in equity share capital during the period	Balance as at December 31, 2015
123	**-**	**123**

(In ₹)

Balance as at April 1, 2015	Changes in equity share capital during the year	Balance as at March 31, 2016
123	**-**	**123**

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Persistent Telecom Solutions Inc.

STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED DECEMBER 31, 2016

B. Other equity

(In ₹)

Particulars	Reserves and surplus		Items of other comprehensive income		Total
	Securities premium reserve	Retained earnings	Exchange differences on translating the financial statements of foreign operations	Remeasurements of the defined benefit liabilities / asset	
Balance as at April 1, 2016	306,930,570	(402,936,908)	91,257,699	1,117,038	(3,631,601)
Other Comprehensive income for the year	-	-	-	-	-
Net profit/(losses) for the period	-	(111,272,480)	-	-	(111,272,480)
Change during the period	-	-	(1,698,650)	-	(1,698,650)
Balance at December 31, 2016	**306,930,570**	**(514,209,388)**	**89,559,049**	**1,117,038**	**(116,602,731)**

(In ₹)

Particulars	Reserves and surplus		Items of other comprehensive income		Total
	Securities premium reserve	Retained earnings	Exchange differences on translating the financial statements of foreign operations	Remeasurements of the defined benefit liabilities / asset	
Balance as at April 1, 2015	306,930,570	(293,740,471)	86,144,882	-	99,334,981
Ind AS adjustments on first time adoption (Refer note 23)	-	(4,843,769)	-	9,498,805	4,655,036
Net profit for the period	-	11,025,594	-	-	11,025,594
Change during the period	-		6,211,104	-	6,211,104
Balance at December 31, 2015	**306,930,570**	**(287,558,646)**	**92,355,986**	**9,498,805**	**121,226,715**

(In ₹)

Particulars	Reserves and surplus		Items of other comprehensive income		Total
	Securities premium reserve	Retained earnings	Exchange differences on translating the financial statements of foreign operations	Remeasurements of the defined benefit liabilities / asset	
Balance as at April 1, 2015	306,930,570	(293,740,471)	86,144,882	-	99,334,981
Ind AS adjustments on first time adoption (Refer note 23)	-	(4,843,769)	-	1,117,038	(3,726,731)
Net profit for the year	-	(104,352,668)	-	-	(104,352,668)
Change during the period	-	-	5,112,817	-	5,112,817
Balance at March 31, 2016	**306,930,570**	**(402,936,908)**	**91,257,699**	**1,117,038**	**(3,631,601)**

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1. Nature of operations

Persistent Telecom Solutions, Inc. (the Company) is a wholly owned subsidiary of Persistent Systems, Inc. The company is specializing in software products, services and technology innovation in telecom and Product Lifecycle Management domains.

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 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.

-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 as at March 31, 2016, December 31, 2015 and December 31, 2016 and of the comprehensive net income for the quarter and nine months ended December 31, 2016 and the year 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. Statement of significant accounting policies

A. Accounting year

The accounting year of the company is from April 1 to March 31.

B. Functional currency

The company’s functional currency is the U.S. Dollar

C. Use of estimates

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

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D. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, less accumulated depreciation and impairment losses, if any. The cost comprises the purchase price and any attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Capital work-in-progress includes cost of 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 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

a) Acquired 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.

b) 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.

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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*	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.

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

G. Impairment of Property, Plant and Equipment and Other intangible assets

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

H. Borrowing Cost:

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangements 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 a part of the cost of the respective asset. All other borrowing costs are expensed in the year in which they occur.

I. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on category basis.

Long-term investments presented as non- current investments are carried at cost.

J. 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 licenses and 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 licensing of software is recognized upon delivery.

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

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

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

Unearned revenue represents the billing in respect of contracts for which the revenue is not recognized as per the terms of contract.

The company collects sales tax on behalf of 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. Dividends

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

K. Foreign currency transaction:

i. 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.

ii. 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.

iii. Settlement

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

L. Retirement and other employee benefits

i. Gratuity
The Company is not liable to pay gratuity as per the payment of Gratuity Act 1972.

ii. Superannuation
The Company does not have any superannuation scheme.

iv. Provident fund
The Company is not liable to pay provident fund as per the Provident Fund Act 1952.

v. 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.

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

M. Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the United States of America’s tax laws. Deferred income tax reflects the impact of current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier periods.

Deferred income taxes reflect the impact of temporary differences between tax base of assets and liabilities ad 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 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.

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.

N. Cash and cash equivalents

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

O. Lease

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.

P. Earnings per share (EPS)

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

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

Q. 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.

R. Contingent liabilities

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

S. 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) by the holding Company, Persistent Systems Limited, to the employees of the Company.

In accordance with Ind AS 102, the cost of equity-settled transactions is determined by the fair value at the date of the grant by the holding Company of the equity instruments to the employees of the Company 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 by the Company in the statement of profit and loss for a year represents the movement in cumulative expense recognized as at the beginning and end of that year and is recognized in employee benefits expense of the Company. 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 intrinsic value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

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4. Share capital

	As at December 31, 2016 (In ₹)	As at December 31, 2015 (In ₹)	As at March 31, 2016 (In ₹)
Authorised			
5,000 (Previous year 5,000) Common Shares of $0.001 each.	US $ 5	US $ 5	US $ 5
	US $ 5	**US $ 5**	**US $ 5**
Issued, subscribed and paid-up			
2,480 (previous year 2,480) common shares o $0.001 each fully paid up. All shares are held by holding company viz Persistent Systems Inc.	123	123	123
	123	**123**	**123**

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

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NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

5. Property, Plant and Equipment & Other Intangible Assets

(In ₹)

	Computers	Office Equipment	Furniture & Fixtures	Sub total Tangibles	Software	Others	Sub total Intangibles	Total
Gross Block								
As at April 1, 2016	136,928,302	1,431,911	847,649	139,207,862	639,211,408	458,748,563	1,097,959,971	1,237,167,833
Additions	89,487	-	174,442	263,929	-	-	-	263,929
Disposals	(3,964,367)	(501,426)	-	(4,465,793)	-	-	-	(4,465,793)
Other Adjustments								
- Exchange difference	2,932,098	520,159	25,012	3,477,269	16,428,387	11,790,307	28,218,694	31,695,963
As at December 31, 2016	**135,985,520**	**1,450,644**	**1,047,103**	**138,483,267**	**655,639,795**	**470,538,870**	**1,126,178,665**	**1,264,661,932**
Depreciation / Amortization								
As at April 1, 2016	128,699,678	608,048	230,139	129,537,865	459,979,993	232,884,997	692,864,990	822,402,855
Charge for the period	3,408,349	214,545	133,549	3,756,443	54,243,312	91,383,956	145,627,268	149,383,711
Other Adjustments								
- Exchange difference	1,836,468	13,448	7,482	1,857,398	12,458,431	7,057,654	19,516,085	21,373,483
As at December 31, 2016	**133,944,495**	**836,041**	**371,170**	**135,151,706**	**526,681,736**	**331,326,607**	**858,008,343**	**993,160,049**
Net Block								
As at December 31, 2016	**2,041,025**	**614,603**	**675,933**	**3,331,561**	**128,958,059**	**139,212,263**	**268,170,322**	**271,501,883**
As at March 31, 2016	**8,228,624**	**823,863**	**617,510**	**9,669,997**	**179,231,415**	**225,863,566**	**405,094,981**	**414,764,978**
Gross Block								
As at April 1, 2015	123,466,247	1,159,052	601,772	125,227,071	433,150,083	280,231,710	713,381,793	838,608,864
Additions	1,188,867	11,169	-	1,200,036	13,375,796	-	13,375,796	14,575,832
Other Adjustments								
- Exchange difference	7,252,654	67,600	35,155	7,355,409	25,815,566	16,370,770	42,186,336	49,541,745
As at December 31, 2015	**131,907,768**	**1,237,821**	**636,927**	**133,782,516**	**472,341,445**	**296,602,480**	**768,943,925**	**902,726,441**
Depreciation / Amortization								
As at April 1, 2015	96,914,181	334,396	94,089	97,342,666	407,028,401	161,123,223	568,151,624	665,494,290
Charge for the period	23,098,877	179,991	91,239	23,370,107	17,354,468	46,450,717	63,805,185	87,175,292
Other Adjustments				-				
- Exchange difference	6,120,864	23,114	7,311	6,151,289	24,123,119	10,336,167	34,459,286	40,610,575
As at December 31, 2015	**126,133,922**	**537,501**	**192,639**	**126,864,062**	**448,505,988**	**217,910,107**	**666,416,095**	**793,280,157**
Net Block								
As at December 31, 2015	**5,773,846**	**700,320**	**444,288**	**6,918,454**	**23,835,457**	**78,692,373**	**102,527,830**	**109,446,284**
As at March 31, 2015	**26,552,066**	**824,656**	**507,683**	**27,884,405**	**26,121,682**	**119,108,487**	**145,230,169**	**173,114,574**
Gross Block								
As at April 1, 2015	123,466,247	1,159,052	601,772	125,227,071	433,150,083	280,231,710	713,381,793	838,608,864
Purchase	6,155,466	208,168	213,851	6,577,485	185,419,877	167,466,063	352,885,940	359,463,425
Other Adjustments								
- Exchange difference	7,306,589	64,691	32,026	7,403,306	20,641,448	11,050,790	31,692,238	39,095,544
As at March 31, 2016	**136,928,302**	**1,431,911**	**847,649**	**139,207,862**	**639,211,408**	**458,748,563**	**1,097,959,971**	**1,237,167,833**
Depreciation / Amortization								
As at April 1, 2015	96,914,181	334,396	94,089	97,342,666	407,028,401	161,123,223	568,151,624	665,494,290
Charge for the period	25,732,650	251,397	129,295	26,113,342	28,203,084	61,540,694	89,743,778	115,857,120
Other Adjustments								
- Exchange difference	6,052,847	22,255	6,755	6,081,857	24,748,508	10,221,080	34,969,588	41,051,445
As at March 31, 2016	**128,699,678**	**608,048**	**230,139**	**129,537,865**	**459,979,993**	**232,884,997**	**692,864,990**	**822,402,855**
Net Block								
As at March 31, 2016	**8,228,624**	**823,863**	**617,510**	**9,669,997**	**179,231,415**	**225,863,566**	**405,094,981**	**414,764,978**
As at March 31, 2015	**26,552,066**	**824,656**	**507,683**	**27,884,405**	**26,121,682**	**119,108,487**	**145,230,169**	**173,114,574**

5.1 Depreciation and amortization expense

(In ₹)

	For the quarter ended		For the nine months ended		For the year ended
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015	March 31, 2016
On Property, Plant and Equipment	1,064,245	2,888,821	3,756,443	23,370,107	26,113,342
On Other intangible assets	49,609,232	17,107,338	145,627,268	63,805,185	89,743,778
	50,673,477	**19,996,159**	**149,383,711**	**87,175,292**	**115,857,120**

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Persistent Telecom Solutions Inc.

NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

6. Deferred tax assets

	As at December 31, 2016 (In ₹)	As at December 31, 2015 (In ₹)	As at March 31, 2016 (In ₹)
Deferred tax assets			
Provision for doubtful debts	14,787,931	12,349,694	9,897,108
Provision for leave encashment	8,760,392	8,440,007	8,228,037
Sales commission	4,144,688	3,551,334	3,887,983
Differences in depreciation and amortization and other differences in a block of tangible and intangible assets as per the US tax books and financial books	165,039,103	151,564,272	142,402,396
Others	30,354,218	122,982,917	18,729,488
Deferred tax asset (net)	**223,086,332**	**298,888,224**	**183,145,012**

*The company along with its holding company have decided to opt for filing consolidated income tax return in compliance with the applicable tax regulations in the United States from financial year 2014-15. This enables the company to set off its business losses against the profits of the holding company. In view of the virtual certainty of the profits in the holding company, full deferred tax asset is recognized in the financial statements of the company.

7. Non Current financial assets: Loans

	As at December 31, 2016 (In ₹)	As at December 31, 2015 (In ₹)	As at March 31, 2016 (In ₹)
Unsecured, considered good			
Advances recoverable in cash or kind or for value to be received	-	451,348	294,315
	-	**451,348**	**294,315**

8. Trade receivables

	As at December 31, 2016 (In ₹)	As at December 31, 2015 (In ₹)	As at March 31, 2016 (In ₹)
Outstanding for a period exceeding six months from the date they are due for payment			
Unsecured (considered good)	-	2,777,500	-
Unsecured (considered doubtful)	43,493,807	36,322,624	29,109,130
	43,493,807	39,100,124	29,109,130
Less : Provision for doubtful debts	43,493,807	36,322,624	29,109,130
	-	2,777,500	-
Others			
Unsecured (considered good)	387,535,300	341,773,045	250,209,207
Unsecured (considered doubtful)			-
	387,535,300	341,773,045	250,209,207
Less : Provision for doubtful debts	-	-	-
	387,535,300	341,773,045	250,209,207
	387,535,300	**344,550,545**	**250,209,207**

9. Cash and cash equivalents

	As at December 31, 2016 (In ₹)	As at December 31, 2015 (In ₹)	As at March 31, 2016 (In ₹)
Cash and cash equivalents as presented in cash flow statement			
Balances with banks			
- On current account	53,943,628	60,746,105	79,186,319
	53,943,628	**60,746,105**	**79,186,319**

10. Other current financial assets

	As at December 31, 2016 (In ₹)	As at December 31, 2015 (In ₹)	As at March 31, 2016 (In ₹)
Unsecured, considered good			
Carried at amortised cost			
Advance to related parties (Unsecured, considered good)			
- Aepona Lmited UK	910,072	-	23,912
-Persistent Systems Ltd.	21,957,391	10,150,482	10,161,119
Other loans and advances			
Deposits	151,164	1,797,634	1,800,692
	23,018,627	**11,948,116**	**11,985,723**

11. Other current assets

	As at December 31, 2016 (In ₹)	As at December 31, 2015 (In ₹)	As at March 31, 2016 (In ₹)
Advances to suppliers (Unsecured, considered good)			
Advances recoverable in cash or kind or for value to be received	27,495,321	82,812,867	62,133,040
Unsecured, considered good			
Unbilled revenue	18,498,867	20,893,415	15,370,050
	45,994,188	**103,706,282**	**77,503,090**

NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

12. Non Current financial liabilities: Borrowings

	As at December 31, 2016 (In ₹)	As at December 31, 2015 (In ₹)	As at March 31, 2016 (In ₹)
Unsecured			
Borrowings from related parties			
- Persistent Systems, Inc.	207,232,250	132,260,000	132,485,000
(Repayment Terms : After Thirty six months)			
(Rate of interest: Applicable federal rate)			
- Persistent Systems Pte. Ltd.	129,095,500	144,847,177	118,596,590
(Repayment Terms : After Thirty six months)			
(Rate of interest: SIBOR + 2%)			
	336,327,750	**277,107,177**	**251,081,590**

13. Current financial liabilities : Borrowings

	As at December 31, 2016 (In ₹)	As at December 31, 2015 (In ₹)	As at March 31, 2016 (In ₹)
Loans and advances from related parties			
Unsecured			
-Persistent Systems, Inc.	13,654,726	51,371,157	48,905,853
-Persistent Systems Ltd.	-	4,843,769	5,501,871
	13,654,726	**56,214,926**	**54,407,724**

14. Trade payables

	As at December 31, 2016 (In ₹)	As at December 31, 2015 (In ₹)	As at March 31, 2016 (In ₹)
Trade payables	356,980,123	155,483,224	160,566,066
	356,980,123	**155,483,224**	**160,566,066**

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NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

15. Other current financial liabilities

	As at December 31, 2016 (In ₹)	As at December 31, 2015 (In ₹)	As at March 31, 2016 (In ₹)
Carried at amortised cost			
Borrowings from related parties			
-Persistent Systems, Inc.	-	135,566,500	76,178,875
-Persistent Systems Pte. Ltd.	101,917,500	17,401,533	43,928,136
Interest accrued on borrowings from related parties			
-Persistent Systems, Inc.	365,637	636,762	249,710
-Persistent Systems Pte. Ltd.	3,833,733	2,536,489	1,429,008
Other payables			
- Accrued employee liabilities	1,341,234	2,044,494	1,639,104
Capital creditors	1,074,808	-	1,047,890
	108,532,912	**158,185,778**	**124,472,723**

16. Other current liabilities

	As at December 31, 2016 (In ₹)	As at December 31, 2015 (In ₹)	As at March 31, 2016 (In ₹)
Unearned revenue	220,471,108	71,034,111	336,032,616
Advance from customers	-	-	741,916
Other payables			
- Statutory liabilities	597,597	4,633,998	2,666,241
	221,068,705	**75,668,109**	**339,440,773**

17. Current Liabilities: Provisions

	As at December 31, 2016 (In ₹)	As at December 31, 2015 (In ₹)	As at March 31, 2016 (In ₹)
Provision for employee benefits			
- Leave encashment	25,765,859	24,823,565	24,200,091
- Other employee benefits	60,967,664	52,225,501	57,734,395
	86,733,523	**77,049,066**	**81,934,486**

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NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

18. Revenue from operations

	For the quarter ended		For the nine months ended		For the year ended
	December 31, 2016 (In ₹)	December 31, 2015 (In ₹)	December 31, 2016 (In ₹)	December 31, 2015 (In ₹)	March 31, 2016 (In ₹)
Sale of licenses (net)	39,113,537	86,330,450	128,626,917	176,642,774	215,051,937
Sale of software services (net)	344,517,495	249,509,502	970,403,622	742,263,343	993,139,930
	383,631,032	**335,839,952**	**1,099,030,539**	**918,906,117**	**1,208,191,867**

19. Other income

	For the quarter ended		For the nine months ended		For the year ended
	December 31, 2016 (In ₹)	December 31, 2015 (In ₹)	December 31, 2016 (In ₹)	December 31, 2015 (In ₹)	March 31, 2016 (In ₹)
Interest income	11,989	12,401	37,592	33,708	49,695
Miscellaneous income	2,070,973	3,453	2,088,060	29,781	39,134
	2,082,962	**15,854**	**2,125,652**	**63,489**	**88,829**

20. Personnel expenses

	For the quarter ended		For the nine months ended		For the year ended
	December 31, 2016 (In ₹)	December 31, 2015 (In ₹)	December 31, 2016 (In ₹)	December 31, 2015 (In ₹)	March 31, 2016 (In ₹)
20.1 Employee benefit expenses					
Salaries, wages and bonus	167,534,424	86,528,824	474,065,748	405,713,446	537,777,156
Staff welfare and benefits	1,282,301	1,109,881	2,734,252	4,545,433	5,344,859
Employee stock option expenses	(739,131)	-	1,418,757	-	
	168,077,594	**87,638,705**	**478,218,757**	**410,258,879**	**543,122,015**
20.2 Cost of technical professionals					
- Related Parties	152,710,461	39,283,468	265,644,975	151,548,187	200,565,681
- Others	940,728	(129,431)	3,113,936	5,055,719	7,203,823
	153,651,189	**39,154,037**	**268,758,911**	**156,603,906**	**207,769,504**
	321,728,783	**126,792,742**	**746,977,668**	**566,862,785**	**750,891,519**

21. Other expenses

	For the quarter ended		For the nine months ended		For the year ended
	December 31, 2016 (In `)	December 31, 2015 (In `)	December 31, 2016 (In ₹)	December 31, 2015 (In ₹)	March 31, 2016 (In ₹)
Travelling and conveyance	18,473,662	7,561,267	41,891,711	20,216,656	26,060,925
Electricity expenses	9,462	35,077	71,196	103,773	154,193
Communication expenses	926,988	930,349	2,504,366	1,740,946	2,343,044
Recruitment expenses	4,036,113	1,203,489	5,842,659	2,315,685	2,608,741
Training and seminars	2,580	5,960	698,781	642,183	1,497,113
Royalty expenses	31,666,880	37,240,548	97,867,844	112,413,901	138,063,458
Third party hosting and software fees	13,314,088	17,544,619	40,324,682	50,910,819	63,588,474
Purchase of software licenses and support expenses	5,804,862	6,524,983	18,614,245	21,259,960	28,035,230
Provision for doubtful debts/ (Provision for doubtful debts written back) (net)	1,591,473	5,461,084	13,478,477	5,938,380	-
Bad Debts	-	-	-	-	604,472
Rent	212,518	4,412,428	833,068	13,213,735	16,574,601
Rates, fees and profession tax	21,037	74,550	57,241	330,498	426,506
Legal and professional fees	19,451,723	211,964	87,995,359	21,382,801	33,640,126
Repairs and maintenance					
- Plant and machinery	144,512	175,304	730,499	904,284	940,309
- Others	-	-	-	-	25,152
Commission on sales to other than sole selling agents	2,402,817	-	2,402,817	-	-
Advertisement and sponsorship fees	4,300,190	18,057	14,752,816	17,204,713	22,033,167
Computer consumables	1,478,319	37,266	1,540,463	495,111	1,238,197
Auditors' remuneration	15,146	15,085	52,289	45,373	61,243
Books, memberships, subscriptions	1,624,148	1,647,027	3,192,237	3,405,938	3,315,337
Foreign exchange loss (net)	(209,614)	179,219	6,771,452	363,685	(1,032,913)
Loss on sale of assets (net)	140	-	37,874	-	-
Miscellaneous expenses	1,732,646	1,632,875	4,784,286	5,380,115	9,009,376
	106,999,690	**84,911,151**	**344,444,362**	**278,268,556**	**349,186,751**

NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

22. Earnings per share

		For the quarter ended		For the nine months ended		For the year ended
		December 31, 2016 (In `)	December 31, 2015 (In `)	December 31, 2016 (In ₹)	December 31, 2015 (In ₹)	March 31, 2016 (In ₹)
Basic earnings per share						
Numerator						
Net Profit / (loss) after tax	A	(74,963,349)	92,507,398	(111,272,480)	11,025,594	(104,352,668)
Denominator						
Weighted average number of equity shares	B	2,480	2,480	2,480	2,480	2,480
Basic/Diluted earnings per share (Face value of US $ 0.001 each)	A / B	(30,227.16)	37,301.37	(44,867.94)	4,445.80	(42,077.69)

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23. First-time adoption of Ind-AS

These condensed financial statements, for the quarter and nine months ended 31 December 2016, have been prepared in accordance with Ind-AS. For periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with statutory reporting requirements in India immediately before adopting Ind AS ('previous GAAP').

Accordingly, the Company has prepared condensed financial statements which comply with Ind-AS applicable for period ending on December 31 2016, together with the comparative period data as at and for the period ended December 31, 2015 and March 31, 2016. In preparing these condensed financial statements, the Company's opening balance sheet was prepared as at April 1, 2015, the Company's date of transition to Ind-AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the period ended December 31, 2015 and 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 Company has applied the following optional exemptions:

A. Share based payment transactions
The Company has not applied Ind AS 102, "Share based payment" to equity instruments that vested before the date of transition to Ind AS i.e. April 1, 2015. Accordingly, equity instruments that have vested prior to April 1, 2015 have not been fair valued.

B. Deemed cost
The Company 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
- equity as at April 1, 2015
- equity as at December 31, 2015
- equity as at March 31, 2016
- Profit for the quarter ended December 31, 2015
- Profit for the year ended March 31, 2016

There are no material adjustments to the cash flow statements.

There are no material adjustments to the balance sheet items.

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

Reconciliation of profit

(In ₹)

Particulars	Note	Quarter ended December 31, 2015			Nine months ended December, 2015			Year ended March 31, 2016		
		Indian GAAP	Effect of transition to Ind AS	Ind AS	Indian GAAP	Effect of transition to Ind AS	Ind AS	Indian GAAP	Effect of transition to Ind AS	Ind AS
Income										
Revenue from operations (net)	18	335,839,952	-	**335,839,952**	918,906,117	-	**918,906,117**	1,208,191,867	-	**1,208,191,867**
Other income	19	15,854	-	**15,854**	63,489	-	**63,489**	88,829	-	**88,829**
Employee benefits expense	20.1	83,129,040	4,509,665	**87,638,705**	395,866,750	14,392,129	**410,258,879**	541,372,176	1,749,839	**543,122,015**
Other expenses	20.2 & 21	124,065,188	-	**124,065,188**	434,872,462	-	**434,872,462**	556,956,255	-	**556,956,255**
Profit before tax (A - B)		106,909,282	(4,509,665)	**102,399,617**	(3,295,063)	(14,392,129)	**(17,687,192)**	(12,028,727)	(1,749,839)	**(13,778,566)**
Total tax expense		6,532,181	3,360,038	**9,892,219**	(23,819,462)	(4,893,324)	**(28,712,786)**	91,149,546	(575,444)	**90,574,102**
Net profit		100,377,101	(1,943,880)	**98,433,221**	20,524,399	(9,498,805)	**11,025,594**	(103,178,273)	(1,174,395)	**(104,352,668)**

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24. Contingent liability

a. A US based corporation has filed a suit against the Company, claiming damages for direct and contributory infringement of copyrights and breach of contract. The Company is of the opinion that these claims are without merit. The suit is being defended very vigorously and is currently under discovery stage.

b. On February 29, 2016, the Company, acquired the assets of US based Citrix Systems International GMBH for an upfront consideration of USD 0.04 million. The asset purchase agreement provides for additional consideration, contingent upon certain conditions being met in future years. The contingent consideration would be recorded, as and when the contingency is resolved and the consideration is payable.

25. PTSI is considered as going concern inspite of negative net worth and inability to repay debts on time, based on assurance of continued financial support and assistance from parent company and measures proposed to control loss.

26. Previous period/year comparatives

Corresponding period/year comparative figures are regrouped wherever necessary to conform to current period's classification.

As per our report of even date

For Joshi Apte & Co., **Firm Registration no. 104370W** **Chartered Accountants**	**For and on behalf of the Board of Directors of** **Persistent Telecom Solutions Inc.**	
per C.K. Joshi Partner Membership No. 030428	Dr. Anand Deshpande Director	Narayanan Rajagopalan President and Director
Place: Pune Date: January 19, 2017	Place: Pune Date: January 19, 2017	Place: Santa Clara Date: January 19, 2017

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