

Persistent Systems Germany GmbH

BALANCE SHEET AS AT JUNE 30, 2017

	Note	As at June 30, 2017 (In ₹)	As at March 31, 2017 (In ₹)
ASSETS			
Non-current assets			
Property, Plant and Equipment		-	-
Deferred tax assets (net)		-	-
		-	-
Current assets			
Financial assets			
-Cash and cash equivalents	5	628,145,493	1,732,305
Other current assets	6	108,990	83,753
		628,254,483	1,816,058
TOTAL		628,254,483	1,816,058
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	4	1,833,000	1,833,000
Other equity		(605,506)	(555,669)
		1,227,494	1,277,331
LIABILITIES			
Non- current liabilities			
Financial liabilities			
- Borrowings	7	626,329,300	-
		626,329,300	-
Current Liabilities			
Financial liabilities			
-Borrowings			
-Trade payables	8	15,070	33,055
-Other financial liabilities	9	682,619	505,672
Other current liabilities		-	-
Provisions		-	-
Current tax liabilities (net)		-	-
		697,689	538,727
TOTAL		628,254,483	1,816,058
Summary of significant accounting policies	3		

The accompanying notes form 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 Germany GmbH**

per C. K. Joshi
Partner
Membership No. 030428

Arnaud Pierrel
Director

Jitendra Gokhale
Director

Place: Pune
Date : July 19, 2017

Place: Grenoble
Date : July 19, 2017

Place: Santa Clara
Date : July 19, 2017

CONDENSED STATEMENT OF PROFIT AND LOSS FOR THE QUARTER ENDED JUNE 30, 2017

	Note	For the quarter ended June 30, 2017	For the period ended March 31, 2017
Income			
Revenue from operations (net)		-	-
Total income (A)		-	-
Expenses			
Employee benefits expense		-	-
Cost of technical professionals		-	-
Depreciation and amortization expense		-	-
Other expenses	10	126,200	664,922
Total expenses (B)		126,200	664,922
Profit/(Loss) before tax (A - B)		(126,200)	(664,922)
Tax expense			
Current tax		-	-
Tax charge in respect of earlier years		-	-
Deferred tax Charge/(Credit)		-	-
Total tax expense		-	-
Profit/(Loss) for the period/ year (C)		(126,200)	(664,922)
Other comprehensive income			
Items that will not be reclassified to profit or loss (D)		-	-
Items that will be reclassified to profit or loss (E)			
- Exchange differences in translating the financial statements of foreign operations		76,363	(74,047)
		76,363	(74,047)
Total comprehensive income for the period/ year (C) + (D) + (E)		(49,837)	(738,969)
Earnings per equity share [nominal value of Share EUR 1]			
Basic (In ₹)	11	(5)	(27)
Diluted (In ₹)		(5)	(27)
Summary of significant accounting policies	3		

The accompanying notes form 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 Germany GmbH

per C. K. Joshi
Partner
Membership No. 030428

Arnaud Pierrel
Director

Jitendra Gokhale
Director

Place: Pune
Date : July 19, 2017

Place: Grenoble
Date : July 19, 2017

Place: Santa Clara
Date : July 19, 2017

Persistent Systems Germany GmbH
CASH FLOW STATEMENT FOR THE QUARTER ENDED JUNE 30, 2017

	For the quarter ended June 30, 2017 In ₹	For the period ended March 31, 2017 In ₹
Cash flow from operating activities		
Profit before tax	(126,200)	(664,922)
Adjustments for:		
Change in foreign currency translation reserve	76,363	(74,047)
Operating profit before working capital changes	(49,837)	(738,969)
Movements in working capital :		
Increase in other current assets	(25,237)	(83,753)
Increase in trade payables and current liabilities	158,962	33,055
Operating profit after working capital changes	83,888	(789,667)
Direct taxes paid (net of refunds)		
Net cash generated from/ used in operating activities	(A) 83,888	(789,667)
Cash flows from investing activities	-	-
Net cash (used in) investing activities	(B) -	-
Cash flows from financing activities		
Proceeds from issue of share capital	-	2,016,300
Loan received	626,329,300	505,672
Net cash generated/ used in financing activities	(C) 626,329,300	2,521,972

	June 30, 2017 In ₹	March 31, 2017 In ₹
Net increase in cash and cash equivalents (A + B + C)	626,413,188	1,732,305
Cash and cash equivalents at the beginning of the period/ year	1,732,305	-
Effect of exchange difference on translation of foreign currency cash and cash equivalents	-	-
Cash and cash equivalents at the end of the period/ year	628,145,493	1,732,305
Components of cash and cash equivalents		
Cheques on hand	628,145,493	1,732,305
Cash and cash equivalents as per note 5	628,145,493	1,732,305

Summary of significant accounting policies - Refer note 3

The accompanying notes form 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 Germany GmbH

per C. K. Joshi
Partner
Membership No. 030428
Place: Pune
Date : July 19, 2017

Arnaud Pierrel
Director

Place: Grenoble
Date : July 19, 2017

Jitendra Gokhale
Director

Place: Santa Clara
Date : July 19, 2017

Persistent Systems Germany GmbH
STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED
JUNE 30, 2017

A. Equity share capital (Refer note 4)

(In ₹)

Balance as at April 1, 2017	Changes in equity share capital during the period	Balance as at June 30,2017
1,833,000	-	1,833,000

(In ₹)

Balance as at April 1, 2016	Changes in equity share capital during the period	Balance as at March 31,2017
-	1,833,000	1,833,000

(This space is intentionally left blank)

Persistent Systems Germany GmbH**STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED JUNE 30, 2017****B. Other equity****(In ₹)**

Particulars	<u>Reserves and surplus</u>		<u>Items of other comprehensive income</u>	Total
	Securities Premium	Retained earnings	Exchange differences on translating the financial statements of foreign operations	
Balance as at April 01, 2017	183,300	(664,922)	(74,047)	(555,669)
Addition during the period	-	-	-	-
Net profit for the period	-	(126,200)	-	(126,200)
Other comprehensive income for the period	-	-	76,363	76,363
Balance at June 30, 2017	183,300	(791,122)	2,316	(605,506)

(In ₹)

Particulars	<u>Reserves and surplus</u>		<u>Items of other comprehensive income</u>	Total
	Securities Premium	Retained earnings	Exchange differences on translating the financial statements of foreign operations	
Balance as at April 01, 2016	-	-	-	-
Addition during the period	183,300	-	-	183,300
Net profit for the period	-	(664,922)	-	(664,922)
Other comprehensive income for the period	-	-	(74,047)	(74,047)
Balance at March 31, 2017	183,300	(664,922)	(74,047)	(555,669)

The accompanying notes form 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 Germany GmbH

per C. K. Joshi
 Partner
 Membership No. 030428

Arnaud Pierrel
 Director
 Jitendra Gokhale
 Director

Place: Pune
 Date : July 19, 2017

Place: Grenoble
 Date : July 19, 2017

Place: Santa Clara
 Date : July 19, 2017

1. Nature of operations

Persistent Systems Germany (The Company) incorporated on December 19, 2016 is a wholly owned subsidiary of Persistent Systems Ltd. The Company is specializing in software development.

2. Basis of preparation

The financial statements of the Company have been prepared on an accrual basis and under the historical cost convention. Historical cost is generally based on the fair value of consideration given in exchange of goods and services. The accounting policies are consistently applied by the Company during the year and are consistent with those used in previous year.

Statement of compliance

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

3. Summary of significant accounting policies**(a) Accounting year**

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

(b) Functional currency

The Company's functional currency is EUR.

(c) Use of estimates

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

Critical accounting estimates**i. Property, plant and equipment**

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

ii. Income Taxes

The Company's tax jurisdictions is Germany. Significant judgements are involved in determining the provision for income taxes

iii. Provisions

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.

(This space is intentionally left blank)

(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 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

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
Computers	3 years
Computers - Servers and networks*	3 years
Office equipments	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.

Recoverable amount of intangible under development that is not yet available for use is estimated at least at each financial 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 to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

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

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

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

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

Any financial asset which does not meet the criteria for categorization as financial 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 – "Financial Instruments" are satisfied. Gains or losses on liabilities held for trading are recognized in statement of profit and loss. Fair value gains or losses on liabilities designated as FVTPL attributable to changes in own credit risk are recognized in other comprehensive

income. All other changes in fair value of liabilities designated as FVTPL are recognized in the statement of profit and loss. The Company has not designated any financial liability as at FVTPL.

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

(i) 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 year they occur.

(j) 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.

(k) 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:

(This space is intentionally left blank)

(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.

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

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

Conversion

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

Exchange differences

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

(l) 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 Federal Central tax Office (Bundeszentralamt für Steuern), Germany. 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 the 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.

(m) 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.

(n) Provisions

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on the best estimate required to settle the obligation at the reporting date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(o) Contingent liabilities

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

(p) Cash and cash equivalents

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

(This space is intentionally left blank)

4. Share capital

	As at June 30, 2017	As at March 31, 2017
Authorized shares		
25,000 (Previous period: 25,000) equity shares of EUR 1 each	EUR 25,000	EUR 25,000
	EUR 25,000	EUR 25,000
Issued, subscribed and fully paid-up shares		
25,000 (Previous period: 25,000) equity shares of EUR 1 each	₹ 1,833,000	₹ 1,833,000
Issued, subscribed and fully paid-up share capital	₹ 1,833,000	₹ 1,833,000

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

The reconciliation of the number of shares outstanding and the amount of share capital is set out below:

	As at June 30, 2017		As at March 31, 2017	
	No of shares	Amount	No of shares	Amount
Number of shares at the beginning of the year	-	-	-	-
Add : Issued during the period	EUR 25,000	1,833,000	EUR 25,000	1,833,000
Number of shares at the end of the period	EUR 25,000	1,833,000	EUR 25,000	1,833,000

b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of EUR 1 per share. Each holder of equity shares is entitled to one vote per share.

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

(This space is intentionally left blank)

NOTES FORMING PART OF FINANCIAL CONDENSED STATEMENTS

5. Cash and bank balance

	As at June 30, 2017 (In ₹)	As at March 31, 2017 (In ₹)
Cash and cash equivalents as presented in cash flow statement		
Cheques on hand	1,842,145	1,732,305
Balances with banks		
On current accounts	626,303,348	
	628,145,493	1,732,305

6. Other current assets

	As at June 30, 2017 (In ₹)	As at March 31, 2017 (In ₹)
Other advances (Unsecured, considered good)		
VAT receivable	108,990	83,753
	108,990	83,753

7. Non-current financial liabilities : Borrowings

	As at June 30, 2017 (In ₹)	As at March 31, 2017 (In ₹)
Unsecured		
Borrowings from holding company		
- Persistent Systems Ltd.	626,329,300	
(Repayment Terms : After Thirty six months)		
(Rate of interest: EURIBOR)		
Add: Interest accrued but not due on term loans	-	
	626,329,300	-

8. Trade payable

	As at June 30, 2017 (In ₹)	As at March 31, 2017 (In ₹)
Trade payables for goods and services	15,070	33,055
	15,070	33,055

9. Other current financial liabilities

	As at June 30, 2017 (In ₹)	As at March 31, 2017 (In ₹)
Advance from related parties (Unsecured, considered good)		
-Persistent Systems Limited	682,619	505,672
	682,619	505,672

(This space is intentionally left blank)

NOTES FORMING PART OF FINANCIAL CONDENSED STATEMENTS**10. Other expenses**

	For the quarter ended June 30, 2017	For the year ended March 31, 2017
Rent	48,831	-
Legal and professional fees	52,335	649,922
Auditors' remuneration	-	15,000
Miscellaneous expenses	25,034	-
	126,200	664,922

(This space is intentionally left blank)

NOTES FORMING PART OF FINANCIAL CONDENSED STATEMENTS

11. Earnings per share

Particulars		For the quarter ended	For the period ended
		June 30, 2017 (In ₹)	March 31, 2017 (In ₹)
Basic earnings per share			
<u>Numerator</u>			
Net Profit / (loss) after tax	A	(126,200)	(664,922)
<u>Denominator</u>			
Weighted average number of equity share	B	25,000	25,000
Basic/diluted earnings per share (Face value of EUR 1 each)	A / B	(5)	(27)

(This space is intentionally left blank)

12. Contingent liabilities

The Company does not have any contingent liability as on June 30, 2017 (previous period/ year: ₹ Nil).

13. Previous period comparatives

Since Persistent Systems Germany GmbH is incorporated on December 19, 2016, corresponding period/ year comparatives are not presented.

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 Germany GmbH

per C.K. Joshi
Partner
Membership No.030428
Place: Pune
Date: July 19, 2017

Arnaud Pierrel
Director

Place: Grenoble
Date: July 19, 2017

Jitendra Gokhale
Director

Place: Santa Clara
Date: July 19, 2017
